

Leveraging the AIC for the Commonwealth Commercialisation Institute

Purpose of brief

In an earlier briefing paper, the AIC invited due diligence of its systems and intellectual property with a view to developing a collaborative arrangement with the Commonwealth Commercialisation Institute (CCI). In light of the emergent models for the CCI, this paper now proposes how such an arrangement would benefit the CCI, avoid displacement of the AIC, and result in an organisation much stronger than the sum of AIC or CCI separately.

Background

The model currently proposed by DIISR for the CCI is illustrated in the yellow and orange boxes on the diagram attached overleaf. It contains a number of welcome initiatives to address the commercialisation “valley of death”, including programs to increase the skills and knowledge of entrepreneurs, SMEs, and researchers wishing to commercialise their IP, and funds to help demonstrate feasibility. These programs will be offered to a variety of client groups, who either directly approach the CCI or are referred from other programs.

The AIC understands that there are many existing *service providers* capable of competitively delivering tailored services for the proposed institute. This briefing paper does not suggest that the AIC should be favoured in any way as one of such service providers, many of whom will complement the activities of the CCI.

However, it is in its role as a national *institute* that the AIC believes it will be displaced by the formation of the CCI, weakening the process of innovation and commercialisation in Australia as an unintended consequence. To this end the Queensland Government is seeking, with the board of the AIC, an accommodative arrangement to take advantage of the skills, experience, knowledge base and intellectual capital developed by the AIC over the last seven years.

Ensuring the CCI leverages the AIC experience

An “institute” is expected to undertake a role beyond that of a program provider. For example, since 2002, the AIC has been approached by a diverse stakeholder group that extends far beyond its primary client group (SMEs, inventors, and researchers). As a commercialisation institute, it has needed to encourage indirect clients that are seeking (rather than producing) IP, such as other SMEs, global supply chains and large corporations, who approach a national institute expecting it to be familiar with the stock of novel IP within its region. Such a function is not only expected of an institute, it is critical, because commercialisation is not solely a linear process emanating from the supply side, it must be responsive to the demand side as well. Commercialisation must accommodate market receptors, entities needing IP to augment their existing product or service portfolios, and offering potential paths to market. Properly scaled, a commercialisation institute should itself be a *market maker*, joining together nascent value chains.

In addition, an institute will be approached by other stakeholders such as industry bodies, international delegations, policy makers, and like-minded international organisations seeking partnerships, anticipating they can collaborate with an Australian “go-to” body dedicated to commercialisation, rich in accumulated national expertise.

It is these “soft” institute functions, embodied in the intellectual capital of the AIC, taking years to develop, which should be leveraged to the benefit of the CCI. They include the relationships, networks, advocacy, support functions, and commercialisation knowledge bases expected of a commercialisation institute, but not yet seen in the proposed architecture of CCI.

In addition, an institute, and particularly one offering investment funds, will be a magnet for the thousands of Australians with new research or ideas. Screening them should not consume scarce mentoring resources, which should be allocated to higher value strategic activity. Managing the throughput, diagnosing the opportunities, quarantining the risk, collecting input data, and ensuring fast failure where appropriate are all steps that could potentially overwhelm a new institute. Assessing such a multiplicity of input opportunities requires processes, scalable software systems and portals, knowledge of the appropriate referrals points and other programs, and of course strong commercialisation expertise. Since its inception, the AIC has invested millions of dollars in development to solve such challenges and believes it is uniquely placed to manage them.

All these are additional functions that will be anticipated of a national commercialisation institute, and go beyond those suggested by DIISR so far. They are shown in blue in the attached figure, where the functions of assessment and mentoring are also differentiated.

The CCI must be more than a series of individual programs. It must develop the national “common ground” for commercialisation, and build deep intellectual capital to ensure that it can respond in the future to new challenges and remain alert to international changes. In this respect, the AIC is able to immediately offer the soft infrastructure expected of a national institute, as well as provide knowledge of what works and what has not in the past.

