

Fostering Innovation: Bridging Academia and Industry at MIT

Jerome Smith, Co-Director MIT Venture Mentoring Service

Overview of MIT

MIT Killian Hall



Facts

- MIT is a world-class educational institution
- Focus on teaching and research—with relevance to the practical world
- Accepted its first student in 1865
- 4,232 undergraduates and 6,152 graduate students
- 3,150 students -- nearly 1/3rd -- from 117 other countries

Overview of MIT, continued

Aerial of the MIT Campus



Mission

The mission of MIT is to advance knowledge and educate students in science, technology, and other areas of scholarship that will best serve the nation and the world in the 21st century.

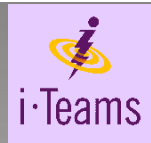
MIT Entrepreneurial Ecosystem

Student

Academic

Commercialization

Alumni



MIT VMS History

- **Founded in 2000**
- **> 1500 entrepreneurs served**
- **> 850 ventures served**
- **> \$825 million raised by ventures**

MIT VMS is an educational program, based on the belief that a fledgling business is far more likely to thrive when an entrepreneur with an idea can draw on the advice and guidance of a group of mentors with proven skill and experience.

Goals of VMS

- **Supports entrepreneurial activities within the MIT community**
- **Furtheres the educational mission of MIT and bridges the worlds of academia and business**
- **Strengthens MIT's role as a world leader in innovation**
- **Broadens MIT's base of potential support (alumni/mentors)**

Goals of VMS, continued

- **Educates aspiring entrepreneurs about the venture creation process**
- **Develops entrepreneurial leadership**
- **Builds a vibrant community of experienced business mentors**

The Need

- **Current economy puts additional demands on new ventures**
- **Speed of current product-to-market cycle means entrepreneurs have little time to learn**
- **Technologies emerging from university labs need help to reach marketplace**
- **Need for effective leadership among entrepreneurs to keep the global economy growing**

VMS Mentoring is Based on Two Basic Concepts

1

A fledgling venture is more likely to thrive when an idea, good business planning, and an entrepreneur are matched with proven skills and experience

2

Successful entrepreneurs can be motivated to “give back” as mentors – and find the experience compelling and rewarding

The MIT Community

- Undergraduate Students
- Graduate Students
- Alumni
- Faculty
- Staff

What Makes VMS Successful?

- **Focus on professional education: learning by doing**
- **Leverage MIT's education mission, reputation, and resources**
- **High mentor quality through personal referrals and rigorous screening**
- **Strict ethical guidelines for mentors and entrepreneurs that creates an unbiased process**
- **Team mentoring builds a culture of quality, collegiality and trust**

VMS Guiding Principles

- **Guides MIT VMS operations**
- **Places interest of entrepreneurs and MIT foremost over those of mentors and staff**
- **Mentors are required to subscribe, in writing, to the principles**

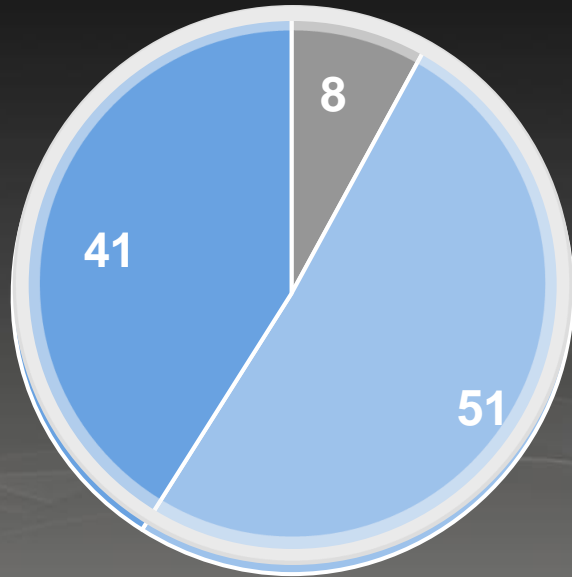
VMS Key Guiding Principles

- **Mentors and entrepreneurs shall adhere to and operate within MIT policies**
- **Students shall be encouraged to stay in school**
- **Mentors may not invest in ventures they are currently mentoring**
- **Any initiative pertaining to an operational or consulting role for a mentor must come from the venture**

VMS Key Guiding Principles, continued

- **VMS staff and mentors will maintain strict confidentiality concerning proprietary information**
- **Mentors shall remain vigilant regarding any potential conflict of interest**

