

White Paper, August 2012

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University Ecosystems and the Entrepreneurial University

When the winds of change come, some people build walls, other build windmills.

Brian and Sangeeta Mayne, Founders of Lift International

Abstract

The role of universities is changing. In the last century, the primary focus areas of universities were education and research with key goals of creating and diffusing information and knowledge. Now, a third and equally important role, expectation and responsibility is emerging – that of *value creation*. Value in this context refers to both business value and societal value. With increasing scrutiny of funding into the third-level sector, governments and the public alike are expecting more accountability and proof of added value from universities. The use of a *University Ecosystem* approach can unleash much of the potential energy in universities and transform it into kinetic energy, with graduates not just emerging in a state of readiness to be an employee, but often as highly motivated entrepreneurs with business or social innovation initiatives in flight. An ecosystem can be defined as a network of interdependent organisations or people in a specific environment with partly shared perspectives, resources, aspirations and directions. The ecosystems with the biggest critical mass and the greatest velocity will have the most linear momentum and will ultimately win. This form of new posture equates to what Etzkowitz (2004) and Andersson, Curley and Formica (2010) term the *entrepreneurial university*.

KEYWORDS: university, value creation, university ecosystem, entrepreneur, knowledge generation, Innovation Value Institute, Intel, research, collaboration, innovation, experimentation, accretion, the accretive process

Introduction

Religious roots marked the medieval university alma mater of the Second Millennium higher education institutions. For centuries, the 'ivory tower' syndrome, a reminiscence of their monastic lineage, has affected academic institutions. Einstein said, "The intuitive mind is a sacred gift and the rational mind is a faithful servant. We have created universities (society) that honours the servant and has forgotten the gift". This kind of thinking pervaded, limiting the scope of some universities to knowledge

and student production. It seems that analysis has taken precedence over synthesis, curiosity over creativity, and theory always over practice). This dissonance between the work of a university and value creation was hinted at by CK Prahalad's at the 2010 Global Drucker Forum when he said, "I have never seen a next practice emerge from a regression analysis".

Increasingly universities are moving to, or are being encouraged to move to, more so-called *mode 2 knowledge generation* (Gibbons et al, 1994), where knowledge is co-created in an area that is interdisciplinary, problem-focussed and context sensitive. *Mode 3 knowledge generation* "focuses on and leverages higher order learning processes and dynamics that allow for both top-down government, university, and industry policies and practices, and bottom-up civil society and grassroots movements initiatives and priorities to interact and engage with each other toward a more intelligent, effective, and efficient synthesis" (Carayannis and Campbell, 2012). Mode 2

and mode 3 are typically knowledge generated by collaboration with practitioners who deal with real problems in a real context, as distinct from knowledge that is generated from traditional research (called mode 1) – which is academic and based within a particular discipline (Gibbons et al, 1994).

In developments in fields such as management research the relevance problem has been highlighted (Van Aken 2005; Galavan et al, 2008). Van Aken proposed increasing the use of mode 2 knowledge production in management research in order to increase the relevance and utility of the research. Additionally, he advocated a focus on output that is field-tested and grounded.

Therefore, in these early decades of the 21st century, a new type of university is emerging that resembles a windmill whose power is provided by the collective energy of multi-integrated players, each player corresponding to one or more blades on the windmill. This is the *entrepreneurial university* (Etzkowitz, 2004; Andersson, Curley and Formica, 2010), which results in a harmonic coupling between scientific research and academic entrepreneurship. From a broader perspective, "entrepreneurship and scientific research are not in conflict after all, according to a study of university spin-outs in Italy, which found researcher-entrepreneurs are more productive than peers that are wedded to academe" (Kenward, 2012; Abramo et al, 2012). The entrepreneurial university enlarges the non-conflict area between research and entrepreneurship.

