

*Forward thinking*  
Straight talking

# *Spinout survey report*



Gateley / IP  
Symbiosis

# *Institutional Equity and enterprise: Does one size fit all?*

University Technology Transfer Office (TTO)  
perspectives on the *Independent Review of  
University Spin-out Companies* and the USIT Guides

Summary report 2024



*Founders need access to support from individuals and organisations with experience of operating successful high-tech start-ups, regardless of the region founders are based in or sector they operate in.”*

The Independent Review of University Spin-out Companies, November 2023



# Welcome

The UK is an internationally renowned centre of academic excellence, yet it often struggles to commercialise the innovations that stem from its research.

Outside the 'Golden Triangle' of Oxford, Cambridge, and London, academic institutions and technology transfer offices (TTOs) face difficulties securing the capital, resources, and expertise they need.

In response to these issues, several key reports were published between 2023 and 2024 to support universities and their TTOs in realising their full potential. These included:

- *The Independent Review of University Spin-out Companies*, which outlined the UK Government's ambition to "build a world-leading innovation ecosystem" and provided 11 recommendations for how to achieve this;
- *The TenU University Spin-out Investment Terms (USIT) Guide 2023*, which identified best practice for equity take and deal terms when commercialising research; and
- *The TenU University Spin-out Investment Terms (USIT) Software Guide 2024*, which was tailored specifically for software-based innovations.

We noted the active conversations concerning these reports and their recommendations at numerous meetings and conferences. We decided to survey key stakeholders in the spinout sector to gather their views on these publications and, specifically, whether these publications had influenced them to change or adopt any of the recommendations provided.

We also wanted to understand the challenges these stakeholders were facing, including any issues missing from current debates concerning spinouts in the UK.

Our survey targeted the most senior stakeholders engaged in technology transfer and spinouts, including heads of technology transfer, chief business officers, and heads of IP & commercialisation. Key findings from our survey are discussed in more detail over the next few pages.

We hope this report provides useful insight into current views on, and challenges in, establishing successful spinouts in the UK.



**Lee Samuel**

Director and Patent Attorney

t: 0292 002 5396

m: 07841 447 475

e: [lee.samuel@symbiosisip.co.uk](mailto:lee.samuel@symbiosisip.co.uk)

# Key findings

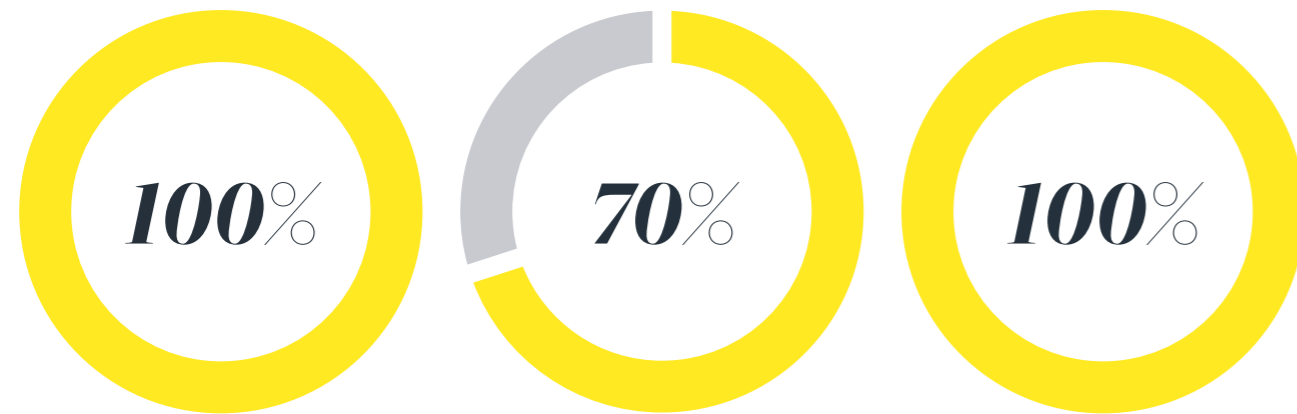
Both the USIT guides and the Independent Review have caused quite a stir in the field, with all of our respondents having either read, or heard of, these publications.