VMS Venture Demographics



□ Faculty and Staff □ Students □ Alumni

Ventures by Affiliation - 2010

- 8% Faculty and Staff
- 41% Students
- 51% Alumni

VMS Entrepreneur Eligibility

- **MIT students, alumni, faculty and staff who are connected to a venture as the Founder, Principal or Executive**
 - No “token” MIT participants
- **Serving only the MIT community in the greater Boston area**
- **Entrepreneurs must demonstrate that they are serious about their venture**
 - No “Just Business Plan Competitions”
 - No “Just Funding”
- **Nature of business must be legal**
- **VMS does not pick winners**

How Does VMS Work for Entrepreneurs?

- **Services are free and confidential – no conflict of interest, no strings attached**
- **Commitment to an entrepreneur is long-term**
- **Ventures/entrepreneurs are screened, assessed, and receive a lead mentor/mentor team**
- **Entrepreneurs have access to a wide variety of professional resources, contacts, skills and seminars**
- **Entrepreneurs determine pace, drive communications**
- **Entrepreneurs sign waiver of liability for MIT and mentors**

Venture Intake Process

To assess seriousness and readiness for mentoring

Phone Interview

Enroll and Introduction

Ventures sign agreement and are introduced to mentors

Starts with two mentors, assess and begin mentoring

1st Meeting (2 mentors)

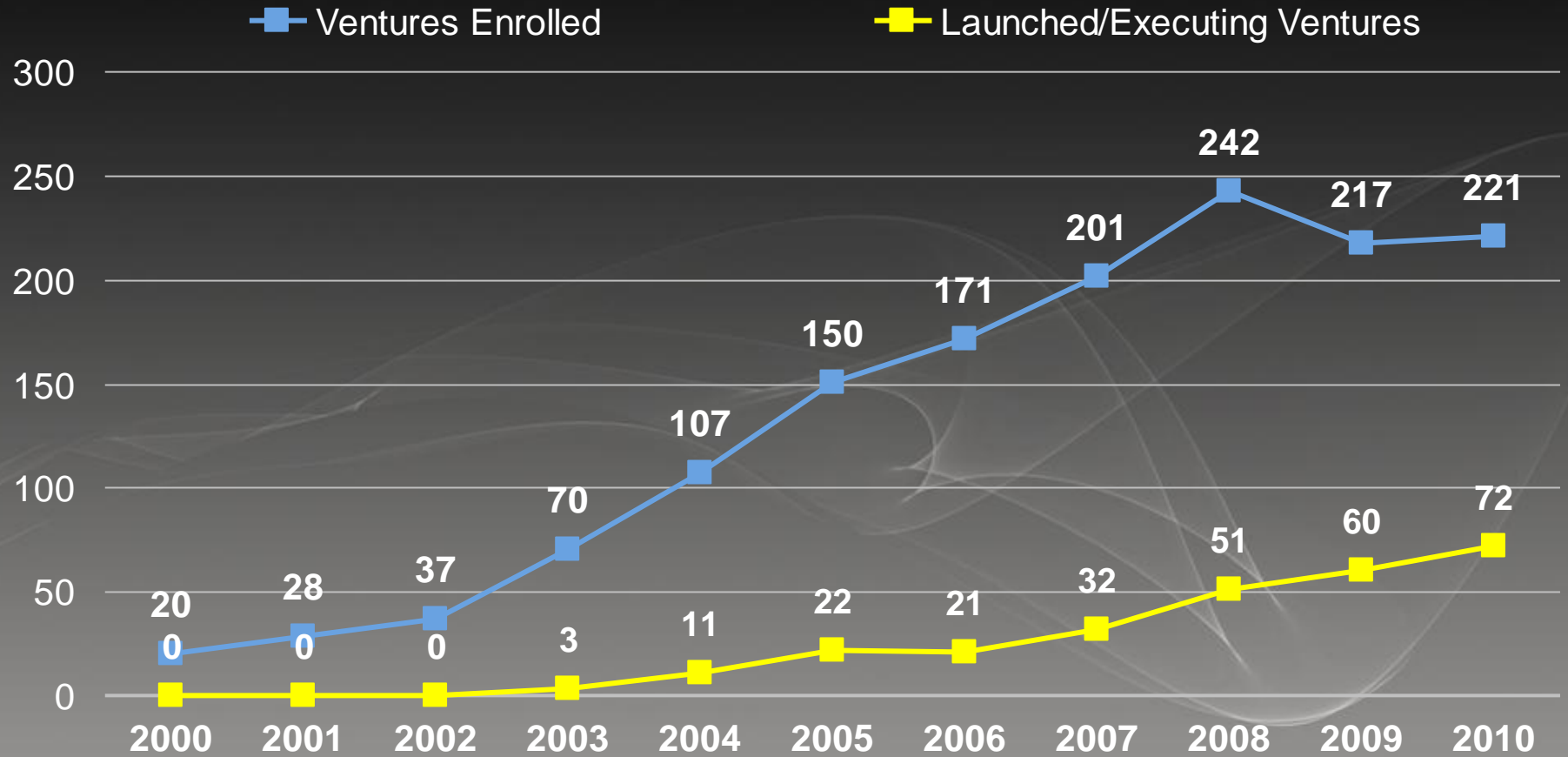
Keep venture moving forward, add/subtract or change mentor team members as needs develop

