



IP 2018

8th International Conference on “Managing Intellectual Property Rights in Universities”

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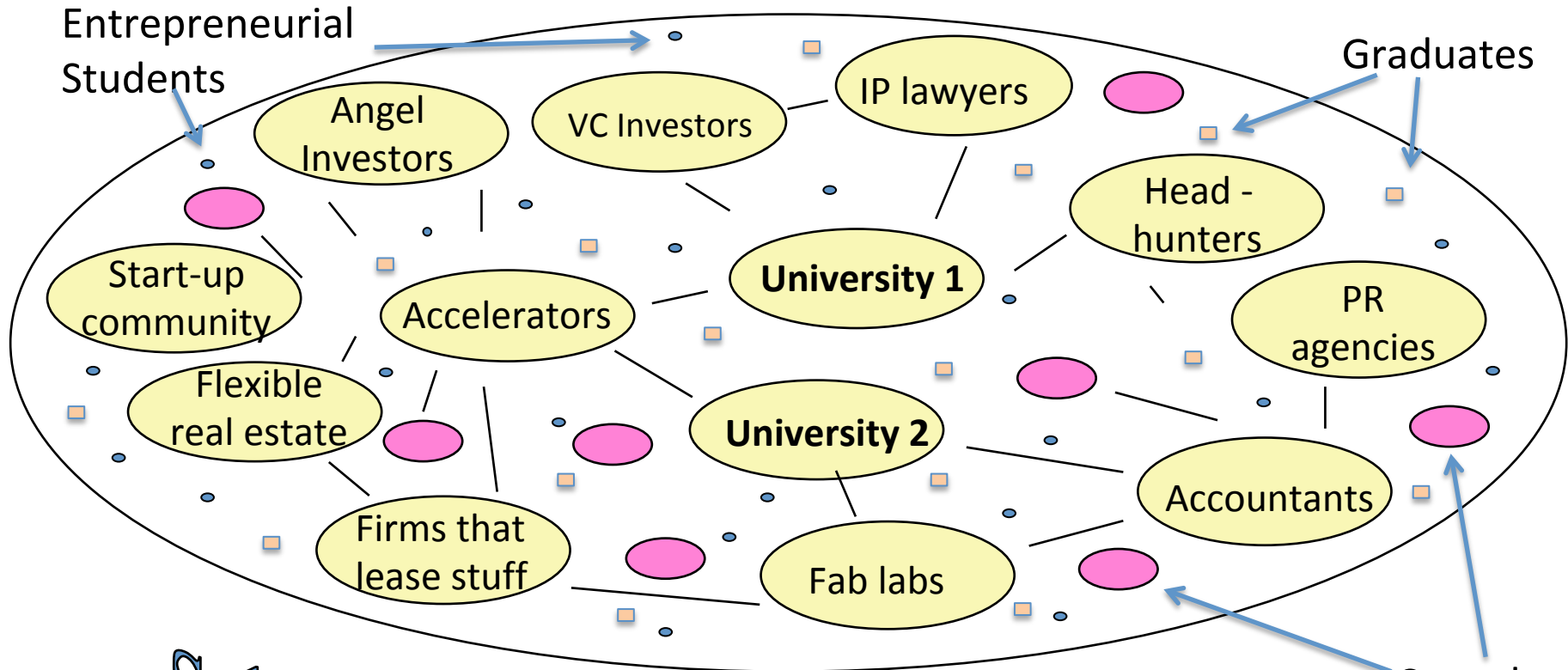
London Business School

Spin-out ecosystem development in the UK

Stanford University TLO (1989)

“When an academic comes to us [At Stanford] with a new business idea we direct him at an academic who has already started up a business. This gets him into the network.

Next time we hear from him is when he, his management team, lawyer and investor approach us seeking a license” .



Sub-culture engaged in barter economy

Consultants,
brokers,
itinerant managers

Four stages of ecosystem evolution

- Government funds to build capacity
- External investors smell an opportunity
- Professional service providers enter
- Trust, networks develop – true ecosystem (market) created.

Government stimulus

- Some universities trying to create spin-outs
- Government:
 - Wants more of them
 - Accepts there is a ‘market failure’
 - Provides competitive funding to those with best proposals
- For universities:
 - Becomes a ‘prestige’ activity
 - Helps to build capacity (through people, practice)
 - Enables them to lead some funding syndicates

Private sector funds emerge

- External (private) Funds sniff opportunity
- Seek partnerships with universities:
 - For (exclusive?) deal flow
 - Early sight of technologies (level information asymmetry)
- Open 'rolodex' (network)
- Have some promising exits.
- Learn how to work with universities

Enter professional services.

- Given projects by investors & spin-offs
- Realise there's money in the sector.
- Understand needs – begin to develop 'products'
- Start marketing their services
- Ecosystem develops

Impact

- Universities once had to do everything – only a few knew what they were doing.
- Gradually ecosystem (market) develops:
 - Providing professional services
 - Building horizontal (referral) relationships
 - Based on self-interest
- University role can then refocus on:
 - Seed, PoC, patenting support.
 - Introductions (to trusted players in ecosystem)
 - Negotiating deal (on behalf of university)