

How are US Academic Licensing Offices Tasked and Motivated?

Is it all about the money?

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Methodology

- Carried out using SurveyMonkey
- Sent to all US based institutions on AUTM's Directors' list
- Conducted November 27 – December 14, 2007



Respondents

<u>Type of Institution</u>	<u>Number</u>	<u>%</u>
University	127	76.5%
Research Institute	22	13.9%
Hospital	14	8.4%
<u>Federal Laboratory</u>	<u>3</u>	<u>1.2%</u>
Total	166	



Ownership

<u>Ownership</u>	<u>Number</u>	<u>%</u>
Public	65	39.2%
<u>Private</u>	<u>101</u>	<u>60.8%</u>
Total	166	



Organizational Structure

<u>Organizational Structure</u>	<u>Number</u>	<u>%</u>
Within Institution	142	85.5%
<u>Independent corporation</u>	<u>24</u>	<u>14.5%</u>
Total	165	



Reporting Structure

<u>Reporting Structure</u>	<u>Number</u>	<u>%</u>
Academic	55	33.5%
Administrative	81	49.4%
Independent Board	14	8.5%
Both/President/Chancellor	9	5.5%
<u>Other</u>	<u>5</u>	<u>3.0%</u>
Total	164	



Coverage

<u>Criterion</u>	<u>This Survey</u>	<u>Universe</u>	<u>%</u>
Respondents	166	391	48.8%
Research Support	\$36.1 billion	\$45.4 billion*	79.5%
Staffing	1,363	1,831.7*	74.5%

* AUTM 2006 Annual Licensing Survey



Size Definitions

<u>Cohort</u>	<u>Research Expenditures (\$ million)</u>	<u>Number in cohort</u>	<u>Total FTE's</u>	<u>Number in cohort</u>
Very Small	Up to \$50	22	1-3	22
Small	\$51-100	15	4-5	24
Medium	\$101-250	30	6-10	21
Large	\$251-500	16	10-24	24
Very Large	>\$500	13	>25	5



Budgeting Procedure

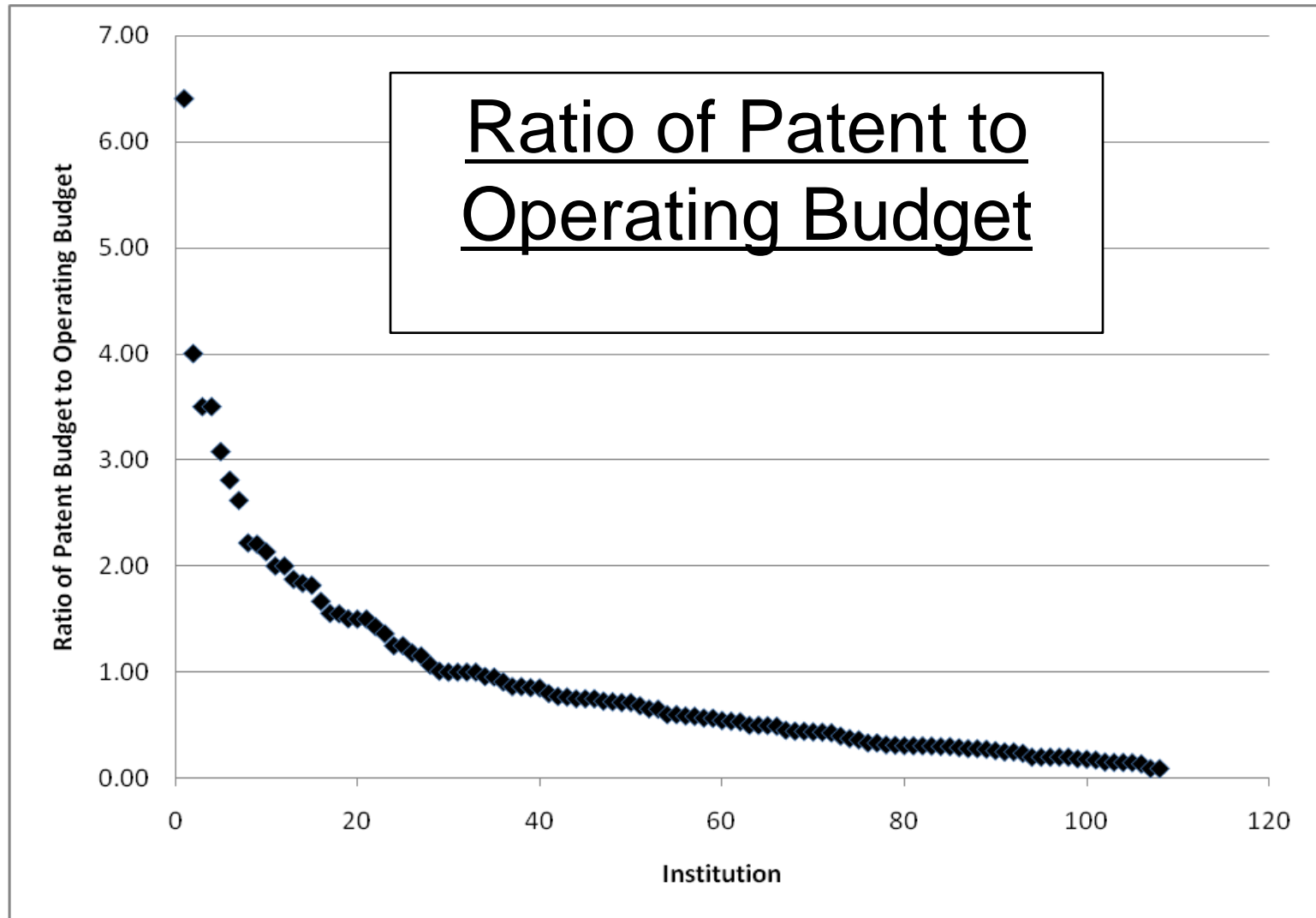
<u>Budget Procedure</u>	<u>Number</u>	<u>%</u>
Separate Patent and Operating Budgets	79	60%
<u>Combined Patent and Operating Budgets</u>	<u>53</u>	<u>40%</u>
Total	132	

