#### **Organising for High Tech Innovation**

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Innovation and competition: What happens to our customers?

## Major drivers of competition:

- productivity (60-70s)
- quality (70-80s)
- flexibility (80s-90s)
- innovation (90s-00s)
- venturing (00s-...):
  - U.S. anno 2000: the complementary roles of industrial innovation >< entrepreneurial innovation</p>

# Innovation and industry dynamics, how can universities intervene?



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Innovation and industry dynamics, how can universities intervene?

### What matters most to companies?

- Size and growth rate
- Timing of entry
- Participation in dominant design
- Application to new, emerging markets





# Science, technology, and utilisation: pathways for action and training



#### Science - Technology - Utilization: A skewed pathway (Verbeek, Debackere, Luwel et al., 2001)



20% of all technology fields account for 90% of all science-technology interactions using citation data from patent to literature databases<sup>8</sup>

## Organising and training for the pathways at knowledge organisations:



## Structuring the pathways: matrix thinking at K.U. Leuven



Faculties, departments, research groups: international quality in research, teaching performance

# Structuring the pathways: matrix model

#### **Propensity to commercialise** High **Supportive** incentive structure Strategic **Strategic** intent No strategic intent intent Low **Hierarchical** Multidivisional *Matrix* **Structure Structure Structure**

# Structuring the pathways: training

Training the staff of K.U. LRD
 Training innovation coordinators

- Specialized courses:
  - IP management
  - Business Plan development
  - High Tech Growth management
  - Spinnova training course

Awareness creation (students)

## Implementing the pathways:

Activity Area 1: (Applied) Research for Companies

cross-fertilisation network of incos

#### Activity Area 2: Technology Transfer via Patents & Licensing

#### **MANAGEMENT SUPPORT:**

- legal, contractual (E.U. & U.S.)
- financial management
- HR management
- active international networking
- reliance on researcher contact network
- website FAQs

Activity Area 3: Generation of Spin-Off Companies

#### **IP-CLUSTER:**

- prior art assessment
  IP management
  partner search
  IP network (E.U. & U.S.)
- website FAQs, process flow

#### **INCUBATOR ACTIVITIES:**

business plan development, website, FAQs
equity via allied venturing fund
coaching further business model development
incubator and research park development
regional network fora (Leuven.Inc)

#### Some results K.U. Leuven R&D:

#### **Evolution turnover (45 MEuro, 2000)**



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- Number of training courses by Leuven.Inc since 2000: 7
- Number of Spinnova training courses: 8
- Spinnova "Best Practice Book"
- 18-month staff/innovation coordinator training course organized by K.U. LRD
- Annual number of students in entrepreneurship course reached 240 in 2000-2001

## Bringing in the regional dimension:

D.V. = Log(Innovation count at regional level), N = 125 U.S. Metr. Stat. Areas,

\*= coefficients significant at p=0.01-level

(Varga, 1999)

Model	OLS	OLS	OLS
	Full	Intermediate	Final
Constant	-0.230*	-0.315*	-0.381*
	(0.183)	(0.157)	(0.154)
LOG(RD: industrial RD employment)	0.270*	0.283*	0.295*
	(0.056)	(0.054)	(0.054)
LOG(URD: university RD expenditures)	-0.302*	-0.190*	-0.186*
	(0.141)	(0.067)	(0.067)
LOG(Concentration high tech)*LOG(URD)	0.185*	0.184*	0.188*
	(0.036)	(0.036)	(0.036)
LOG(Pres. business service)*LOG(URD)	0.081*	0.085*	0.088*
	(0.015)	(0.014)	(0.014)
LOG(Enrollment)*LOG(URD)	0.026		
	(0.029)		
RANK*LOG(URD)	0.033	0.035	
	(0.020)	(0.020)	
LOG(% large firms)*LOG(URD)	-0.094*	-0.096*	-0.098*
	(0.025)	(0.025)	(0.025)
R <sup>2</sup> -adjusted	0.737	0.738	0.733

## Conclusion: Ingredients for success

- Knowledge organisation as incubator, trainer and facilitator of economic growth
- Appropriate mix of knowledge-intensive hightech start-ups and established companies
- Professional support infrastructure and environment, including risk capital
- Incubator facilities and research parks, fostering a knowledge-intensive business texture
- Partnership between all actors involved, including the regional authorities