The Emergence of the Chief Innovation Officer in Higher Education
Not long ago, position titles like “chief innovation officer” or “vice president for innovation and entrepreneurship” would have featured fairly high on the list of unusual job titles for higher education institutions. However, the well-documented fundamental transformation of the education sector is prompting universities to reexamine two of their most unique assets—knowledge and research—in order to identify new sources of revenue and promote a culture of innovation that positions academia squarely within broader entrepreneurial ecosystems. Whereas the task of monetizing innovation has historically been the remit of technology transfer offices (TTOs), which have operated mostly in isolation as facilitators of a largely transactional process, this new mandate requires leadership that can bring a strategic, “whole of school” approach to fostering and reaping the benefits of university IP, as well as diffusing a culture of innovation across all aspects of university life.

Moving away from the transactional approach

Over the last three decades, research universities have revamped their technology transfer capabilities in order to take advantage of patent system reforms.1 Most research universities have set up a technology transfer office (TTO) to help bring new discoveries to market, resulting in $2.5B in licensing revenue for universities in 2015. Over the past 25 years, more than 84,000 U.S. patents were issued to research institutions, with 6,680 of these patents issued in 2015 alone.2 The principal mechanism favored by most TTOs has been licensing for cash. However, the number of licenses executed containing equity jumped 19% in 2015 from the previous year, suggesting that this licensing structure is gaining popularity.

While most U.S. research universities have established a TTO, only a few universities have been able to generate significant revenues from this activity: In 2014, a mere 15 schools produced 70% of all patent license royalties for U.S. universities.3 For the average research university, licensing does not bring in much revenue and most TTOs are cost centers for their universities. Approximately 87% of technology transfer offices have not broken even over the last 20 years.4 There are many reasons for why the majority of academic institutions struggle to make money out of technology transfer, including the way licensing contracts are structured, the types of incentive systems that are in place and limited blockbuster potential for the majority of patents.

Entrepreneurship has always been present on campuses, but the internet bubble of the 1990s helped foster a new generation of entrepreneurs. The growing interest in entrepreneurship among faculty and students represents an opportunity for universities to foster and leverage entrepreneurial activities more.

At the same time, the higher education sector is undergoing a fundamental transformation. Major challenges include declining government and grant funding, rising costs, increasing competition from nontraditional education, calls to “prove the ROI” and a shift in philosophy as to how students learn best, leading to a growing emphasis on immersive, experiential, peer-to-peer learning. As institutions grapple with these new realities, some universities have had to reconsider how to best deliver their core products, learning and curriculum.

Considering the profound impact of these changes, academic institutions have strong incentives to identify new revenue sources and stimulate innovation across the entire school community and break down silos that may exist.

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1 Including, for example, the Bayh-Dole Act of 1980, which gives universities the legal right to take title of inventions made from federal research grants.
4 Valdivia, W. University Start-Ups: Critical for Improving Technology Transfer; Center for Technology Innovation at Brookings, November 2013.
The emergence of the chief innovation officer

While many academic institutions understand the need for diversifying funding and maximizing revenues from innovation, only a few universities have responded so far by prioritizing technology commercialization and innovation and entrepreneurial support as a system beyond traditional TTOs and entrepreneurship hubs and initiatives. Around 20% to 30% of the top 50 U.S. universities have created senior cross-campus innovation roles, such as chief innovation officer (Case Western Reserve University and California Institute of Technology); vice chancellor for innovation, entrepreneurship and economic development (University of North Carolina); or vice president for new ventures (Northeastern University).

Recognizing the opportunity to reap more revenues from innovation and acknowledging that TTOs are just one component of the innovation and commercialization ecosystem, academic institutions are increasingly moving to create new leadership positions that are tasked with stimulating innovation across the entire campus, establishing innovation ecosystems to nurture entrepreneurial efforts and, ultimately, to maximize revenues from innovation. Their remit is to foster and commercialize innovation across departments, establish strategic partnerships, and work toward an innovation-driven academic and non-academic culture. For example, the California Institute of Technology has created a chief innovation and corporate partnerships officer role. The University of California, Office of the President has taken on a senior vice president for research, innovation and entrepreneurship, while Cornell Tech has appointed a chief entrepreneurial officer.

University medical centers also follow the trend and have started to create new positions to direct commercialization and spin-off activities of medical breakthrough innovations. For example, the Cleveland Clinic recently appointed its first managing director of ventures, who will oversee the 77 spin-off companies in the organization’s portfolio.

Driving innovation at the University of North Carolina: Judith Cone, vice chancellor for innovation, entrepreneurship and economic development

UNC’s Office for Innovation, Entrepreneurship and Economic Development sees itself as a vital facilitator and enabler of entrepreneurial success, helping both students and faculty to overcome the barriers that often impede the realization of an innovation’s commercial potential. For faculty, this can mean help in balancing the need to pursue research grants and the time needed to turn ideas into marketable applications. Among students, the office is particularly useful to those who have a desire to cultivate an entrepreneurial mindset, but aren’t sure of how to get there. This latter role is particularly useful in preparing the next generation of entrepreneurs: "What we see from employers is they want to hire college graduates with leadership skills, that have implementation skills, communication skills, team-building skills,” Cone says. “All the projects in the entrepreneurial mindset develop those skills.”

Cone served in a number of roles within the office’s Innovate Carolina initiative before taking on the role of vice chancellor. Prior to joining UNC, Cone served as vice president of emerging strategies and entrepreneurship at the Ewing Marion Kauffman Foundation, where she led many of the foundation’s signature education and entrepreneurship initiatives and programs.

