

Center of Excellence in Structural Health Monitoring

Inaugural Meeting - April 12-13, 2007

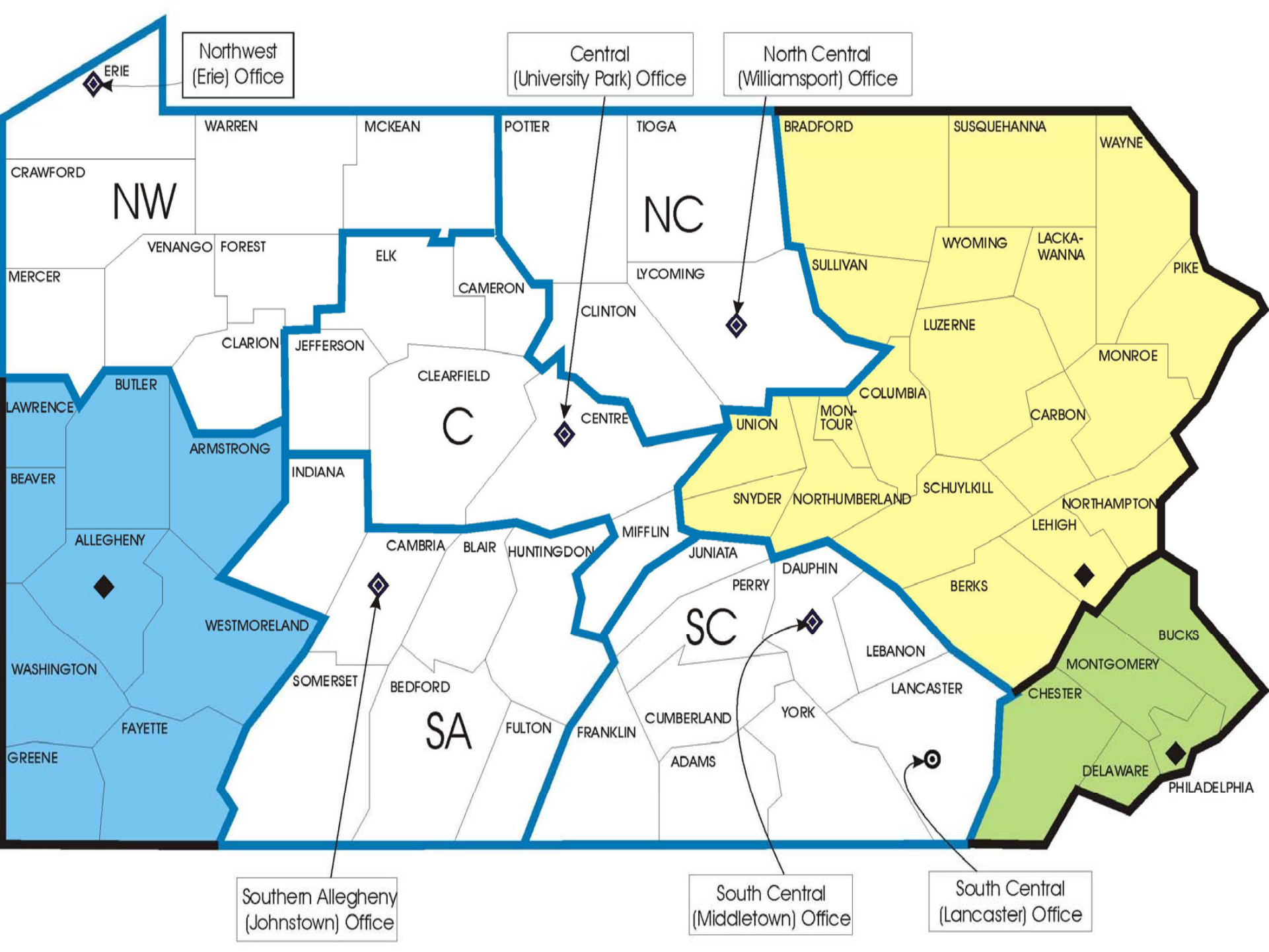


www.cnp.benfranklin.org

Stephen McGregor

Ben Franklin CNP Background

- BF Program started in 1983
- Funded by the PA Department of Community and Economic Development
- One of 4 BF Centers across PA
- 34 county region in central/northern PA
- Offices in State College, Middletown, Erie, Williamsport, Johnstown and Lancaster



The Ben Franklin Mission

- Grow PA businesses
- Facilitate new, stable, good paying jobs

Funded Programs

| | | |
|--------------------------------|----------------|-----------|
| ■ Company Investments | \$2,602K | 54% |
| ■ Entrepreneurial Projects | \$1,228K | 25% |
| ■ Centers of Excellence | \$ 400K | 8% |
| ■ Special Initiatives | \$ 350K | 7% |
| ■ Business Incubators | \$ 180K | 4% |
| ■ Workforce Activities | \$ 80K | 2% |

~\$7 M annual budget / >\$5 M for funding programs.
(FY 2006-2007 as of December 31, 2006)

Centers of Excellence Objectives

- Support organizations who are conducting R&D that has near-term value to industry
- Involve companies in the research program
- Require technology transfer & outreach that provides technical and educational benefits
- Support competitive improvement in existing key Pennsylvania business sectors

