

HOW CAN WE DEEPEN THE CONNECTIONS BETWEEN INVESTORS AND TECH TRANSFER OFFICES TO SPEED UP THE COMMERCIALISATION OF RESEARCH INTO THE MARKETPLACE?

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The symbiotic relationship between investors and Technology Transfer Offices (TTOs) plays a pivotal role in translating ground-breaking research into tangible market solutions.

The intersection of academia and industry holds the key to unlocking the full potential of innovative discoveries, yet the journey from lab breakthrough to commercial success often faces obstacles. By fostering stronger connections between these two key stakeholders, we can create an ecosystem that not only accelerates the commercialisation of research but also maximises the potential for transformative societal and economic impact.

So, how do we do that? Facilitated by **Diana Galpin, Director of Enterprise & Knowledge Exchange at the University of Southampton**, this roundtable focused on how we can make the commercialisation process smoother for all involved. From understanding

the unique challenges faced by both core parties to identifying innovative yet practical models of collaboration, the goal is to establish a framework that simplifies this process.

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For those who connect with university commercialisation offices, what do you think works right now and what could be done differently?

Alex Shadbolt, Investment Associate and Impact Lead at Future Planet Capital, opened discussions. “We find most of our deal flow through universities but also have a UK-specific Science Seed Fund where we look to bridge the gap between the seed stage/ Series A ‘Valley of Death’ as some call it. I think the understanding of finding synergies between TTOs and more institutional investors has become much more apparent in the last five years as people begin to see real value emerging out of the UK innovation ecosystem.”

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“Yes, so having that connection and maintaining that relationship is so incredibly important. But we sometimes feel that VCs aren’t looking at all of their university options. We often wonder what we could do to attract them to look at us and our opportunities rather than the likes of Cambridge and Oxford,” adds **Diana Galpin.**

Several investors around the table discussed the importance of having a regional presence to really kick the process up into gear. One investor mentioned that they schedule calls with technology transfer teams every three months to maintain those relationships, whilst another said that they’re involved with regional funds to explore their options outside of The Golden Triangle.

A third investor shared how they source potential deals, commenting that, “As an individual angel investor, I usually rely quite heavily on other intermediaries like Wealth Club or specialist investment groups like Oberon. That’s a good way to do it to some extent because you expect them to have done at least some due diligence before laying potential deals out on the table. But at the same time, you don’t know what you might be missing.”

“I welcome the opportunity to hear more directly from the horse’s mouth regarding what’s going on at the university level.”

The overarching consensus was that investors would be keen to have more direct contact with university teams in a bid to encourage transparency around commercialisation activity.



How can we best prepare start-ups and spin-outs for their commercialisation journeys?

“I used to work for a regional investment SEIS fund and am now working in the transfer office at Cardiff University,” adds **Paul Devlin**. “To help our research teams, we’ve used SEIS audits to get our students ready for the funds that are used to seeing demonstratable revenues when they’re perhaps not quite at that stage yet. So, within the organisation, we could take earlier looks at some of these deep tech companies, but we always had a three-year plan of where we wanted to get those companies so that they could access the scale-up capital required.”

There was an appreciation for the efficiency of a panel approach across universities, where a team of experts educated and guided start-up companies through some of the key aspects of business and commercialisation, including taxation and CR&D tax credits. Both university teams and investors find value in putting prospective start-ups through a structured programme, often involving investors themselves, to help shape their strategies for going to market. The engagement of professional services, especially in secondments and placements, was considered a promising idea that people are interested in exploring further.

A member of the team from the University of Surrey explained that they’ve been working closely with representatives from the UKAEA (United Kingdom Atomic Energy Authority) and STFC (Science and Technology Facilities Council) to offer hands-on learning around the ecosystem.

“We have two secondees through government and research lab funding, but I don’t know whether there’s an appetite for other VCs or even tech officers to engage in those kinds of secondments. For us, we’ve found them incredibly useful. Some of the best diligence that we’ve had done has been through those secondees and we just want to keep hold of them afterwards.”

“They return to their jobs with far more real business awareness than they would otherwise have,” they continued.

“Even through the process of writing an investment memo from a VC perspective, or an awareness for acronyms and VC jargon or even writing a P&L statement, it means that you get a better deal at the end of the day.”

Diana Galpin then referred to the [Innovate UK-funded ICURe programme](#), an accelerator programme designed to guide university research teams through the process of refining and validating the commercial potential of their innovation. “I know across the sector, many of us rely on the ICURe programme to help shape up potential propositions. It’s a great transformational learning journey for entrepreneurial lead academic, which is normally an early career researcher. Often, they go through quite a rigorous process to ensure that their innovation stands up within their chosen market.”