Ongoing Meetings + mentors

The mentoring continues, but different (less frequent contact)

Launched/ Executing

VMS Venture Activity



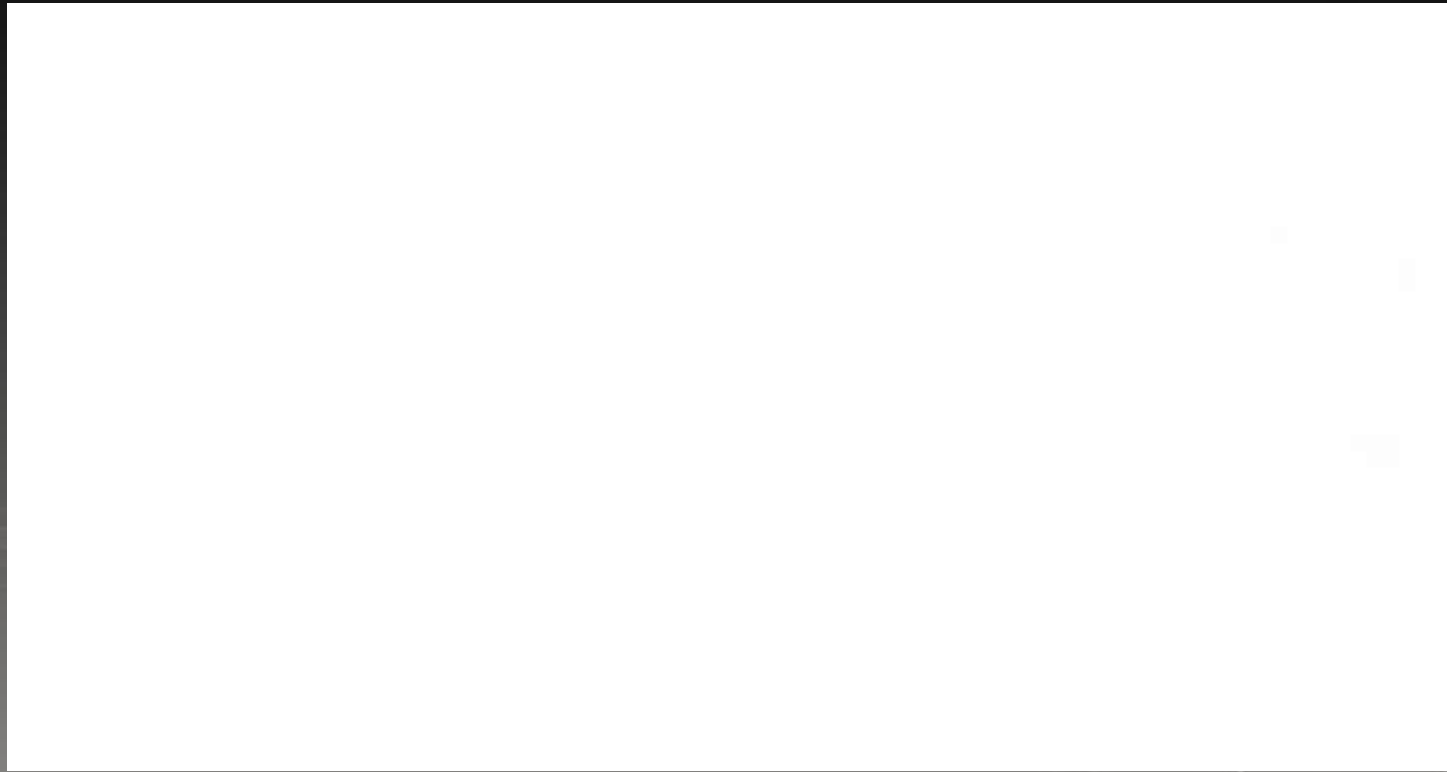
VMS Entrepreneur – Gauri Nanda, Founder and CEO Nanda Home