Once upon a time, the monks were the forerunners of the modern university. Today, at the forefront are the corporations that, having experimented throughout the 20th century with extensive university research outreach programmes, are helping to sow the seeds for the Third Millennium of higher and advanced education with a new type of academic institution underpinned by a *university ecosystem*. Such an academic institution is an entrepreneurial University whose mission is cross-disciplinary research and education, often in the fields of convergence science¹ and technology². Universities with this paradigm create a type of ecosystem that spawns technologies with the potential for exponential growth and societal transformations. Examples include the Innovation Value Institute (IVI), Intel's multi-university communities and the Singularity University.

Co-founded in 2006 by Intel and the National University of Ireland Maynooth, IVI has 75 member organizations drawn from major global corporations such as

BP, Chevron, Cisco, Fujitsu, SAP, Chevron, Ernst & Young and Genzyme. IVI's mission is to drive a structural change in the way companies and governments get value from IT and also "to drive the transformation of management of the IT discipline through creating a global gold standard for IT professionalism". Through the use of collective and collaborative intelligence, IVI has developed an integrated set of artefacts that are beginning to be widely adopted. There is evidence of triple helix innovation (Etzkowitz, 2003 and 2008) at work where Industry, Government and Academia collaborate to drive a structural improvement that exceeds what any one organization could achieve on its own³. IVI's funding sources include contributions from companies, universities, an Irish Government agency and EU research funding. IVI's goal is to connect research, education and practice in a continuous improvement loop as results and learning from field deployment of research artefacts and education programmes are fed back into the research process.

In a similar broad view of new patterns of connections between Industry and Academia, Intel is striving to develop a worldwide network of university research communities, which the Santa Clara-based chip-making giant calls "multi-university communities". "Forming a multidisciplinary community of Intel, faculty and graduate student researchers from around the world will lead to fundamental breakthroughs in some of the most difficult and vexing areas of computing technology," according to Justin Rattner, Intel's CTO⁴. In the USA, Intel has created a network of Intel Science and Technologies Centres (ISTCs), while outside the USA these centres are called Intel Collaborative Research Institutes (ICRIs). Anchored at specific leading universities, a key goal is to create a research community of academics and industrialists in specific areas in order to accelerate collective progress.

Co-founded in 2008 by Autodesk, Cisco, Google, ePlanet Ventures, Kauffman (the Foundation of Entrepreneurship) and Nokia, the Singularity University "assembles, educates and inspires a cadre of leaders who strive to understand and facilitate the development of exponentially-advancing technologies". Such is its popularity that in 2011 there were more than 2,200 applicants for eight graduate student slots.

The Emerging University Ecosystem

To transition from standalone research and education to integrated solutions along the knowledge value chain (from ideation to exploitation of scientific discoveries) requires universities to be reconfigured in order to construct the necessary new rules, roles, actors and links for such a transition. It is no longer sufficient to manage in-house research and education; the university must manage an ecosystem, which is the outcome of an increasing interdependence among all partners – both internal and external to the university – that are involved in the knowledge process.

A body of knowledge, research and education is a key part of a university. Yet, a detailed understanding of each constituent component fails to convey an understanding of the whole. The whole, which is greater than the sum of its parts, is the *University Ecosystem (UE)* – a community of personnel (professors, researchers, students, external practitioners, etc.) that interacts with one another and with other personnel from the external environment, who are pulled into its sphere of influence. The flow of knowledge is the medium that links all the personnel. In the university, knowledge is attained through study and practice, observation, and experimentation. Discovery (the act of observing or finding something unknown) and invention (the process of creating a new technology), which are products of science, are turned into entrepreneurial innovation (the process of effectively bringing discovery and invention to market). This is the knowledge value chain through which the UE achieves truly meaningful success.