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1 Based on an assessment of the top 50 U.S. News and World Report national universities.
Defining the new leadership role

As expected with new functions, the precise title and responsibilities of the “chief innovator” role vary significantly from school to school. However, despite the differences, several commonalities can be identified:

- **Senior leadership position:** Owing to the mandate to stimulate innovation across all departments, leaders in this role normally sit outside of—but adjacent to—the typical academic infrastructure, reporting directly to the president or provost to ensure close collaboration.

- **Strategic rather than transactional:** In contrast to the rather transactional remit of technology transfer offices, this role is strategic and aims at driving and maximizing revenues from innovation by:
  
  - Building, enhancing and growing an innovation ecosystem across all university departments, improving entrepreneurial capabilities, and providing services normally associated with business incubators to stimulate innovation
  
  - Actively engaging with potential partners in government, finance (mainly private equity and venture capital), business, philanthropy and the scientific community to promote investment in research and innovation and to link entrepreneurs to potential funders
  
  - Increasing discovery outcomes by encouraging multidisciplinary and multidepartment collaborations
  
  - Linking university ventures to outside business incubators
  
  - Fostering an entrepreneurial and innovative culture across the department

Driving innovation at the University of California: Christine Gulbranson, senior vice president for research, innovation and entrepreneurship

The University of California’s appointment of Christine Gulbranson exemplifies the institution’s increased emphasis on enhancing UC’s innovation and entrepreneurial capabilities and building an innovative entrepreneurial culture across the whole system. Responsible for developing a stronger environment to stimulate innovative and creative research, Christine is tasked with supporting entrepreneurs and investment in entrepreneurs; fostering a stronger collaboration between the different campuses; and with forging alliances across government, private and philanthropic sectors.

Holding five degrees from UC Davis, Gulbranson started her career at UC as director of research collaborations before gaining entrepreneurial experience, first by running a business incubator for Lawrence Livermore National Laboratory and then by founding her own company, which specialized in providing strategic advisory services to high-tech startups. Gulbranson holds a number of patents and brings particular experience in commercializing ideas coming out of academia, including fundraising.
**Key competencies for new innovation roles:**

Leaders in innovation roles are expected to be strong, strategic partners to campus leadership and therefore require proven executive experience combined with deep technology or investment acumen and evident entrepreneurial DNA. Past appointments have shown that while leaders in innovation roles come from a variety of industries and backgrounds, a strong understanding of the nuances associated with academic institutions and how to work within the university environment is critical. Common experiences and capabilities include:

**Hybrid background:** experience identifying and evaluating investment opportunities or corporate developments in a public or private sector environment, rather than a professional career spent only in a traditional academic structure.

**Leadership and gravitas:** proven ability to work with a wide range of senior leaders from industry as well as academia; politically savvy.

**Familiarity and some experience with academia:** fluency with academic research institutions in order to be able to work effectively within complex university systems and navigate complex relationship dynamics.

**Demonstrated ability to propose and encourage new ideas,** gain support from an organization and manage key risks and resources.

**Entrepreneurial DNA:** track record of bringing ideas to the market and leading early stage organizations from growth phase to maturity.

**Exceptional relationship-building abilities:** demonstrated aptitude in building trust and nurturing relationships; strong track record of working across sectors as well as in a multi-stakeholder landscape.

**Investment experience** and strong relationships/networks in the investment community.

**Intellectual capability:** demonstrable ability to win over hard-to-impress academics and administrators.

**Open-minded,** collegial and able to develop relationships based on trust, confidence and respect; ability to build effective coalitions; collaborative but decisive.

**Proven history of identifying and negotiating partnerships** that create a robust corporate and creative ecosystem.

**Strategic acumen** to dispassionately assess and resolutely choose among strategic options.

**Passion for innovation and education:** innate curiosity; thirst for knowledge; exceptionally energized by the new and unknown.
On the innovation path

In an environment of declining funding, increased competition and technological transformation, higher education institutions are forced to reevaluate and rethink their existing business models. The general agreement that the traditional model of licensing technology has significant limitations underlines the need to reform the current commercialization model and become better at capitalizing on the unique asset that universities have: innovation and research knowledge.

Combined with a growing interest in entrepreneurial activities, current industry dynamics represent an opportunity for universities to prioritize innovation across the system, whether through technology commercialization, new partnerships or increased research funding. A few universities, becoming aware of this opportunity, have started to create new leadership positions focused on establishing an innovation-led academic culture.

It is too early to tell to what extent this model will be successful for universities. However, the number of university-initiated startups has been growing constantly in recent years—according to the latest AUTM survey, 2015 saw an 11% increase in the number of startups born of technology transfer activities. This number is expected to only grow, with an increasing number of universities creating more innovation-driven academic and research cultures and providing more entrepreneurial support. Besides generating additional revenue streams for universities, this will ultimately lead to creating an innovation ecosystem and contributing to economic development in the region through creating new technologies, new companies and new jobs.

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AUTHORS

CLARA DESSAINT is a Knowledge Associate for the Nonprofit sector. She is based in London.

EMILY MENEER is the Global Knowledge Leader for the Nonprofit sector. She is based in Boston.

MEREDITH ROSENBERG is Leader of the Digital Education and edTech practice, as well as a member of the broader Technology and Nonprofit sectors. She is based in Boston.

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