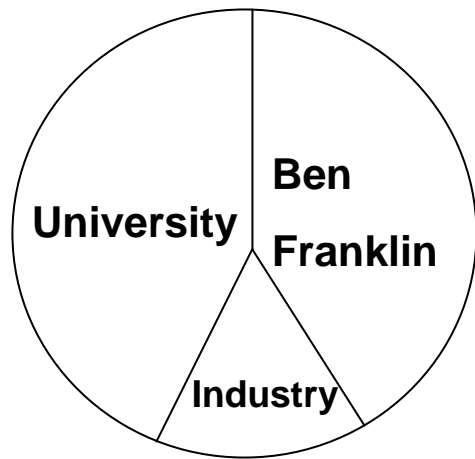
Typical Benefits to Members

- Pre-competitive leveraged R&D projects
- Access to University faculty and facilities
- Source of college graduates for industry
- Technical presentations by subject experts
- Networking opportunities & relationships
- Leverage other federal and corporate funds
- Grow existing companies and stimulate the possible creation of new firms

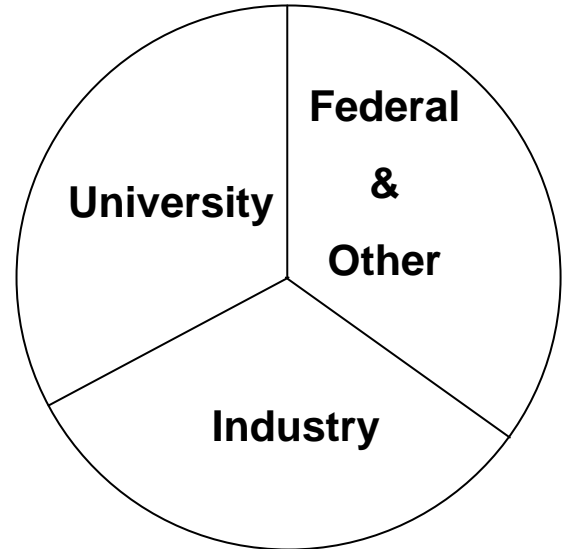
Proposal Evaluation Criteria

- Center's R&D agenda, mission and operations
- Leadership and commitment
- Growth and plan for self sufficiency
- R&D relevance to industry
- Technology transfer and outreach plan
- Corporate membership and PA industry involvement
- Economic significance to member companies
- Accomplishments to date for funding renewal

Typical Source of Center Funding



Years 1 - 3



Years 4 +

2006-07 BF Centers of Excellence

- Center for Food Innovation
- Center for Dielectric Studies
- Radio Frequency ID Center
- Center for Piezoelectrics
- Center for Signal Integrity
- NanoCellulosics
- Structural Health Monitoring
- Networking and Security Research

Radio Frequency ID Center of Excellence At Penn State Behrend



PENNSSTATE



Erie

The Behrend
College

RFID Center of Excellence

Initial RFID CoE Corporate Members:

- Process and Data Automation, Inc.



- Distributed Network Solutions



- GE Rail



- Price Corporation

- Softek



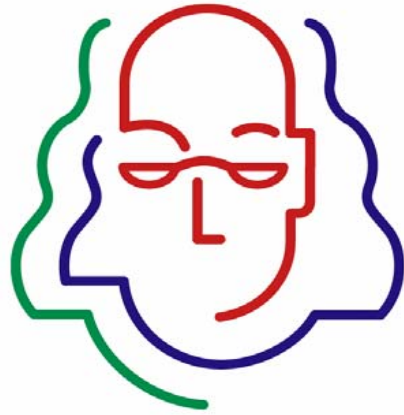
- Erie Plastics



Linking talent, technology and expertise.



Thank you!



Ben Franklin
Technology PArtners

Central and Northern Pennsylvania

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Extra Slides

Company Investment Program

- It's Competitive
- Matching is Required
- Payback if Successful

Presence in our 34 county area and be innovative.
Evaluation and approval process takes 4 to 6 months.

Company Investments: Use of Ben Franklin funds

- Salaries
- Research and development
- Prototype materials and supplies
- Marketing
- Sales
- Development subcontracts

Ben Franklin investments cannot be used for rent, manufacturing equipment purchases, others.

Company Investments: Award considerations

- Management team / industry experience
- Product or service / technology
- Intellectual property / barrier to entry
- Market opportunity / revenue model
- Financials
- Personal investment
- Risk tolerance

Entrepreneurial Support

- Assist companies with business development
 - Business counseling
 - Management & financial assistance
 - Market research & marketing/sales advice
 - Other services as needed
- Workshops on fundamental business skills
- Link companies to additional funding sources
- Network with other economic development resources

Company Maturity

- Phase 1 – Technical Feasibility
Reduce Product Development Risk
- Phase 2 – Market Feasibility
Introduce Product to Market & Commercialize
- Phase 3 – Business Feasibility
Position Client for Expansion
- Phase 4 – Existing Businesses
New Products / Improved Competitiveness

Funding Application Process

- Preliminary Discussions
- Introductory Presentation
- Proposal Preparation, Submission & Review

Process takes 4 to 6 months.

Investments are made quarterly and end June 30th.

Companies may be funded more than one year (must re-compete).