

**ИННОВАЦИОННАЯ
ЭКОНОМИКА**

**НАЧИНАЕТСЯ
СЕЙЧАС**

ASTP Fall Conference

Lyon, France

25-26 October 2012

Success Rates for University Spin-Outs

R. Page Heller, PE CLP RTTP

Center for Technology Commercialization

National University of Science & Technology MISiS

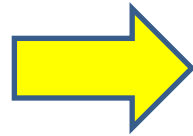
Moscow, Russia

© 2012 MISiS, All Rights Reserved

How are our spin-out
companies doing? That is the
question we will address in
this presentation.



Success



- number of startups
- funding
- survival
- revenues
- jobs

This is a very difficult subject to research. Data is lacking. Also, there are many different ways universities define success. We don't have time to discuss each one, so I have selected only two. Let's begin with "survival."



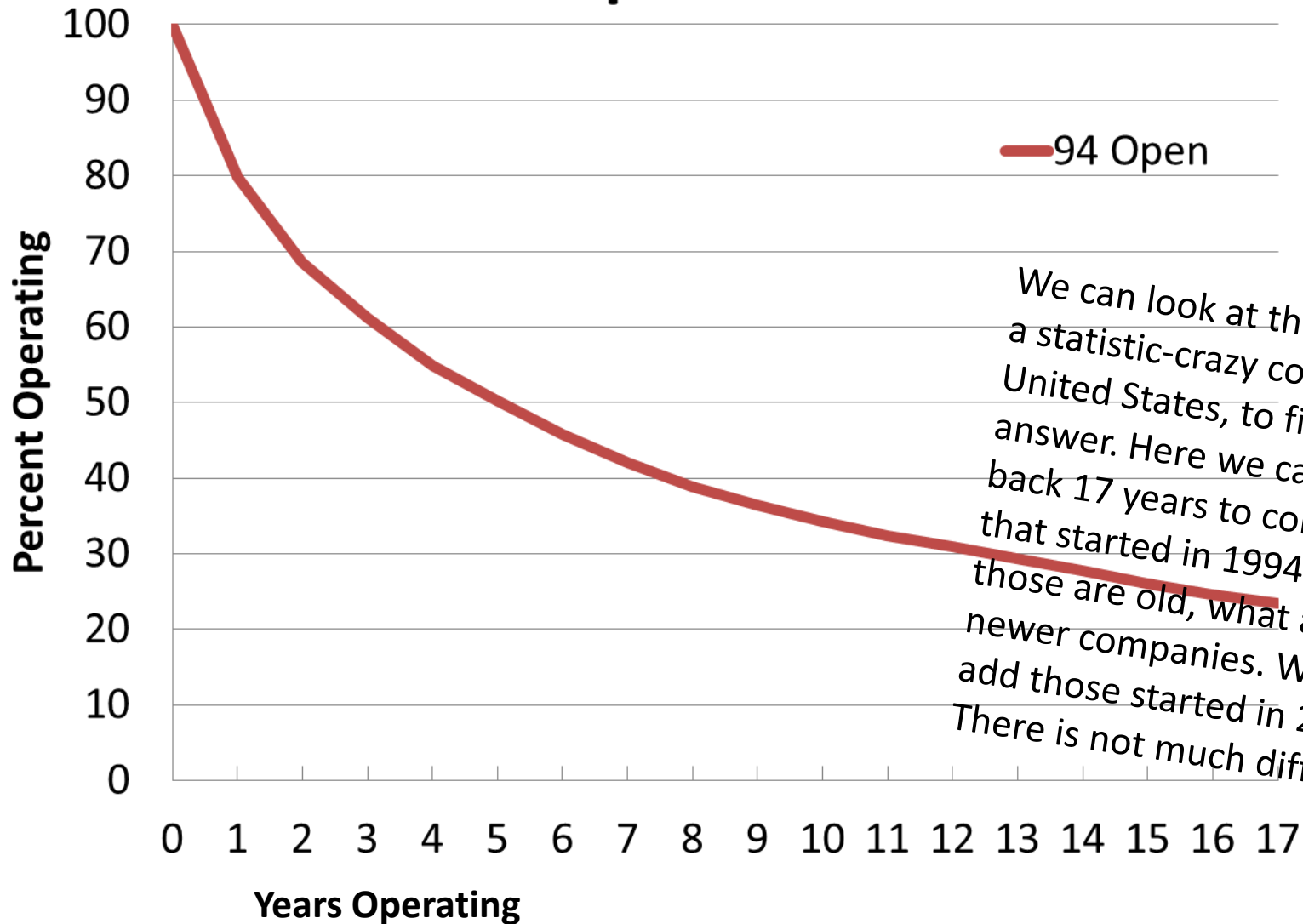
Myth

“80% of all startups fail
within the first 5 years.”