Next steps

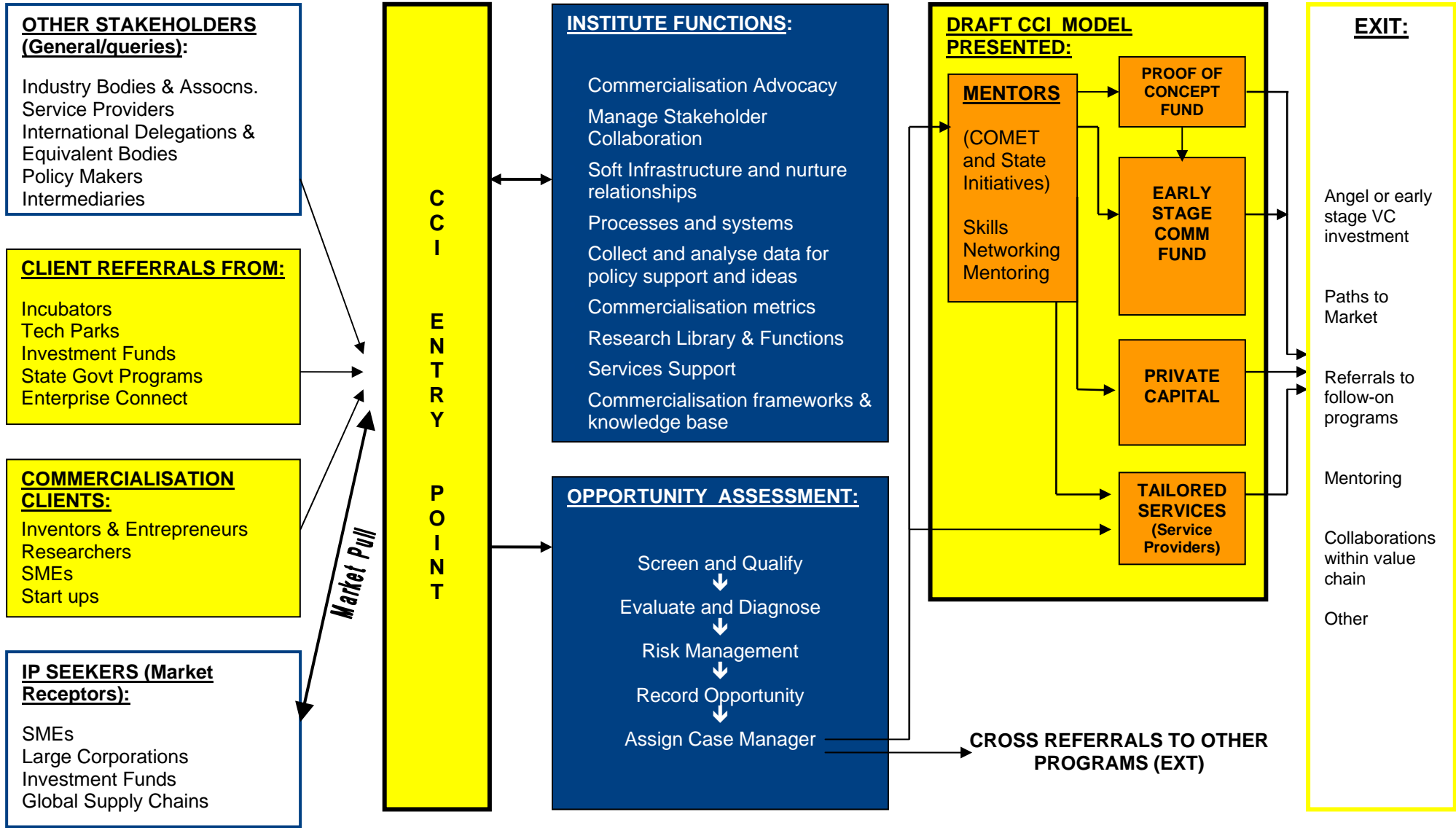
The design criteria for the CCI are that the institute is to be new and radical, complementary with existing programs, simple in design and delivery, administratively light, and able to leverage existing resources and programs. Failure to include the AIC’s institute functions in the CCI would effectively see the AIC displaced, at least as an institute, and possibly as a national service provider, and violate several of these criteria. On the other hand, its inclusion would help to satisfy all the listed design criteria and result in an institute stronger than its individual component parts.

The Queensland Treasurer, in discussions with the Federal Minister for Innovation, Industry, Science and Research, proposed that the AIC be folded in to the CCI. The next steps are to consider the terms under which this can be done, and to discuss how and where the appropriate IP can be used, differentiating between the AIC’s current functions as an institute on the one hand, and as a competitive service provider on the other.

The heritage of the AIC is as a government-owned company whose mission is “to work with Australian industry, research organisations, and governments to create high value jobs, exports, and wealth by taking innovative ideas to market”. The pedigree of the CCI will be similar. Coming together will save millions of dollars in avoided costs, increase existing capacity, and enable immediate operations.

It is too compelling not to consider.

ENQUIRY SOURCES



COMMONWEALTH COMMERCIALISATION INSTITUTE: ANTICIPATED FUNCTIONAL MODEL