Research Commercialisation
Are we there yet?

Dr. Rowan Gilmore

CEO

Australian Institute for Commercialisation

What's it supposed to look like when we do "get there"?

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Residential property – are we there yet?

- Build a new house
- Buy a new house
- Buy an existing house
- Rent a house
- Buy plans for a new house
- Hire an architect to design a new house
- Attend an open house even if you don’t intend to buy
- Freely compare prices
- Auction a house
- Sell on your own (and buy on your own)
- Use a broker to buy or sell a house for you

Intellectual property – are we there yet?

→ What do you think?

- Is there a market in IP?
  - Existence of demand and supply sides
  - Means for disclosure
  - Trading mechanisms
  - Sufficient capital to fund proof of concept
- Is there transparency (e.g. pricing)?
- Is there symmetrical information flow?

→ Will *intellectual* property markets ever be like *real* property markets?

- The demand side is poorly informed – weak?
- Arguments for market failure prevail

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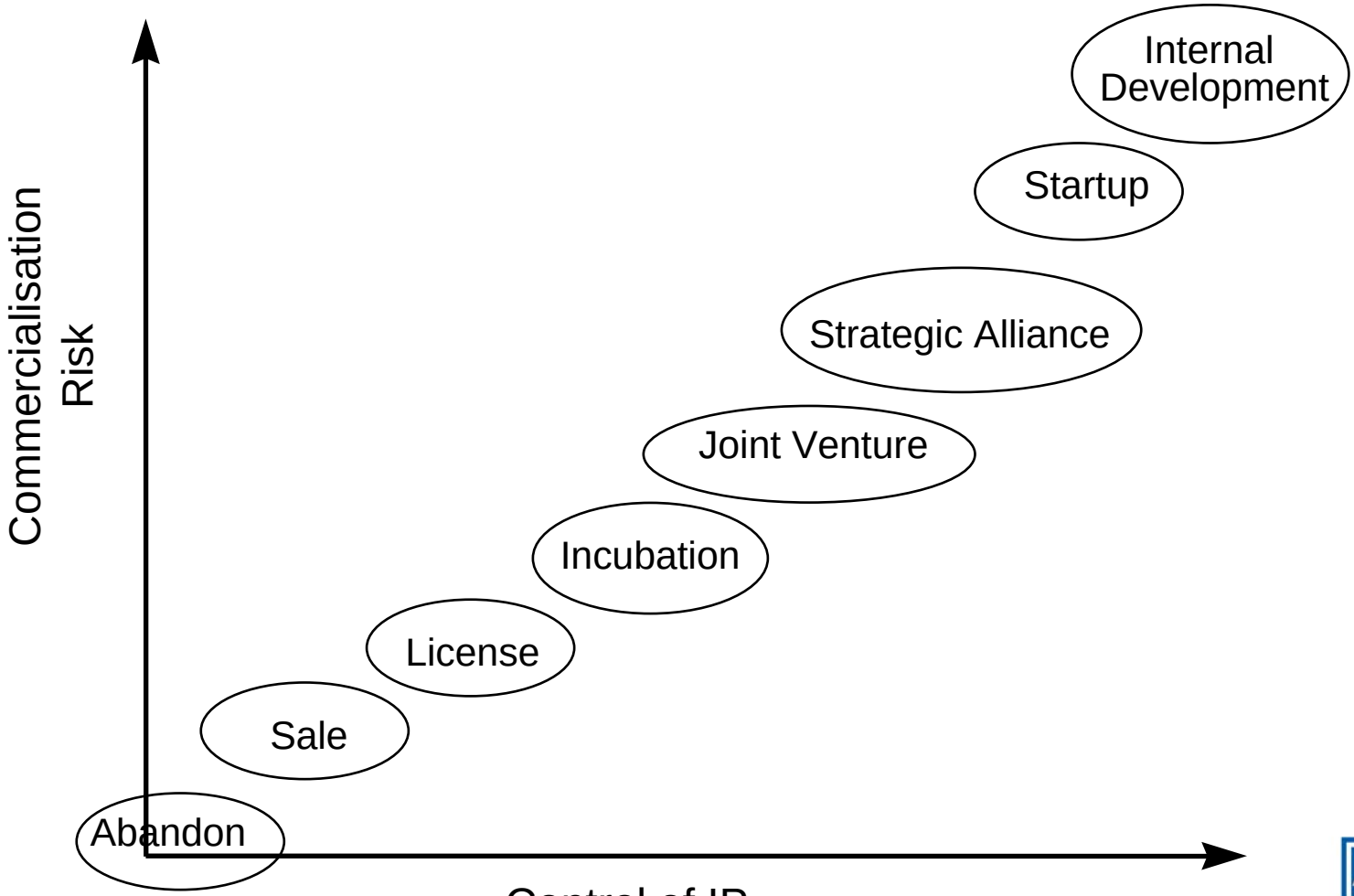
There are multiple pathways to commercialisation