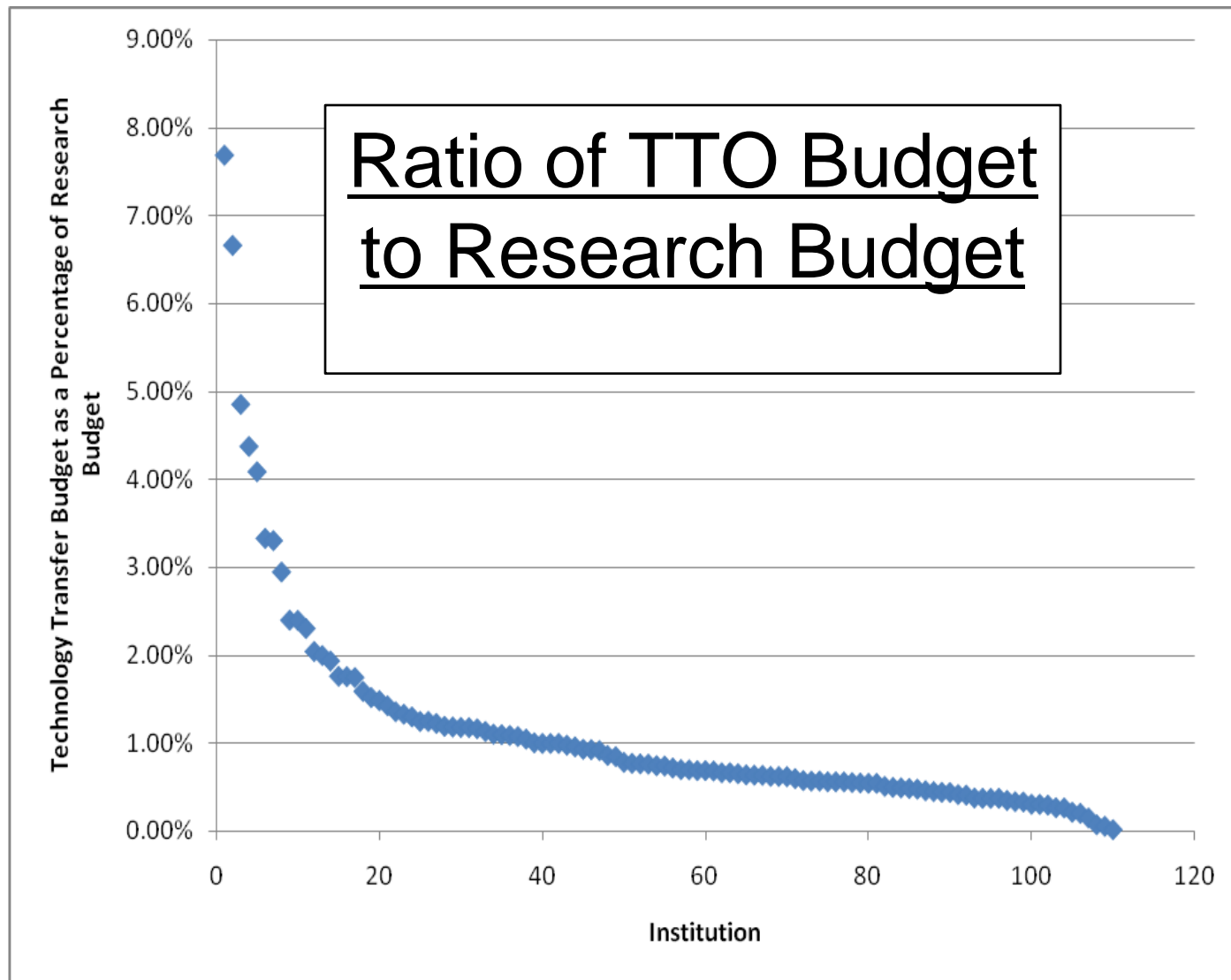


Operating Budgets

<u>Budget Category</u>	<u>Amount</u>	<u>%</u>
Patent Budget	\$93,636,000	44.2%
Operating Budget	112,838,500	53.3%
<u>Unspecified</u>	<u>5,361,000</u>	<u>2.5%</u>
Total	\$211,835,500	







TTO Budget Funding Sources

<u>Source</u>	<u>Number Reporting</u>
Institutional Budget	102
Licensing Income	62
Separate Fund	6
<u>Other</u>	<u>17</u>
Total Reporting	126

