

BusinessWeek

IDEAS & INNOVATION October 16, 2007, 9:56PM EST

Small Schools' Big Tech Dreams

Even colleges and universities with less R&D funding can find profitable niches in tech transfer, a study finds

by [Francesca Di Meglio](#)

Call them the littler schools that could.

That's the theme of a just-released study on technology transfer that looked at the surprising tech transfer results of a number of smaller colleges and universities whose research and development budgets fell far short of the funds expended by tech development superstars such as MIT and Stanford.

The lesson learned, say the study's authors, is that a good combination of partnerships, incentives, and federal and local funding can help move research into the commercial arena, even when a school's R&D budget is modest.

The commercialization of academic research is big business. According to the study, sponsored by the National Science Foundation, in the last 10 years academic institutions have nearly doubled the number of licenses executed and more than doubled the number of startups launched. Universities that responded to the Association of University Technology Managers Licensing Survey reported that gross license income from licenses to corporations and startups in 2005 totaled about \$1.6 billion.

THE TECH TRANSFER PAYOFF

The study, prepared by Innovation Associates, a consulting firm in Reston, Va., highlighted a number of smaller programs that are developing new technologies through academic research, licensing the inventions, and helping launch businesses that use them. With fewer resources than the big players, however, these schools have to think creatively to contribute to the greater economic development of their state or region.

Technology transfer, the process of turning scholarly work into a marketable and practical product or service, spans a broad range of possibilities. In other words, it's not necessarily about coming up with the next iPod. "Innovation is not always high-tech," says Diane Palminteri, president of Innovation Associates and lead author of the study. "Innovation and new technology businesses can be based on advancement in different fields."

Leveraging the strengths of a university, Palminteri adds, can help it compete. For example, she says the University of Pittsburgh is finding success by getting funding from the National Institutes of Health and spinning off biotechnology businesses and Iowa State University carved out a niche in agriculture.

ENGINES OF LOCAL DEVELOPMENT

One of the concepts that infuses the entrepreneurial culture of such programs in rural areas is "think globally, act locally." Because the school provides licenses or seed funding and office space, the companies often feel indebted to it and to the state or region. As a result, all parties involved share the goal of contributing to the economic development of the university's home state, region, or even country, depending on the potential magnitude of the business at hand.