UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 2010

COMMITTEE: External Affairs

AGENDA ITEM: II. Approval of Request to Extend Period of Operation of a New Business Enterprise in the University of Virginia McIntire School of Commerce Foundation

BACKGROUND: The University of Virginia McIntire School of Commerce Foundation is an independent corporation and approved University-related foundation chartered to promote the advancement and further the objectives and programs of the McIntire School of Commerce at the University of Virginia. In June 2008, the Board of Visitors approved the establishment of a new business enterprise in the McIntire School of Commerce Foundation. This business enterprise was to develop and market a web-based survey software application that allows scholars to more rapidly collect network data sets by automating portions of the survey process that is usually done manually. This interactive survey tool is designed for individuals and corporations to analyze their internal and external communication networks. The Foundation received Board of Visitors’ approval to operate its new line of business for a period of up to twenty-four (24) months, with an exit strategy of either viable commercialization by then or discontinuing the operation. The McIntire School of Commerce Foundation is requesting an extension of this deadline, which expires on June 13, 2010.

DISCUSSION: The University of Virginia McIntire School of Commerce Foundation requests the approval of the University of Virginia’s Board of Visitors to extend the approval period to operate and market for sale the Foundation-developed survey software. Offering a software product for sale to the commercial markets during the 2008 – 2010 period has been difficult, given the economic downturn. The McIntire School of Commerce Foundation has spent the past twenty-four (24) months stabilizing the software, solidifying sales, expanding and extending corporate relationships, and building some modest infrastructure. This requested extension to operate the business venture in the Foundation is for a fixed period of twelve (12) months, to allow the Foundation to prepare and implement its exit strategy for commercialization and selling of the product, or discontinuing the business operation. Approval of this extension will allow the Foundation to complete plans which currently are underway to properly package the asset for sale. The McIntire School of Commerce
Foundation will demonstrate to the Executive Vice President and Provost and to the Executive Vice President and Chief Operating Officer that significant progress has been made within three months (no later than September 30, 2010) in developing an exit strategy that will be complete by June 12, 2011. The McIntire School Foundation must either complete the sale and transfer of the business venture, or discontinue the Foundation’s interest in the business venture, no later than June 12, 2011. In the event that the business venture is discontinued, the McIntire Foundation will honor existing contracts through their expiration date of January 2015.

No University resources have been used in development of this software.

**ACTION REQUIRED:** Approval by the External Affairs Committee and by the Board of Visitors.

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### APPROVAL OF EXTENSION TO OPERATE A NEW BUSINESS ENTERPRISE IN THE UNIVERSITY OF VIRGINIA MCINTIRE SCHOOL OF COMMERCE FOUNDATION

WHEREAS, the Board of Visitors approved the establishment of a new business enterprise in the McIntire School of Commerce Foundation to develop and market the use of a Foundation-developed survey tool; and

WHEREAS, this approval was for a fixed term of twenty-four months from June 13, 2008, the date of the adoption of the resolution by the Board of Visitors;

RESOLVED, that the extension for the operation of a new business enterprise in the University of Virginia McIntire School of Commerce Foundation, to develop and market the use of a Foundation-developed survey software tool, is approved. This approval of extension is for a fixed term of twelve (12) months from the date of approval by the University’s Board of Visitors, to allow the Foundation time to implement and complete its exit strategy of development and commercialization or discontinuing its new line of business. The McIntire School Foundation must either complete the sale and transfer of the business venture, or discontinue the Foundation’s interest in the business venture, no later than June 12, 2011. In the event that the business venture is discontinued, the McIntire Foundation will honor existing contracts through their expiration date of January 2015.