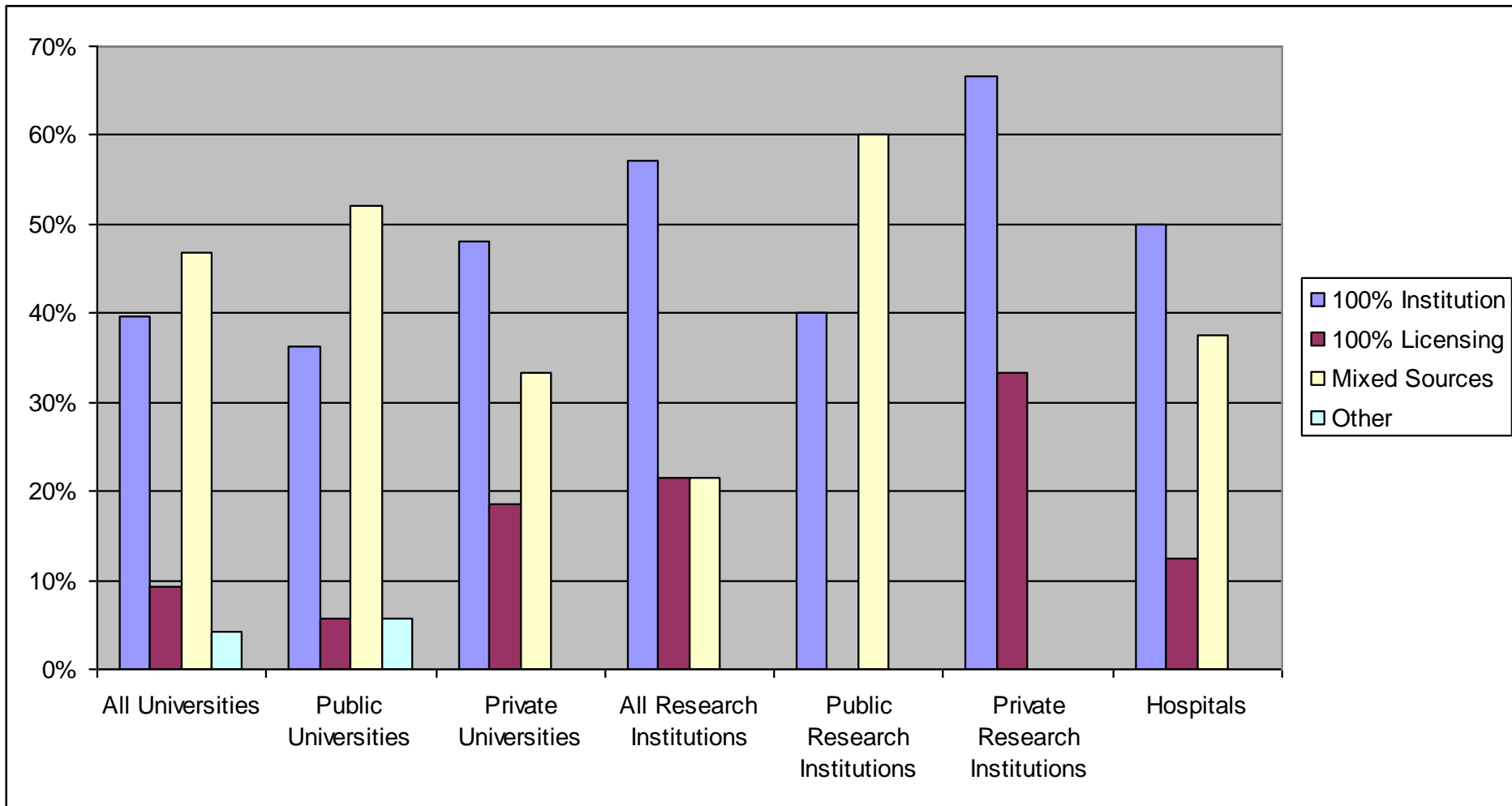


Sources of Operating Budget

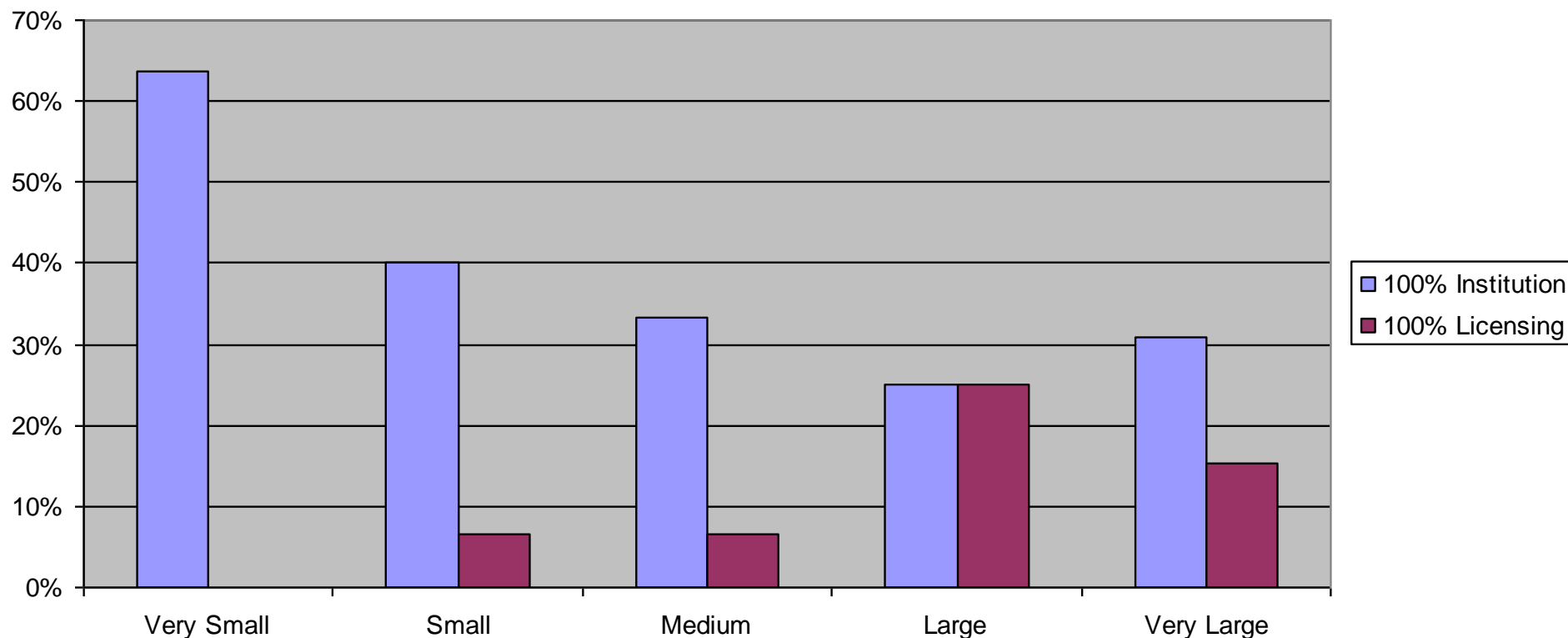
<u>Budget Source</u>	<u>No.</u>	<u>%</u>
100% Institutional	57	42.9%
50-99% Institutional	42	31.6%
100% Income	14	10.5%
50-99% Income	13	9.8%
100% Separate Fund	3	2.3%
50-99% Separate Fund	1	0.8%
100% Other	2	1.5%
<u>50-99% Other</u>	<u>3</u>	<u>0.8%</u>
Total Reporting	126	



Sources of OTT Budget



Source of TTO Budget by Size of University Research Budget



TTO Operating Result Definitions

Loss Making

Total expenses exceed total income

Gross Profitable

Total income exceeds total expenses

Net Profitable

Total income less distribution to inventors exceeds total expenses

Self Sustaining

Total income less distribution to inventors, colleges/labs, provost, university etc. exceeds total expenses

