

Promprylad Factory Revitalization Project

Creating a sustainable business plan and operating model

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SRI Proposal No. 657-16-038-CF

Prepared for:

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SRI International Proprietary

Technical Section

Executive Summary

SRI will help Teple Misto and its partners establish a sustainable operating model and business plan for the new Innovation Center planned as part of the Promprylad Gas Meter Factory Redevelopment and Revitalization Project. SRI will base its recommendations on our analysis of effective innovation center models from around the world and our own experience in innovation ecosystem development and entrepreneurial assistance. Specifically, SRI will help Teple Misto:

1. **Identify the new center’s technology / industry focus areas.** SRI will identify areas based on the assets and strengths of Ivano-Frankivsk’s institutions and those of the surrounding region. This includes capitalizing on opportunities to partner with businesses, universities, and other organizations in neighboring countries. Identifying technology areas and then inform the types of services the center will offer.
2. **Develop an organizational model for the new center.** This includes identifying key stakeholders within the Ivano-Frankivsk innovation system who should be involved in the project buildup and operation.
3. **Develop a sustainable business model.** Teple Misto anticipates that 80 percent of annual costs for the center will be covered by renting retail and event space within the Promprylad complex, so one or more sustainable sources of revenue will be required to fund the remaining 20 percent of costs.

Designing an innovation center, like the one proposed for the Promprylad mixed use development, is a complex and iterative process. Each center inhabits a unique environment, with different opportunities and constraints. Typically, these projects include multiple stakeholders with different goals and aspirations for the center that often exceed the available resources. The benefits of different activities (e.g. education versus research versus entrepreneurship) may be difficult to compare, making it hard to resolve conflicts between stakeholders with distinctive goals. There is no simple analytical way to determine the optimal use or design of the facility. In SRI’s experience, the best process is one that:

- Has clearly defined goals—both near term and over the long run;
- Involves the key stakeholders from the early stages of the project and addresses their concerns;
- Utilizes a neutral third party (or parties), not aligned with a particular stakeholder, to facilitate the process;

- Is based on an objective assessment of the strengths, weaknesses, and opportunities of the center and region, including the research capabilities of universities, the needs of industry and the market, and the availability of other resources needed for innovation; and
- Uses the experience of and lessons learned from similar centers around the world.

Based on discussions with Teple Misto, SRI proposes the following work to develop recommendations that address the three need areas detailed above.

Proposed Approach

This proposal assumes that SRI International and Teple Misto will agree to terms for a short exploratory research trip to Ivano-Frankivsk and Lviv in August 2016. This trip will include introductory meetings with the Teple Misto team and key regional stakeholders, a site visit to the Promprylad factory, and preliminary discussions on data sources. During this trip, the project team will review the project objectives, plan, deliverables, and schedule and refine project management and communication protocols with Teple Misto leadership.

Task 1: Identify the mission, goals and critical partners of the Promprylad Innovation Center

Upon project award, SRI will gather the data sources identified in the initial Ukraine trip, as well as work to identify supplementary data sources. SRI will also work to identify potential stakeholders for future interviews and discussions, as well as potential sources of funding for the new innovation center. During this time, SRI will also organize the second trip to Ukraine for stakeholder interviews (scheduled to take place in early November).

Task 2: Map the local and regional innovation resources in Ivano-Frankivsk, Lviv, and the surrounding region.

SRI will begin collecting and analyzing data and key documents identified in Task 1, including regional economic and science and technology data, data on regional universities and research institutions, as well as other relevant documents identified during discussions with Teple Misto. This analysis will focus on:

- Which economic sectors and technologies the new center should focus on by looking for areas of strength, as well as opportunities, in the regional innovation system;
- Identifying key institutions and actors in the Ivano-Frankivsk innovation system; and
- Identifying potential regional connections and partners for the new center, both in western Ukraine and in neighboring countries.

This analysis will help inform SRI's recommendations for which technology areas and/or economic sectors the new center should focus on, what types of clients the center should target and what services the center should offer. The work will also help identify key stakeholders for interviews in Task 4 of this project. Following completion of Task 2, SRI will provide Teple Misto with a memo detailing the key findings from this task.