Percentage of respondents who read:

TenU University Spin-out Investment Terms (USIT) Guide

TenU University Spin-out Investment Terms (USIT) Software Guide 2024

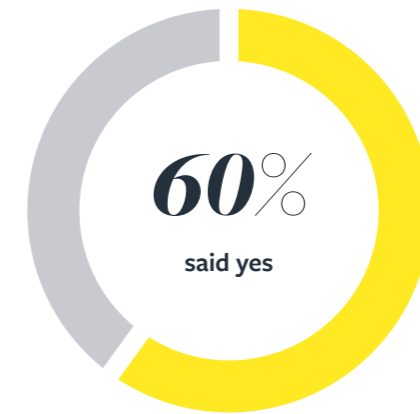
Independent Review of University Spin-out Companies



*“In terms of spinout policy, there is no one size that fits all.”*

Only a narrow majority of respondents were prepared to change spinout equity practices as a result of reading the reports, with the remainder not changing anything in line with recommendations put forward.

Have you changed, or would you consider changing, any practices at your Tech Transfer Office (TTO) as a result of these guides?

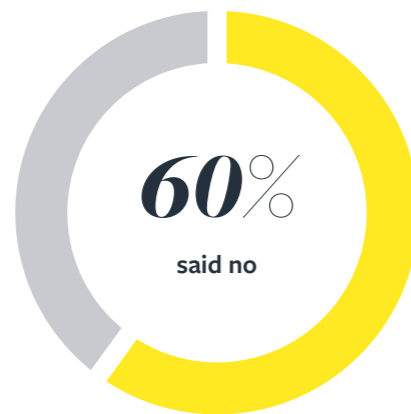


*“Access to investment funding is more important than university equity. We have never had a spinout investment fail because of a university equity stake.”*

In fact, more than half of respondents have not changed – i.e. reduced – their equity take following the USIT recommendations. Many respondents highlighted the importance of assessing the deal that their spin-outs get “holistically” rather than focussing solely on equity; often institutions provide their spin-outs with discounted or free services and lab space for example.

# Key findings

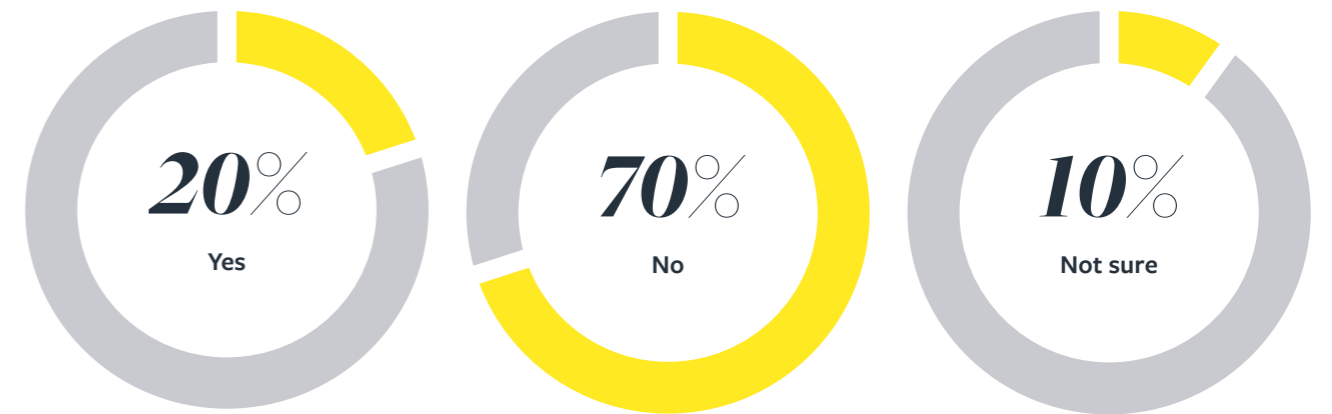
Have you changed, or will you change, the amount of equity that your institution takes as a result of these guides?