The Rise of the University Ecosystems

Academic barriers are being overcome, with some universities reconfiguring their intellectual property rights policy in order to facilitate the formation of a more powerful ecosystem. For example, Penn State University no longer owns intellectual property created by industry-sponsored research. "In short we consider the net present value of the interactions and relationships that our faculty and students have with industrial professionals to be real and therefore greater than the apparent future value of the proceeds from such IP," wrote Hank Foley, Penn State University's vice president for research. "Our goal ... is to flatten any and all barriers or impediments to innovation and that includes our own past stance on intellectual property" ("Jumpstarting University Technology Innovation Ecosystems", Innovation Daily, April 11, 2012).

Other universities start and sustain a movement towards social networking in science or help the scientific community to bridge the gap between high-powered ideas and their beneficial impact on the market. Paul Thompson, a professor of neurology at the University of California, has highlighted the effectiveness of pooling together world expertise of more than 200 scientists in the field of brain function. "This is not usually how scientists work, and it gives us a power we have not had", said Thompson, chairman at Innovocracy – a "network of universities, colleges, innovators and supporters that connects people who want to support innovation in academic research and those innovators found on campuses around the world" (www.innovocracy.org).

In May 2012, the US National Science Foundation launched the Global Research Council, a *knowledge commons ecosystem*. This knowledge-based, interactive, global community, "which will work virtually, is designed to foster discussion on how the principles and aspirations of science might be unified across the globe. The council's first product is a set of common principles for the peer review of project proposals that will ensure that the most worthy research projects are selected". (<http://twas.ictp.it/news-in-home-page/istitutional/global-research-council-launched>)

To land on the entrepreneurial planet – "the convening place for participants in today's global entrepreneurship movement", as imagined by Babson College –, the UE needs a 'spacecraft' that harbours knowledge for a time while different stages of business development are completed: from entrepreneurial opportunity recognition to the setting up of a new venture. Science-driven entrepreneurs are the 'pilots' who convert such knowledge into innovative products and services.

Their skill set is multi-faceted, and includes the skills of academics, scientists (the scientific entrepreneurs who start out doing

university-based research) and emerging postdoctoral entrepreneurs, researchers and students, or those of leading experts from idea factories and industrial labs, R&D managers and innovation facilitators.

Search for Identity

The sustainability of a UE is determined by both its intellectual identity and its emergent culture. Its sustainability depends on the social norms and beliefs that prevail in the ecosystem. UEs oscillate between the more ordered (centralized) and the less ordered ('decentralized') identity.

A centralized identity is the outcome of higher-order social norms, codes and power

relations that favour the command-and-control regulation of the ecosystem. Borrowing the metaphor of Brafman and Beckstrom (2011), we call it a "spider-like" identity. Under these circumstances, the ecosystem is configured as a centralized, 'linear machine', which is set in motion by a policymaker's toolkit that encompasses regional and local clusters, science and technology parks, incubators and other initiatives – all of which put a big emphasis on public spending. Under the jurisdiction exercised by the CEOs of those organizations and filtered through top-down bureaucracies, the emphasis is placed on the command-and-control regulation.

A decentralized identity (a "starfish" identity in the language of Brafman and Beckstrom) comes from non-hierarchically ordered social norms and spontaneous social interactions that change when new forces take action in the ecosystem. An example of such an ecosystem is the Smartbay cluster that has emerged around the Irish Marine Institute in Galway, Ireland.

In today's economic environment there are several mutating, non-linear forces that impact adversely on the effectiveness of a linear machine model in producing a knowledge chain reaction; that is, on the process of converting the latest research outputs into new entrepreneurial ventures, which, in turn, fuel further rounds of research from their success (via both tangible and intangible resources). Today, the prevailing forces in the knowledge economy are surrounded by uncertainty, ambiguity and ignorance about the likelihood of occurrence (if and how the new ventures grow, shrink, expire, re-emerge).

The sustainability of the UE – which is greatly affected by forces such as information asymmetry, fast-changing research and market dynamics, and barriers to research and market entry – depends on its ability to oscillate from a closed and centralized approach to an open and decentralized model. This will facilitate the UE in, for example, quickly tackling the challenges or needs of the mutating forces, and back again to centralization once those forces are appeased. Therefore, a sustainable UE works according to the accordion principle; by changing its norms from those appropriate to a spider-like, centralized approach to those that fit with a starfish-like, decentralized model, and vice-versa.

