

West Michigan Science & Technology Initiative



Where science gets down to business:

For Immediate Release

The West Michigan Science & Technology Initiative is Named Statewide Reviewer for Life Science Funding Requests through New Program

Grand Rapids, Mich., May 20, 2009 –The West Michigan Science & Technology Initiative today announced that it has been selected to review and approve applications from life science companies for micro-loans through the Michigan Pre-Seed Capital Fund. The Michigan Pre-Seed Capital Fund Micro Loan program was developed to support high-tech, high-growth start-up companies in four technology sectors (advanced automotive, manufacturing and materials; alternative energy; homeland security and defense; and life sciences) throughout Michigan as they near commercial viability.

The Michigan SmartZonesSM consortium and the Michigan Economic Development Corporation's Strategic Economic Investment and Commercialization (MEDC/SEIC) board established the fund to accelerate company development by providing access to early-stage capital during the critical stage when entrepreneurs are developing their businesses to the point of readiness for outside investment and sales.

The Initiative will review life science submissions selected by each of Michigan's 15 SmartZones. The organization will then make a recommendation whether or not to award funding. The funding review criteria will assess if the applicant has the potential to become a viable, robust, Michigan-based business, and could ultimately repay the micro loan.

"This is a great opportunity for entrepreneurs and companies across the state, and will help to grow the role life sciences plays in Michigan's overall economic health," said Linda Chamberlain, executive director of the Initiative. "Being selected to review proposals for life sciences companies at such a critical phase in their development is a privilege."

The Michigan Pre-Seed Capital Fund, a collaborative effort of Michigan's 15 SmartZones, is an equity fund that invests in high-tech, high-growth start-up companies throughout Michigan to support business formation and acceleration. Nearly \$1 million is available through the new Micro Loan program with loans available from \$10,000 to \$50,000.

To qualify for the Michigan Pre-Seed Capital Fund Micro Loan program the company must be in one of four identified technology sectors, have sponsorship from its local SmartZone and meet the definition of a small business according to the Small Business Association. The loan can be used to further flesh out a competitive analysis, prepare financial *pro formas*, develop plans to cross regulatory hurdles, finish a prototype, complete a market study, travel to customers or partners, or other issues that are typically required by investors before they will invest.

"Emerging businesses still in the 'investigation stage' often require small infusions of capital. A small amount of funding can provide a company with the resources needed to complete the critical milestones required to make it more attractive to equity investors or achieve first sales," said Chamberlain. "With the addition of the Micro Loan program, the Pre-Seed Capital Fund is now able to extend its reach to those companies that are past the personal and 'friends & family' funding, but not quite ready for true pre-seed or venture capital funding."

To date, the Michigan Pre-Seed Capital Fund has invested in 34 companies expected to create at least 600 new jobs over the next three years.

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About the Michigan Pre-Seed Capital Fund

The Michigan Pre-seed Capital Fund was established by a consortium of Michigan SmartZones and the 21st Century Job Fund to accelerate company development by providing access to early-stage capital. These funds are designed to extend the personal investment of entrepreneurs during the critical stage when they are developing their businesses to the point of readiness for outside investment. The focus is on companies that are creating the newest technologies in the following competitive areas: advanced automotive, manufacturing and materials; alternative energy; homeland security and defense; and life sciences. For more information, visit www.annarborpark.org/start-ups/pre-seed-fund.

About the West Michigan Science & Technology Initiative

The West Michigan Science & Technology Initiative (<http://www.wmsti.org>) was founded by Grand Valley State University, Van Andel Research Institute, the City of Grand Rapids, Grand Rapids Community College, The Right Place, Inc., and health care providers and educators. The Initiative is dedicated to creating an environment that advances innovation and supports the commercialization of life science and technology. Since its inception, the Initiative has assisted more than 300 clients annually in commercialization of new products, including funding through receipt of more than \$9 million in federal and state grant awards.

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