

UT Dallas launches business incubator to help faculty and student ideas come to fruition

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The University of Texas at Dallas has opened a business incubator to help commercialize technology researched at the school and to launch student-run startup companies.

The goal is to provide low-priced office and lab space to technology-based startups launched by UTD faculty and students. It will help these budding entrepreneurs with their business plans, product analyses and market research and will provide access to interns, mentors and possibly seed funding.

The Venture Development Center in Richardson is another step by the university to foster entrepreneurship. The university started the Institute for Innovation and Entrepreneurship in 2006, a virtual incubator in 2007, the Office of Technology Commercialization in 2008 and a master's degree in entrepreneurship last year.

"My office manages about \$100 million in research and gets about one new invention a week" from faculty and students, said Robert Robb, UTD's associate vice president for technology commercialization. "Since 2008, UTD has spun off 13 companies and created more than 50 jobs. We realized quickly that we needed some space next to campus to house these companies at reasonable rates."

The business incubator is a joint venture of the entrepreneurship institute and the commercialization office. Funding comes from the UTD Office of Vice President for Research and other UTD funds, Robb said.

The incubator houses nine companies, including Cirasys, which is developing a universal power chip, and Speetra, which is working on a language training system.

"We knew there was pent-up demand," Robb said. "We're thinking about more space."

The nation has more than 1,100 business incubators, including nearly a dozen in North Texas.

Business incubators date to the late 1950s, but the model has changed. In recent years, a new breed, such as Tech Wildcatters in Dallas, has popped up to offer a combination of incubator space, mentoring and seed funding.

The more traditional, university-based incubator still is popular, said Linda Knopp, a spokeswoman for the National Business Incubation Association. A handful of schools, including the University of Arkansas for Medical Sciences in Little Rock, Ark., and the University of Wisconsin-Whitewater, have opened incubators in the past two years.

A couple of years ago, UTD bought and renovated an 80,000-square-foot Raytheon Co. building on Waterview Parkway in Richardson. The Venture Development Center takes up 8,200 square feet, with the bulk of space occupied by UTD's geosciences department and its data centers. About 14,000 square feet are unfinished for future expansion.

The venture center has 11 offices, 20 student cubicles, six labs, conference rooms and shared business services. Rent is less than \$300 a month for an office and less than \$700 for a lab.

The university also is planning to add an undergraduate and graduate course for spring 2013 that would help students start a business by providing incubator space, mentoring and seed funding, said Joseph Picken, executive director of the entrepreneurship institute.

UTD is considering starting its own seed fund — a revolving fund similar to one at Babson College near Boston, Picken said. Plans have not been formalized, but it would be funded by the dean of the School of Management to student entrepreneurs, he said.

Another potential source of funding is the UT System's new \$10 million Horizon Fund for university-related tech startups, said Robb, who sits on the fund's steering committee.

"In the last couple of years, there's been a lot more interest in student-focused incubators with courses attached to it," Knopp said. "One of the pluses of that is it allows students to think about entrepreneurship as a career path."

U.S. business incubators at a glance

53 percent operate in urban areas, 28 percent in rural areas and 19 percent in suburban areas.

94 percent are nonprofit organizations focused on economic development.

39 percent focus on technology businesses.

4 percent focus on service businesses, serve niche markets or assist other types of businesses.

3 percent serve manufacturing companies.

Incubators helped more than 27,000 startups, creating more than 100,000 full-time jobs and generating more than \$17 billion in annual revenue in 2005, the latest data available.

84 percent of incubator graduates stay in their communities.

SOURCES: National Business Incubation Association, Ohio University, Southern Technology Council, University of Michigan

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