

SPREADING THE SUCCESS

Moving Our State From Here to There

By Symone C. Skrzycki

You fish where the fish are biting.

It's a simple analogy for a complex topic – technology transfer, commercialization and overall entrepreneurial activity.

Consider this scenario. Once laboratory testing concludes, trials of another sort commence as individuals attempt to bring their invention to market. But there's a light at the end of the tunnel, illuminating hoped-for bright spots. The rewards – which may take the form of a lucrative business deal or an opportunity to make a difference – often overshadow the obstacles.

BizVoice® brought four members of Indiana's entrepreneurial community to the table on a scorching July morning to shed light on today's topics, with a focus on the state's strengths and shortfalls:

- David Broecker, president and chief executive officer, Indiana Biosciences Research Institute (IBRI) (www.indianabiosciences.org), Indianapolis
- John Dement, director of technology commercialization, Indiana Office of Defense Development (IODD) (www.in.gov/iodd), Bloomington
- Dan Hasler, president and chief entrepreneurial officer, Purdue Research Foundation (www.prf.org), West Lafayette
- Mark Long, president, Long Performance Advisors (www.longperformanceadvisors.com), Ellettsville

Sharing – and shaping – our story

All businesses have a story, as do their innovations. But what happens when outsiders interpret that tale rather than the organization sharing it on its own?

Hasler doesn't mince words.

"We'll sit around and lament about the lack of money (funding available in Indiana). The fact of the matter is: What we need to be lamenting is our ability to convey the business plan, the story," he asserts. "What we find is if you can convey a really good, value-added business plan, you'll get the money. Our problem is not lack of money. Our problem is the inability to describe what we're doing in a way that draws the money. And it'll come, I think."

But how?

Long, whose company provides global consulting on incubation and technology transfer, says the state must do a better job of "tooting its horn."

"This is always the million-dollar question," he remarks. "I'm teaching entrepreneurship at IU and we have a really high quality of students, and I know Purdue does too. But you constantly hear, 'I can't wait to graduate and go to Silicon Valley. I can't wait to graduate and go to Boston. I can't wait to graduate and go to the Research Triangle (in North Carolina), to Chicago, to Denver, to all of these hot places. (They think) you can't get money here (in Indiana). You can't get people to notice you here. You can't get the support here that you need.'

Indiana Vision 2025: DYNAMIC AND CREATIVE CULTURE

Dynamic and Creative Culture is often classified as the most intriguing driver in the *Indiana Vision 2025* plan.

Among its goals: developing entrepreneurs (see three stories beginning on Page 18) and enhancing technology transfer (above, four leaders discuss this topic and more).

View the goals (at right), read the stories and do what you can to help achieve the mission of Indiana being a "global leader in innovation and economic opportunity where enterprises and citizens prosper."



Key Goals

- Develop entrepreneurship and aggressively promote business start-ups through education, networking, investment and financial support.
- Increase the amount of technology transfer from higher education institutions and attain "Top 5" ranking per capita among all states.
- Achieve "Top 12" ranking among all states in number of utility patents per worker.
- Achieve "Top 12" ranking among all states in venture capital invested per capita.
- Strategically recruit foreign direct investment (FDI) and achieve "Top 12" ranking among all states in FDI as a percent of gross state product.
- Increase Indiana exports to achieve "Top 5" ranking per capita among all states.
- Promote a culture that further values diversity and civility, attracting and retaining talented individuals.

“And it’s like, ‘Where are you hearing that? There’s plenty of opportunity right here.’ “Somehow we’re not tooting that horn loud enough that younger people are hearing it. Somehow we’re not getting that message across.”

Culture of collaboration

Dement is soft spoken, but his passion for innovation comes across loud and clear. He’s working at the IODD on loan from Crane Naval Surface Warfare Center.

He affirms that while Southwest Indiana fares well regarding business attraction, it isn’t known as a hub for tech-based economic development, which he describes as “a whole different animal.”

“We’re all learning and growing,” he reflects. “But a big piece of the IODD is, ‘How do we polish this gem and add different facets to the diamond so it can be more brilliant when the light is shone on it?’ ”

And although there are bright spots, success decreases as one moves farther away from Central Indiana.

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– Dan Hasler
Purdue Research Foundation

and then a Crane hat after that and living out in rural Indiana, we have to keep our eye on the ball as to how do we take some of those pieces out further than the beltway. And that is truly hard. I wish I had an answer,”

Dement theorizes.

“There’s a legitimate role of government in this. But I’m also very much an Indiana guy from the standpoint that I want as minimal government as possible, but I want the right government roles out there. I’m trying to figure out what is that right balance – especially for the hinterlands.”

The key, he stresses, is to link those in need with the Purdue Foundry, Indiana University Research & Technology Corporation, Ball State Entrepreneurship Center or other resources.

Broecker is equally adamant about the importance of building connections. The life sciences veteran has founded and run a variety of ventures, including a biotech company in Boston.

“There’s some interesting things that differentiate Indianapolis from Massachusetts, particularly on the life sciences side,” he contends. “We have large companies – Lilly, Roche, Cook, Covance (among others) – that complement one another, that aren’t all pharmaceutical companies. They aren’t all device companies. And it’s very much a spirit of collaboration.

“That doesn’t exist in Boston.”

But the city’s entrepreneurial culture is part of what inspired Broecker to try to help bring a similar setting to Indiana (specifically in the near downtown Indianapolis area known as 16 Tech) through the IBRI. Launched in 2013, it’s the nation’s first industry-led research institute.

