

## Academic Spinout Glossary

This is created by chatgpt and is not specific to the Norwich Research Park. Terminology may vary in different organisations.

### A. Academic & Institutional Terms

- **Technology Transfer Office (TTO)**: University or research centre department responsible for managing IP and commercialising research, often your first port of call.
  - **Knowledge Exchange**: Activities that help transfer academic knowledge into practical use, including spinouts.
  - **KEF (Knowledge Exchange Framework)**: A UKRI framework for assessing how well universities are engaging in knowledge exchange.
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### B. Legal & Structural Terms

- **Spinout / Spin-off**: A new company formed to commercialise academic research, often with IP licensed from the research centre.
  - **IP (Intellectual Property)**: Legal rights to inventions, designs, and creative works; usually initially owned by the research centre.
  - **Patent**: A form of IP protecting inventions; crucial for tech-based spinouts.
  - **Licence Agreement**: Contract where the research centre grants rights to use its IP, often in exchange for royalties and/or equity.
  - **Equity Split**: Distribution of company ownership among founders, investors, and the research centre.
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### C. Funding & Investment

- **Seed Funding**: Initial capital to get the company off the ground, often from angel investors.
  - **Angel Investor**: An individual who invests early-stage capital, often in exchange for equity.
  - **VC (Venture Capital)**: Firms that invest larger sums in high-growth startups, usually at later stages.
  - **Innovate UK**: A UK government agency providing grants and funding for innovative companies.
  - **EIS / SEIS (Enterprise Investment Scheme / Seed Enterprise Investment Scheme)**: UK tax reliefs to encourage investment in startups.
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### D. Company Formation

- **Companies House**: The UK's official company register—where you go to legally form your business.
  - **Ltd (Private Limited Company)**: The most common structure for spinouts in the UK.
  - **Articles of Association**: Legal document that defines how the company is run; can be customised for spinouts.
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### E. People & Roles

- **Academic Founder:** Researcher leading the spinout initiative.
- **CEO / CTO / CSO:** Common early roles. CEO handles operations (often with a focus on raising investment), CTO technology, CSO science.
- **Non-Executive Director (NED):** Board member who provides strategic guidance without daily involvement.
- **Advisory Board:** Informal group of experts helping shape strategy.

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## F. Support Structures & Programmes

- **SETsquared / ICURe / Northern Accelerator / Converge:** UK-wide spinout accelerator programmes supporting academic founders.
- **Catapult Centres:** Government-backed centres that support industry/academic collaboration in areas like digital, health, and energy.
- **Enterprise Hub (Royal Academy of Engineering):** Offers mentoring and funding to academic entrepreneurs.

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## G. Operations & Scaling

- **Proof of Concept (PoC):** Funding or work to demonstrate the viability of a technology or product.
- **TRL (Technology Readiness Level):** A scale from 1–9 assessing how close a technology is to market.
- **Due Diligence:** The process of investigating a company before investment.
- **Cap Table (Capitalisation Table):** A document showing the equity ownership structure of the company.

## A–Z of terms for company spin outs

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## A–Z Glossary for UK Academic Spinouts

### A

- **Angel Investor** – Individual providing early-stage capital, often with mentoring.
- **Articles of Association** – Legal document outlining how the spinout is governed.
- **Academic Consultancy** – Alternative to a spinout where the academic provides paid services.

### B

- **Business Model Canvas** – Strategic tool to visualise key elements of your business.
- **Bridge Funding** – Interim finance to keep the company afloat between investment rounds.
- **Business Development Manager (BDM)** – Research centre staff who help commercialise research.

### C

- **Cap Table (Capitalisation Table)** – Shows shareholding structure and dilution over time.
- **Company Limited by Shares (Ltd)** – Typical legal form of a spinout.

- **Convertible Loan Note** – A loan that can convert into equity, often used in early investment rounds.

## D

- **Directorship** – Legal role with duties; academics often take on a director or NED role.
- **Due Diligence** – Investigation by investors before committing funds.