“Starting a business can be frightening because everything is new. You need people like VMS mentors to bounce ideas off of.”



- A student at MIT’s Media Lab
- Creator of the first roaming alarm clock
- Approached MIT VMS for assistance with:
 - Patent Issues
 - Manufacturing
 - Distribution
 - Sales

VMS Entrepreneur – Nanda Home “Tocky”



VMS Entrepreneur - Terrafugia



- MIT trained aeronautical engineers and MBA's
- Designed and developed the roadable aircraft

VMS Entrepreneur - Terrafugia

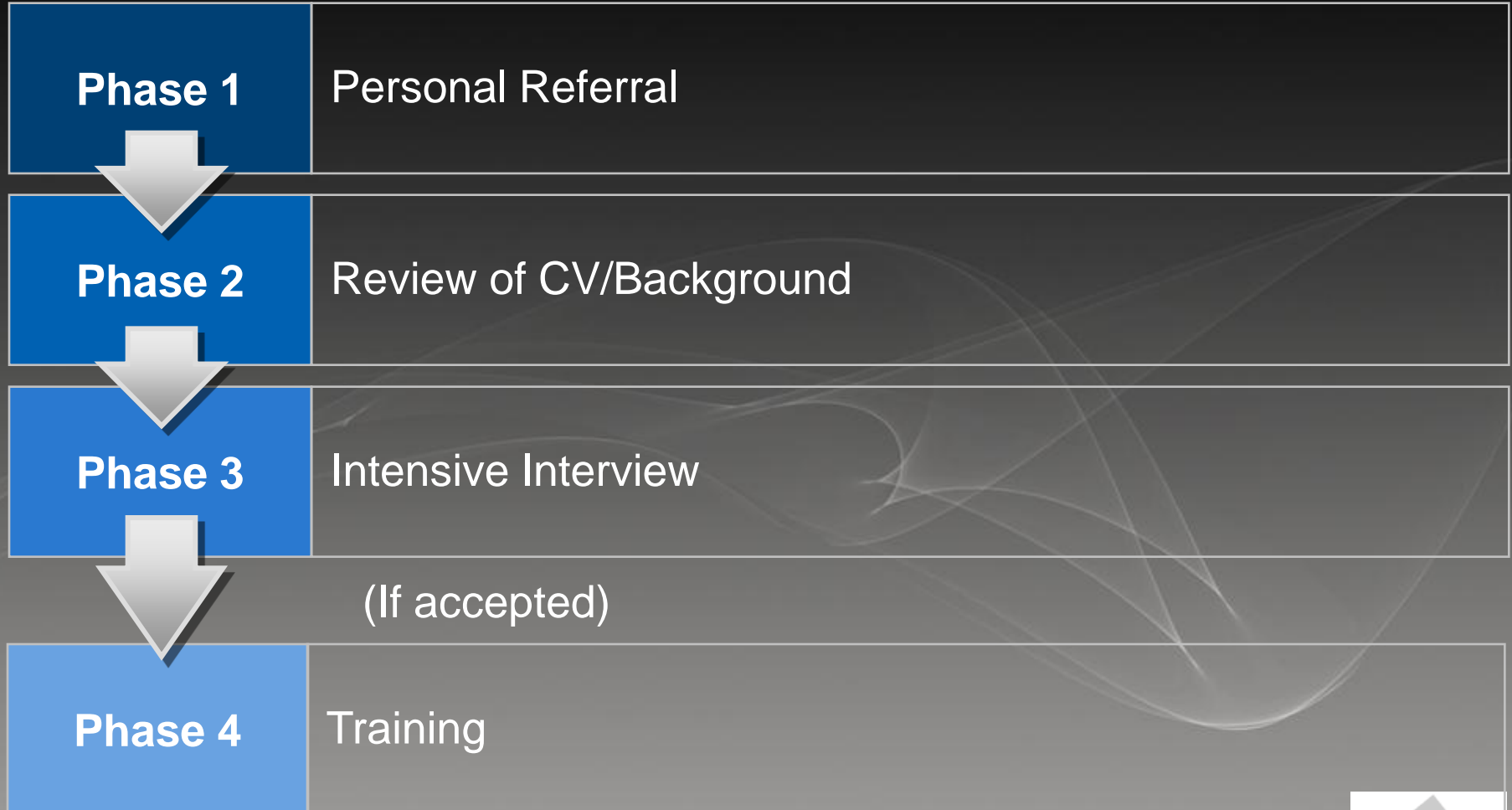
The VMS Mentors

- **55% with an MIT background**
- **Most with startup experience**
- **Broad range of:**
 - Backgrounds
 - Technical and industry experience
 - Business expertise

Monthly Meeting Sessions

- **The Monthly Meeting Sessions fulfill the following purpose/functions:**
 - Opportunity for mentors to network
 - Primary place where mentors volunteer to join a venture mentoring team
 - Mentors receive updates and status checks on ventures
 - Staff informs mentors of current events and make announcements
 - Ventures can be showcased

VMS Mentor Selection/Training



How Does VMS Work for Mentors?

Commitment

- Rigorous screening and orientation
- Minimum of 1-2 mentoring sessions per month
- Self select ventures
- Attend Monthly Meeting to review active ventures, be introduced to new ventures, and to network