“What we hope to build is an innovation community with lots of development,” Broecker explains. “Not just ivory tower academic or research buildings, but literally a place where people can run into each other; (offering) mixed-use space of incubation, research and retail; situated right in between and adjacent to the (IU Health) medical school.”

Man and machine

Technology development is only half the battle. Talent recruitment is the other.

Assembling the right team can become increasingly difficult as one moves farther away



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Indiana Office of Defense Development

from Indianapolis. Many of the communities that struggle in this area have a rich manufacturing history – undeniably valuable from an economical and cultural perspective – but sometimes prove challenging for entrepreneurs.

“I’ve worked with the Fort Waynes and the Muncies and the Terre Hautes and the Evansvilles,” Dement relates. “They’re a decade behind in the thinking. It’s that entrepreneurship aspect. Usually they’re more of the manufacturing background. And trying to think about even intellectual property, there’s not a lot in those spaces. That’s still seed corn ...

“It’s very difficult. But the cool thing is that they all seem to want to (pursue entrepreneurial endeavors). They’re all trying their own thing. There’s incredible pockets going on in Evansville, and Jasper and Huntingburg down in Dubois County. And obviously, in Warsaw what we’re seeing. They have a whole different set of assets there.

“You see people from a bootstrap kind of approach trying to bring this type of thinking to their communities. But they have a long road ahead of them.”

Recruiting the right people is front and center at IBRI.

“We want to find people that have a desire and are motivated not just to do great research, but who actually are motivated to translate that and see that translated,” Broecker shares. “Our opportunity is going to be finding that right mix of people that are kind of established already and then bringing

in that next generation of scientists and working together.”

Hasler, former Indiana Secretary of Commerce, can't wait to see the finished product.

“This is going to be a way cool thing,” he declares. “It has the potential to kind of unite the clans a little bit, with IU and Purdue both there. I'm desperate for ways to use that as kind of a mix master. Imagine all the engineers working on medical devices and all the doctors at IU that could be starting companies together.”

It's vital, Broecker asserts, that seasoned entrepreneurial veterans remember their roots.

“The trick is finding people that haven't had such a successful career that they forgot how to get their hands dirty,” he observes. “You need to be able to sort of roll up your shirtsleeves when you get into an entrepreneurial environment and not only do the sexy research work, but also wash the flasks and do some of those other kinds of things.”

Adds Hasler, “There's nothing better than somebody that's working out of passion instead of for an income because they work 10 times harder. That's an area that we probably haven't harvested at all in Indiana.”



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– Mark Long
Long Performance Advisors

The sentiment resonates with Long.

“We have to take action. The seasoned veterans – the people who have been there and done that – actually have to get up, stand up and move,” he emphasizes. “We have to pick up the pitchfork and start making things happen.”

‘Elevate’ and celebrate

How do you measure success when it comes to technology transfer? Tangible metrics include disclosures, number of patents filed and issued, cost for filing, technologies licensed, royalties received and earned media (publicity that isn't derived from advertising), to name a few.

A new aviation technology park is under development in West Lafayette. Commercialization activities at the Purdue Research Foundation and Purdue Foundry soared this year, with a record 40 start-ups, 178 global and U.S. patents issued (up 14%) and 241 technologies licensed.

While he's proud of the accomplishments, Hasler calls patents “catnip.”

“At Purdue, we basically turned tech transfer on its head,” he remarks. “When I started (his current position at the university in 2013), I thought tech transfer was about making money on the patent licenses, on the royalties. And it's not that we don't – we'll make about \$6.2 million in royalties this year, which also is a record.”

“But rather than spending six months negotiating a license and arguing over (whether it's) going to be 3% or 3.5%, I would rather do that license very quickly and then have you as the licensee ask the second question: ‘Where is the professor that I can give a half million dollars to (in order) to finish developing this technology?’”

“It's heresy in the tech transfer world,” Hasler continues. “You won't believe the hate mail I get for killing the goose that's laying the golden egg. The problem is they're not getting measured on the corporate-sponsored research that follows after the license. If they were, they'd be singing a very different tune.”

Crane also is on target to break records this year.

“They're on a trajectory to a thousand (number of licenses, patents and disclosures)



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Indiana Biosciences Research Institute

by 2020, and that's starting from zero just eight years ago,” Dement proclaims. “Huge! And there's more there than we're even capturing.”

Hasler is a proponent of Elevate Ventures, a private sector entity hired by the Indiana Economic Development Corporation to nurture and develop emerging and existing high-potential businesses into high-performing, Indiana-based companies. It was formed in 2010.

“Other states would kill for what we have in Elevate,” he declares. “It's had a couple wobbles – largely as far as I'm concerned, unjustified wobbles.”

“It's just a question of funding it, being committed to it, standing up for it when it hits a headwind and helping them out, and not letting the piranha eat it from the ground up, which is what can happen around here.”

Dement wonders if Elevate ultimately will fill a sorely-needed leadership role and unite efforts statewide.

“Elevate, whether they help step into that void ... to me that's the biggest challenge and the biggest opportunity.”

Hasler has encouraging words for today's – and tomorrow's – entrepreneurs.

“Celebrate those who try,” he emphasizes. “If we acknowledge that the people that try this, whether they succeed or fail, are heroes and the people that are going to lead Indiana to the future, then it will happen.”