Commercialising Research Results

Tom Hockaday
technology transfer innovation

www.techologytransferinnovation.com

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Contents

1. University - Industry Interactions
2. Technology Transfer in the University
3. Innovation Community
Tom Hockaday

- 1989-1993  University College London
- 1993-2000  Bristol University
- 2000-2016  Oxford University
- 2016-      Technology Transfer Innovation (independent consultant)

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University & Business Interactions

- Educated workforce
- Advisory Boards
- Lectures
- Exchanges
- Collaborative Research
- Contract Research
- Donations

- Consulting
- Licensing technology
- Spin-out company formation
- Student entrepreneurship
University & Business Interactions

- Educated workforce
- Advisory Boards
- Lectures
- Exchanges
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Labels

- TT Technology Transfer
- 3rd Thing (arm, leg, mission)
- KT Knowledge Transfer
- KE Knowledge Exchange
- WE Wider Engagement
- KEC Knowledge Exchange & Commercialisation
This is difficult
THE UNIVERSITY TECHNOLOGY TRANSFER LANDSCAPE
Tom Hockaday, 2008

University Research

Proof of Concept Funding

TTO

Marketing

Pre-commercialisation
- public sector support required

Commercialisation
- Engaging with business
- business investing resources

TT Deal

New spin-out company
Angel/seed finance < €1m

Venture capital > €2m

Networks
- Business
- Professional advisers etc

Licence to existing company
Incl. evaluation, option, licence

Research / IP
Supply / Push

Business / €
Demand / Pull

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Expectations

• It works! My job is complete.

• OK, so where do we start? #earlystage

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Key components

1. Ownership
2. Support
3. Sharing the rewards

Objectives ... ‘What’ then ‘How’
IMPACTS
Process

I E P M D R
Process Stages

- Identify
- Evaluate
- Protect
- Market
- Deal
- Relationship
TT People

Investor axis
€ -> €€€

3D – Spin-out

Academic axis
€ -> Research

2D – Licence, Consulting

Commercial axis
Research -> €

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THE UNIVERSITY TECHNOLOGY TRANSFER LANDSCAPE

University Research

[Diagram of the technology transfer landscape with various stages and processes, such as Proof of Concept Funding, Licence to existing company, New spin-out company, Networks, Pre-commercialisation, Commercialisation, TT Deal, etc.]

Proof of Concept Funding

Licence to existing company

Incl. evaluation, option, licence

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TT Deal

Research / IP
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Tom Hockaday, 2008

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Licence - v - Spin-out

• What makes you think you have a choice?
• “The art of the possible”
• Who decides
• It can change
• Objectives, incentives
• Is one easier than the other?
So, what to do?

- Talk to the market
- Talk to companies
- Talk to investors
- Talk with the researchers

- If an existing company is *willing* and *able* to sign a *decent* licence deal, why set up a new company?
Licensing

• ... existing company is willing and able
  • Do they have commitment, to a clear development plan?
  • Do they have resources to reach the market?
• ... to sign a decent licence deal
  • Realistic financial terms
  • Realistic sector and geographic scope
Licensing

• Marketing
  • Talk to lots of companies

• Negotiation
  • Is a lot harder without an alternative

• Internal champion
  • In a senior position
Spin-outs: S & M

SCIENCE

SCIENTISTS

MONEY

MANAGEMENT
Spin-out Strategy

University

Research Group Head

Senior Scientist

Support

Scientists

New Company

Experienced Managing Director

Research Director

Finance & Admin

Sales & Marketing

Production

Scientists

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“The problem with the French is that they do not have a word for entrepreneur …”
Spin-outs – The Players

Founder

Researchers

Technology Transfer
Manager

Investor (1)
Investor (2)

Manager (1)
Manager (2)

Lawyers
Accountants
Bankers

Shareholder, Director,
Consultant
Licence,
University shareholding,
director (OSEM)
Shareholder, Director
CEO, Shareholder
Lawyers
Accountants
Bankers

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Money

- Proof-of-Concept (pre-deal)
- Angels
- Seed Capital
- Venture Capital
- Corporate Venture Capital
- Patient Capital *(not the ones in Hospital)*
- Public Markets
Business is over here!

Saltburn Pier, England
Building Bridges
Investment Gap (s)
University Research

Proof of Concept Funding

TTO

Marketing

Networks
- Business
- Professional advisers etc

Gap 1

New spin-out company
Angel/seed finance < £1m

Gap 2

Venture capital > £2m

Licence to existing company
Incl. evaluation, option, licence

Pre-commercialisation
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Commercialisation
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TT Deal

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Be patient – ‘patient capital’
Syzygy
Where it starts
Innovation Community

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The Innovation Community

- Start-ups
- Angel Networks
- Technology companies
- Angel Investors
- Accountants
- Students
- Bankers
- Lawyers
- Government Labs
- Incubators
- Hospitals
- Venture Capital
- Technology Transfer organisations
- Research Institutes
- Public Relations
- Politicians
- Consultants
- Business
- Business networks
- Local Enterprise Partnership
- Local Government
- Science Parks
- 'Patient' Capital
- University Researchers
- Recruitment, head-hunters
- Journalists
- Other universities
- Industry
- Commercial property managers
- YOU!

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Components

• Components for a successful, dynamic, innovation community

• University
• Business & Finance
• Government
• Not-for-Profits
Components - University

- Support from the top
- Strong research base
- Student engagement
- Clear policies
  - Ownership, revenue sharing, spin-outs, disputes
- Proof-of-Concept & Seed Funds
- Technology Transfer Office
  - Policies, People, Patents, PoC, Publicity

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Components – Business & Finance

• Investors
  • Business Angels, Seed, Follow-on
• Entrepreneurs
• Open-minded industry
• Business Networks
• Professional Advisers
  • Lawyers, Accountants, Bankers

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Components - Government

- Local, Regional, National
- Taxation
- Grants
- Infrastructure
- Legislative Framework
- Public Procurement
- Support & Clarity & Consistency
Components – Not-for-Profit

- Foundations
- Charities
- Social Enterprise
Components

- Research Base
  - Universities
  - Research Institutes
  - Research Hospitals

- Business & Investors

- Government
  - Tax
  - Grants

- Not-for-profits
Components

- Research Base
- Business & Investors
- Government
- Not-for-profits

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- Public Relations
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- Publishers
- Politicians
- Consultants
- Business Start-ups
- Local Enterprise Partnership

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The Innovation Community

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- Other universities
- Industry Technology companies
- Research Institutes
- Hospitals
- Public Relations
- Local Government
- Consultants

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Tom Hockaday is a leading expert in university technology transfer leadership, management and activities. He led the technology transfer activities at the University of Oxford for ten years from 2006 to 2016, having started at Oxford in 2000. Tom has over 27 years experience in this field.

Tom Hockaday is an independent private consultant, working with a number of clients in the university technology transfer sector.