

New Ventures and Conflicts of Interest

Andrew Pollock

Interim Executive Director



OFFICE OF TECHNOLOGY
COMMERCIALIZATION
The UNIVERSITY *of* OKLAHOMA

Launching a University Start-up

- Exciting New Challenges
- Financial Independence
- Translates University Innovation
- Create Lasting Impact by Improving Lives
- Recognition and Distinction to Inventor and University
- Contribute to Economic Development

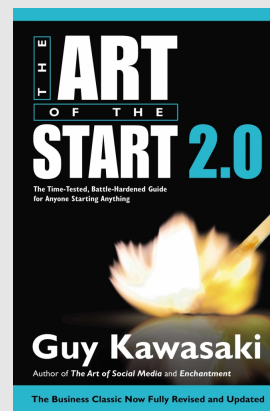
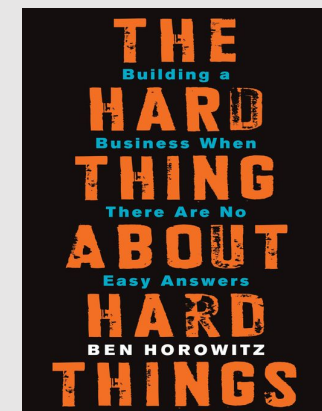
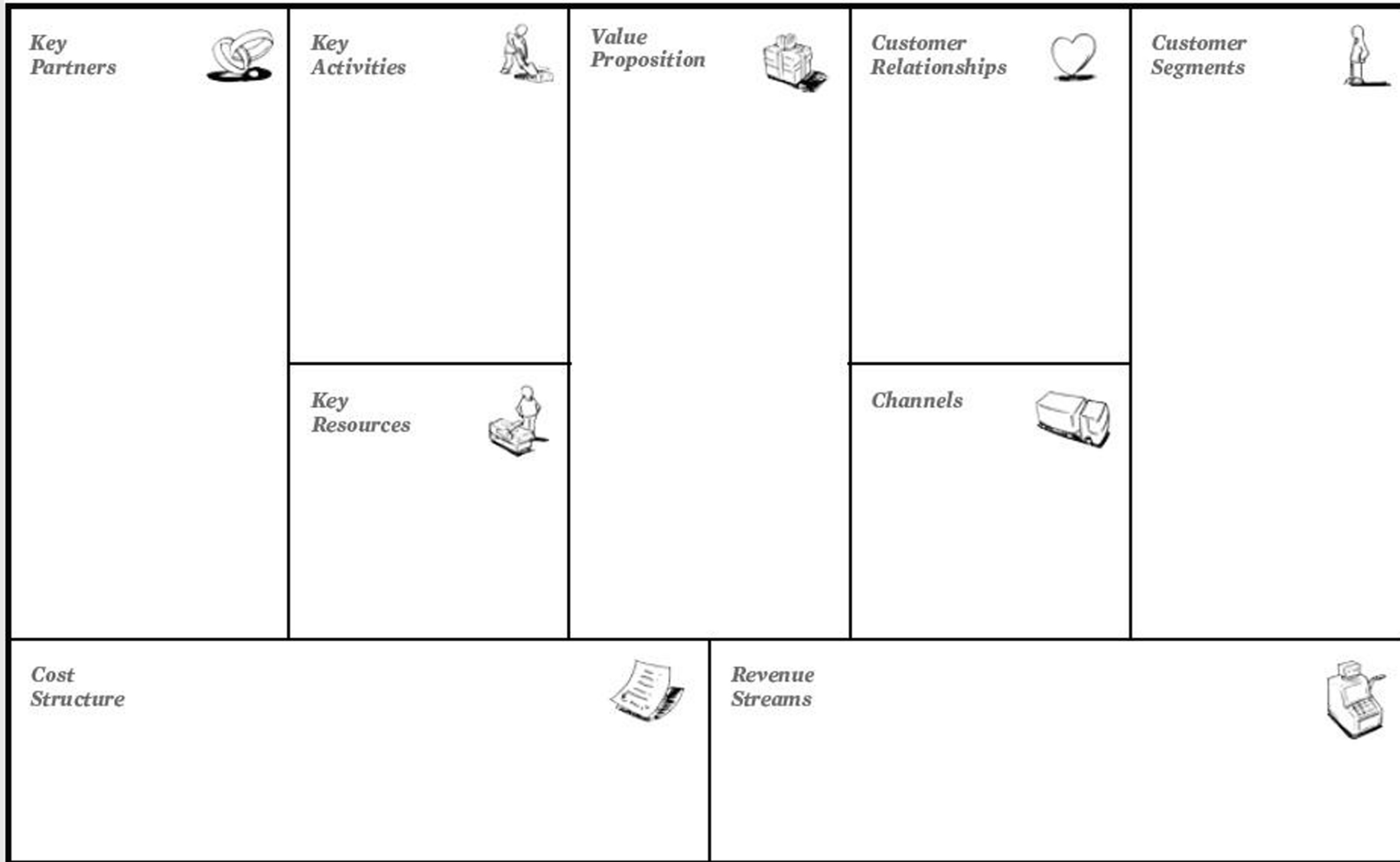


