



## AUTM Professional Development Programs

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# Key Elements of a Supportive Ecosystem for University Spinouts

Welcoming remarks will begin at  
11:55 a.m. Eastern Time.

The formal presentation will begin at Noon Eastern

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The following presentation reflects the personal views and thoughts of Don Rose, Jordan Kaufmann and Michael Psarouthakis, and is not to be construed as representing in any way the corporate views or advice of the their respective organizations and their Affiliates, Subsidiaries or Divisions, nor the views or advice of the Association of University Technology Managers (AUTM). The content is solely for purposes of discussion and illustration, and is not to be considered legal advice.



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## Key Elements of a Supportive Ecosystem for University Spinouts

**Moderator:**

Don Rose, *University of North Carolina*

**Speakers:**

Jordan Kaufmann, *University of Iowa*

Michael Psarouthakis, *University of Michigan*

April 12, 2016



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# Questions?

We will be taking questions at the conclusion of the presentation.



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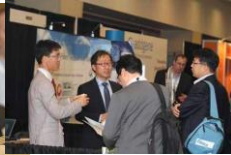
## Operator Assistance

Audio difficulties: Dial 0 0

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Advancing Discoveries for a Better World®

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### Discounted Pricing

- Professional development courses
- Annual Meeting
- Online courses
- Online job posting
- Membership mailing lists

### • Access to AUTM Publications

- *AUTM Better World Report*
- AUTM Salary Survey
- AUTM Technology Transfer Practice Manual
- AUTM Licensing Activity Survey (currently for United States and Canada)
- AUTM Update

## Member Benefits



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## Member Benefits

### In-person and Online Networking

- Special Interest Groups (SIGS)
- Online Discussion Groups
- Volunteer committees
- Partnership Forum at Annual Meeting
- Meetings at national and regional levels

### Additional Benefits

- Updates on legislative activity and how it affects you
- Meeting proceedings and presentations
- Member discount on the AUTM Licensing Activity Survey (currently for United States and Canada)
- Access to post data on the [Global Technology Portal](#)



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photo: Dan C Sears

**Don Rose, Ph.D.,**  
*University of North Carolina*



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**Jordan Kaufmann**  
*University of Iowa*



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**Michael Psarouthakis,**  
*University of Michigan*



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## *Key Elements of a Supportive Ecosystem for University Spinouts*

AUTM Webinar

12 April 2016



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# Presenters

- Don Rose, Ph.D., UNC-Chapel Hill
  - Director, KickStart Venture Services
  - <https://www.linkedin.com/in/4donrose>
- Jordan Kaufmann, Ph.D., Univ. Iowa
  - Director of Startups
  - <https://www.linkedin.com/in/Jordan-Kaufmann-01257910>
- Mike Psarouthakis, MBA, MS, Univ. Michigan
  - Assistant Director, Michigan Venture Center
  - <https://www.linkedin.com/in/michaelpsarouthakis>



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# Outline

- ***Overview of University Ecosystem and Structure***
- ***Topics***
  - *Education and engagement of faculty*
  - *Conflict of interest*
  - *License to established company or launch a startup?*
  - *Engaging the external world*
  - *Company formation*
  - *Startup Licensing*
  - *Gap funding*
  - *Incubation space*





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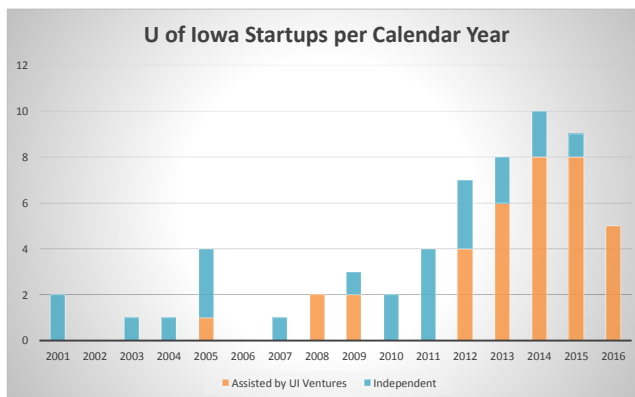
# University of Iowa AUTM metrics

