I’d like to thank you for inviting me this morning and giving me an opportunity to make some remarks regarding the role of our university, one of the world’s preeminent research universities, in the knowledge-driven economy of the 21st century. I’ll be paying particular attention to entrepreneurship. Great research universities have as one of its key roles in society the creation and dissemination of new knowledge. Our university will need to meet these challenges in an increasingly competitive and changing global economy.

Research universities such as ours must be tackling the critically important problems in society – health, environment, poverty and creation of employment – problems that won’t be creatively or fully solved in the legislatures nor in the courts nor by industry. Preeminent research universities that wish to remain preeminent will need to understand, adapt and be able to function effectively in the ever changing global academic and commercial ecosystem.

This is especially critical in our current economic climate with significant reductions in endowment, erosion of federal grant support and reduced state funding for land grant universities; these have placed significant pressures on faculty, staff and especially our students. This requires us to reevaluate everything that we do as the inhabitants of our university ecosystems and continually readjust to meet needs and expectations of the changing world we live in. If we allow ourselves to be governed by externally mandated metrics, we will be drawn into an execution trap in which whoever has the most money wins. A better way of achieving an advantage is through innovation driven by good people with great ideas, most likely going in new directions. I know I am quoting someone who said: “We are going to have to innovate our way out of this mess”.

It makes no sense for research universities to make discoveries, invent new technologies and create innovation if there isn’t an efficient way to deliver these to society through commercialization. This requires a pathway of entrepreneurship. It is important to recognize that entrepreneurship is not synonymous with business nor commercialization nor finance. A 19th century French economist (J.B. Say) defined an entrepreneur as one who “shifts resources out of an area of lower into an area of higher productivity”. Entrepreneurship is a way of thinking that involves change, risk, uncertainty, competition and ambiguity with the goal of translating a good idea into reality.

We have had an excellent upward trajectory in delivering UCLA inventions, innovations, and companies to society. But there is a view that if we produced comparable financial returns as the most entrepreneurial research universities, our yield would be greater. These are financial resources that can be reinvested in academic programs.

So a year and half ago when I started in this position, I went to the business school and got advice from our business school dean, Judy Olian who recommended that I secure the help of one of our senior business school professors, Bill Ouchi, an expert in complex organizations; he wasn’t an expert in entrepreneurship, but was an expert in how complex organizations such as ours could undertake fundamental and performance based changes with long-term objectives in mind. (Bill is in Australia on business and I know he would have enjoyed meeting you). Over a 6 month period he became an expert in entrepreneurship. He conducted a review of entrepreneurship on our campus with the help of students from both our business and law schools. They spent 6
months conducting 100 interviews at Stanford, Columbia, Wisconsin, Caltech, UCSF, Berkeley; I accompanied them on some of these trips. They then generated a report entitled “An Ecosystem for Entrepreneurship” which has created excitement at every level of the UCLA campus. The Technology Transfer Office has now become part of my organization in the Vice Chancellors Office. We are planning for the Technology Transfer Office in the next year to become an independent affiliate of the university, which will allow it to enjoy substantial financial and operating autonomy and to raise a patent investment fund. This tech transfer institute will be headed by an independent board of business executives, they will make risk-based investment decisions in intellectual property. Sensible conflict of interest policies are currently being written by a committee led by our Vice Chancellor for Legal Affairs, Kevin Reed, COI policies that encourage entrepreneurship by managing conflicts proactively. Business of Science educational programs are being funded and coordinated by the Anderson School and Geffen SOM. And Business Advisory Boards, with their own board of directors and smaller investment funds, will be established in various schools. This is a Level 5 hurricane sweeping across our campus as we are transforming UCLA into an entrepreneurial university.

What I have learned in this process is that we may not only set the stage for a increased revenue streams in the intermediate and long term, but will allow us to attract and retain the best faculty, who in turn will attract the best students, who together will drive the higher performance standard we desire. It will also generate excitement in the philanthropic community. We have discovered a new breed of university donors. Many are grateful alumni that have achieved success through entrepreneurship. And there are many donors who are not millionaires but who want to make a difference with a small contribution. These new donors, we sometimes use the term “venture philanthropists”, are strongly motivated by a university culture of entrepreneurship and innovation. These donors want to invest in university discoveries, want to understand what they are investing in, and to see the impact of their philanthropy. They are attracted to problem-based high impact research and scholarship, with commercialization to the public’s benefit in helping to rebuild our economy, as well as benefit the university from which these discoveries originate.

In most of the rankings of the world’s research universities, you will usually find four UC campuses among the top 20: within the University of California system is the envy of the world. This can’t be a coincidence and didn’t happen by accident but we must move forward and invent the future. We need to be able to create an entrepreneurial culture across our university system that is flexible and individualized, allowing us to focus on compelling problems and not be encumbered by a centralized bureaucracy. The Ecosystem for Entrepreneurs that we are creating at UCLA will foster culture that is efficient and transparent and drives creativity and innovation. Thank you.