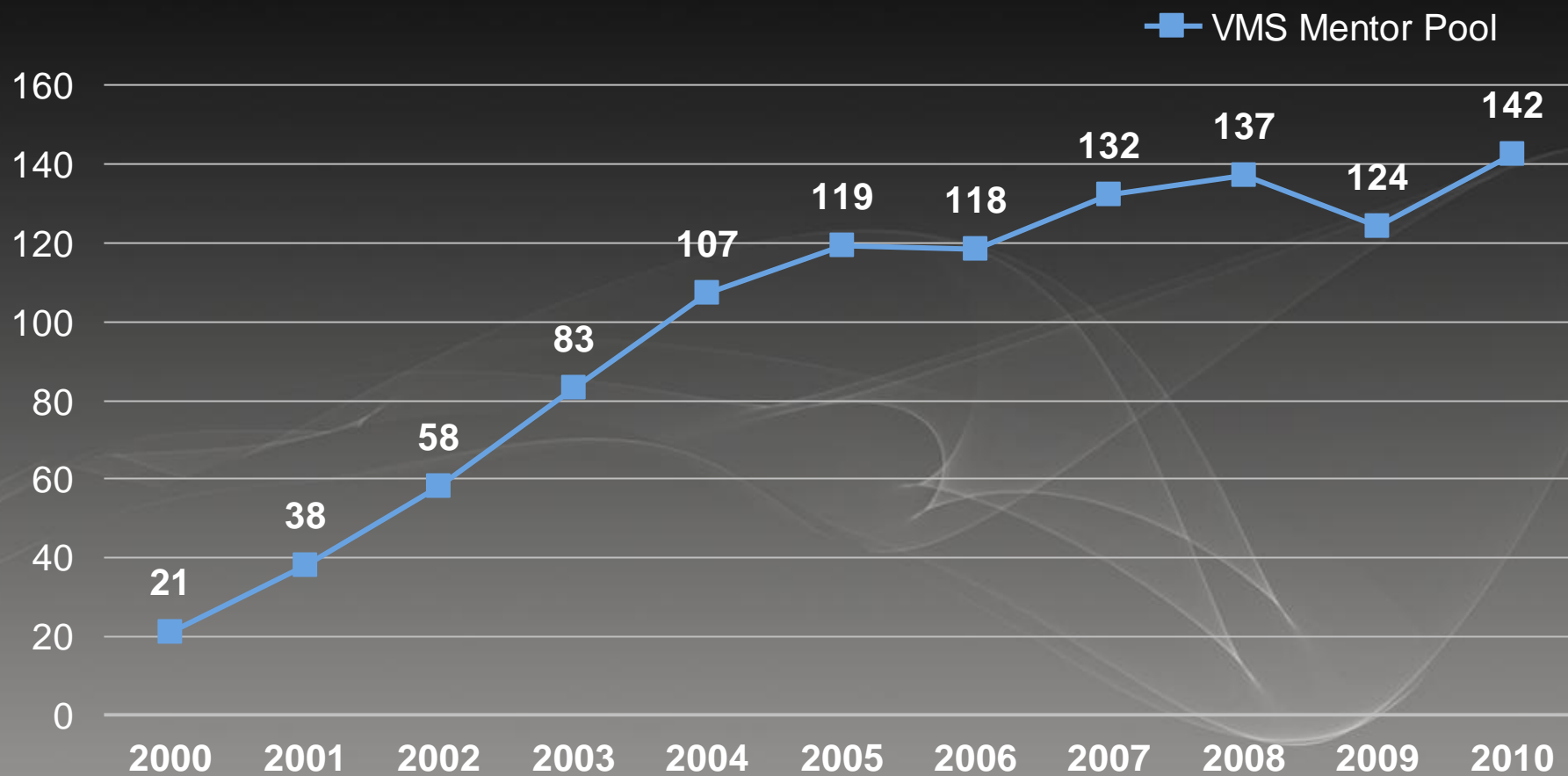
Role

- Listen, advise, suggest, supply contacts, act as role model

Rewards

- Satisfaction of giving back
- Networking
- Exposure to young ideas, technologies, and entrepreneurs

VMS Mentor Pool



Mentor Qualifications/Characteristics

- **Positive attitude**
- **Good listener**
- **Enthusiasm for the program**
- **Time to participate**
- **Respected by colleagues - role model**
- **Has significant experience**
- **No personal agenda**
- **Ability to advise and coach**
- **Comfortable with team mentoring**

Lead Mentor Roles

- **Primary interface between venture and mentoring service**
- **Ensure meetings are timely, productive for both ventures and mentors, action items set before concluding**
- **Check in on entrepreneurs between meetings as primary VMS contact**
- **Keep the VMS staff informed of significant developments and any problems**

Lead Mentor Roles, continued

- **Overseeing mentor team interactions with the entrepreneur(s) and assuring that VMS and MIT guidelines are followed**
- **May need to adjust mentor team as new skills needed for venture**
- **Lead Mentor is especially important when venture is launched**
 - Maintaining the connection – periodic contact / major updates
 - Unbiased Ear – sometimes will need outside advice
 - Call for special sessions – sometimes needed as approach major transitions

Mentor Engagement and Retention



- Select ventures of interest
- Set their own schedule
- Opportunities for additional activities within VMS and MIT
- Collegiality and opportunities to network

Types of Mentoring

**Conception/
Brainstorming**

Business Planning

**Launched/
Executing**

Idea
Idea Expansion Validation **Evidence**
Building Launchable **Full Time** **Growth**

