

## Nomination Form: 5739

Chambers, Bryan

### Page: Nomination Form

#### Nominee's First & Last Name (or contact name for nominated company)

Chambers, Bryan

#### Nominee's Business Title

UT Dallas

#### Nominee's Company Name

UT Dallas

Please select the nomination category

#### Category

Investment Catalyst

- The investment transaction has occurred since January 2017.
- The source of the investment capital may be from either the public sector, private capital, and/or a public-private partnership.
- The investment may be a strategic investment, debt, equity and/or risk capital investment, buyout, or economic stimulus investment.
- The investment may be in a new research lab, foundry, plant, technology incubator, and/or technology innovation resource center.
- Nominees must demonstrate significant job creation, early-stage technology investment, fund creation, harvesting of investments with significant financial returns, investment in innovation or an investment that increases capital flow within the region.

#### As part of the selection process, nominations will be judged on the following criteria:

- How the nominee created and/or supported the investment climate. (25%)
- The nominee's financial leadership in identifying opportunities, achieving corporate consensus and support for projects, assuring that their team has resources required for success, and the investment provides a sustainable competitive advantage for the companie(s) in the North Texas region. (25%)
- The impact the financial investment(s) will create, and evidence of results to date. (50%)

**While the nominee's company does not have to be located in North Texas, were the nominee's investment(s) made in North Texas?**

Yes

**1. Describe briefly the nominee's business and industry sector.**

1. From "AH HA" to "Venture Backed"... only at UT Dallas.
2. Supporting experiential education and UT Dallas affiliated startups through direct financial support.
3. The UTD Seed Fund plays a critical role in inspiring students and fostering an innovation ecosystem.

The UT Dallas Seed Fund was officially launched in January of 2017 as a program to grow and expand the existing ecosystem and offerings to enable UT Dallas affiliated technology startups. The UT Dallas Seed is both a forward-looking and innovative program and course (more like a practicum) that enables entrepreneurial and finance students to directly participate in the process leading to seed investments or grants in high-potential startups by engaging in a rigorous due diligence process that leads to initial investment and grant funding. Investments and/or grants made to UT Dallas student, faculty, and alumni startups can range from \$10,000 to \$100,000 in funding per company depending upon the needs and success of the business.

The Seed Fund Support practicum offers a highly differentiated and experiential course that uniquely combines venture capital investing with education. As of Fall 2017 the Seed Fund is a course that is offered as an elective to both undergraduate and graduate students and administered by Bryan Chambers at the Blackstone LaunchPad and Innovation and Entrepreneurship Academic Program at UT Dallas. The course supports overall program activity of the UT Dallas Seed Fund, a UTD development office fund, structured under the Institute for Innovation and Entrepreneurship (IIE). The UT Dallas Seed Fund aims to fund at least one startup per semester.

The course is designed to evaluate investment risks and upside of early-stage technology-enabled business models. The course utilizes a structured investment strategy and due diligence methodology that requires comprehensive student involvement. Business assumptions and performance metrics are evaluated utilizing primary and secondary market research, interviews with users/customers and other industry professionals, in addition to field-testing and site visits.

This experiential class allows students to serve as venture analysts, whose role include:

- Identifying and curating startup applicants
- Initial screening and evaluation of applicant businesses
- Conducting due diligence and risk assessments
- Analyzing deal structures and valuations
- Making investment recommendations to the Seed Fund Supervisory Committee
- Providing an updated valuation report of fund investments
- Supporting existing portfolio companies in any way possible to ensure their success.

At the beginning of each semester, this practicum and class will complete an investment research report as well as coordinate a funding application process for UTD Startups which includes an initial screening and due diligence of the applicants. Subsequently, the eligible startups will pitch to the student venture analysts, enter a formal due diligence process, present to the advisory committee, and provide sufficient information for student venture analysts to complete their program objectives and deliverables. Upon selection for funding, companies receiving a UT Dallas Seed Fund grant will sign a Memorandum of Understanding with the Seed Fund Director and Chairman, active through the life of the company.