First, we must dispel a myth.
You may have heard this so-
called fact before. I’ve heard it
many times. “80% of all
startups fail within the first 5
years.” If that is a myth, what
is the truth?



US Startup Survival Rate



We can look at the data from a statistic-crazy country, the United States, to find the answer. Here we can look back 17 years to companies that started in 1994. But, those are old, what about newer companies. We can add those started in 2001. There is not much difference.



Worldwide View

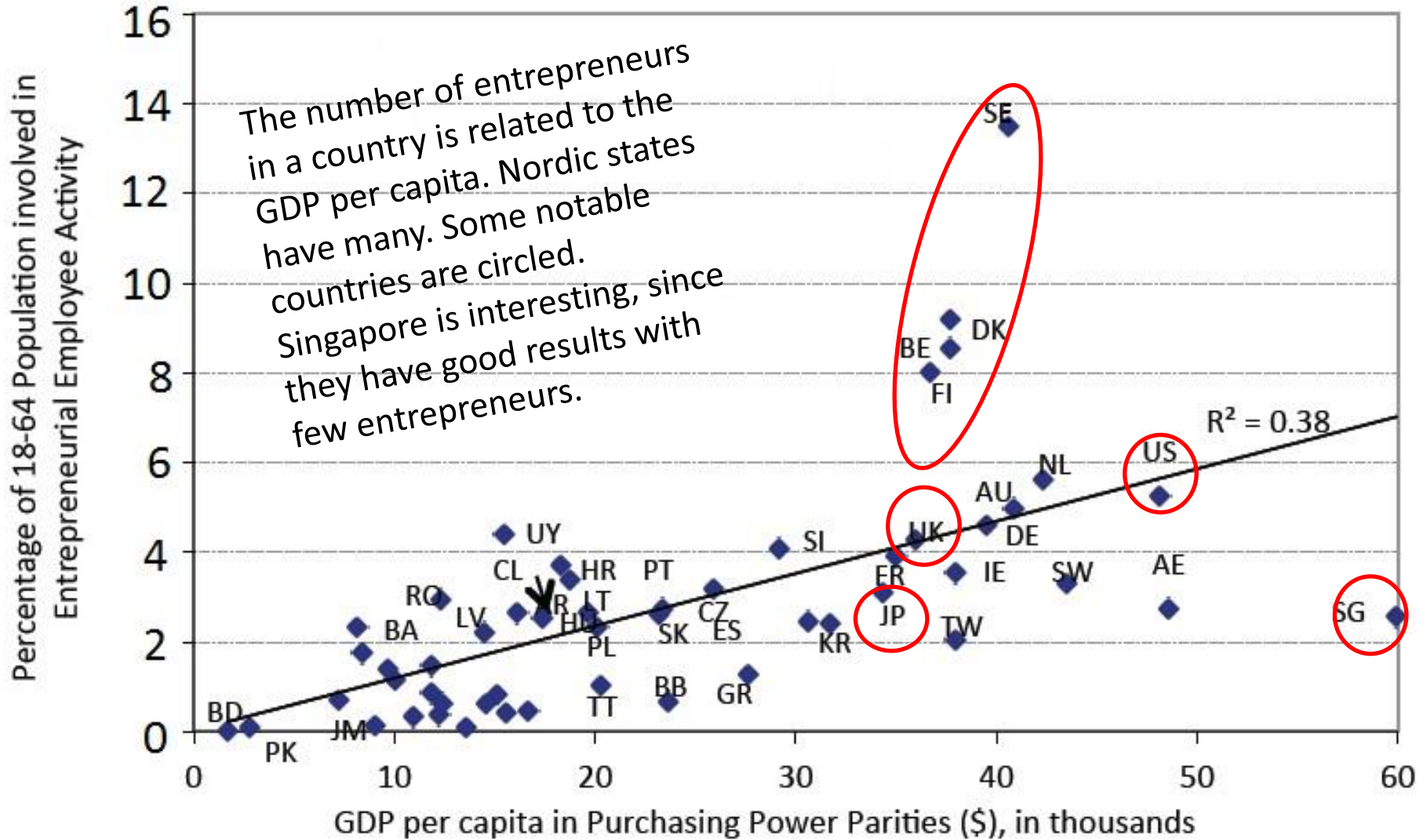
Where are the entrepreneurs on this map?



But, what about the rest of the world? Let's start by taking a look at where the entrepreneurs are.