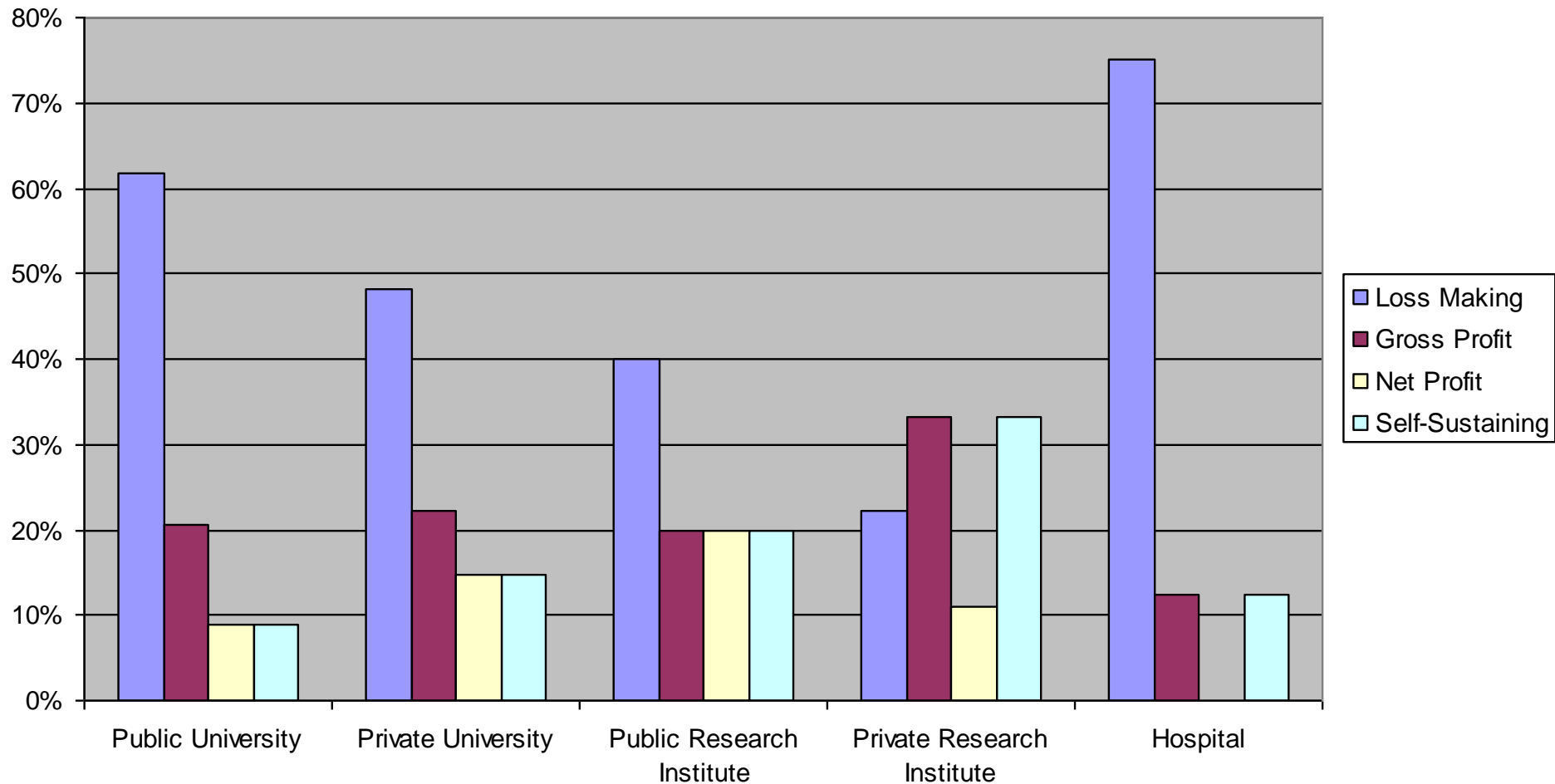


Operating Results of TTO's

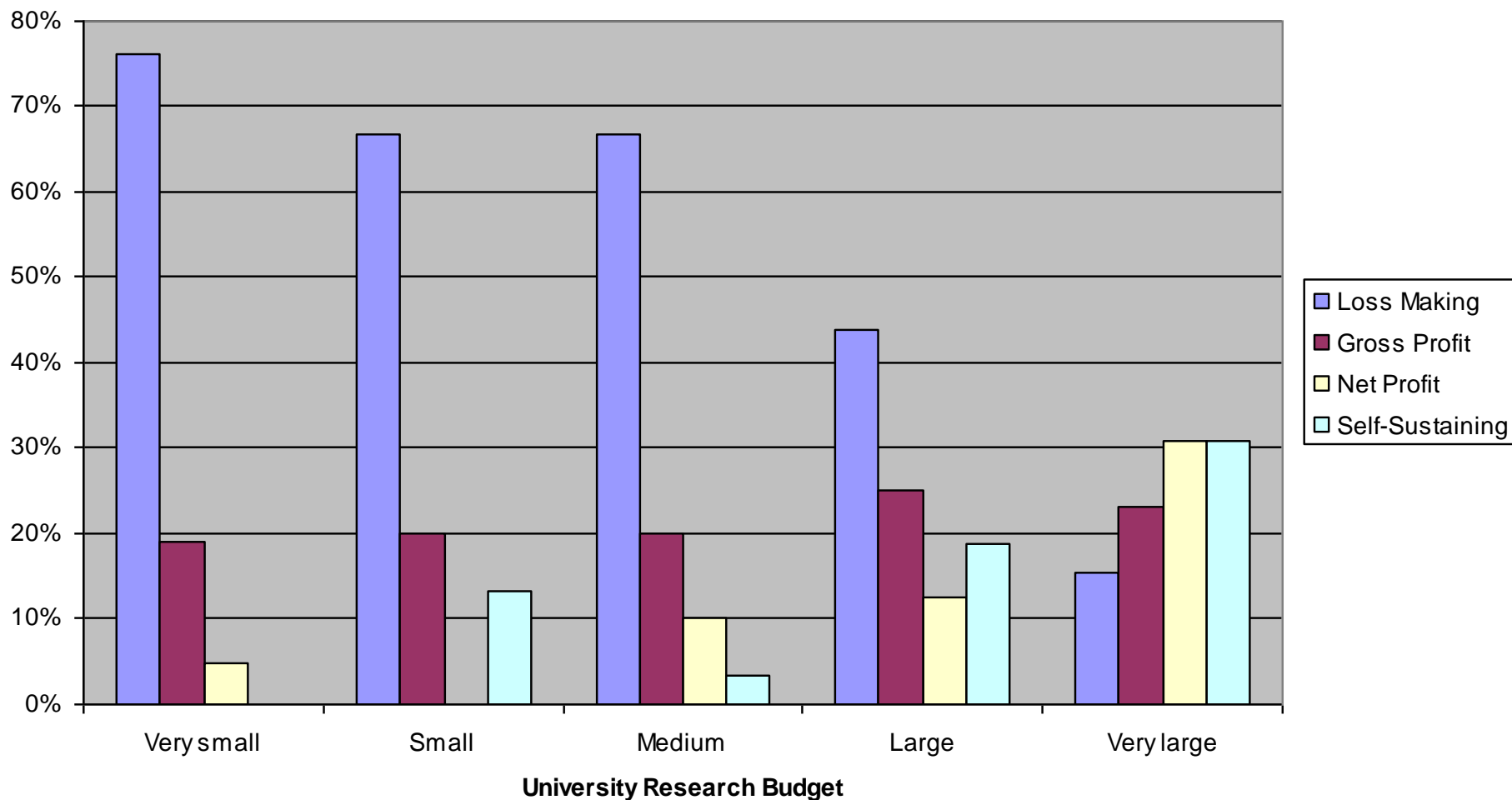
<u>Financial Contribution</u>	<u>Number</u>	<u>%</u>
Loss making	68	52.3%
Gross profit	27	20.8%
Net profit	14	10.8%
<u>Self sustaining</u>	<u>21</u>	<u>16.2%</u>
Total	130	



