

Excellence

COMMERCIALISING A UNIVERSITY'S WORK

A former researcher, salesman and PR man is working to maximise the value of Qld University's research

By **ANDREW STEWART**

For the past nine months David Millhouse, general manager of Queensland University's Uniquist Ltd, has been trying to keep alive projects hit by the drought of venture capital that followed last October's stockmarket crash.

Uniquist was set up five years ago to provide entrepreneurial management to maximise returns from research and to commercialise products developed by the university. Its first crop of ventures was preparing for its second round of capital raising when the crash hit.

In 1987 Uniquist made a \$3.5-million net profit on sales of \$8.5 million, but had to write down some of its investments in companies based on university research. Although Millhouse is disappointed that lack of venture capital has slowed the commercialisation process he incubated, he says the university is now much more commercially oriented.

He says: "We have a huge creative talent in universities and the CSIRO, which has lost so many commercial returns because of the indiscipline in commercialising research. The net effect is that research has gone out the door at a much lower value than it should have. That value has been picked up by some company or other country. One of the difficulties, not just here, but around the world, has been to develop a style or system of management that can commercialise research."

Millhouse, 37, has a masters degree in oceanography from the University of Southampton and was a research officer at New Zealand's Canterbury University before becoming a salesman, first in insurance and then in computers. He has also been an account executive in a public relations company. The unusual mix of research, sales, public relations and entrepreneurial skills has fitted him for the job at Uniquist. He says that finding people with the right skills is very difficult. They have to be technically



David Millhouse: An interest in change unites researchers and entrepreneurs

knowledgeable as well as having direct private-sector business understanding.

Millhouse says he has had three management tasks since being appointed founding general manager of Uniquist: "First was managing a commercial resource within a university. The university has been sceptical, so there has been a leadership role to show university people how they can be commercially oriented. Breaking the ivory tower mentality has taken much of my time in the past five years."

The second task was to develop Uniquist from a rough idea into an organisation with 26 employees and a clearly defined role. Millhouse says: "We have to stage-manage introductions between the researchers and the business entrepreneurs. Then we have to step back and let them work out what they can do for

each other. We have to be monitoring in the background, but we have to resist the temptation to come in and interfere on every deal. There are no set rules in commercialising research. By its nature the research involves new ideas and most does not have a fixed commercial market. You have to be prepared for many setbacks."

The third task has been to persuade the business sector to become involved with university research. "We're operating at the high-risk end of a high-risk business. We've had to sell hard the investment potential of research projects," he says. "It was difficult to get the researchers and business entrepreneurs to see what they could do for each other. Once we got each side interested they generally got on well. The researchers are interested in change and good business people are interested in change. Although quite different, they found a lot in common."

The five years spent developing Uniquist and giving Queensland University a commercial profile is beginning to pay off with interest from national and overseas companies and research bodies.

"Two months ago I was contacted by a senior executive from Bechtel in the US (one of the world's biggest engineering and project management companies). That will lead to all sorts of research projects from this university. That would never have happened a few years ago," Millhouse says.

"It means that Uniquist and this university are gaining a worldwide reputation of being able to provide services to the commercial world. We have participated in running conferences (such as the one on the Spaceport, and this month on entrepreneurship) which have built up networks in companies and other research institutes around the world."

Millhouse lists as Uniquist's first achievements: an ongoing research and development contract with Palmer Tube Mills; the Sucrotech research into turning sugar wastes into fuel alcohol, which has been spun off into Queensland Science and Technology Ltd; and laser research that has led to the formation of and export orders for Gold Coast-based Laser Dynamics Ltd.

He says: "We are keeping a dozen projects going by raising our own cash through generating conferences and research contracts, until the venture capital market is resuscitated. That will only happen when some of our projects succeed."

This week we present two more finalists in the BRW/Compaq Young Executive of the Year Award. The winner will be announced at a function at the Regent of Sydney on September 5.