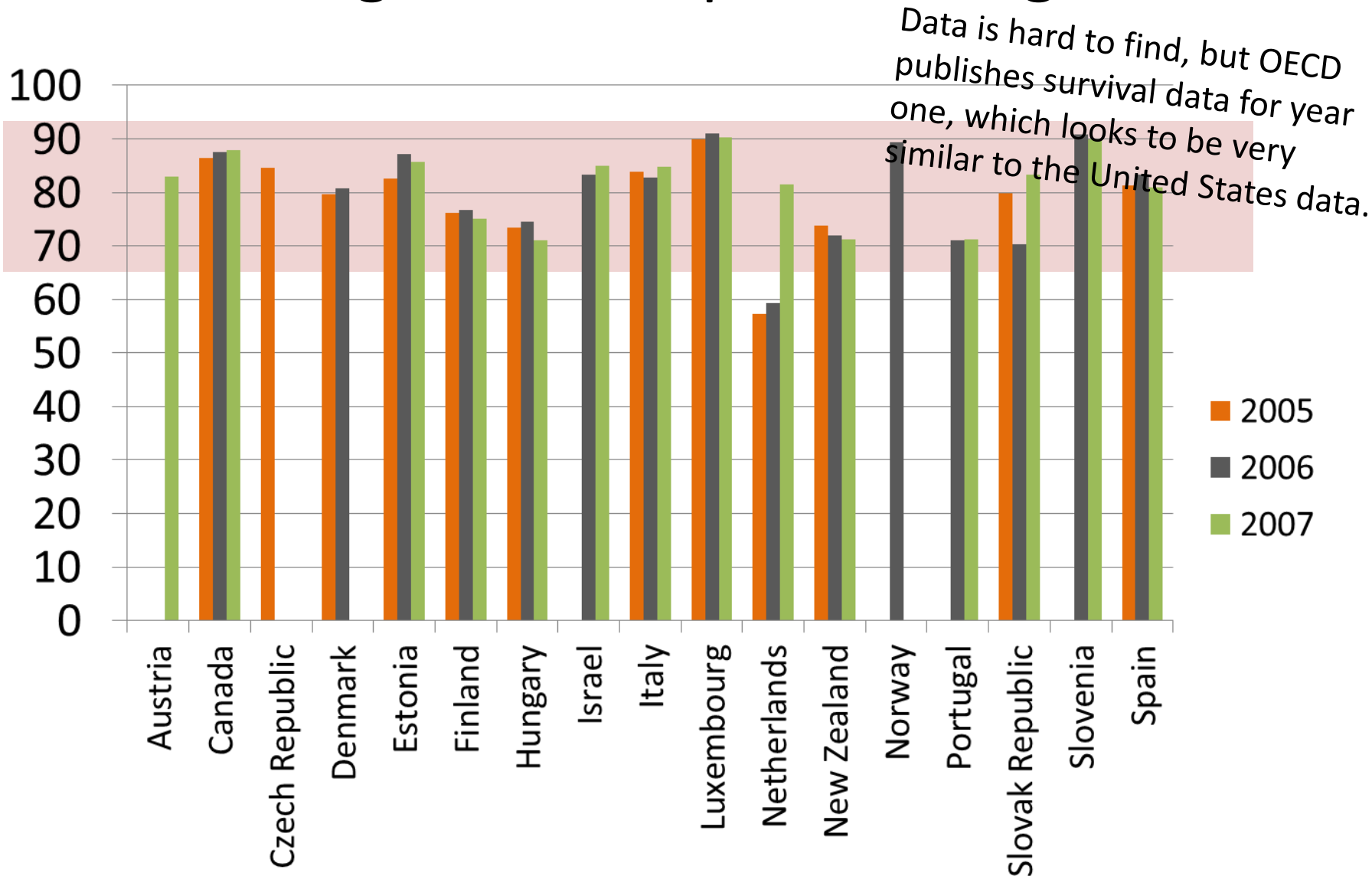


Entrepreneurs v GDP per Capita



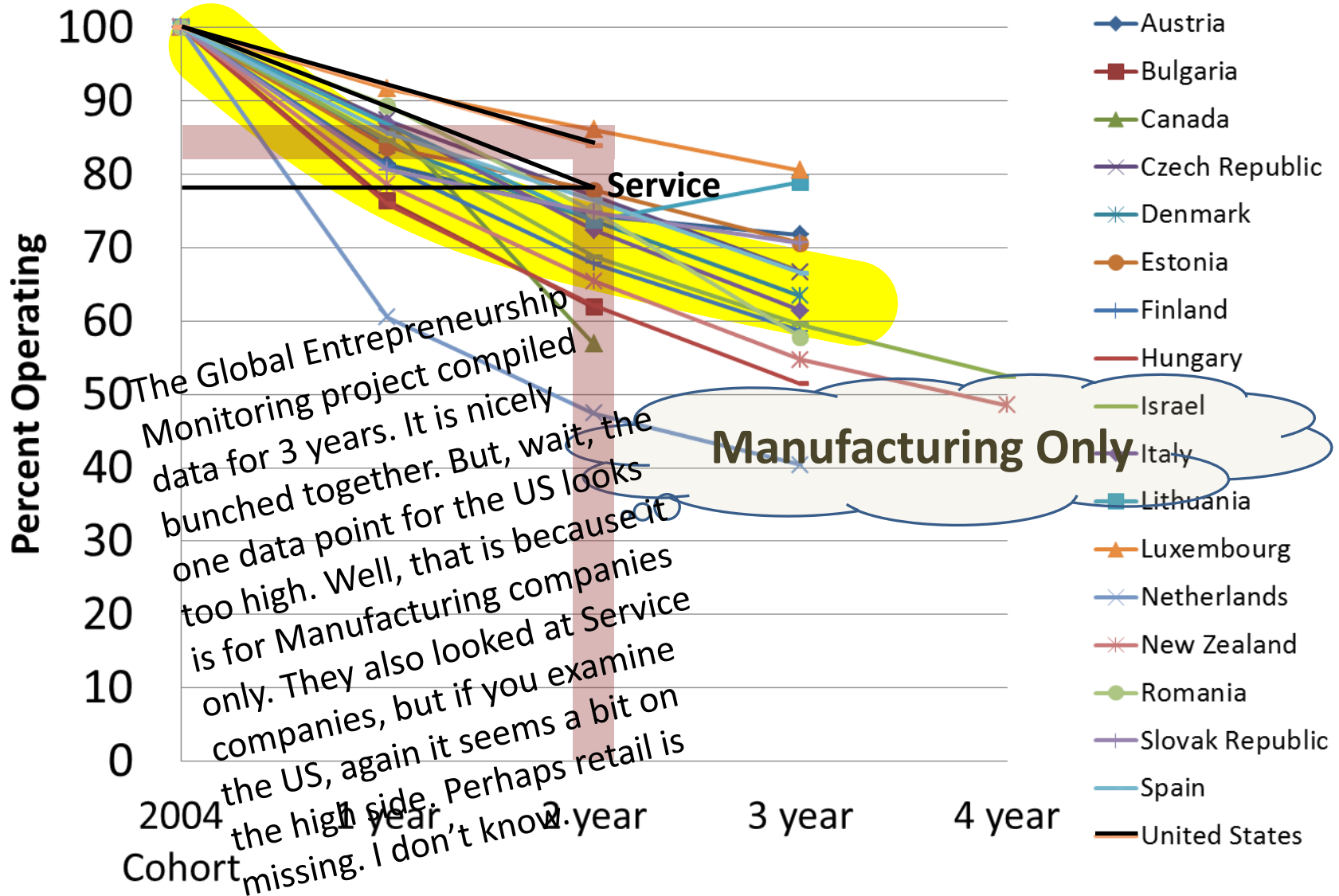


Percentage of Startups Surviving 1 Year





Worldwide Startup Survival Rate

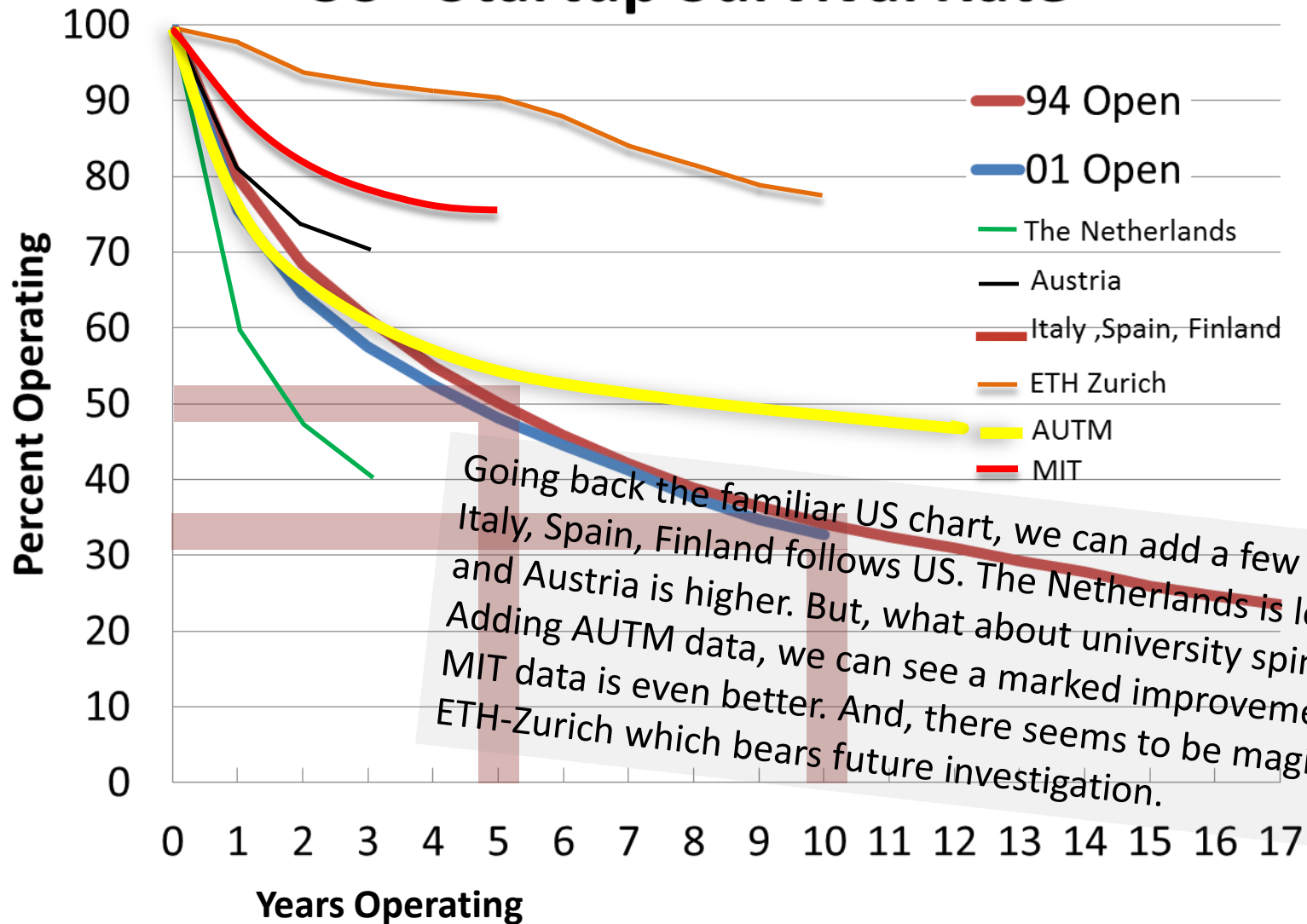


The Global Entrepreneurship Monitoring project compiled data for 3 years. It is nicely bunched together. But, wait, the one data point for the US looks too high. Well, that is because it is for Manufacturing companies only. They also looked at Service companies, but if you examine the US, again it seems a bit on the high side. Perhaps retail is missing. I don't know.

