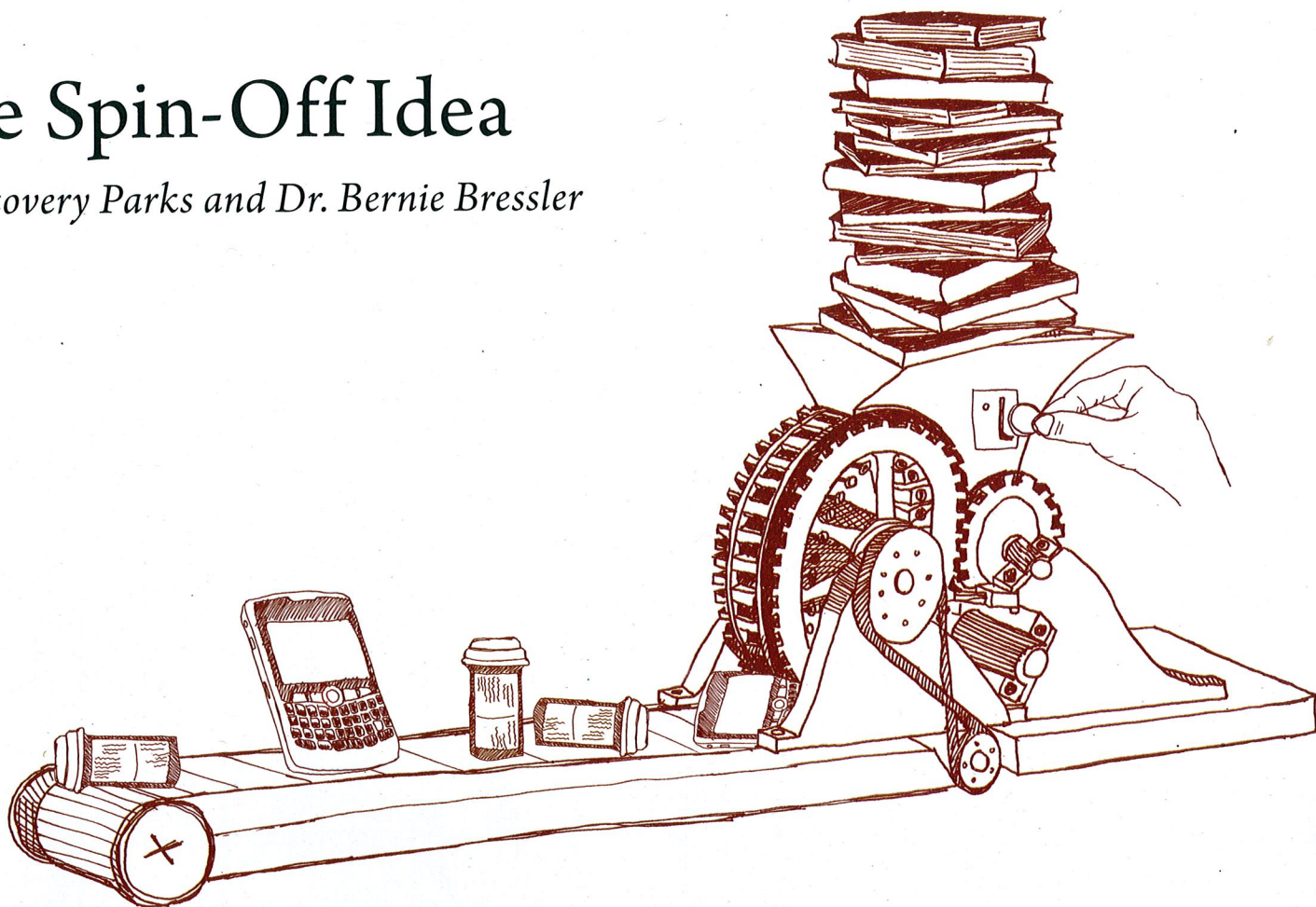


The Spin-Off Idea

—*Discovery Parks and Dr. Bernie Bressler*



THE NOTION THAT CANADA'S publicly funded universities operate in isolation from the rest of the world still stirs in many people's minds. Things now are very different, though, than they were a generation or two ago. Funding is not what it used to be, and in Canada, fundraising, alumni relations and direct interaction with the community at large are the norm. That is not to say that some of the research being conducted occupies fairly rare air, but rather that serious thought and work go into making it possible for some of the ideas born in a university setting to find their way into the business world where, it is safe to say, the rules are different. This was pointed out to the general assembly at a conference on a pending trade agreement between the European Union and Canada, during which a senior representative of the British Columbia government said, "We are not in the business of doing research, we are in the business of commercializing research."

That is where Dr. Bernie Bressler comes in. He is chairman of the Board of Directors for Discovery Parks, and is keen to explain why the organization is so vital to B.C. "The problem at the beginning was finding people who understood what we were trying to do," he says. That was in 1991, when the organization became

a not-for-profit trust, and proceeded with a mandate to build a path from university research to private sector business. Dr. Bressler says, "Research and development is a very difficult sell; what are referred to as spin-off companies, companies that move out of the academic research arena and into actual businesses, cannot borrow from banks." They rely on venture capital, or what is called "angel capital", money that comes from private investors. In other words, finding a way to transition research that appears to have applications beyond the laboratory, but that requires further investigation into issues such as patents and marketability, from the academy into the private sector.

Dr. Bressler explains, "The spin-off idea is very similar to large corporations' research and development departments. Those companies have large budgets allocated to research, and they market their products after extensive development." In the case of university research, there is no magic parent company that transforms the more esoteric material into practical applications. "In technology and pharmaceuticals in particular, the ideas do not always make it to the street," Dr. Bressler points out. The notion was, then, "to advance the public good, by finding ways to link what a university scientist

does with what a private sector company does." Transfer offices were built, often proximate to the universities themselves, in what Discovery Parks executive director and CEO Mark Betteridge calls "a risk transfer mechanism. We are doing work that is usually done with public money. And our default ratio is very low." Dr. Bressler affirms that "the vast majority of the companies we have developed are classic small businesses, part of the backbone of our economy. Canada cannot rely on its natural resources alone. We must use the knowledge that exists in our universities to make the world a better place—therapeutics, vaccines, teaching software, for example."

Any profits that Discovery Parks may earn when putting businesses into action, is put in trust, and all of that money is funnelled back into the university research pool. "We don't act alone, of course," says Dr. Bressler. "The funds are needed in so many areas." The companies, their investors, the venues they inhabit, and the university departments they are borne of, all receive financial consideration. As he sits back for a moment, he smiles, and says "Fundraising has become a second career for me. But we work for the public good, not for personal gain."

—Jim Tobler; Illustration by Su-An Ng