

Ventures and Licenses: Moving Our Technology into the Marketplace

BusinessWeek dubbed SRI International “Spin-Off City”— an innovation engine that creates new ventures and licenses capitalizing on breakthrough technology developed at SRI. An independent research institute founded by Stanford University in the heart of Silicon Valley, SRI has created and launched more than 40 ventures with a total market capitalization that exceeds \$20 billion.

In addition, we have developed hundreds of high-value licenses: every day, people around the world use innovative products that SRI pioneered, including the computer mouse, the Internet, and HDTV.

SRI licensees range from large corporations to mid-size firms and small start-ups that are spearheading new technologies and products. Our licenses are in the growing areas of cleantech, infotech, biotech, and advanced materials.

Three of our ventures are now public companies, and many others have been acquired. Our ventures are funded by some of Silicon Valley’s top venture capital firms, such as Mayfield Fund, Morgenthaler Ventures, Menlo Ventures, and U.S. Venture Partners.

SRI’s stock in trade is innovation. We discover new scientific principles, develop novel approaches, design new products for clients, and bring new technology to market.

“SRI is a world-class innovation center, creating industry-leading ventures that continue to change the world. Their disciplined innovation process for creating ventures is unparalleled. They are an outstanding partner, and we are proud to work with them. Our doors are always open to SRI.”

—*Gary Morgenthaler*

*Managing Director
Morgenthaler Ventures*



Our Systematic Innovation Process

At SRI, innovation is a discipline refined over the last two decades, assuring repeatable success in our R&D and in commercializing our technology.

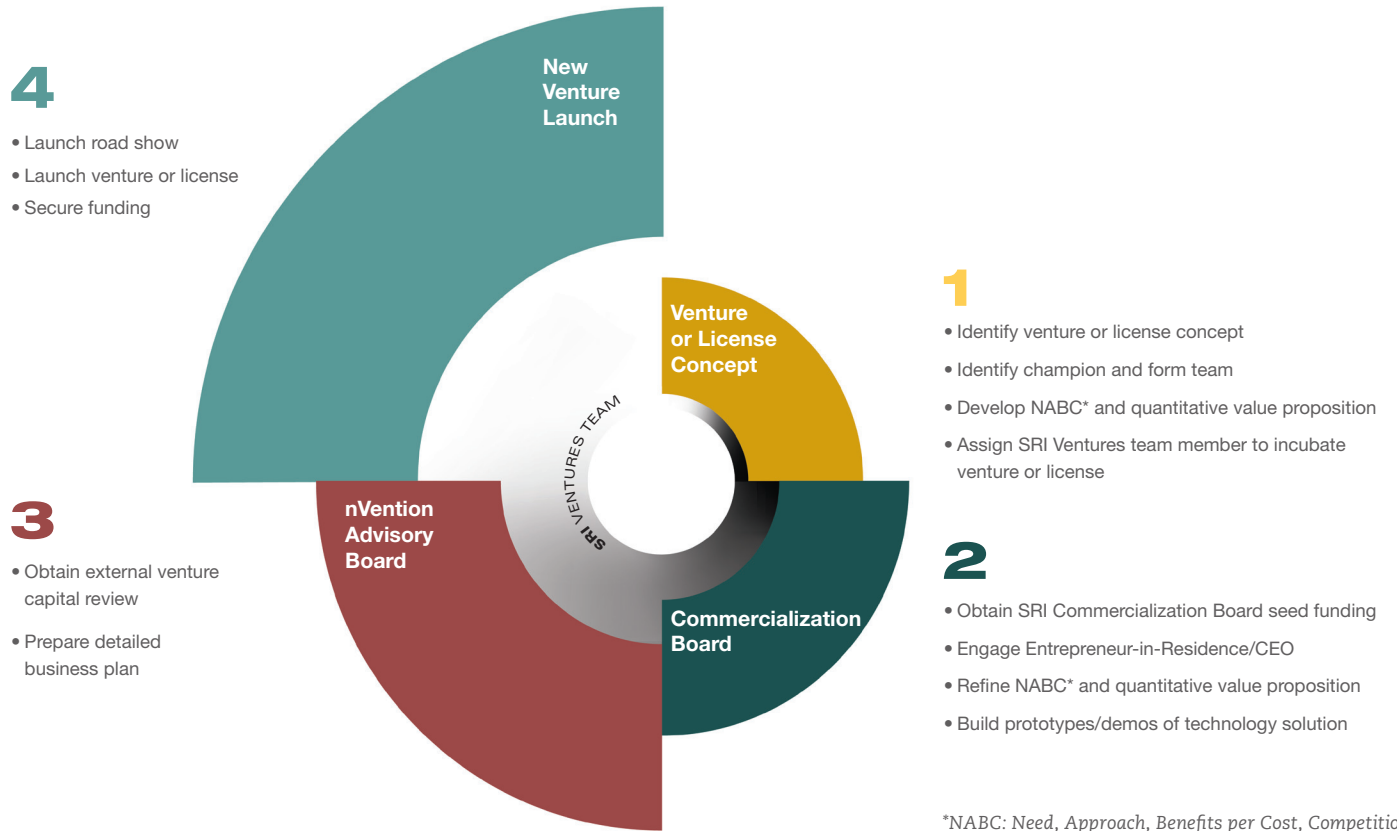
Our approach to creating ventures and licenses is a leading model for the nonprofit research sector. Rather than *pushing* our technology advances into markets, we meet important market needs with SRI-developed technology solutions.