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What is the AIC's role?

- **One of the AIC's roles is as an "innovation intermediary"**
  - Frequently, that entails stimulating the "demand side" to raise awareness of the potential opportunities and consummate them
  - Generally, that helps achieve commercialisation through an existing company (rather than a start up)
- **Intermediary activity addresses some market failures in technology transfer and IP markets**
- **"Researchers in Business" program provides an alternative pathway to commercialisation**

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Researchers in Business program

- **$10M program funded by Commonwealth**
- **Intent is to develop a new idea with commercial potential or to build new competencies and capabilities within a firm**
- **Ultimately strengthens industry engagement with the research sector**
- **Funds 50% of costs to engage a researcher in a business**
  - 2 to 12 months engagement
  - Up to $50k
  - For firms with turnover from $1M to $100M

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The AIC's results – first 12 months

- **Meetings with 150 businesses**
- **120 thought the program of interest**
- **95 asked for help in finding a researcher**
- **20 formal collaborations nationally so far**
  - 6 with UniQuest, 1 with USQ, 1 with Bond
  - Another 20 informal collaborations that solved the firm's problem
- **Industry do want to engage, but…**

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RIB – the short list of why it's not easy

- Who will own the IP?
- Can the researcher publish any or all of the research output and when?
- Will the company have to pay royalties later?
- Can the parties define and agree to a very specific project scope and deliverables?
- How much time can researchers practically commit to the activity?
- Can the researchers complete the project in a timeframe that will meet the company's needs?
- What is the contract cost?
- What is the contract costing methodology applied by the research organisations? Consulting rates or ARC Linkage rates?
- How often will the researcher(s) report progress to the SME?
- What career benefit will the project bring to the researchers to warrant their time and energy?
- Is the transaction profitable for the research organisation, or are there other transactions that demand a higher priority?
- Will this help the commercialisation offices hit their KPIs?

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Case Study – Frontline Australasia

- **Victorian based company manufacturing precision components to the automotive and defense industries**

- **Difficulties in manufacturing seamless titanium pipe**
  - manufactured by rolling and piercing titanium block
  - numerous subsequent machining and grinding operations
  - energy intensive
  - low material yield leading to high cost.

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The “commercialisation” pathway

- **CSIRO had developed a ‘cold spray’ process**
  - tiny particles of a material are sped up to supersonic speeds and are sprayed to produce shaped parts.
- **Frontline sought assistance from AIC to access this technology to develop a continuous production process for seamless titanium tube**
- **AIC worked (in TechFast, a pre-cursor program to RIB,) to help successfully negotiate a licence and ultimately develop a multi-million dollar collaborative project**

The commercialisation outcomes

- **A pilot plant to manufacture seamless, cold spray titanium pipe for the global market will be operational within Frontline in 2010.**
- **Commercialisation of this product was assisted with a "climate ready" grant**
  - $1.2M govt contribution
  - cost and energy savings are estimated to be at least 30%
- **Frontline Australasia is leading a "direct manufacturing" group of companies to promote the adoption of innovation of products and processes in Australia using cold spray titanium powder technologies.**

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Commercialisation – are we there yet?

- Pockets of best practice exist
- Commercialisation pathways can be stimulated through innovation intermediary activity
- AIC has observed strong industry interest in working with research organisations
- Sustained government support is essential to overcome market failures
- A good measure of (local) success is level of collaboration and business expenditure on R&D

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www.ausicom.com

Rowan Gilmore
Australian Institute for Commercialisation
(07) 3853 5225