

*If old rules don't work, work around them*

Smaller institutions take note: You can outperform larger universities with the right strategies and proper implementation.

Proof comes from the University of Akron (UA), which was ranked first in the state by the Ohio Board of Regents with the highest rate of return per research dollar, ahead of Ohio State University and Case Western Reserve University, among others.

So what's the UA advantage?

John Preston, PE, JD, associate vice president for research and director of technology transfer, points out that having a research foundation is a good start -- a strategy that a growing number of universities are adopting.

"We set up a separate corporation referred to as the University of Akron Research Foundation and we're able to circumvent the typical issues, problems and drawbacks that technology transfer offices encounter in dealing with a public university," he explains. "The bureaucracies at universities can make it difficult to move quickly and efficiently. But we're able to do that at our research foundation. We have enormous flexibility to take risks and move forward."

Rights to technologies are transferred under contract to the research foundation, which in turn manages those rights for the university. The foundation enters into licenses with companies and spins out start-ups through the separate corporation.

One reason for a separate foundation, especially for public institutions, is that some state laws prohibit or diminish the ability of public institutions to engage in many aspects of technology transfer effectively, Preston says. For example, the Ohio constitution includes a prohibition against a public

institution holding equity in a private entity, which dates back 100 years to early railroad investments when the state took a bath related to liabilities.

"When you're trying to spin out a company, the new ones don't have money but they do have equity. The inability of the university to take equity in a private enterprise is a real disadvantage." Many public universities are also prohibited from taking on liability, which is also a prerequisite for launching a company, he adds.

Preston says he often hears that corporations hesitate to work with universities because of the bureaucracy and the extended length of time putting deals together. Because UA now has a separate entity through which to transfer technologies, they are able to work more quickly and effectively. But that's only one part of the reason the group has been so effective.

## Ohio's tech transfer scoring system

UA's top ranking comes out of a scoring system based on productive technology licenses, formation of start-up companies, and direct industry research support by Ohio companies. Preston says. (See the article on the next page.)

The score shows that the university does extremely well in producing new business start-ups licensing new intellectual property to Ohio business. Thirteen start-up companies have been spun out of UA technology in Ohio from 2001-2006. That may not sound like a lot compared to larger institutions, but Preston points out the key phrase related to the award is rate of return. "We certainly do not produce the highest return in total. We're a much smaller operation than others in this state. But the rate at which we perform is the key," he says.

Preston says the basic “secrets” to UA’s success are fairly straightforward:

UA is committed to growth and wealth creation. UA’s research commercialization efforts are headed up by VP of Research

