

Lambert Review of Business-University Collaboration Response from the University of Leeds

Question 1 Best practice and examples of excellence in business university collaboration

Technology transfer

Following a fundamental review of our technology transfer operation in 2002, Leeds has become the first university in the country to outsource the commercialisation of its intellectual property. An alliance has been formed with the venture capital investor Axiomlab plc, who through its 100% owned subsidiary, Techtran (www.techtrangroup.com), has taken on the role of creating spin-outs and licensing deals on behalf of the University. Equity in new companies will be shared between the inventor, the University and Axiomlab.

Techtran brings together a team of professionals with backgrounds ranging from experienced CEOs of high-growth companies and venture capital investors through to professional recruitment executives and PhD researchers. The company will help the University to derive greater success from its commercialisation efforts by:

- Helping to focus resource earlier in the process on the opportunities with the greatest chance for commercial success
- Providing early grub funding for opportunities to help develop them to the point that they can attract significant early investment
- Assisting spin outs through the most crucial early stages of development up until the point that the opportunities secure full venture capital funding (not just to the point of seed funding as per many traditional technology transfer operations)
- Building links into the angel investment community and venture capital industry to help secure a greater spread of potential funders
- Leveraging its links into industry to secure a greater number of more lucrative licensees

Strategic alliances

The University is actively developing a number of strategic alliances with industrial partners. One of the most successful alliances to date is in particle science and technology with BNFL. This has enabled joint planning of collaborative research at a senior level in the two organisations and the agreement of an umbrella framework on intellectual property arising from this research. Further details on the alliance can be found at <http://www.particles.leeds.ac.uk>

Corporate learning

The Institute for Corporate Learning is expanding the University's interface with the corporate sector through the formation of long-run partnership relationships in the fields of education and training. Tailored programmes developed for corporate clients include:

- A Certificate in Business Excellence in conjunction with First Direct.
- A postgraduate Diploma in Management in conjunction with Yorkshire Water/Kelda Group, which combines academic study with in-company management development by integrating the manager's studies with organisational needs and career development plans.

- Two one-year Graduateships in Management and Asset Management in conjunction with Yorkshire Water/Kelda Group. Both programmes are jointly accredited by City and Guilds and the University, providing progression into the Diploma programme.

Further details can be found at <http://www.leeds.ac.uk/ifcl/>

Virtual Knowledge Park

The University has developed an integrated web-based system, known as the *Virtual Knowledge Park (VKP)*, to support collaboration with its community of industrial partners. The VKP provides individual projects with web-based facilities for sharing documents over the internet and for multi-way videoconferencing, together with knowledge management tools for use by staff within the University in developing new knowledge transfer opportunities. The VKP can be visited at <http://vkp.leeds.ac.uk>

Work experience for students

The University has the capacity to offer businesses the complete range of student placement possibilities, ranging from hiring students for a few hours per week for part time jobs via Joblink (a joint venture between the University Careers Centre and the Student Union), through short projects and internships, to full sandwich year placements.

Question 2 Barriers to strengthening business-university collaboration

Understanding, experience and incentive

There remains too little understanding of each other's business priorities and objectives between universities and industry. This is partly caused by there being too few academics with experience of interaction with industry and there being only limited government support incentives for universities to actively collaborate.

DTI

The lack of joined-up thinking between research councils, DTI and RDAs can be confusing and does not enhance university-business planning. The levels of administration in DTI schemes, for example sometimes requiring full audit responsibilities for small companies, prohibits them from collaboration with universities. There is also a resistance within DTI to provide direct support to universities, instead directing support to intermediate organizations who do not themselves deliver the applied research.

Question 3 Attracting graduates and postgraduates with the required skills

Graduate recruitment

The tightening of the graduate recruitment market in recent years has tended to make for narrower targeting by companies. Global recruiters reducing their UK university "hit list" from 20+ to 10 or so is a feature of a number of recruitment campaigns. This is often accompanied by a desire on the part of the business in question to strengthen their relationships with the target universities. There is certainly evidence of this trend at Leeds.

Graduate recruitment is more problematic for smaller organisations and SMEs in particular. These organisations often lack the HR infrastructure and graduate recruitment experience to be “in the know” about connecting with universities. It is our experience that this is an area in which regional collaboration can be very beneficial. Using their careers services as the “gateways”, the HEIs in the Yorkshire region have been providing collaborative services in this area for some time. The latest, and largest of these is the recently launched *Graduates Yorkshire* project, funded by the RDA Yorkshire Forward. (for more information contact the chair of the Graduates Yorkshire Steering Group, Bob Gilworth, Director of the Careers Centre, University of Leeds 0113 343 5305 R.B.Gilworth@leeds.ac.uk).

Leadership skills

The International Corporate Leaders Programme (ICLP) is a collaboration between the University of Leeds and a range of internationally based companies (including BNFL and Shell), supported by visiting professors and industrialists. The programme is designed to satisfy a need identified by leading industrial companies for high quality engineering, IT and business graduates who possess a wider skill base that includes international, business and leadership awareness and experience as well as communication and teamwork skills. Full details of the programme can be found at <http://www.keyworth.leeds.ac.uk/ICLP/>.

Question 4 Financial considerations

Small Business Research Investment Fund

The pilot Small Business Research Investment Fund scheme operated by EPSRC in conjunction with Faradays was innovative and its extension should be pursued actively. It connects universities and companies in a flexible manner and is better suited than, say, Teaching Companies Schemes for higher level scientific research (TCS Schemes do not readily accommodate more risky research endeavours and generally support postgraduate level staff only with academic supervisors).

Addressing the equity gap – pre-seed funding

Often ideas would benefit from a small injection of ‘grub’ funding to test the idea more fully before pursuing a full spin-out venture (i.e. 0–50,000). This funding is seldom available due to the high risk and the small sums involved, which makes it often too costly to negotiate an equity investment by a VC. University Challenge funds tend to stick to higher amounts. With clever use of a grub fund, technology transfer operations would be better placed to prioritise their time and effort when pursuing commercialisation opportunities. A potential solution would be in the form of a loan, backed by government and only repayable if the company starts to make significant revenues.

Research funding

The University has worked hard to ensure that industrially funded research contracts are properly costed. However, industry is generally unwilling to pay the full economic costs of research, on the inappropriate assumption that core QR funding is available to underwrite these costs.

R&D tax credits provide valuable assistance, especially for technology-based companies, and this has stimulated company spend at universities. However, the impact to date has been limited.

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