The new [IMPACT-IP programme](#) delivered by SETSquared is set to dovetail this kind of commercialisation support. Led by the University of Southampton and funded by UKRI’s Connecting Capability Fund, IMPACT-IP will develop new training initiatives, toolkits, deal templates, and standards for University TTO teams and investment communities to drive positive change in how we deliver commercialisation and knowledge exchange. “We’re really lucky that the Spin-Out Review has come out now, along with the USIT Guide. What we want to do with this new programme is take a lot of the learning from those two resources and create practical toolkits to support all concerned stakeholders,” says **Diana**.

“Is there value in showing potential spin-out ideas to investors at an earlier stage?” asked **Karen Brooks, Programme Director at SETSquared Partnership**. “Would it be beneficial to investors to get an early-look at some of the new technologies bubbling up out of universities, so that they can offer their input on what the right market or application might be?”

“It’s always great to see stuff at an early stage and be captivated by a founder or an idea,” said one of the investors around the table. “Sometimes those interactions lead to interesting conversations with accelerators or those working in really applied areas of the commercial pathway. It is incredibly interesting but there is such a limited bandwidth to do be able to do that. I’m sure that most VCs would jump at the chance to have a look at a curated selection, but they are simply so time poor. That’s traditionally where our associates come in, keeping boots on the ground to find new prospects and report back with their findings.”



Is there a way that university teams can help streamline the process for investors looking at new companies?

Diana asked investors around the table about their ideal engagement strategies and how they prefer to receive information from founders and TTOs. Many said that they would be happy with a concise one-page summary, and from there, they are able to assess whether the venture aligned with their criteria. However, the discussion also pointed out some of the shortcomings present in the current process.

“Sometimes on the technical side, it feels like the academic involved in the project brushes over the real deep-tech element in fear that VCs won’t understand it. More often than not, that’s the piece of the puzzle that’s really lacking in pitches and proposals, which is quite ironic really, given that the research comes from some of the country’s most intensive research bases,” commented one VC. “This is where more training and guidance for founders and academic teams could be really beneficial.”

“Another stumbling block comes in the legal, due diligence process,” adds a lawyer. “Sometimes you find yourself having to chase IP down through multiple sets of collaboration agreements. We had a case of this recently where a spin-out had someone come along and say, ‘We think we’ve got the rights to that patent because of something we sponsor’, and thankfully that is all resolved now. However, I think it’s really important to make sure from the university’s perspective that background IP that is being licenced out or was being transferred to someone acting on the deal is cleared in advance.”

“This is where it’s challenging,” commented **Diana Galpin**. “Speaking from Southampton’s perspective, it’s rare that we have a spin-out with only one funder. When a number of funders are involved in getting a project to the

spin-out stage, it takes quite a chunk of time to pull together all the relevant information on terms. The only person who will know all of the research funding they’ve accessed is the academic founder themselves. There’s definitely something to take away here in sharpening up awareness of these things moving forward.”

“We’re hoping to create some standardised templates to ensure that we can address some of the concerns raised here today – the stumbling blocks we face in getting spin-outs out of the door quicker. Would this be something that you would firstly appreciate having and secondly support us to create?”

“The short answer is yes, but I also think that if universities could agree to a certain set of parameters, that’s a good starting point. BVCA documents are well known, but they are often too complicated. This isn’t about reducing a set of templates to help people jump straight into signing. It’s about reducing the number of things that are actually up for discussion,” commented one investor.

“This exercise will involve a bit of education for everyone: TTOs, academic founders and VCs because VCs have gotten used to investing based on their own templates. A degree of movement will be required if they want to invest in companies that universities are spinning out or supporting in an incubator, but it’s absolutely possible. Ultimately, the sooner we get there, the better.”

In summary

Discussions emphasised the need for improved dialogue and transparency between investors, TTOs and founders to simplify commercialisation and maximise societal and economic impact. The development of standardised templates and simplified processes to streamline the commercialisation journey were also welcomed, with the potential to enhance investor engagement front and centre.

In support of this, it is hoped that the new IMPACT-IP programme will help make strides towards strengthening synergy between TTOs and investors, with new training initiatives, toolkits, and deal templates driving positive change in commercialisation and knowledge exchange.



To catch-up on all the action from the Investment Futures 24 event, go to SETsquared.co.uk/investment-futures-24