

Sustaining Innovation

Lessons Learned & Best Practices

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Background

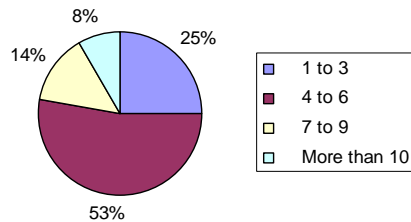
- Identify key enablers and challenges for sustaining innovation beyond the PFI grant
- Compile success strategies and best practices for sustaining innovation

Process followed

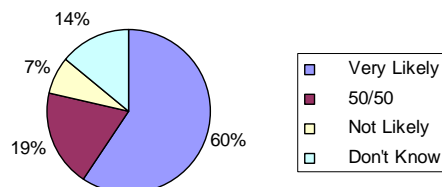
- Conducted quick poll to profile audience
- Compiled a list of key enablers for sustaining innovation
- For each key enabler (in order of audience interest), we discussed
 - What challenges have you encountered in achieving the enabler?
 - Successful tactics: What works / what doesn't?

How many active partner organizations do you have for your project?

N = 50 (approx.)



How optimistic are you that your project will be self-sustaining and growing 5 years beyond the end of the project?



Ten Key Enablers for Sustaining Innovation

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|---|---|
| <ol style="list-style-type: none">1. Research Infrastructure2. Administrative Infrastructure3. Human Capital Development<ul style="list-style-type: none">- Student Interest/Demand- Business Knowledge and Mentoring4. Financial Resources5. Patent/IP Licensing – Commercialization6. Growing Faculty Involvement<ul style="list-style-type: none">- Science/Business Interaction within the university | <ol style="list-style-type: none">7. Growing Industry, Public, and Academic Involvement<ul style="list-style-type: none">- Cluster Identification in the state- Community Involvement- Political Support8. Market Demand9. Need strong leadership<ul style="list-style-type: none">- Project – need a core group of true believers- Campus leadership champions innovation- Formal recognition/Institutionalization10. Success Rate of Innovation – good track record and innovation momentum |
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Note: Items in red were discussed; Others were not due to time constraint

Five Leading Practices

1. University believes in and fosters collaborative, multidisciplinary innovation.
2. Align innovation efforts with the economic development strategy of your state or region.
3. Actively engage industry to validate, develop and commercialize innovation opportunities.
4. Begin with a realistic financial model for leveraging PFI funds – Don't presume the PFI grant will get you to sustainability.
5. University creates innovation support infrastructure, and policies and procedures that are collaboration-friendly, transparent, flexible, and fast.

Enabler 1: Market Demand for Technology

- What challenges have you encountered in achieving these enablers?
 - Getting the right scope
 - Something that can be done in a reasonable time
 - Show discrete output – real products
 - Products that have a real market
 - Exposure in the business world
 - Able to communicate to diverse audiences
 - Need more ties between science and business faculty
 - Easy to get a letter of support from industry – harder to develop a true partner
 - Capital to support technology/product development

Enabler 1: Market Demand for Technology

- What works / what doesn't?
 - Forming network groups focused on integrated technology and business
 - Entrepreneurs and Executives in residence
 - Including innovation in curriculum across the board for all students – require experience prior to graduation
 - Provide means for faculty to get experience
 - Institutional support for technology/product development
 - Use business students to evaluate technology
 - IP is a key challenge
 - Listening to the customer
 - Point research/development with end market results in mind
 - Promotion – need to showcase activity and results

Enabler 2: Financial Resources

- What challenges have you encountered in achieving these enablers?
 - Partners don't have the money to invest in R&D
 - People are missing that can turn the technology into marketable product
 - Private sector not interested in paying for economic development
 - Eco devo interested in jobs, researchers in the research, vc in profit – partnerships break down over time because of the differences in time required to accomplish their respective objectives
 - Sharing IP in a consortium is a mess
 - Working with competitors
 - What's my competitive advantage?

Enabler 2: Financial Resources

- **What works / what doesn't?**
 - Leverage other agency funds
 - Involve local community business councils
 - Influence economic development strategy
 - Angel networks
 - University investment in technology development
 - Alums may give money to seed / fund activity
 - Serious money requires the University President – Senator, etc. to interface with Company CEO/President
 - Do any universities set aside "winnings" for reinvestment?
 - Give up on Gatorade model!
 - Partnership is much more valuable to the university than the money that is likely to be generated.
 - Europe seems to have a better model
 - Need to give up control in order to sustain innovation
 - State means to support innovation: Private donors give to support innovation for tax credits

Enabler 3: Intellectual Property

- **What challenges have you encountered in achieving these enablers?**
 - It's a disabler.
 - University wants all the IP and potential partner says no
 - Disagreement on how to value it.
 - Standard industry position: We pay, we own.
 - Co-mingled money is difficult
 - We used to think of research as pre-competitive technology – time frame for industry doesn't give you money, but expects a return.
 - We have projects in which we give away the IP, but faculty balk at participation
 - Support for IP patenting and licensing a problem?
 - Have 2 organizations that don't work together
 - Tech Transfer people can be a barrier
 - Legal wrangling over language
 - Tech Transfer doesn't want to invest, but also doesn't want to give back to faculty
 - Some Centers of Excellence are handling IP well
 - Established company partners don't want their investment in R&D to help competitors or future competitors.
 - Should universities be trying to commercialize technologies?
 - Universities should be supporting economic development
 - Faculty are not necessarily good entrepreneurs
 - The university business is research and education

Enabler 3: Intellectual Property

- **What works / what doesn't?**
 - Universities should look for equity, not just royalties
 - Exit strategies can be cleaner if the university has an equity deal
 - Develop a portfolio of agreements based on the situation: one size does not fit all
 - Revenue works better than stock if we put limits on time and amount of money we expect back defined up front in the contract
 - What's wrong with the policy – we paid for it we own the IP
 - Company may sit on the technology or restrict further research
 - At Wisconsin, the person or people who create the IP own it. WARF doesn't automatically own the IP?
 - Be realistic about the value of your IP versus the time and money needed to bring something to the market.
 - Most tech transfer offices lose money – how much revenue is generated in the university vs. amount of research.
 - Atmosphere should be supportive of a collaborative research and education environment