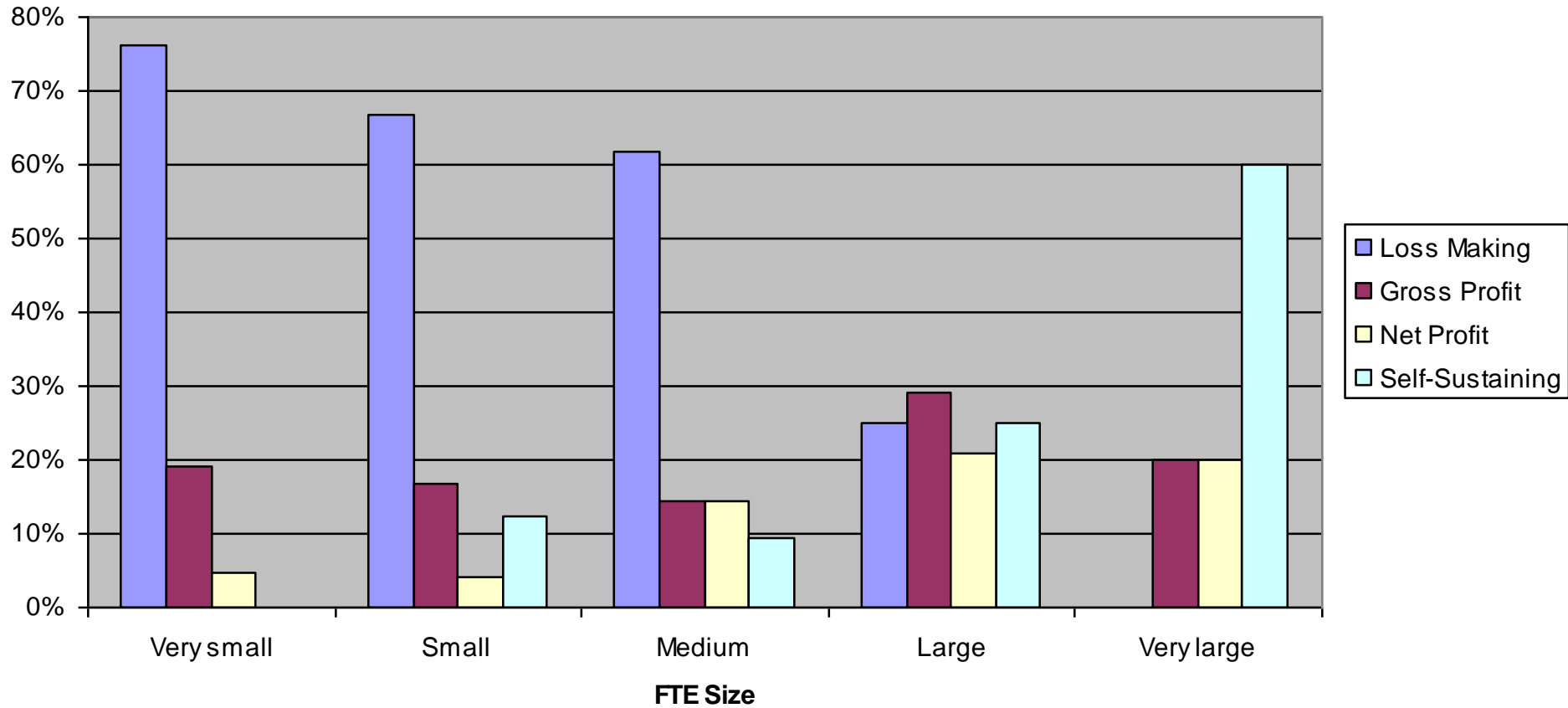
Profitability by Institution Type



Profitability at University TTOS by Research Budget Size



University Profitability by Size as measured by FTEs



TTO Drivers

<u>Driving Factor</u>	<u>Number of Institutions Ranking Factor First</u>	<u>%</u>
Faculty service	51	39.2%
Translating research results	45	34.6%
Revenue maximization	15	11.5%
Other	15	11.5%
Research Support	4	3.1%
<u>Risk Management</u>	<u>0</u>	0.0%
Total	130	

