



News

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Converting Research Into Business: Not A Pact With The Devil

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Much of micro- and nanotechnology spawns from university research. Institutions around the country and in Michigan develop incredible foresight in technology with new processes, methodologies, products and services. Most universities have now created their own technology incubators and spin-off departments to assist professors in bringing their products to market. However, two big questions always seem to crop up: Is it right and how do I do it?

You Are Not Selling Your Soul ... Trust Me

First, I do not believe researchers make a pact with the devil when they embark on a business venture, either with university support or with a linkage to businesses or external financiers. My original field of study was astrophysics; a field many argue is the only pure science left. It was difficult at the time to assess the practical ramifications of learning more about binary star systems. When it comes to the goodness of research versus applied science and technology, I know where from I speak.

Spinning off research into an applied product can provide a number of advantages to the researcher, such as elevating the work to a more global reach, providing funding for further research through profit generation, speeding the product to completion with increased funding and, of course, helping many more people with your invention than might be helped if you didn't bring it to market.

Are there compromises (this is the "trust me" part)? Of course there are. But university incubators and funders want a piece of the action - not an unreasonable request if they are also investing their hard earned time, money and expertise. There is great prestige when new world-changing products get tagged to a particular university's research. The prestige usually results in increased alumni support and a stronger ability to attract corporate donors. More money into the university means more money for more research.

Are financiers in it for just the money? Of course they are not. Despite what many people think of investors, most of them also believe in the product, but they need to generate a high rate of return on their investment or they could not continue to make future risky investments. More importantly, they also bring their own sets of talents in business, marketing, connections and financial management.

I'm A Researcher, Not An Entrepreneur

Let us assume you have made the decision to move forward with a business launch. What happens next? The practical side starts with the formation of a company. Your university will undoubtedly assist you with this piece, including the legal documentation and any intellectual property protection. However, the larger part of "what happens next" is more personal and internal. Do you have the entrepreneurial spirit or not?

Many researchers begin their funding search by seeking grant money, an area in which they have familiarity. I am by no means anti-grant, but grant funding can lull researchers and their assistants into thinking their company is now real and launched. The fact is, grant money may provide a means to start a business, but not the means to continue one.

I have seen academicians rely on a continuous stream of grant money, only to lose the commercialization race to competing technologies that are more entrepreneurial and better funded. The regular paycheck and operational funds from grants can cause some to take their eye off the ball of growing the company into a self-sustaining enterprise. Don't be afraid of looking for funding outside of the university and grant world. It is there.

You will also need to think like a business owner. Embrace the other aspects of running a company beyond just the technology. That means learning personnel management, finance, operations, sales and marketing - the thrill of learning about these other aspects of business is both exciting and rejuvenating. But if that just isn't you, then surround yourself with a strong management team or advisors to assist either full-time or part-time.

No Regrets

Shifting from the world of academia and research brings trepidation and may even call into question the purity of your work. The challenges are great, but also invigorating and rewarding. Talk to your university incubator group. Talk with your peers that have launched products commercially. Talk to outside business people. But have no regrets with your decision to commercially launch or not to launch. There is no right decision.



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