## **2. Explain how the nominee created and/or supported the investment climate. (25%)**

Bryan Chambers, Director of the Seed Fund, created and personally donated to a new endowed development structure formed in partnership with the Jindal School of Management whereby the School of Management will match 100% of funds donated to the program. The program accepts donations \$10,000 and higher and now includes an impressive list of entrepreneurs, angel investors, and venture capitalists who believe in the mission, vision, and impact of the UT Dallas Seed Fund. As of the end of 2017 the program had raised \$350,000 to support UT Dallas Startups. While most venture capital funds operate with a 2% annual management fee and a 20% carried interest performance fee, the UT Dallas Seed Fund program is designed with a 0% / 0% model, functioning more as a vehicle for economic development and creation with the ultimate aim to educate students on the business of venture capital and financially support/produce the next great startups in the greater North Texas region.

Overall, the objective of this course and program is to evaluate the risks and upside potential of early stage investments, and, by the end of the course, present a qualified investment recommendation. To this end, the specific course objectives that establish the course requirements, climate and framework include:

1. Students will read "*Angel: How to Invest in Technology Startups—Timeless Advice from an Angel Investor Who Turned \$100,000 into \$100,000,000*" and engage in an in-class investor discussion.
2. Students will evaluate various early stage investment methodologies by conducting and initial research report comparing the advantages and disadvantages of various early stage investment structures.
3. Students will apply a structured due diligence methodology to evaluate eligible startups.
4. Students will meet with Startup business owners to evaluate business models and identify the key assumptions in each business to evaluate both upside potential and risk.
5. Students will conduct both primary and secondary research to when evaluating a startup through interaction with existing and/or prospective customers and other industry professionals.
6. Students will gain insight and perspective on their target industry by interviewing industry investors.
7. Students will develop a comprehensive investment analysis and recommendation to the UTD Seed Fund.
8. Students will develop and complete a valuation report based on participant businesses.

**3. Describe the nominee's financial leadership in identifying opportunities, achieving corporate consensus and support for projects, assuring that their team has resources required for success, and how the investment provides a sustainable competitive advantage for the companie(s) in the North Texas region. (25%)**

Since the inception of the UT Dallas Seed Fund (Jan 2017);

- faculty and student teams evaluated 83 university-affiliated startups,
- of which 31 were deemed competitive / qualified,
- 12 were seriously considered
- 4 were successfully funded.

The teams included a total of eighteen undergraduate and three graduate students. Both engineering and management schools were represented on each of the teams, allowing for more holistic review of candidates.

The fund consulted with Dallas area venture capital firms including JF2 Capital, Intelis Capital, Interlock Partners, Naya Ventures, and Perot Jain to further enhance the quality of its due diligence process and community engagement as well as to better structure our final recommendations.

**4. Describe the impact the financial investment(s) will create and provide evidence of results to date. (50%)**

The UT Dallas Seed Fund has invested a total of \$125,000 (via grants) in four business:

- ShearShare (\$25,000)
- Cosmunity (rebranded to FanGuru) (\$25,000)
- EverThread (\$50,000)
- Collbox (\$25,000)

More importantly the UT Dallas Seed Fund has contributed capital at perhaps the most critical times in these company's lifecycles, helping each company with a specific and critical use of proceeds to help achieve product development, customer validation, and sales. After UT Dallas seed Fund's investment, portfolio companies have raised over \$3MM in follow on capital including from notable investors such as Capital Factory and Steve Case's (Founder of AOL) Revolution Fund.

## 5. Additional comments related to nomination.

Relevant links include

<https://innovation.utdallas.edu/seed-fund>

UT Dallas Seed Fund recognized by funding community as early stage investor

Shear Share wins Capital Factory's \$100k Dallas Investment Challenge

Shear Share recognized by Fast Company

UT Dallas Seed Fund recently awards \$50k to EverThread (Fall 2017 Semester)

Celebrity Orlando Jones joins Cosmunity/FanGuru Team

<https://www.bizjournals.com/dallas/news/2017/08/24/former-entrepreneur-investing-skills-in-next.html>

<https://dallasinnovates.com/utd-seed-fund-offers-startup-capital-entrepreneurs/>

<https://dallasinnovates.com/utd-creates-seed-fund-for-startups/>

**Attach an optional document related to the nomination. (i.e. video, powerpoint, website) Judges may or may not review it.**

No File Uploaded