Task 3: Apply effective innovation center models to Promprylad Center

Different innovation center models are used around the world to incentivize collaboration and to expose residents to an innovation-driven culture of work and design for technology development. Examples of innovation centers that could help inform the Promprylad project include:

- The multipurpose innovation center at Pontificia Universidad Católica de Chile (See <http://centrodeinnovacionuc.cl/>), which serves as the focal point of university innovation activity, providing space for interdisciplinary and problem-oriented research, innovation training, university-industry interaction, and support of entrepreneurship.
- NY Designs (<http://nydesigns.org/>), an incubator and design workspace supported by the City University of New York in Long Island, Queens. The organization offers an incubator program and access to its network of mentors, fabrication and prototyping facilities, as well as 24 hour coworking and meeting spaces to startups and entrepreneurs.
- The Gray Area Incubator (<http://grayarea.org/incubator>) in San Francisco, California, which supports artists and entrepreneurs through coworking and meeting space, research labs, and financial support. Gray Area focuses on startups that use digital tools to create art, design projects, and applications that benefit society.

SRI will first create a list of potential innovation centers and incubators to study, and then choose the five or six most relevant to Ivano-Frankivsk to examine in detail. SRI will frame its findings around the key needs and priorities of the Teple Misto center and identify innovation center models best suited to the Ivano-Frankivsk context. For each innovation center model, SRI will identify its:

- Mission and goals;
- Funding sources;
- Operating model (non-profit model, part of government institution, etc.);
- Types of clients served;
- Services offered (and associated charges); and
- Location within the context of the regional innovation system.

SRI will distill these key elements of each relevant innovation center, looking for models or key components would work in the Ivano-Frankivsk context. This review of different innovation center models will be used to inform the final recommendations for a governance model and business plan for the Promprylad center.

Task 4: SRI in-country interviews and research in Ivano-Frankivsk

A two-person team from SRI will visit Ivano-Frankivsk for approximately one week to meet with and interview the sponsors and stakeholders of the Teple Misto center. The purposes of this trip is to:

- Discuss and experience the Teple Misto platform firsthand, including its history and recent projects;
- Meet with key industry, university, and other stakeholders from across Ivano-Frankivsk to understand their view of the Teple Misto platform and the proposed project, as well as any major issues, challenges, or opportunities they see regarding the vision for the center;
- Work to build support for the Promprylad project with community leaders, and gauge the interest of potential partners and stakeholder in taking an active role in participating in the project.

Possible stakeholders include Teple Misto staff and program staff, university administrators, companies or industry associations in the region, and economic development agencies. The list of potential stakeholders will be discussed by Teple Misto and the SRI team during the first trip to Ukraine in August and refined in the early stages of Task 2. These interviews will also include preliminary discussions about the feasibility of various options for center implementation, based on SRI's knowledge of effective programs in other countries, as well as options proposed by stakeholders. (These options will be further developed and refined in Task 6.) SRI will develop an interview protocol prior to traveling to Ukraine, with input from Teple Misto, to provide structure and consistency across the stakeholder meetings.

This trip will provide the SRI team with a full understanding of the Teple Misto center, its context, and information needs that will help SRI determine what international models and best practices are most relevant to the center.

Task 5: Organize Study Trip to US-based innovation and design centers

SRI could organize a tour for several people from Teple Misto and/or other high-level stakeholders to visit high-end U.S. innovation centers whose models are most potentially useful to the Ivano-Frankivsk planned project. Planning for this trip will begin with the initiation of the project. SRI will develop a candidate list of centers and incubators to visit, such as 1776, Halcyon Incubator, Acceleprise, BioHealth Innovation, LiftOff Health, Georgia Tech's Tech Square, Purdue University's Discovery Park, George Mason University's Fairfax Innovation Center, Stanford's D-School, North Carolina State's Centennial Campus, and others. SRI will work with Teple Misto to select from this list a group that can be visited in an approximately three- or four-day trip. SRI will arrange introductions and will assist in developing agendas and questions for the

trip. We are not budgeting for SRI to do the detailed scheduling or logistics for the trip (which we believe can be done more efficiently by Teple Misto), or for any of the Teple Misto travel costs.

This trip is tentatively scheduled for late November/early December.

Task 6: Author draft business plan and operating model for the Innovation Center

The SRI team, with input from senior team advisors and from Teple Misto leadership, will analyze the information gathered during Tasks 1 through 5, and will deliver a report consisting of recommendations for:

1. A governance model for the center, including a list of potential stakeholders to include on the governing board of the organization;
2. A sustainable business model for the center that would identify and assess alternative sources of income for the center, including rents to commercial clients, R&D grants, philanthropic contributions, and other sources (Note: SRI's recommendations for the business model will be based on best practices and SRI's interviews with other innovation centers. It will not include a detailed financial model);
3. Activities and services the new center should offer;
4. Activities for improving Ivano-Frankivsk's global position by developing better connections and networks with industry and academia regionally and internationally; and
5. Other inputs to the design of the Center, based on international best practices.