Four Types of Risk

- Technical Risk
- Market Risk
- Capital Risk
- Management Risk



Business Model Canvas/ Lean Launch

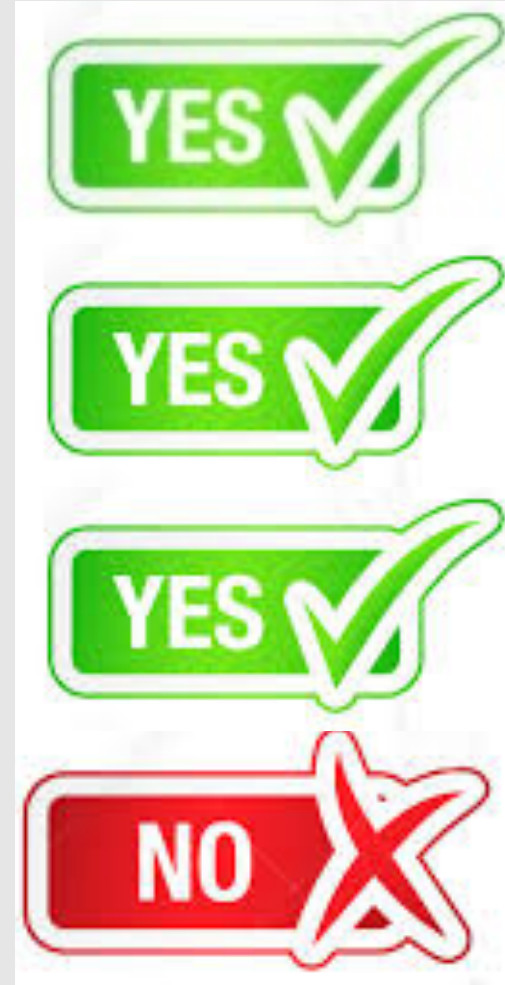


Resources



Why am I incorporating?

1. I have evidence that my company will make more money than it spends.
2. I am ready to ship or sell something to a third party.
3. I will incur (potential) liabilities for this commercial purpose.
4. I am incorporating only to seek research funding.



So What
Now?

- Seek Outside Professional Help
 - Legal
 - Accounting
 - Operational



Decisions to be made before incorporating:

- What form of corporation?
 - S-Corp; C-Corp; Sole Proprietorship; LLC.
- Who are the owners? In what proportion?
 - Are they Friends? Family?
- How will we pay ourselves?
 - How much time will it really take and at what cost?
- Where is the office?
 - Physical presence; Digital presence.
- Do you have Freedom to Operate?
 - Get a license to your technology

So What Now?

- Seek Outside Professional Help
 - Legal
 - Accounting
 - Operational
- Initiate a COI Plan with your Department Chair

