

The Copenhagen Spin-outs Program at the University of Copenhagen

CRITICAL AREA OF FOCUS 3: “Accessing finance and interacting with financial stakeholders”

BEST PRACTICE FOR: “Investments Readiness Activities”

AIMED AT: TTOs

UNIVERSITY: University of Copenhagen (UPCH) (Denmark)

TTO: Tech Transfer Office University of Copenhagen (TT-UCPH)



The context:

With over 40,000 students and more than 9,000 employees, the University of Copenhagen (UCPH) is one of the largest institutions of research and education in the Nordic countries. Faculties of Health and Medical Sciences, Humanities, Law, Science, Social Science, and Theology are further divided into departments and institutes acting as the primary workplace for the University's researchers. The University is also home to a number of centers, interdisciplinary projects and other units typically focusing their work on research in more specific academic areas. A merger with The Royal Veterinary and Agricultural University and The Danish University of Pharmaceutical Sciences in 2007 has led to the formation of one of the largest Health and Life Science centres in Northern Europe consisting of the Faculty of Health and Medical Sciences and the Faculty of Science.

Founded in 2003, the technology transfer office at University of Copenhagen (TT-UCPH) was initially set up at the University's Health Science Faculty. In 2005, it was moved out of the faculty and up under the Rector's office to cover all faculties of UCPH. It was a “stand-alone” office for some years until 2008, when the office became part of the department of Research & Innovation. The director of the TTO reports to the Director of Research & Innovation who reports to the pro-rector of the University.

Apart from the director, there are currently 13 people employed at TT-UCPH: 5 business developers with scientific backgrounds and experience working in industry; 6 lawyers and 1 generalist managing the Copenhagen Spin-outs project.

The problem:

The basic premise for setting up a TTO is to identify research with commercial potential and to commercialise it. Relationship and trust between researchers and the TTO is key to obtaining disclosures of new inventions and ideas. The outputs of university research are not usually market or investor ready so these proposals were not often successful and attracted negative feedback. This did little to build up relationships with industrial partners or potential investors.

TT-UPCH wanted to establish a four-way dialogue between the TTO, researcher, industry and investor.

The solution:

The University of Copenhagen and two other institutions (Technical University of Denmark and The Hospitals of the Copenhagen Region) were successful in applying together for funding through EU-ERDF for a project called Copenhagen Spin-outs (CSO). CSO has a goal of fostering the transformation of life-science research into the creation of sustainable spin-outs in 2011. The CSO project also involves a group of mentors who are experts from companies or other external organisations such as Dansk Biotek and the Danish Association of the Pharmaceutical Industry who provide help on particular issues related to commercialisation. The CSO project has grown beyond its initial remit and now involves TTOs, science parks, innovation incubators, seed funds and industry. There are many aspects to CSO, but of particular interest in CAF 3 is the focus on innovation and commercialisation of biotech research to speed up the effort needed to translate research outputs into sustainable biotech companies. The spin-outs are within the areas of MedTech, Diagnostics, Pharmaceuticals, Industrial biotech and Food.



The basic idea behind this concept is that investors should be involved with the researchers, an industry mentor and the TTO in the business development of each research project together. The investor helps the project/researcher develop a business and financial plan to attract investments while the industry mentor and TTO guide the process.

All of the stakeholders, funders and industrial partners in the CPH Spin-out project meet at least 4 times a year. Each TTO presents the current spin-out projects in their portfolio to the group. This ensures that they have investors and advisors on board for each potential spin-out project very early on in the business development process to help shape the spin-out project in the best possible way.

Projects are made ready for investment through a proof-of-concept fund. This was initially financed through the European Regional Development Fund, but after the funding ran out in Spring 2015, the partners behind the project decided to continue the collaboration with their own funding. UCPH has set aside a fund of DKK 4 million a year (€540,000). Researchers (whose IPR is owned by the university) can apply for funds up to DKK 500.000 (€67,000) in order to finance business plans, extra data and hire of external experts, as well as buy market intelligence or otherwise prove their products viability.

In general, TTOs in the CPH Spin-outs project respond to researcher's requests for advice on starting their own company but so far this has been done very much on an ad-hoc basis. At the time of writing a new, proactive initiative, Copenhagen CEOs is underway. This is a training program for researchers who are either thinking of starting their own company or who are in the process of doing so. The program contains short training modules (very hands-on) where candidates will get an introduction to the many aspects of starting a company.

As part of CPH Spin-outs, operational tools for the TTO's have been produced in the form of manuals to streamline procedures from invention disclosure to spin-out, based on best literature, best practice and their own experiences. There are three manuals on Scouting; IPR Strategy and Stage-gating available online at <http://www.copenhagenspin-outs.dk/en/om-copenhagen-spin-outs/manualer/>.

These tools were developed both for short term use in the project and for long term use in TTOs in general.

Alignment to PROGRESS-TT:

This case is a good illustration of the "Investments Readiness Activities " Best Practice in PROGRESS-TT Critical Area of Focus 3 "Accessing finance and interacting with financial stakeholders".

CPH Spin-outs shows how collaboration between universities and other public research organisations with similar or complimentary research interests can be organised to provide the resources needed to bring research outputs to a market- and investor-ready stage. Developing an extensive network of partners and involving external parties in the early stages of the process are important conditions which are necessary to foster the growth of spinoffs/startups. A filtering process that selects the most promising opportunities must be put in place with maturation and validation activities to develop interesting propositions and opportunities that will raise the interest of third parties who are not stakeholders in the IP.

Access to public funds can kick-start a process which, if managed well, can develop into a sustainable project. The success of CPH Spin-outs provides an example that a relatively small pot of money, in conjunction with carefully managed resources can get a project ready to attract further investment.

From 2012 until March 2015, CPH Spin-outs started 64 potential spin-out projects, made 41 patent applications, granted 20 license agreements and formed 23 spin-out companies. 14 of these spin-outs have attracted VC funding to a total of 61 M Danish Krone (€8.2 M). The project has a website where they publish details of successful spin-outs (www.copenhagenspin-outs.dk).

Critical success factors are good relationships between researchers, TTO, industry and investors. Close and early collaboration is one of the key factors and backing from university management at all levels is crucial. TTOs need staff with appropriate scientific and business skills in order to support the spin-out activity.

The activity of sharing or co-creating resources is an vital part of the process as it helps to minimise ongoing costs and maximise impact. More importantly, the collaboration between different universities and research centers creates the critical mass and scope of projects that is needed to attract the interest of a wider pool of investors. Providing training and mentoring for researchers/entrepreneurs leads to shaping good business ideas, better business plans and pitch presentations which in turn lead to the formation of spin-outs with a better chance of success.

Original from [UPCH] Original release of [07 28 2016]. Last revised, [07 28 2016].

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