Finally, it is recognized that "Culture eats strategy for breakfast"⁵ – so a crucial factor in successfully establishing a UE is visible promotion, recognition and support for collaboration and entrepreneurship. "You get what you measure" – so universities that measure success only by the value of research funding won and the number of

peer reviewed papers published are unlikely to be successful in establishing high performing UEs.

Trading Ideas in the Global Knowledge Economy

Business communities trade mainly in goods and services. In contrast, the trading commodity of the academic communities is ideas, and the domain in which they are traded has been transformed by a knowledge intensive globalization process that accelerates the already high mobility of ideas disembodied from goods or services. Quasi-perfect mobility moves the centre of gravity of the UEs from a centralized to a decentralized identity. In a world without walls raised to protect the good ideas, UEs operate as starfish-shaped organizations that replace purely competitive mechanisms with openness and connectivity. By sharing, communicating and renting out cutting-edge ideas to each other in a variety of forms (common research projects and papers, people-to-people and patent exchanges, cross-licensing agreements, shared copyrights, blueprints and intellectual brands), decentralized UEs are the entities that spread knowledge-intensive contents more evenly around the world and, in turn, drive the flows of global trade with ever greater speed.

Research and Entrepreneurship: a Double Trust Dilemma

To be effective, University Ecosystems (UEs) must overcome a double trust dilemma. First, *the thinkers* who generate and refine ideas for research projects and papers must trust *the doers* who bring research results to the entrepreneurial light. In turn, a stream of confidence must pass from the latter (with their ability and capacity to start knowledge-intensive businesses) to the former (with their new ideas). This virtuous circle is essential in order to facilitate the sustainability of the process in the longer term.

The categorization of thinkers and doers into specific compartments must be eliminated. From the idea generation perspective, new discoveries bring together chemists, physicists, biologists, physicians, engineers, economists and other researchers. From the entrepreneurial perspective, innovations in business models create convergent spaces where scientific entrepreneurs and technological artisans, gradpreneurs (postgraduate/graduate entrepreneurs), enterprising graduates and dropout entrepreneurs all work in harmony. The importance of developing a trans-disciplinary environment that is instrumental to idea generation and idea implementation and exploitation cannot be overemphasized.

Experimentation Spaces

For the purpose of exploring problems and their solutions from multiple perspectives, UEs set up cross-disciplinary experimentation spaces where the interdependent partners are put together in a very free environment. On the one hand, by manipulating objects of the physical sciences, controlled experiments are conducted with the intention of pushing the scientific frontier. On the other, actions are also taken to reduce the gap between idea generation and idea exploitation, and how to mediate the conflict between the high cost of producing knowledge and the low cost of using it (Lerner and Stern, 2012). As those actions that involve the complexity of human behaviour fall short of the physical sciences' standard of controlled experiments, in the experimentation spaces people experience a multiplayer game of sharing ideas.

Front-runners are innovation-based growth industrial partners who leverage UEs to accelerate and amplify technologies that have been identified and investigated within the ecosystems. For example, Intel's earlier *Lablets* were experimentation spaces that crossed different UEs where academic and Intel scientists meet. "The space allows the two groups to explore new technological fields. As soon as a marketable idea emerges it is taken out of the Lablet and potentially incubated using corporate venture funds or transferred to one of Intel's business units". Intel has no claim on the intellectual property produced by the labs, because it is interested in "helping to grow the technology and seeing where there is a usage for it within Intel" (Van Dick, 2012).