Manufacturing Only

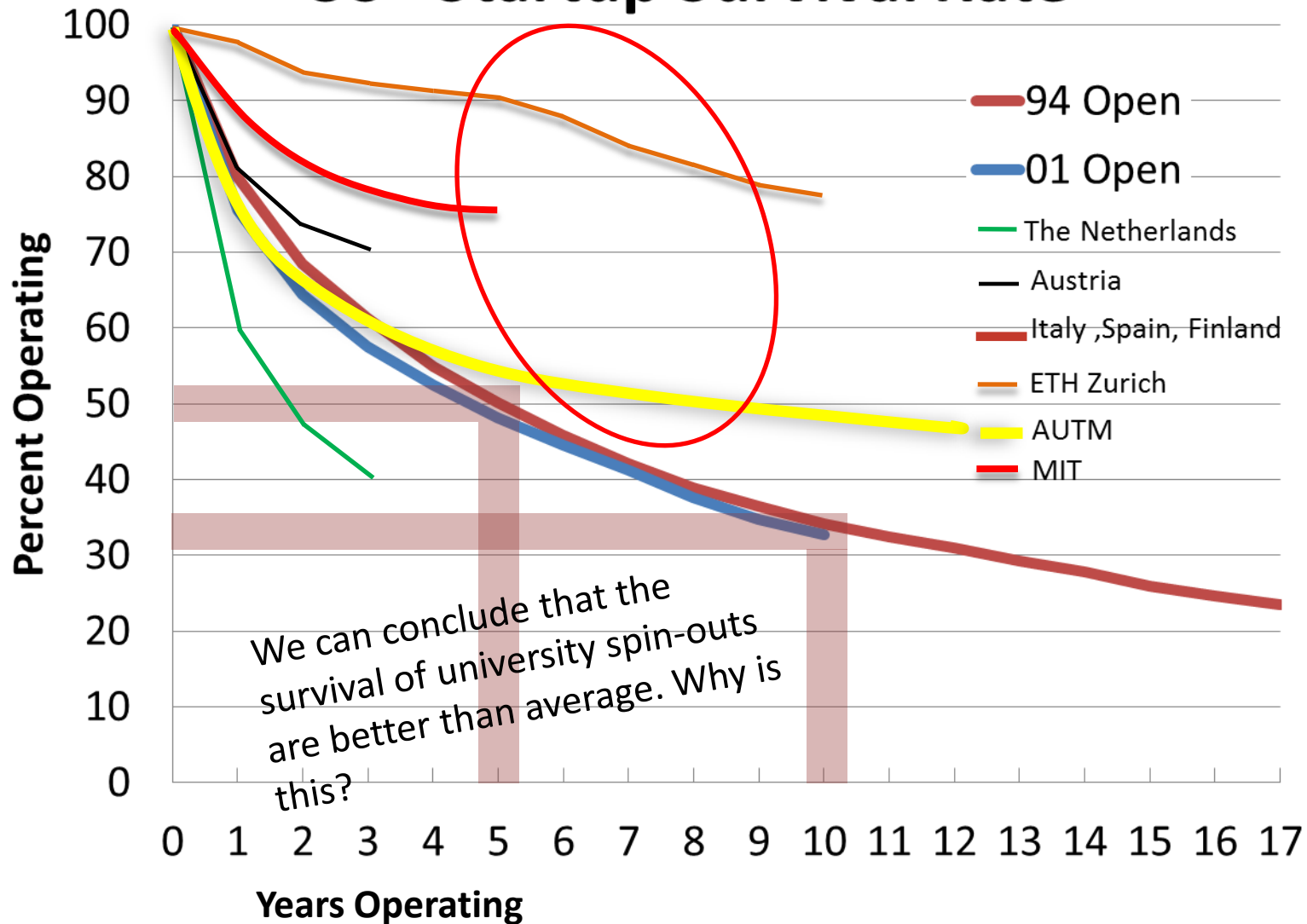


US+ Startup Survival Rate





US+ Startup Survival Rate



We can conclude that the survival of university spin-outs are better than average. Why is this?



Experience has shown us that universities are innovation engines. Technology –based companies do better than average.

Universities are Innovation Engines





Reasons Why University Spin-Outs Survive



