

# Women in knowledge exchange and spinouts

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Women may have broken down many professional and personal barriers, but significant gender disparity remains in the research and development community. Female entrepreneurs account for just one in five university spinout founders, and only 12% of new spinouts have at least one female director at the helm.

The diversity of [knowledge exchange](#) professionals was discussed during an insightful session held on 10 June at the [PraxisAuril Conference 2021](#), and speakers including Anji Millar and Megan Aanstoos shared thought-provoking views on the current diversity landscape within knowledge exchange. It was really interesting to hear while many of the organisations that the audience worked for had equality, diversity and inclusion leads with a specific focus on this agenda, the majority of the audience still thought there was room for improvement.

It is clear that there is a long way to go, and each knowledge exchange professional has a part to play in educating themselves and others to work towards a more diverse and inclusive environment.

## Encouraging more female led spinouts

Focussing specifically on female involvement, our experience has shown that historically many women developing innovative concepts in universities are often less likely to commercialise any intellectual property (IP) assets they create, and instead have previously continued their work through tried and tested applications for grant funding. However, we are witnessing more female led [spinouts](#) being established and far more women in universities looking to commercial their IP assets in recent years, and we hope that this trend continues so that female representation increases.

It is also interesting that almost all spinout companies are exclusively in Science, Technology, Engineering, Maths and Medicine (STEMM) areas, which have historically attracted fewer women than men. The Equality Challenge Unit has previously reported that only 18.5% of all professors and only 25.5% of academic senior managers in STEMM disciplines are women. Although, 43.4% of postgraduate researchers in STEMM are women, which poses the question as to why more women are not becoming entrepreneurs of new spinout companies.

As a follow on from the Conference session, we recently hosted a [webinar](#) which discussed the key issues that women entrepreneurs face in spinouts including:

- the barriers faced by women entrepreneurs entering the market and commercialising their intellectual property and know-how;
- the challenges faced by female entrepreneurs in seeking external funding and funding initiatives in place to specifically support women;
- why so few women are involved in university spinout companies; and
- what can be done to improve female involvement in the spinout and investment community.

The guests who discussed these issues included, Kate Walker (Founder of ExpHand), Frankie Snobel (Founder of Tipplesworth), Megan Bingham-Walker (Co-Founder & CEO of Anasai), Sandy Reid (Investment Director, Mercia) and Bethany Watrous (Director Experience Heritage).

## Commercialisation of intellectual property in spinouts

Most universities have become actively involved in forming spinout companies as a method of commercialising IP. Implementing a clear pathway to commercialise IP is also more attractive to researchers and academics working within the university. A spinout company will usually acquire some IP from the university, or it will have licensing arrangements in place to enable the spinout company to use and develop the IP.

To maximise the commercialisation of IP in spinouts, any available grant funding for research and development of IP should be considered and innovative collaborations with third party organisations can be another way to bring IP to market quickly. Collaboration and research and development agreements can govern the relationship with any third party's which may be involved in funding the research. The most notable issues which often arise are:

- Who will own the IP rights which are being developed, or currently used during the development?
- Will there be any licenses of IP rights, and what type of license will this be?
- How will the spinout company be paid for its research and development?
- What will the royalty structure look like when the IP is commercialised?

These are all important questions which should be fully explored between the parties and reflected in any collaboration or research and development agreement.

## Corporate and governance considerations for a spinout

Spinouts raise over £1bn a year with the most recent trends being in the pharmaceutical and artificial intelligence sectors. However, recent data suggests that 41% of spinouts cease activity between five and 10 years after formation and the average age at 'death' of a spinout is 7.4 years. This can be for a wide variety of reasons; both successful and not so successful.

At the start of the spinout journey there are justifiable high expectations and hopes for all stakeholders. Maintaining this through the process of spinning out and growth is not straightforward; it requires compromise on all sides and a deep understanding of both how to stay aligned at inception and with a view to an exit.

The mechanics of commercialisation can be straightforward - assign or licence intellectual property or know-how to a newly incorporated company, agree the board composition and shareholding structure as well as controls to allow the new board to grow the business, transfer/second/employ staff and exit.

The legal structure of a spinout is vital to its success because it is the incentivisation structure which drives commercialisation.

There are excellent opportunities for boards to include academics representing the HEI to further the connection between HEIs and industry as well as, of course, generating a return on investment in research and development for the HEI. A structured forward-looking approach to the issues can only help increase the success of both spinning out technology and keeping it spinning.

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