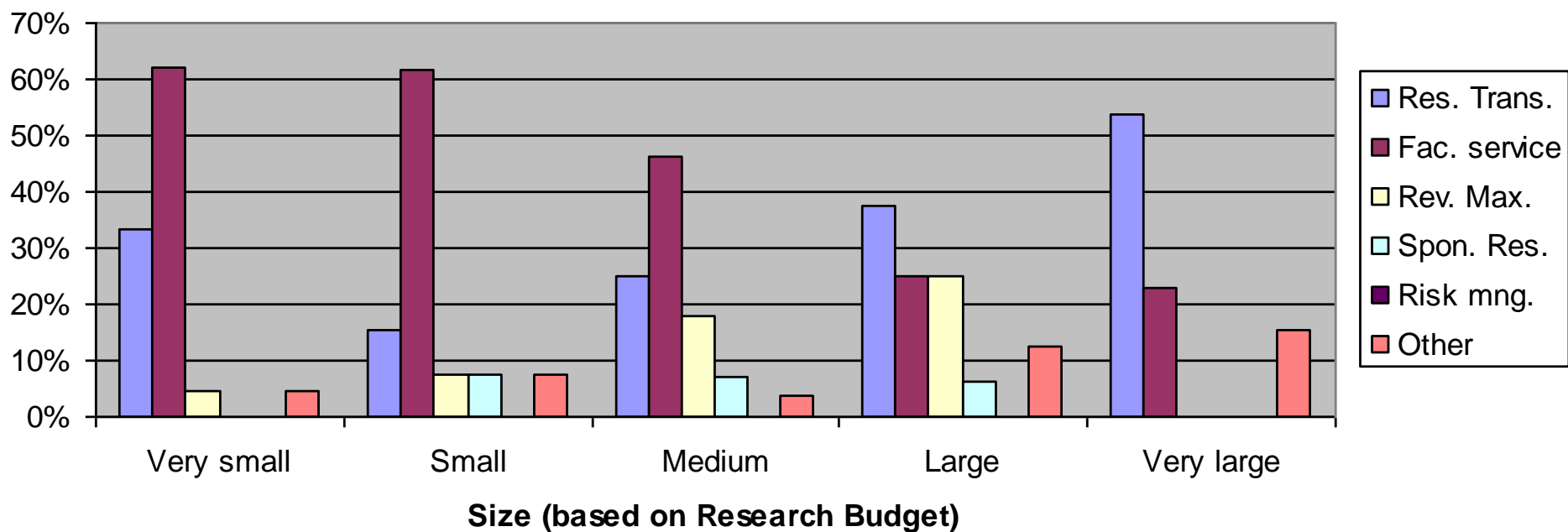


Top Ranked TTO Drivers

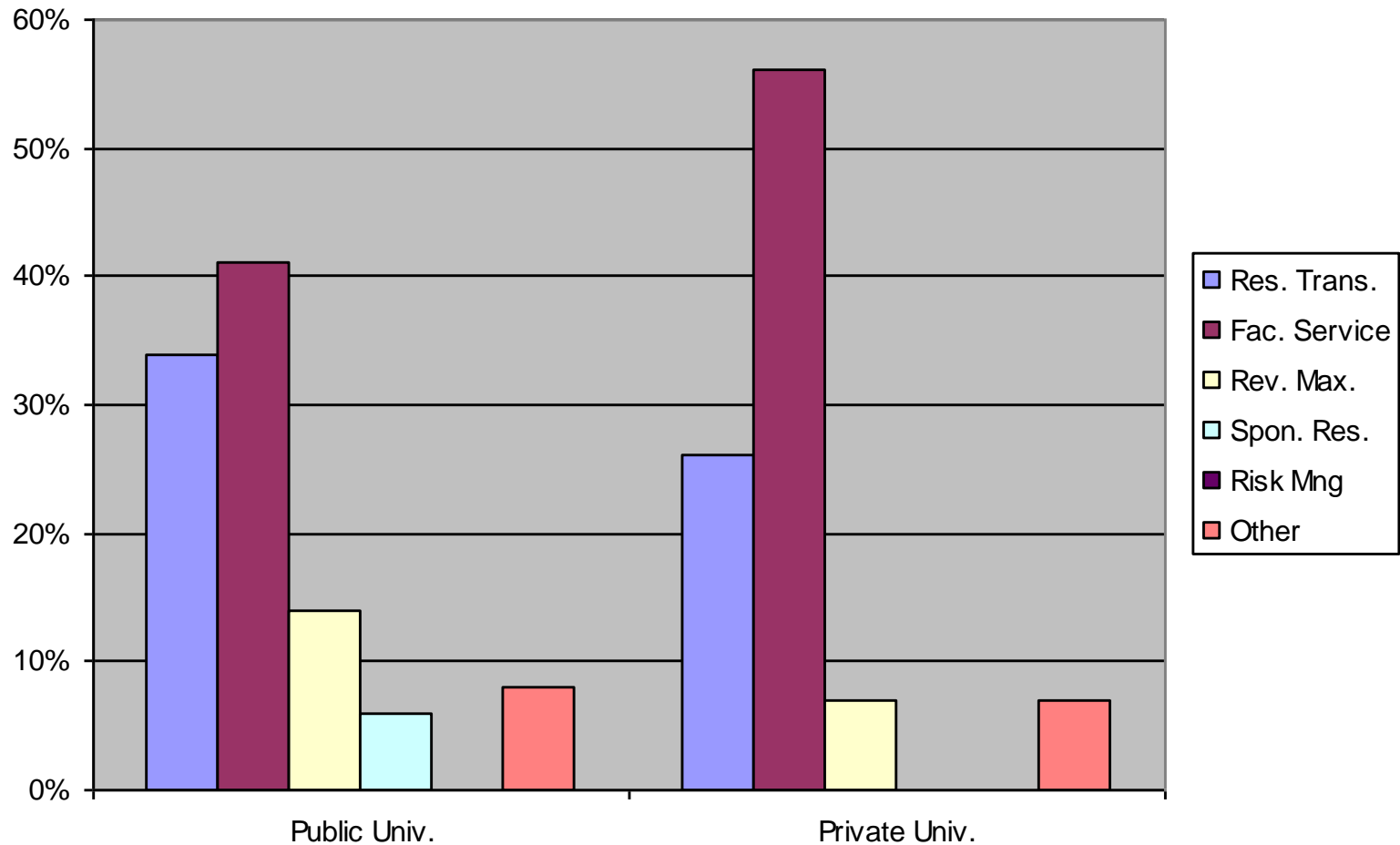
<u>Type of Institution</u>	<u>Top Ranked Driver</u>
Public University	Faculty Service
Private University	Faculty Service
Public Research Institute	Research Results Translation
Private Research Institute	Faculty Service
Hospital	Research Results Translation/Other