P. Heller

- Mentoring
- Visibility



J. Jankowski

- Good Technology
- Low Burn Rate

But, I think there is more. I think they are better because of 2 factors; mentoring and visibility. Joe Jankowski from Case Western Reserve had 2 completely different explanations; good technology and a low burn rate (because many CEOs are employed at the university).

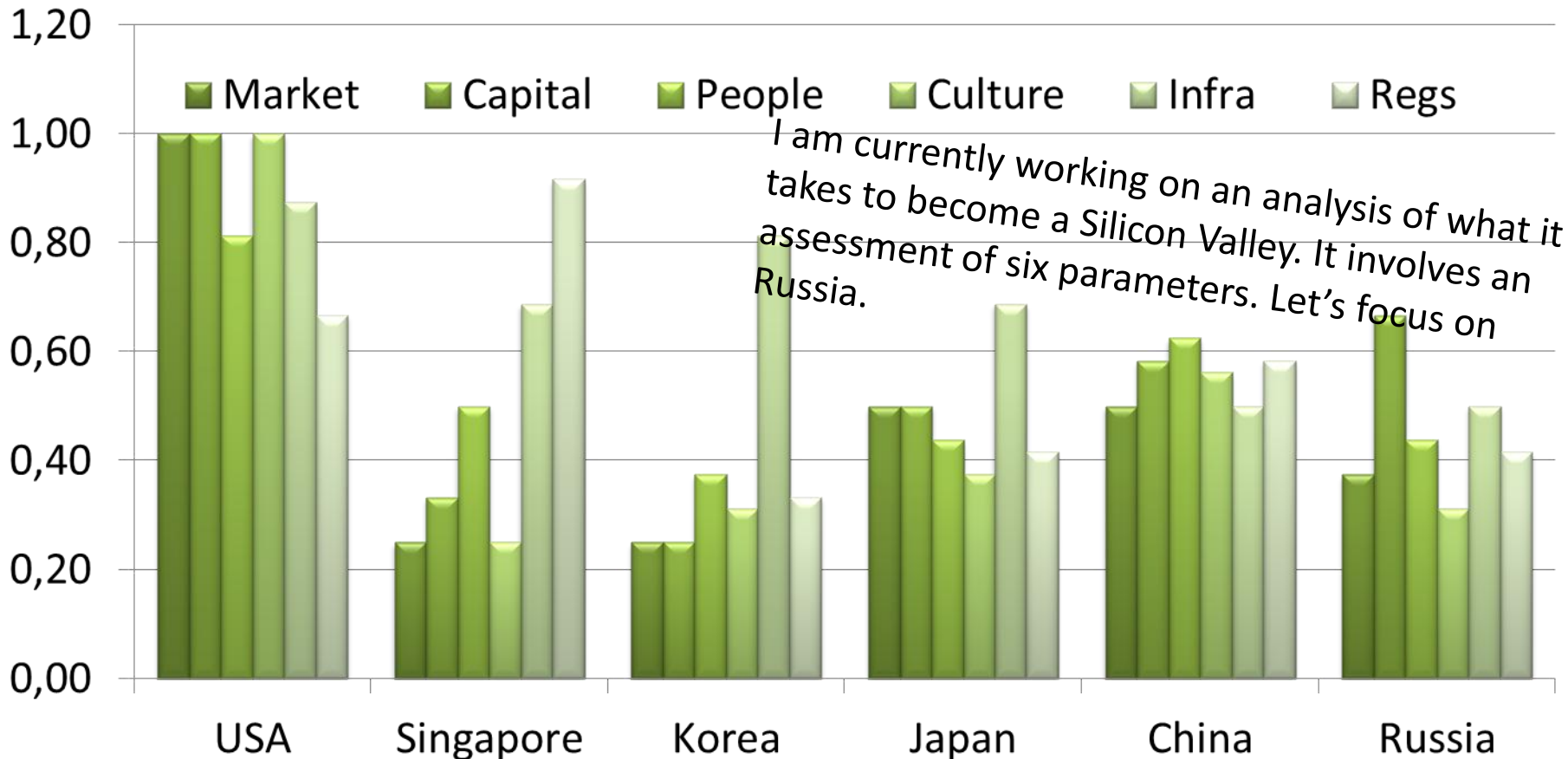
Where are we?

