



THE UNIVERSITY OF  
MELBOURNE

# Some personal reflections on University Commercialisation

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## The quick summary of Melbourne Ventures:

**Melbourne Ventures is a University subsidiary  
focused on building commercial value  
on the foundations of Intellectual Property  
developed at the University of Melbourne**

- **Technology assessment**
- **Patent and Trademark management**
- **Industrial partnerships**
- **Technology licensing**
- **Creation of start-up companies**
- **Attraction of investment capital**

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## We are privileged to be in a very active precinct

- **The University of Melbourne**
- **Walter and Eliza Hall Institute**
- **Bio21 Institute**
- **Nossal Institute for Global Health**
- **Florey Neurosciences Institutes (Howard Florey Institute)**
- **Hospitals: Royal Melbourne, Royal Womens, Royal Childrens, Royal Dental**
- **Comprehensive Cancer Centre (inc. Peter McCallum)**
- **Peter Doherty Institute for Infection and Immunity**





I came to the University of Melbourne in 2002, and much has changed since...

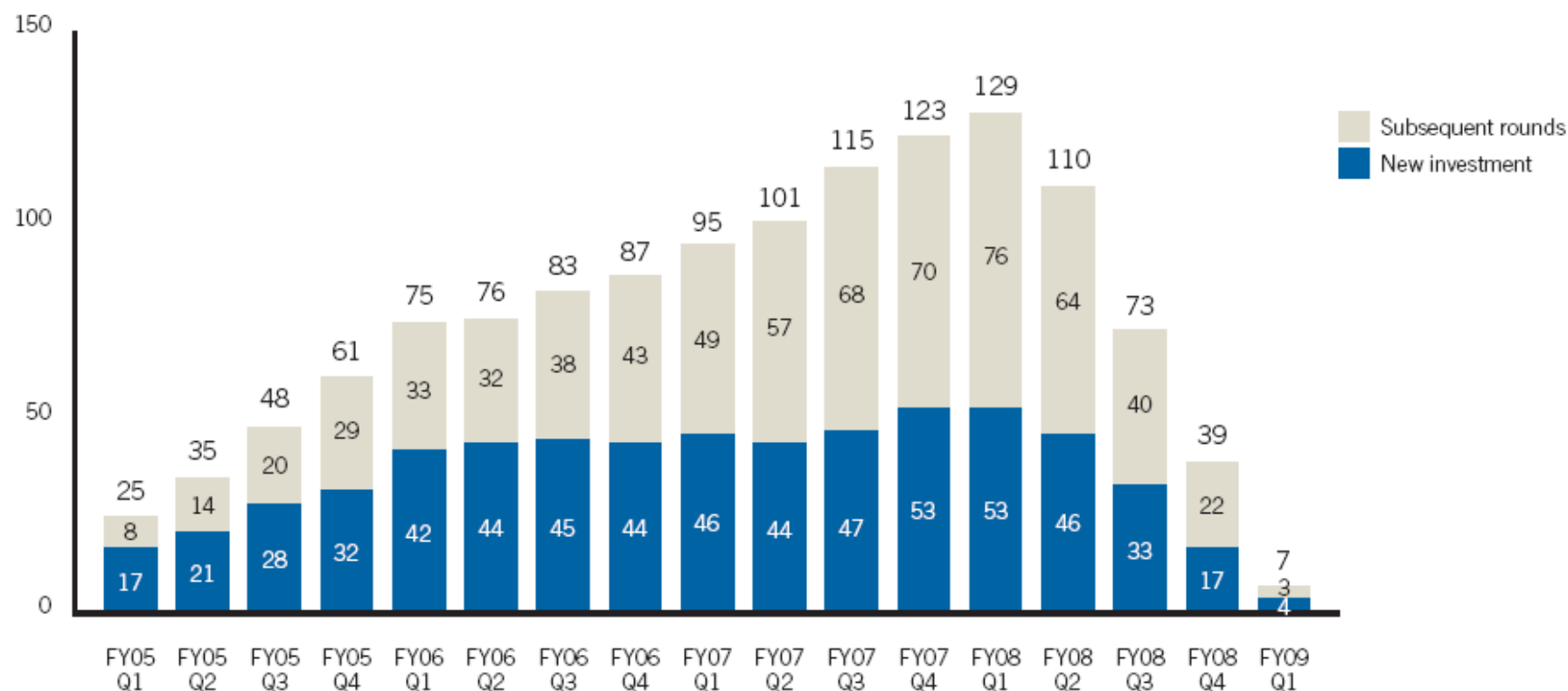
- 2002 UM Research Income: \$159m
- 2008 UM Research Income: \$383m – CAGR 16% p.a.
  
- 2002 Commercialisation support team: 3 FTEs
- 2008 Commercialisation support team: 15 FTEs – CAGR 30% p.a.
  