Small Team

Larger Mentor Team

1 on 1/Special Teams

Special Mentoring Sessions

- **Brainstorming**
- **Investor “pitch scrub”**
- **Technology Scrub**
- **PinPoint Consultation**
- **Crisis Counseling**

The Key: Building Trust

- **No Strings Attached**
 - Unbiased advice
- **Arm's Length**
 - Guard against any possible question of conflicts of interest
- **Confidentiality**
- **Entrepreneur's Best Interests**
 - While adhering to guidelines of VMS and MIT

Important Dynamics

- **Mentor advice is candid and direct**
- **Lead mentor may need to monitor or temper advice**
- **Acknowledge that mentors might disagree as a result of their experiences or areas of expertise**
- **Safe haven vs. Board of Directors**

Summary

- MIT VMS is based on the belief that:
 - *a fledging venture is more likely to thrive when an idea, good business planning and an entrepreneur are matched with proven skills and experience*
- Mentors find it compelling and rewarding
- Mentoring works best when un-biased and no strings attached
- Entrepreneurs value mentoring relationship

Venture Mentoring Programs Modeled After MIT VMS

Academic Institutions

- Boston University
- Chicago Innovation Mentoring
- Duke University
- Florida International University
- MIT Club of Northern California
- Northeastern University
- University of Manitoba
- University of Miami
- University of Pittsburgh
- University of Wisconsin, Madison
- Yale University
- EPFL - Switzerland

Economic Development Groups

- British Columbia Innovation Council
- Council for Entrepreneurial Development – North Carolina
- Innovate St. Louis
- MaRS Discovery District, Toronto
- NYC Economic Development Consortium

Contact: Jerome Smith, Co-Director

Email: jeromesmith@mit.edu