Where are we in relation
to the Gold Standard?

So, you may be asking “where is our country in achieving this gold standard?” What is the gold standard? Well, let’s choose one.



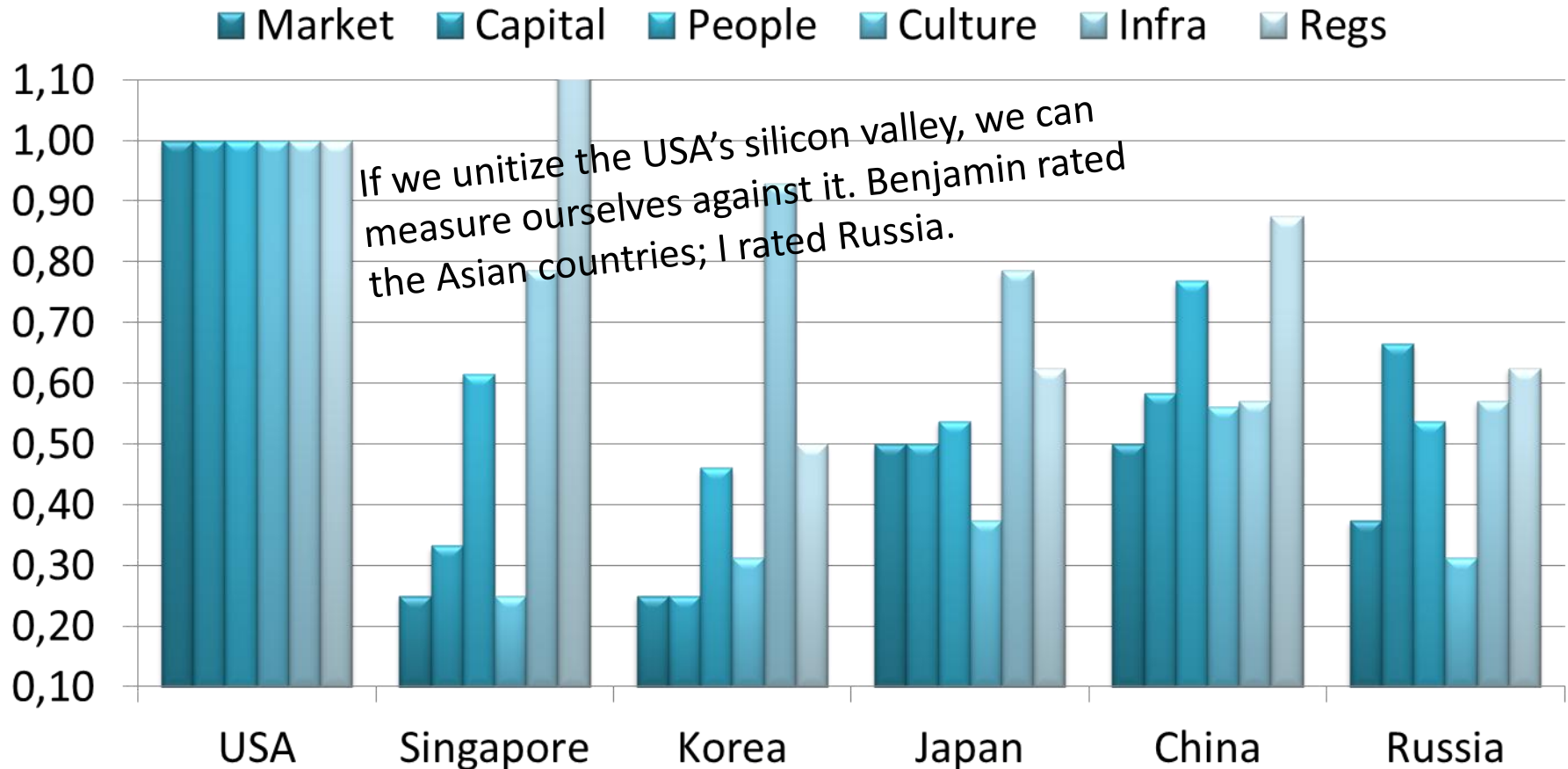
Ecosystem Development



method by: Benjamin Jaffe, plus8star.com



Ecosystem Development



method by: Benjamin Jaffe, plus8star.com

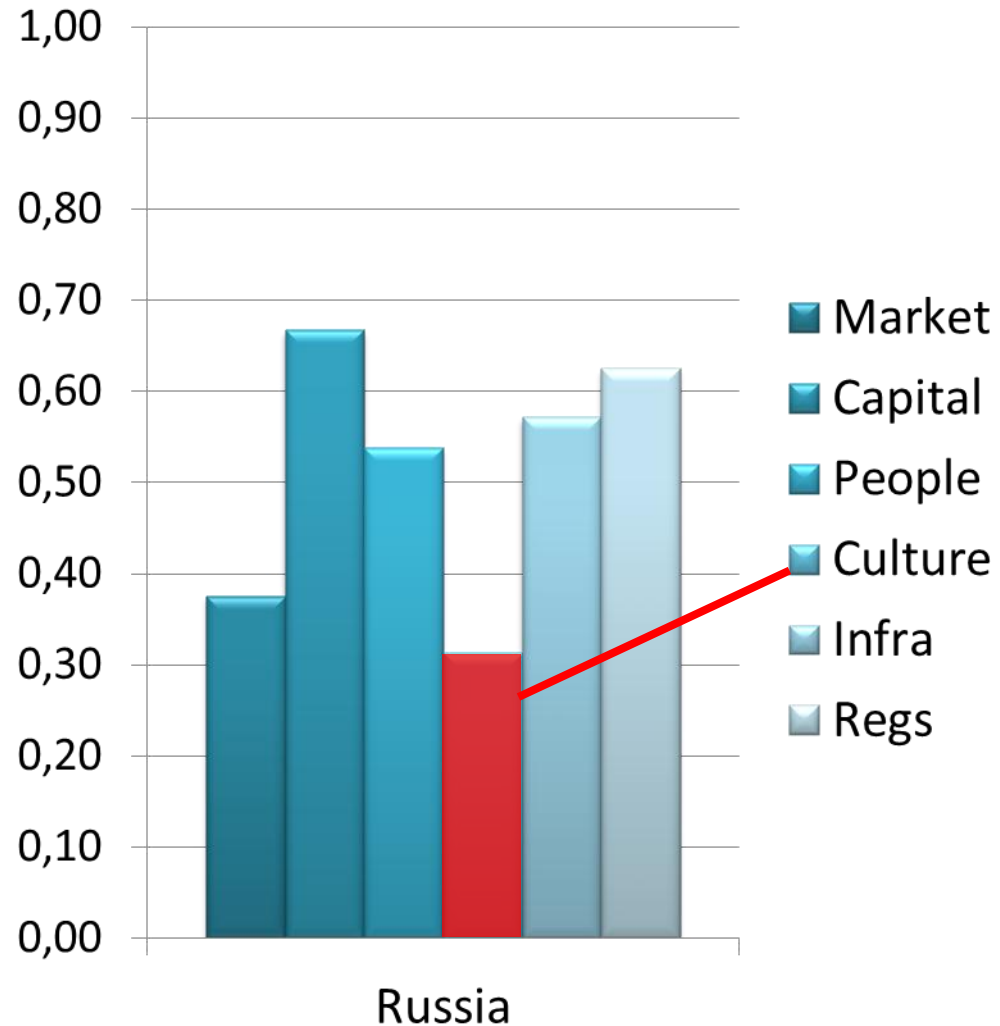


Experience in Russia

Culture

- Role Models
- Risk-Taking
- Image of Failure
- Self-Promotion Skills

Each category is made up of multiple factors. For instance this is for culture.

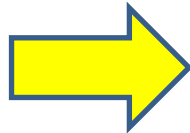




Success

Well, I think real success is reaching the public with products and services that improve their lives. The other factors we measure are just indicators.

- number of startups
- funding
- survival
- revenues
- jobs
- products reach the public





Thanks for viewing!

Contact

R. Page Heller, PE CLP RTTP

Center for Technology Commercialization

NUST-MISiS

heller@misis.ru

+7 (903) 726 24 47

ИННОВАЦИОННАЯ
ЭКОНОМИКА

НАЧИНАЕТСЯ
СЕЙЧАС