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Disclosures	68	102	98	139	147
Patent Applications	62	72	85	90	110
US Patents Issued	31	31	24	25	24
Licenses	23	21	29	32	40
Startups	3	5	10	9	6
Licensing income	\$6.3MM	\$7.2MM	\$1.4MM	\$1.8MM	\$1.5MM



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## University of Michigan

- \$1.3 Billion Annual Research Budget
- 400 – 422 Invention Disclosures per year
- 130 – 164 Licensing Agreements
- 130 – 160 Patents per year
- 12 – 19 Startups per year
- \$78.8 Million in Revenues in 2015
- Launched more than 300 startups since 1988, UM startups have raised over \$1 Billion in venture capital since 2000





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## UNC AUTM Metrics

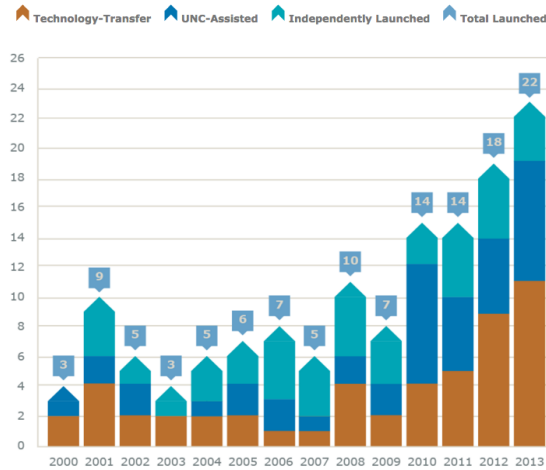
	2011	2012	2013	2014	2015
<b>Disclosures</b>	142	160	138	156	136
<b>Patent applications</b>	124	168	153	151	176
<b>Patents Issued</b>	33	31	25	36	48
<b>Licenses</b>	45	61	56	43	51
<b>Startups</b>	7	9	14	10	9
<b>Licensing Income</b>	\$1.5MM	\$2.4MM	\$3.8MM	\$7.6MM	\$3.0MM



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UNC North Carolina Startups Per Year 2000-2013





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# Faculty Education and Engagement

- To what extent do faculty need to be educated about
  - Technology commercialization/translation
  - Technology transfer
  - The startup/entrepreneurial process
- What are the approaches for educating faculty?
- How can faculty be engaged in the startup process?
- How does that engagement change over time?



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# Conflict of Interest

- Faculty who have equity in a startup founded on their research can be personally conflicted.
- Where do these conflicts arise?
  - Graduate student research
  - Clinical trials
  - Purchasing from the startup
- How can these conflicts be managed?
- What about conflict of commitment?

## BigCo vs NewCo

- A technology can either be licensed to an established company or a startup.
- What goes into that decision?

Characteristic	Start-Up Company	Established Company
Type of license	Radical	Incremental
Type of knowledge	Tacit	Codified
Stage	Early	Late
Purpose	General	Specific
Customer value	Significant	Moderate
IP protection	Strong	Weak

Source: Adapted from Shane, *Academic Entrepreneurship*, 103.

## Engaging the External World

- People outside the university bring a wealth of experience and knowledge in helping launch startups.
- How best to engage these people?
- What roles?
  - Advisor
  - Mentor
  - Coach
  - EIR
  - Interim Management



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# Company Formation

- Forming the company requires a number of key decisions, some of which can have long-term implications.
  - Company name and URL
  - Type of corporation
  - By-laws and operating agreement
  - Equity distribution and vesting
- To what extent are/should universities involved in this process?