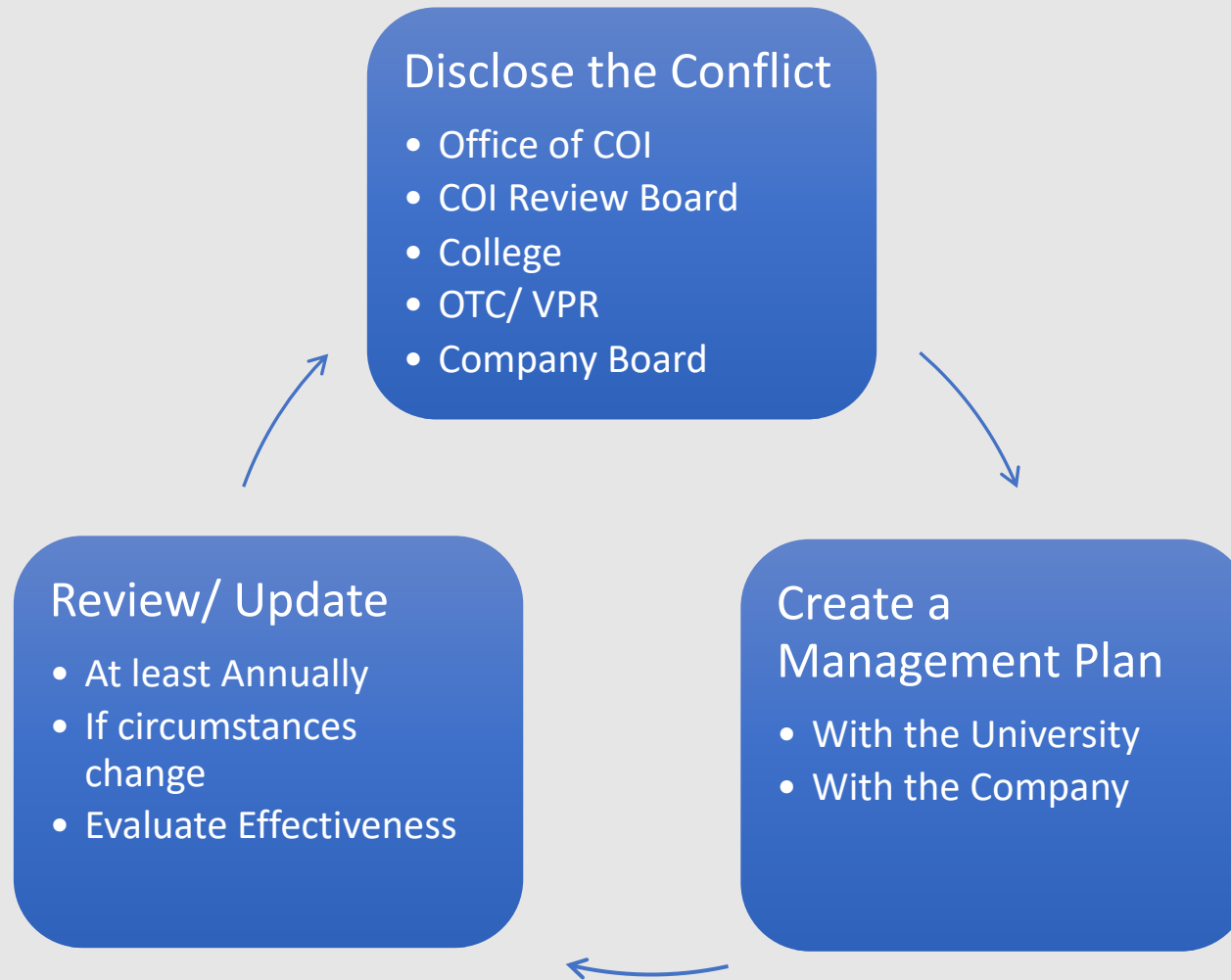
Conflicts of Interest

- Situations in which financial or other personal considerations may compromise an Employee's professional judgment in carrying out his/her University responsibilities that include but are not limited to teaching, research, service, contract administration, and purchasing¹.
- Conflicts include²:
 - The **existence** of an actual conflict of interest;
 - The **potential** for a conflict of interest to occur; or,
 - The **appearance** of a conflict of interest.
- Conflicts of:
 - Confidentiality
 - Oversight
 - Loyalty
 - Duty
 - Time

¹ <https://apps.hr.ou.edu/FacultyHandbook/Default.aspx#5.10>

² *Ibid.*

How to Manage a Conflict



Drafting a COI Management Plan

- Disclose all conflicts through the Office of COI
- The Management plan is not a form
- It is a Plan created by you and the Party with whom you have the conflict:
 - At OU: Department and College leadership
 - At Your Company: Board of Directors/ Shareholders
- Spells out the conflicts
- Identify mechanisms for managing them
- Review and update the plan at least annually and if circumstances change

Summary

Should I Launch?

- If your business model is to write grants-- NO.
- If your business model is to:
 - Make more money than you spend;
 - Commercialize a technology;
 - And, you are about to incur liability or risk;
 - -- YES. Get Professional Help.

Solutions to Conflicts:

- If you think it is a conflict...
- ...it probably is a conflict.
- Disclose it.
- Manage it.

Thank You

Questions/ Discussion



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