SRI’s process to create a venture or license (illustrated on the next page) includes identifying a disruptive market opportunity and important need, developing a “golden nugget” solution that has a sustainable competitive differentiation, and creating a business plan that brings the value proposition to life.

In the case of ventures, we recruit an entrepreneur-in-residence, assemble the entrepreneurial team, assist in obtaining venture investment, and launch the venture.

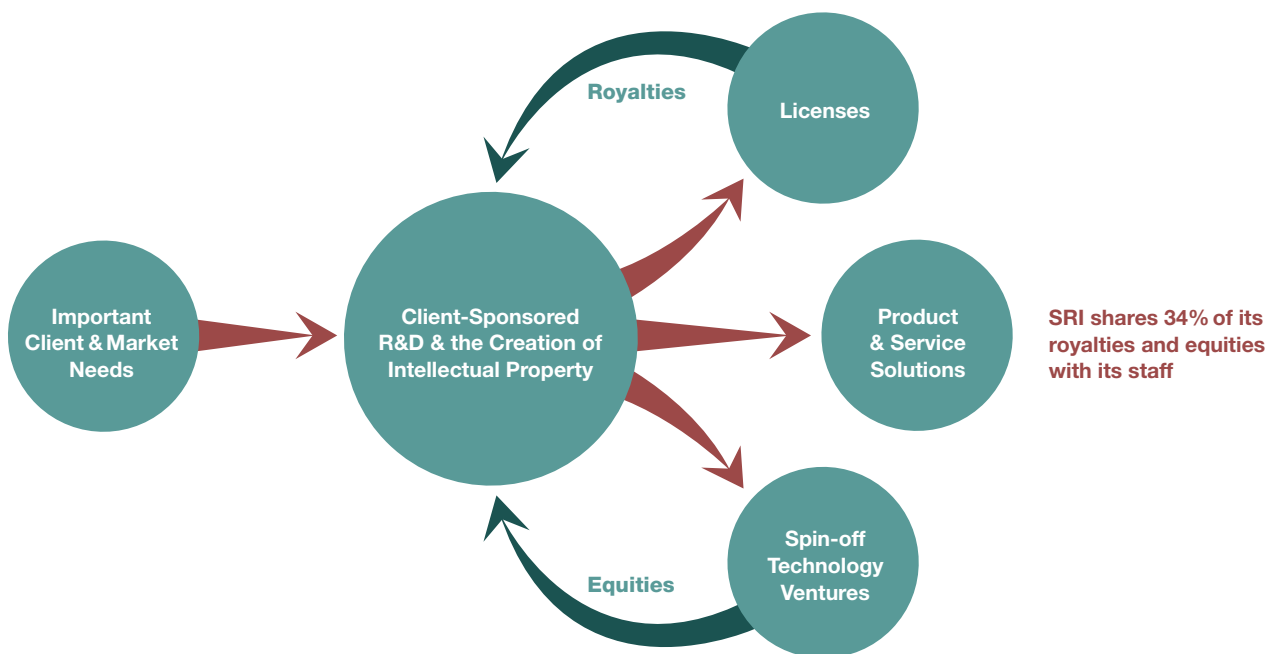
For licenses, SRI advances opportunities beyond patents. We often develop the technology into a prototype or product, identify customers, and even begin the revenue stream.