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# Startup Licensing

- A license agreement for a startup can be significantly different compared to an established company.
  - Upfront fees
  - Royalty
  - Equity
- What are the pros and cons or best practices for creating a startup-friendly license?

## Gap Funding

- Funding outside the scope of traditional R01 funding is usually required to begin de-risking a technology. These activities include
  - Technology development
  - Validation
  - Proof of concept
  - Prototyping
- What types of programs are effective to fund at the different stages
  - Pre-startup
  - Startup
    - Non-dilutive grants (internal/external)
    - Dilutive equity (internal/external)

## Incubation

- Many startups require flexible space and lease terms during the early days.
- What types of incubation or acceleration programs promote startup growth?
  - On-campus
  - Near-campus
  - Off-campus



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## Questions? Comments?



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## Discussion and Q&A

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# Webinar Recordings

Basics of Technology Transfer for Licensing Professionals  
 Basic Patenting 101  
 Copyright Law and Content/Software Licensing  
 Equity Based License Agreements  
 Financial Conflicts of Interest  
 Marketing: Whether By Traditional or Social Media, the Value  
 Need to Know Basics of Technology Transfer for Support Staff  
 Negotiation of License Agreements  
 Nuts and Bolts for Compliance Under Federal Funding Awards  
 The Basics of Open Source Licensing  
 Tips for Managing MTAs  
 Triage  
 Valuation of Inventions and Patents  
 (More Added Monthly)

[www.autm.net/onlinelearning](http://www.autm.net/onlinelearning)



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# Register now for AUTM's next webinar

- **Technology Transfer in the Crosshairs: How to Help Your University Make Its Case**  
- Thursday, April 21
- **IP Basics for Software Innovations**  
- Tuesday, April 26



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# Network with AUTM Online



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Search groups for AUTM at [www.linkedin.com](http://www.linkedin.com)



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### AUTM Region Meetings



#### AUTM Western Region Meeting

Nov. 1 – 4

Waikiki Beach Marriott Resort

Honolulu, HI USA



#### AUTM Eastern Region Meeting

Sept. 29 – 30

The Westin Philadelphia

Philadelphia, PA USA



#### AUTM Central Region Meeting

July 18 – 20

The Pfister Hotel

Milwaukee, WI USA

**Registration Open Soon!**




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### AUTM Courses

#### **\*\*NEW\*\* AUTM Compliance Course**

Oct. 3-6  
Hyatt Regency Baltimore Inner Harbor  
Baltimore, MD USA



Register Today!

#### **AUTM Essentials / TOOLS Courses**

Oct. 3-6  
Hyatt Regency Baltimore Inner Harbor  
Baltimore, MD USA

#### **AUTM Successful Practices in Small Technology Transfer Offices**

Oct. 3-5  
Hyatt Regency Baltimore Inner Harbor  
Baltimore, MD USA



Save the Date!



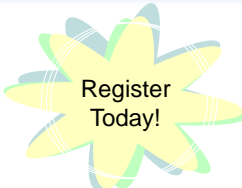
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### AUTM Partnering Forums

#### **Communication Technologies**

Hosted by Georgia Tech Research Corporation  
April 19-20, 2016  
Georgia Tech Global Learning Center  
Atlanta, GA USA



Register Today!

#### **Crop Productivity and Food Processing Technologies**

Hosted by University of Saskatchewan  
September 28-29, 2016  
Radisson Hotel Saskatoon  
Saskatoon, Canada



Save the Date!



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## Have an Interesting Topic?

The Online Professional Development Committee is seeking proposals and speakers for potential webinars.



**Submit Your Idea Today!**

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## Get Involved

We need your help. The Online Professional Development Committee is seeking professionals interested in joining their committee.



Interested? Please contact  
Melinda Briggs – [mbriggs@autm.net](mailto:mbriggs@autm.net)





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**AUTM Annual Meeting**



**AUTM 2017 Annual Meeting**

**March 12 – 15**  
**Hollywood, FL USA**