***We have already been working to some of the recommendations for many years, but there are some that we don't accept as workable at all.***

Most respondents do not believe that implementing the recommendations, particularly those concerning equity, would increase the number of successful spinouts. The sector is facing wider, more systemic issues than changes in equity could resolve, including finite capital resources, reduced headcount in technology transfer teams, and overcoming the IP and technical risks inherent in bringing unique and innovative technologies to market.

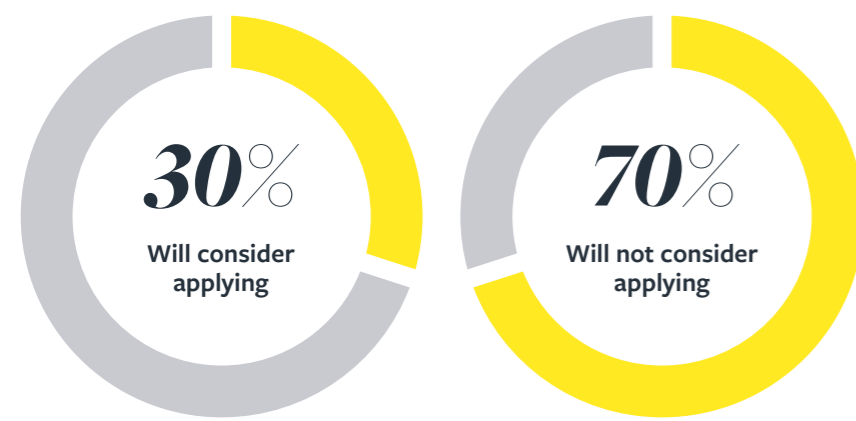
Will changes in institutional equity holdings increase the number of spinouts?



It was also interesting to note that the majority of respondents would not consider applying for the CCF-RED: Shared Technology Transfer Office Functions Pilot, which provides funding to “universities with smaller research portfolios and a lower critical mass of intellectual property (IP)” to develop “shared technology transfer office (TTO) functions”. Shared TTOs are nothing new, but they can be problematic, particularly where there are resource or capability imbalances. We have also seen initiatives fail due to inefficiencies in cases where groups are formed from inexperienced technology transfer staff.

# Key findings

CCF-RED: Shared Technology Transfer Office Functions Pilot:



***Universities are collaborative, but also competitive. Sharing best practice and standardising processes and terms does not require shared TTOs.”***

# Conclusion & recommendations

The fact that key stakeholders within university TTOs have read, but not wholly implemented, these publications and their recommendations suggests that all three have not sufficiently addressed the real issues stifling growth in the spinout sector beyond the South East.

But if changing institutional equity in spinouts is not the solution, then what is?

Boosting growth in the UK’s spinout sector ultimately requires greater access to “proof of concept” type funding, investment capital and better access to professional services and other support.

All of our respondents agreed that finding capital – particularly proof of concept funding – and experienced senior management was more difficult outside the South East. A significant chunk of spinouts are also missing out on early-stage professional advice, with all respondents agreeing that academics needed more training on commercialisation and spinouts.

We sensed an overall feeling of frustration at these reports and their recommendations, which is why we recommend that TTOs establish and review their commercial and IP strategies with the help of a professional adviser, without relying on these publications to do so.

In terms of support, Symbiosis IP can provide a comprehensive, end-to-end service for stakeholders across the spinout ecosystem, wherever they are based.

These include strategies to identify, protect and manage early stage IP, as well as developing realistic commercial plans to realise the technology’s full potential. Our IP commercialisation experts can also provide guidance on deal terms that are tailored to the needs of your spinout, whether you are fundraising, licensing or developing your strategy.



***We have to be realistic that we’re trying to grow an activity that is considered (rightly or wrongly) a nice-to-have, at a time when the overall organisation is near fatal collapse due in no small part to a broken funding model.”***

If you wish to discuss the findings of this survey and/or your requirements in more detail, please do not hesitate to contact us.



Gateley is the business name of Gateley (Holdings) Plc.

[gateleyplc.com](http://gateleyplc.com)