Intel's Lablets were superseded in 2011 by new Intel Science and Technology Centres (ISTCs) and Intel Collaborative Research Institutes (ICRIs). ISTCs in the US and ICRIs internationally are Intel-funded, jointly-led research collaborations between Intel and the academic community. Anchored at leading universities across the globe, these collaborations form the foundations for building research communities that each focus on a specific technology area. The combination of onsite, co-located Intel and Academic Principal Investigators with strong links to Intel Labs and Business Units increases the possibility of a stronger yield than the earlier Lablets. Intel continually strives to innovate via the

Notes

¹ Science: from Latin *scientia*, meaning knowledge.

² Examples are nanoscience and technology, digital contents convergence, intelligent convergence system. See the case of the Graduate School of Convergence Science and Technology at Seoul National University (http://gscst.snu.ac.kr/introduction/aboutus_eng.php).

³ Carayannis and Campbell (2011) have proposed the concepts of Quadruple and Quintuple Helix as an extension and completion of the Triple Helix: "The traditional Triple Helix innovation model focuses on university-industry-government relations. The Quadruple Helix innovation systems bring in the

process of collaborative research in order to optimize progress and output.

Consequently, in the longer term, the possibility exists of establishing a dedicated research community which will mature into an ecosystem that generates value for many partners well beyond the scope of the initial community.

Conclusion: The Process of Accretion

UEs are considered accretive if they add to discoveries with a commercial potential such that they can be rapidly deployed on a large scale as a viable business. The process of accretion is enabled by the co-existence of and collision between diverse talents; in particular, two personality types: respectively, those individuals whom Nicholas Donofrio, Senior Fellow of the Ewing Marion Kauffman Foundation, has called "I"- and "T"-shaped (Donofrio, 2011). The first (I-shaped) personality type, which has a deep but narrow knowledge in a specialized field, is locked-in in its expertise. By combining depth with breadth across multiple disciplines, a chaotic mode is a distinguishing feature inherent to the latter (T-shaped) personality type. From the "I" and "T" encounters and clashes emerges the creative expertise that pushes both knowledge and market boundaries.

The process of accretion puts on display the utilitarian facet of UEs. Study and research are not only opportunities for learning for the sake of learning – which match the classic liberal-arts model of the universities that has continued to prevail until the late 20th century. The expertise gained through study and research is expected to lead to and forge fresh connections with the entrepreneurial experience. Contemplation and investigation are not compartmentalised and confined to the "the disinterested pursuit of truth"; instead they are intertwined with different spheres of interests that urge both faculty members and students to launch start-ups or invest in those created by peers and outsiders who revolve around their ecosystem.

Since they are open to performing any act that has the consequence of bridging the gap between intellectual ideations and commercial exploitations, members of UEs are entrepreneurial consequentialists who are central to the accretive process.

perspectives of the media-based and culture-based public as well as that of civil society. The Quintuple Helix emphasizes the natural environments of society, also for the knowledge production and innovation. Therefore, the Quadruple Helix contextualizes the Triple Helix, and the Quintuple Helix contextualizes the Quadruple Helix. Features of the Quadruple Helix are: culture (cultures) and innovation culture (innovation cultures); the knowledge of culture and the culture of knowledge; values and lifestyles; multiculturalism, multi-culture, and creativity; media; arts and arts universities; and multi-level innovation systems (local, national, global), with universities of the sciences, but also universities of the arts".

⁴ http://newsroom.intel.com/community/intel_newsroom/blog/2012/05/24/intel-invests-more-than-40-million-in-worldwide-network-of-university-research-centers-to-drive-innovation

⁵ <http://www.relationaldynamicsinstitute.com/?p=48>

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This white paper was edited by Thomas Keogan of Tekcomm Technical Writing.

About IVI

The Innovation Value Institute (IVI) is a multi-disciplinary research and education establishment co-founded by the National University of Ireland Maynooth and Intel Corporation. IVI develops frameworks to assist IT and business executives to manage IT for Business Value and to deliver IT-enabled business innovation. IVI is supported by a global consortium of like-minded peers drawn from a community of public and private sector organisations, academia, analysts, professional associations, independent software vendors, and professional services organisations.

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