

Introductory Remarks for a “MIXER” Meeting Between Research Management of Research Universities, Venture Investors and Corporate Managements

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Dear Colleagues:

As the Vice President for Research and Graduate Education for the University of Texas at Dallas (UTD), and the fact that this meeting is held on campus, let me first extend a very very warm welcome to such a distinguished group of individuals.

The room you are now in, the McDermott suite, which was recently completely face lifted and funded by Mrs. McDermott, is one of the few venues on Campus which I have the guts to refer to as “palatial”. I hope you agree with me!

This is a very special meeting. It is special for two reasons.

First, I am gratified that nearly ALL the research universities in Texas are represented around the table. Actually, it is not an accident that we are gathered here today. In fact, nearly a year ago, this group began planning a major Asia Pacific delegation tour (we planned to visit the academia, industries and research establishments in Hsingchu (near Taipei), Singapore, Shanghai and Beijing) just at this time. In organizing the delegation, we naturally got to know each other well. This allowed us to plant the seeds for additional collaborations between our universities. Of course, the pandemic SARS of April, May and June forced us to abolish our tour of this year. So, we thought that we should leverage our built-up relationship and the fact that we do have a blank spot collectively on our calendar to do something that is just as significant.

The idea of meeting with one of the world’s most renowned investors and entrepreneurs, Mr. Wu-Fu Chen, emerged. I want to thank Wu Fu for graciously agreed to come to Richardson from Silicon Valley to meet with us. I also want to thank Wu Fu for inviting all of us to dinner last night. While the dinner was great, it was more important that we had some quality personal time together.

Second, this is one of the meetings where we have two professionally “non-overlapping” groups and one “mesonic” (a physics term) group.

The first group consists of pure investors: they are Wu Fu, Roman Kikta, the Managing Partner of Genesis Campus, Mr. Laszlo I. Szerenyi, Venture Partner of Genesis Campus, and Dr. Ray Jemp, Partner of Genesis Campus.

The second group is from the academia, representing the 11 research universities in Texas, and primarily vice presidents for research, or their representatives. We do have TWO black sheeps among the group. And they are my good friend Ron Blanck, the President of the University of North Texas Health Science Center and Ross Murfin, Provost of SMU (We do allow one president and one provost to take part in these discussions ☺). I should emphasize that the list of research universities are by no means all inclusive, it does represent a large fraction of such universities in Texas.

Finally, there is the “mesonic”, or intermediary group. In physics, we refer to such an intermediary as “mesons” (In Chinese, it is called Jie Zi). It is remarkable that this group consists of two outstanding former professors of electrical engineering and computer science from the University of Texas at Austin. They are Dr. San-Qi Li, now the Chief Technologist from Santera and Dr. Guanghan Xu, Co-Founder, Executive Vice President, and CTO of Navini Networks. A few years ago, both decided that they wanted to utilize their scientific and technological skills, and try their “luck” in the industrial, commercial and venture funding world (anytime you venture into business, where there is NO tenure, you are taking a serious risk). Interestingly, these were NOT people who would have any trouble getting tenure in a top ranked university. Indeed, they have done so during their academia days and enjoyed enormous scientific and technological accolades and security as research university tenured full professors (and probably suffering low financial rewards) and in their current entrepreneur days facing the risky business world (and enjoy high financial rewards)! I am confident that their experiences in transitioning from academia to corporate can and will prove to be very important in our discussions and in our long term interactions.

I thought that with these three groups under one roof, we could begin a serious discussion about how we as three rather disparate groups can find a way to seriously work together.

Good research universities are defined by the number of high quality researchers they have. Indeed, these are people who are innovative and hardworking. As these people move up the scientific food chain, they are constantly reinventing themselves, and reinventing what they do. It is, or should be, a very dynamical system. I have a statement which I say constantly: “Vision without funding is hallucination!” Well, this can be paraphrased into another phrase: “Research without funding is hallucination!” In fact, not only funding is important, it also is a measurement, albeit not the whole story, of the quality and the innovativeness of the research. Therefore, these outstanding researchers must also be tightly associated with the national and international scenes. They must know their way around in search of, and constantly be cognizant of, funding dollars. In the United States, by and large these dollars are embedded in the various Federal Government agencies. Since the dollars these outstanding researchers command are usually in the millions, they need to be good business managers as well, or at least make sure that they have good business managers to assist their research “enterprise”.

However, in the past couple of decades, a twist in the research enterprise is lurking in the horizon for research universities. Its complexities are causing research universities to

have lots of challenges (a euphemism for headaches). More and more research “products” emerging from research universities, when properly “developed”, and properly “deployed” (deployment is the euphemism for “marketing”) can have significant commercial values.

I think no one will argue with me that research universities are great (if they are any good at all) in research, and generally so so in development and downright poor in deployment. However, although this is not a hard and fast rule, funding agencies generally stop at the research stage. Beyond research (development and deployment), you are on your own, baby!

Therefore, to reach the RDD (research-development-deployment) Nirvana (I read from Mrs. Wu Fu Chen’s book that he is a Buddhist and so he will know what I mean 😊), research universities must reach beyond the research level. We must encourage the researchers to think “entrepreneurially,” deal with the IP and technology transfer issues earnestly, and last but not least, learn to work with funding sources beyond the Federal Funding agencies. I know that we at UTD are struggling with IP and Tech Transfer issues, and the University of Texas System Office of the General Counsel is working closely with us. I also have now a full time person, Rafael Martin, who is in the audience, working on this. I also know that our struggling is probably NOT unique!

I mentioned earlier that research universities need to work with funding sources beyond the Federal Funding agencies. Some of the issues at hand are the following: How do research universities encourage and assist researchers to make the transition from research to commercialization? How do we seek resources to assist the researchers to operate a commercial enterprise? How do we encourage researchers to be successful in commercial endeavors? How do we keep track of such activities when often they are outside the boundaries, geographically and legally, of the universities? What sort of quasi-university organizations need to be created in order to make all this happen?

Thus our meeting today. Venture funding is critical in the development and deployment phase. It is almost indispensable if a researcher wants to develop a commercial or quasi-commercial entity. Therefore it seems to me that as vice presidents for research, we need to develop a well-oiled relationship with the investors, or venture capitalists. Unless I am absolutely naïve, I think generally speaking, research universities have not been very close to this community. To this end, I think today is an excellent opportunity for the three groups to get together this way.

We probably should not expect too much from today’s meeting. However, I do hope that we can achieve the following:

1. We can work from now on as colleagues and friends. We should see difficulties as challenges to be overcome, and not barrier.
2. We should leverage this meeting to form a platform, or an informal discussion group for all three groups so that we can discuss in detail all issues at hand

efficiently, and also understand each other in depth. In other words, be very knowledgeable about each other.

If we can achieve this, I will consider anything that we can achieve beyond this as icing on the cake.

Let the show begins!