SRI's Process for Creating Ventures + Licenses



*NABC: Need, Approach, Benefits per Cost, Competition

SRI's Business Model





SRI's electroadhesive wall-climbing robot

Robotic arms in a modular surgical platform



“SRI has become the best organization in the world in taking its technology and creating businesses... they have developed an excellent process for going from technology, to products, to markets, that fits well with what venture capitalists want to see.”

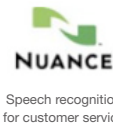
—David Ladd
Former Managing Director
Mayfield Fund



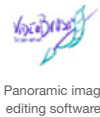
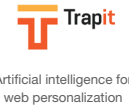
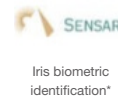
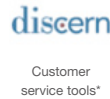
SRI spin-off Siri, Inc., acquired by Apple, offers a virtual personal assistant for smart phones. It automates routine tasks based on voice input for more intelligent web interaction.

SRI's Venture Portfolio

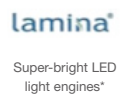
Publicly Traded



Information Technology



Advanced Materials



Bio/Medical



*Acquired or merged ** Dissolved



nVenture: A Strategic Partnership with Leading VCs

As part of the venture creation process, SRI works closely with the venture community to benefit from its financing and company-nurturing skills.

SRI's nVenture Advisory Board comprises seasoned venture capitalists from premier firms. They provide strategic advice in technology areas such as information technology, advanced materials, power and energy, nanotechnology, and medical devices. They also support the business process with market knowledge, business opportunity analysis, industry and customer contacts, and recruitment of executive teams.

Although nVenture board members have no preferred investment rights, they benefit from exposure to advanced technology in SRI laboratories and from a first look at new venture concepts. Board members have frequently invested in our spin-offs.

View the current list of nVenture board members at www.sri.com/about/nvention.html.

Contact Us

Norman Winarsky, Ph.D.
Vice President
SRI Ventures
SRI International
333 Ravenswood Avenue
Menlo Park, CA 94025-3915
norman.winarsky@sri.com
650.859.2061
www.sri.com/about/spin.html

About SRI International

Silicon Valley-based SRI International, a nonprofit research and development organization, performs sponsored R&D for governments, businesses, and foundations. SRI brings its innovations to the marketplace through technology licensing, new products, and spin-off ventures. Commemorating its 65th anniversary in 2011, SRI is known for world-changing innovations in computing, health and pharmaceuticals, chemistry and materials, sensing, energy, education, national defense, and more.

Headquarters: Silicon Valley

SRI International

333 Ravenswood Avenue
Menlo Park, California 94025-3493
650.859.2000

Washington, D.C.

SRI International

1100 Wilson Blvd., Suite 2800
Arlington, Virginia 22209-3915
703.524.2053

Princeton, NJ

SRI International Sarnoff

201 Washington Road
Princeton, New Jersey 08540-6449
609.734.2000

*Additional U.S.
and international locations*

www.sri.com

SRI International is a registered trademark of SRI International. All other trademarks are the property of their respective owners.

Copyright 2011 SRI International.
All rights reserved. 05/11