## E

- **EIS / SEIS** – Tax-efficient schemes to attract UK investors.
- **Equity** – Ownership in a company, typically split between founders, the research centre, and investors.
- **Entrepreneur in Residence (EIR)** – Experienced entrepreneur who helps spinouts at universities.

## F

- **Founders' Agreement** – Legal agreement between co-founders outlining roles and equity.
- **Freedom to Operate (FTO)** – Assessment of whether a product infringes existing IP.
- **Friends and Family Round** – Informal early investment round.

## G

- **Grant Funding** – Funds to support a startup from sources like Innovate UK or EPSRC IAA – who do not receive equity in the company
- **Governance** – Framework of rules and practices for board management.

## H

- **Head of Terms** – Non-binding outline of a commercial agreement, often pre-licensing or investment.
- **HMRC Advance Assurance** – Confirmation that a company qualifies for SEIS/EIS.

## I

- **Innovate UK** – Major source of innovation grants for UK startups.
- **IP (Intellectual Property)** Legal rights to inventions, designs, and creative works; usually initially owned by the research centre.
- **ICURE** – Government-funded programme helping researchers validate commercial potential.

## J

- **Joint Venture (JV)** – Less common than spinouts, but a possible route for commercialisation.

## K

- **Knowledge Exchange** – Activities that move research into the real world.
- **KE Office / TTO** – Research centre team handling licensing, spinouts, and contracts.

## L

- **Licence Agreement** – The legal deal allowing a spinout to use research centre IP.
- **Lead Investor** – The investor who negotiates terms on behalf of a funding round.

## M

- **Market Validation** – Talking to potential customers to confirm demand.
- **Minimum Viable Product (MVP)** – Simplified version of a product used for early testing.

## N

- **NDA (Non-Disclosure Agreement)** – Protects confidential information during discussions, also referred to as CDA (Confidential Disclosure Agreement).
- **Non-diluting funding** – see “z” for “zero-diluting funding”
- **Non-Executive Director (NED)** – External board member with strategic input, not operational.

## O

- **Option Agreement** – Reserves rights to license IP for a limited time while evaluating.
- **Operating Agreement** – Document outlining daily management structures.

## P

- **Patent** – Legal protection for inventions; central to deep tech spinouts.
- **Proof of Concept (PoC)** – Early work showing feasibility, often grant-funded.
- **Pitch Deck** – Slide deck used to attract investment.

## Q

- **Qualifying Company** – A company that meets SEIS/EIS requirements.

## R

- **Royalty** – Payment made by the spinout to the research centre based on revenue from licensed IP.
- **Runway** – Time a company can operate before needing more funds.

## S

- **Shareholders' Agreement** – Sets out rights and responsibilities of all company owners.
- **Spinout Agreement** – Often includes IP licence, equity terms, and founder obligations.
- **Scaling** – Growing the company sustainably and quickly post-startup.

## T

- **Term Sheet** – Summary of investment terms before legal contracts.
- **Technology Readiness Level (TRL)** – Scale from 1–9 indicating maturity of technology.
- **TTO (Technology Transfer Office)** – Helps academics commercialise research.

## U

- **University Equity Stake** – The portion of a spinout owned by the university or research centre.
- **UKRI (UK Research and Innovation)** – Umbrella for UK funders like BBSRC and Innovate UK.

## V

- **Valuation** – Estimate of company's worth, key during funding rounds.
- **Venture Capital (VC)** – Professional investment funds for high-growth startups.

## W

- **Warrant** – Right to purchase shares at a future date and price; sometimes given to advisors or universities.
- **Working Capital** – Cash available to run daily operations.

## X

- **Exit Strategy** – Plan for founders and investors to eventually realise value (e.g., acquisition, IPO).

## Y

- **Yield** – The return on investment; not always a major concern for early-stage spinouts.

## Z

- **Zero Dilution Funding** – Grant funding that doesn't take equity, ideal in early stages. Also known as **Non-Diluting funding**.