

The Piloting of an “Intellectual Property Pipeline” engaging Business Angels in the commercialisation of University IP

Abstract

Objectives

This paper describes the piloting of an Intellectual Property (IP) Pipeline, promoting early stage interaction between potential informal business investors (Business Angels), their networks, universities and academics in Wales. This is in order to both accelerate the commercialisation process itself and also expand the number of commercialisable opportunities, new or improved products, processes and services

Prior Work

Many studies have also supported the role of venture capitalists / Business Angels contributing to the success of their ventures in numerous ways other than simply providing finance (Harrison and Mason 2000, Sorheim 2005; Large and Muegge, 2008).

Numerous government policy efforts have been made in many countries to commercialise the outputs of university research in some way (see for example Lambert 2007, DIUS 2008).

However there have been very little published reports or academic papers, specifically on the engagement of business angels in the commercialisation of university IP, which is the focus of this study.

Approach

A variety of qualitative techniques were used. Initially focus groups and key stakeholder interviews were carried out over a number of months to further develop the final version of the pipeline. Finally, multiple interviews were carried out with business angels, network managers, University I.P. managers and academics involved in developing I.P. to assess the actual involvement of angels in a number of case studies.

Results

The research highlights that Universities can potentially engage more closely with Business Angel networks to develop Intellectual Property (IP) opportunities that have commercial potential and secure further investment. Crucially, however, there will be a range of methods of working with Angel investors that will differ depending on the stage of the innovation's development and the consequent activities / involvement of the angel with the I.P.

Business Angel involvement can add value in terms of market-focus and identification, finance, management structures, viability of route to commercialisation and business contacts

The “IP commercialisation pipeline” framework (McCarthy, Packham & Pickernell 2010) has continued to evolve, with further refinements to the inputs required at each stage, in order that such an approach can give mutual benefit to university research staff, the university, investors, and ultimately firms and consumers

Implications

Perhaps the key implication of this paper is that there is a clear framework and evidence that the involvement of business angels in the commercialisation of university IP can add value and contribute to the commercialisation of university research.

Value

The key contribution of this paper is that it provides evidence of a process through which university IP commercialisation can benefit through the involvement of business angels, with a particular emphasis on involvement at an early stage of the commercialisation process

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