Prior to drafting our recommendations, SRI will consult with Teple Misto leadership and key stakeholders to ensure they are comfortable with the recommendations and think they will be feasible to implement. SRI is planning on delivering the report by December 21, 2016, in accordance with Teple Misto's timeline for negotiations for purchasing the Promprylad facility.

Timeline and Deliverables:

Assuming a project start date of September 1, SRI expects to complete this project and deliver a report with recommendations for a business plan and operating model to Teple Misto by December 21. If the start date is pushed to later in September, SRI will accelerate the timelines for Tasks 2 and 3. Table 1 presents SRI’s proposed timeline for the project, indicating when SRI anticipates the work for each task to occur.

Table 1 Project Timeline

Task/Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Task 1: Identify the mission, goals and critical partners	█	█													
Task 2: Map the local and regional innovation resources in the region		█	█	█	█	◇									
Task 3: Apply effective innovation center models to Promprylad Center			█	█	█	█	█	█	█	█	█	◇			
Task 4: SRI in-country interviews and research in Ivano-Frankvsk									█						
Task 5: Organize Study Trip to US-based innovation and design centers											█				
Task 6: Author draft business plan and operating model for the Innovation Center													█	█	◇

Note: Deliverables are indicated by ◇.

Deliverable 1: Memo with key findings from Task 2: mapping local and regional innovation resources – due 6 weeks after project start.

Deliverable 2: Summary findings from Task 3: case studies of different innovation center models – due 12 weeks after project start.

Deliverable 3: Final report upon completion of Task 6: SRI recommendations for a business plan and operating model for the new Innovation Center – due 15 weeks after project start.

Pricing

Terms & Conditions

SRI's offer, including price, is contingent upon mutually agreeable terms and conditions.

Cost Detail

SRI offers the work described in this proposal at the following price (all figures in US dollars): \$130,000.

This price includes all travel and related expense for the SRI team.

Payment Schedule

10% at contract award	\$13,000
30% at submission of Deliverables 1: Memo with key findings from Task 2: mapping local and regional innovation resources	\$39,000
30% at submission of Deliverables 2: Summary findings from Task 3: case studies of different innovation center models	\$39,000
30% at submission of Deliverables 3: Final report upon completion of Task 6: SRI recommendations for a business plan and operating model for the new Innovation Center	\$39,000
Total Fixed Price Contract	\$130,000

Validity Date

This proposal will remain valid through 30 September 2016. Should additional review time be required, we will be pleased to consider an extension if requested.

SRI Experience

SRI International is a large not-for-profit research institute and is one of the world's most diverse independent R&D organizations, working on some of the world's most important problems, collaborating across technical disciplines to spark new ideas and solutions. Its research and innovations have led to new industries and products that impact people's lives every day—from the computer mouse and interactive computing to medical ultrasound, cancer drugs, and much more.

SRI moves R&D from the laboratory to the marketplace to create high value and real innovation. And the platforms we build today are designed to meet tomorrow's needs. For example, an artificial intelligence project for DARPA led to the development of Siri for Apple's iPhone.

In addition to SRI expansive collection of research and development labs in applied technologies, biosciences, and information systems, SRI includes a large Education Research Division and its Global Partnerships Division which provide research, consulting and workshops in education program development and assessment and innovation strategy, innovation-led economic development, technology commercialization. This project will be lead by SRI's Center for Innovation Strategy and Policy and Center for Technology in Learning.

SRI's Center for Innovation Strategy and Policy (CISP) helps organizations, regions, and countries achieve long-term economic and social outcomes through effective investments in science, technology, and innovation. Based in Washington D.C., the Center is staffed with experienced professionals who conduct research, analysis, and strategic planning for private and public sector clients around the world.

