

# Unique breed of investors helps universities launch start-ups

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Ushering new technologies from the university lab to the marketplace has long been a challenge, with many stalling indefinitely due to a lack of funding. But a model of investing has developed over the past 15 years to help bridge that gap with some stunning successes, according to an article in *Chemical & Engineering News (C&EN)*, the weekly newsmagazine of the American Chemical Society.

Ann M. Thayer, a senior correspondent at C&EN, notes that the traditional venture capital approach doesn't make the kind of long-term investments necessary to develop early, basic research into something marketable. This process can take a decade or longer. Plus, since 2001 when the tech bubble burst, the pot of private seed money to support start-up companies has been limited, leaving a large [funding](#) void in its wake. Universities have tried to plug this hole with grants and development money, but they've still come up short.

Right before the tech implosion, however, at least two investment firms with a different kind of strategy were founded in the U.K. Unlike venture capitalists, the new breed of investors behind these firms enters into disciplined, long-term partnerships with universities.

For the leaders in the field, the strategy has so far paid off in spades. Imperial Innovations and IP Group are now worth \$1 billion and \$2 billion respectively. Seeing this success, others have been extending the approach to work with U.S. universities and labs. But the model has not worked for all firms trying to replicate it, suggesting that its future

remains uncertain.

**More information:** Making Money in the Ivory Tower - [cen.acs.org/articles/93/i40/In...niversity-Start.html](https://cen.acs.org/articles/93/i40/In...niversity-Start.html)

Provided by American Chemical Society

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