- Major initiatives over that period:
  - Growth and development of Uniseed as a Venture Fund
  - Formation of a new support company: Melbourne Ventures
  - New IP Policy
  
- But...expenditure on commercialisation support still <1% of Research Income



## The last few years in particular have been challenging...

### Moving average total (MAT) of number of VC transactions, FY05 – FY08

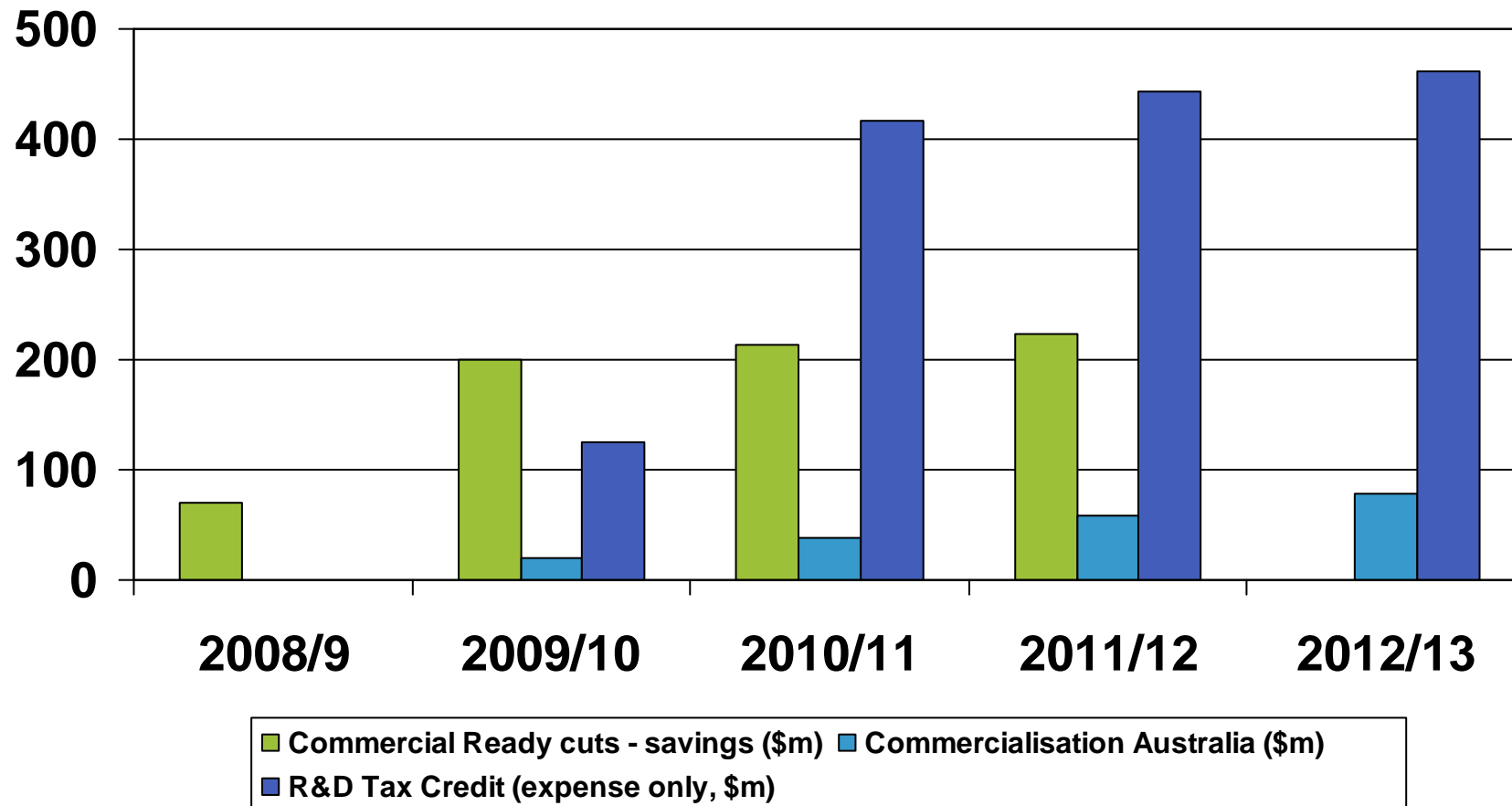
Source: AVCAL, Thomson Reuters, company websites, press releases



Source: AVCAL




# The Federal Govt is shifting its support for Commercialisation



Source: Budget papers





## Some lessons (I) – Culture matters

- The key to commercial innovation: focus
  - But academia celebrates breadth
  
- “Genius is 1% inspiration, 99% perspiration”
  - But researchers often think 98% of the perspiring is done before the invention disclosure is filed
  
- How many Australian institutions have the right culture for commercialisation?






## Some lessons (II) – People matter

- Assembling all the skills you need can be a challenge
  - Particularly at small scale
  
- People can be the key driver of deal success
  - Value realisation
  - Transaction costs
  
- Governance is not an abstract concept





## Some lessons (III) – Patience matters

- One-off successes (e.g. Melbourne IT) are the key to overall success, but can set up unrealistic ambitions
- It takes a long time to build a large portfolio – will the institution have the required persistence?
- What do you do while you're waiting?