We work with partners and clients to:

- Advance Innovation in Government
- Transition Technology to Market
- Evaluate Complex Programs
- Build Innovation Systems

SRI Project Team

We propose a multi-disciplinary team of innovation and business experts to work with Teple Misto on this program. The team includes:

Daniel Querejazu will serve as project leader. Querejazu is a Senior Analyst at SRI International's Center for Innovation Policy and Strategy, with over seven years of experience working in science and technology policy. Querejazu has led strategies and evaluations for a wide range of clients around the world, including the U.S. Department of Energy, Poland's National Center for Research and Development, Lithuania's Science, Innovation, and Technology Agency, Singapore's National Research Foundation, and many others. Prior to joining SRI, Mr. Querejazu worked in the Energy Systems Transformations Group at The University of Texas, where his work focused on the impacts of demand-pull policies on innovation in solar technologies. He also has a background in journalism, having worked

in several newspapers in the United State and Spain. Querejazu holds an M.A. in Public Affairs from The University of Texas and a B.A. in Journalism from Texas State University.

Jessica Avery will serve as lead analyst on the project. Avery is a Research Analyst at SRI International's Center for Innovation Policy and Strategy. Avery has over 7 years of experience in science and technology policy development and analysis, science communications, and scientific program support. Prior to joining SRI, Ms. Avery worked in the Office of Science Policy (OSP) at the National Institutes of Health (NIH). In her position, she was responsible for analyzing, synthesizing, and preparing science policy materials for NIH leadership on a variety of topics, including translational medicine, dual use research of concern, scientific collections, the value of biomedical research, and substance use, abuse, and addiction research. While in OSP, she coordinated and provided technical support for several high profile meetings held by the NIH Office of the Director. Ms. Avery also supported the National Institute on Drug Abuse as an exhibitor at national conferences and has significant experience in publication development for U.S. scientific agencies. Ms. Avery holds a B.S. from Duke University in Biology.

Peter Kant will serve as senior advisor to the project. Kant is a Vice President of SRI International and Director of SRI's Center for Innovation Policy and Strategy, bringing over 20 years of experience in leading and managing large multinational technology corporations, non-profit organizations and government initiatives. At SRI, Kant leads the Center's effort to help government, industry and academic clients leverage investment in S&T to grow regional economies. Prior to joining SRI, Kant led international business strategy for a large U.S. multinational technology development and manufacturing company with over 2,000 employees and operations and deployments in over 110 countries globally. He was responsible for overall business strategy and technical innovation roadmaps. Kant has also previously served in high-level politically appointed positions in the U.S. federal government and the U.S. state government levels. He has a Master in Public Policy from Duke University and a Bachelors of Arts in Politics and Economics from Brandeis University.

APPENDIX

Certificate of Status

Record of Entity

State of California
Secretary of State

CERTIFICATE OF STATUS

ENTITY NAME:

SRI INTERNATIONAL

FILE NUMBER: C0211269
FORMATION DATE: 11/06/1946
TYPE: DOMESTIC NONPROFIT CORPORATION
JURISDICTION: CALIFORNIA
STATUS: ACTIVE (GOOD STANDING)

I, ALEX PADILLA, Secretary of State of the State of California,
hereby certify:

The records of this office indicate the entity is authorized to
exercise all of its powers, rights and privileges in the State of
California.

No information is available from this office regarding the financial
condition, business activities or practices of the entity.



IN WITNESS WHEREOF, I execute this certificate
and affix the Great Seal of the State of
California this day of August 07, 2015.

A handwritten signature in black ink, appearing to read "Alex Padilla".

ALEX PADILLA
Secretary of State


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[Customer Alerts](#)

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Business Entity Detail

Data is updated to the California Business Search on Wednesday and Saturday mornings. Results reflect work processed through Tuesday, March 22, 2016. Please refer to [Processing Times](#) for the received dates of filings currently being processed. The data provided is not a complete or certified record of an entity.

Entity Name:	SRI INTERNATIONAL
Entity Number:	C0211269
Date Filed:	11/06/1946
Status:	ACTIVE
Jurisdiction:	CALIFORNIA
Entity Address:	333 RAVENSWOOD AVENUE
Entity City, State, Zip:	MENLO PARK CA 94025
Agent for Service of Process:	DAVID STRINGER CALVERT
Agent Address:	333 RAVENSWOOD AVENUE
Agent City, State, Zip:	MENLO PARK CA 94025

* Indicates the information is not contained in the California Secretary of State's database.

- If the status of the corporation is "Surrender," the agent for service of process is automatically revoked. Please refer to California Corporations Code [section 2114](#) for information relating to service upon corporations that have surrendered.
- For information on checking or reserving a name, refer to [Name Availability](#).
- For information on ordering certificates, copies of documents and/or status reports or to request a more extensive search, refer to [Information Requests](#).
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