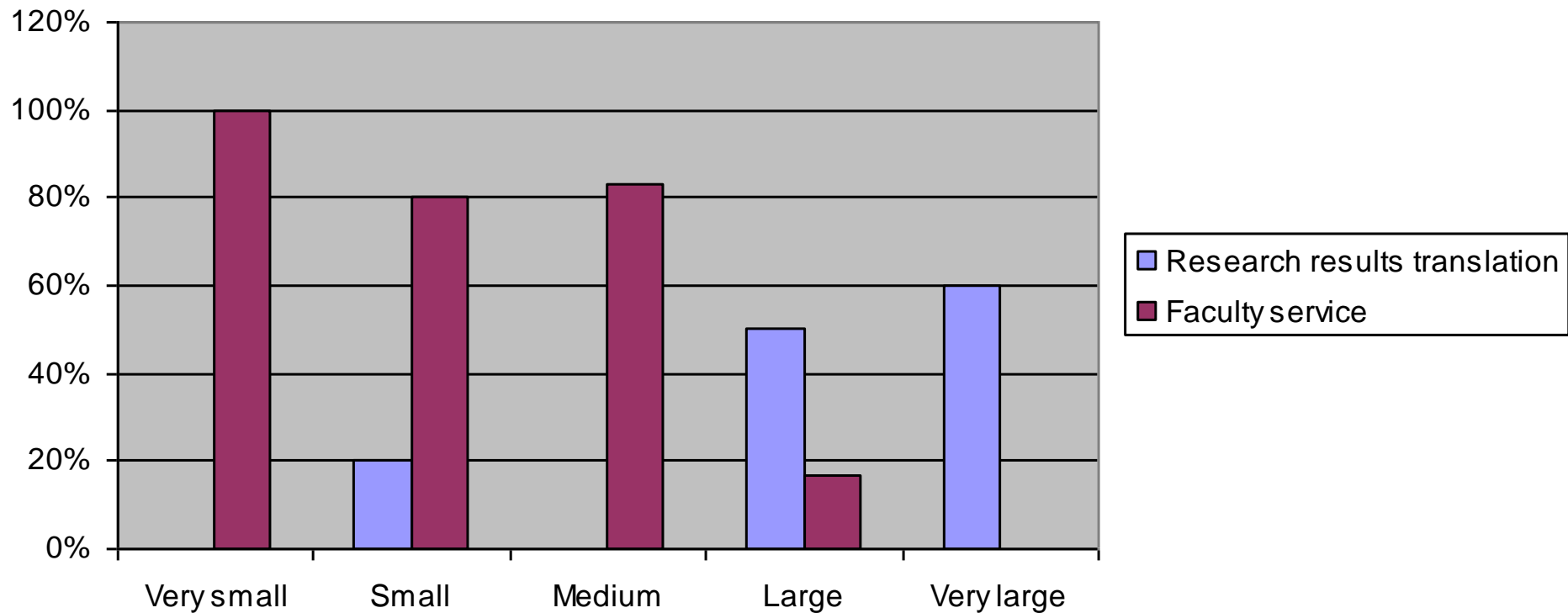
Top Ranked Driver of Behavior - by Univ. Research Budget Size



Top Ranked Driver of Behavior: Public Univ. vs. Private Univ.



Research Budget Size and Effect on Top Ranked Driver of Behavior at Private Univ.



Top Drivers of TTO by Profitability

<u>Profitability</u>	<u>No.</u>	<u>Res.</u> <u>Res. Trans.</u>	<u>Faculty Service</u>	<u>Rev.</u> <u>Max.</u>	<u>Ind. Sp.</u> <u>Res.</u>	<u>Risk</u> <u>Mgmt.</u>	<u>Other</u>
Loss Making	58	31%	45%	12%	9%	0%	7%
Gross Profit	24	33%	38%	8%	0%	0%	13%
Net Profit	12	33%	42%	25%	0%	0%	8%
<u>Self-Sustaining</u>	<u>18</u>	<u>33%</u>	<u>39%</u>	<u>11%</u>	<u>0%</u>	<u>0%</u>	<u>17%</u>
Total	112	32%	42%	13%	4%	0%	10%



Mission Statement

<u>Formal Statement</u>	<u>Number</u>	<u>%</u>
Yes	75	58.6%
<u>No</u>	<u>53</u>	<u>41.4%</u>
Total	128	

Only 2 out of 70 mentioned “revenue” or “value”



TTO's Offering Incentive Compensation

<u>Do Some Personnel Receive Bonus</u>	<u>Number</u>	<u>%</u>
Yes	22	17.2%
<u>No</u>	<u>109</u>	<u>85.2%</u>
Total	131	



Who Receives a Bonus

<u>Number Receiving Bonus</u>	<u>Number</u>	<u>%</u>
All	9	40.9%
More than the Professional Staff	3	13.6%
All Professional Staff	2	9.1%
Fewer than all Professional Staff	2	9.1%
<u>One</u>	<u>6</u>	<u>27.3%</u>
Total	22	



Basis for Incentive Compensation

<u>Calculation Basis</u>	<u>Number</u>	<u>%</u>
Individual performance	2	8.7%
Office performance	4	17.4%
<u>Combination of office + individual</u>	<u>17</u>	<u>73.9%</u>
Total	23	



Factors Used in Incentive Compensation

<u>Factor</u>	<u>Number</u>	<u>%</u>
Other	18	22.2%
Total income	14	17.3%
Transactions completed	14	17.3%
Disclosures received	10	12.3%
Operating surplus	9	11.1%
Faculty satisfaction	9	11.1%
<u>Start-ups formed</u>	<u>7</u>	<u>8.6%</u>
Total	81	



Summary

Area of Investigation

Operating Budget

Drivers

Mission Statement

Incentive Compensation

Average

Driven by Income

20.3%

11.5%

2.3%

5.6%

9.9%

