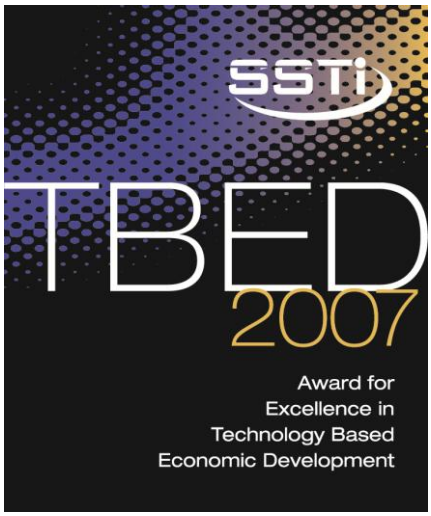
Podcast Interview



Mike Cassidy, President & CEO,
Georgia Research Alliance (GRA)
Interviewed by: Rhiannon Skipper &
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2007 Excellence in TBED Award Winner:
Expanding the Research Capacity

Ms. Skipper: We're speaking today with Mike Cassidy of the Georgia Research Alliance, a 2007 award recipient within the Expanding the Research Capacity category for the Eminent Scholar's Program. To begin, Mike, can you provide an overview of the resources provided to each Eminent Scholar in the program?

Mr. Cassidy: Sure. It's very basic. The Eminent Scholar Program is principally an endowment based program. We couple $750,000 that we raise from the State of Georgia, along with $750,000 that the University then will host and the Eminent Scholar has to raise through other private sources. So this creates $1.5 million permanent endowment. It's the income that's generated by the endowment that is used to fund discretionary activity that the scholar has. So if you think about it, it's kind of icing on the cake, because the university itself has to put a lot of other resources and investment in place to attract the caliber of people that we're attracting through the program. But the dollars through the endowment do make a difference. Certainly there's a lot of attractiveness in the naming of the chair. And then, from time-to-time, we also participate in a pretty big way in outfitting laboratories for these scholars. As you can imagine, the kinds of folks that we're recruiting, they usually have significant demands in terms of the research environment or the research infrastructure that they want to have their laboratories. Often these scholars are bringing teams with them, or they're coming and they're assembling teams, so they want to have state-of-the-art research infrastructure. That can be very, very costly and we play, in many times, a significant role in bringing to the table that resource.

Mr. Slanina: Can you describe the steps in your recruiting process? That is starting with how you decide to fund a certain field, say biotechnology or mechanical engineering, something like that, and dealing with the actual selection of an Eminent Scholar.

Mr. Cassidy: Sure, the broad areas that we invest in, whether it's biotechnology, or advanced communications and computing technology, or even today we're beginning to do some work in energy, those areas are the two big areas, communications and biotechnology. Those were chosen through very rigorous business process using some consultants looking at market areas, looking at opportunities, looking at strengths that we have internally, and those two areas, biotech and communications technology, are what we've been investing in since 1990, and we could have an hour long conversation about how they were chosen. But they were chosen because those technical areas we believed had significant opportunity for us in Georgia, given a whole lot of other variables, that if we made wise investments in research there would be resulting economic activity associated with it. So the technical areas were chosen, again, through kind of a business evaluation process.

You know, going from there then there are many different disciplines within those broad areas and those have changed and reshaped over the years. Let's take our investments in biotechnology as an example. In the early 90s we invested very broadly in a lot of the associated disciplines that you would put under life science or biotechnology because, in our case, we were needing to develop a good number of capabilities and really fill a lot of voids in the various areas of science.

But over the years we've continued to evaluate which investments are paying off, what areas of this broad spectrum of biotech or life science, you know, where are we developing some things that are unique, how they can be stitched together in order to start to go after technologies that fit in a particular marketplace, and we refine our investments from year-to-year and really each year we try to become a little bit more focused.

Today we're pushing sort of in three subsectors of what you would call a broad biotech or life science strategy. Not to say that our universities aren't continuing to place investments in any number of different areas to build broad capabilities, but there's three particular areas that we think are particularly ripe for this later stage commercialization. So over the years we've concentrated our investments more and more into those areas to build even more capability.

And then in thinking about our Eminent Scholar Program, that has actually changed a lot over the years. Early in the 90s when we were just beginning, again the scholars that we were looking at were, to some degree, filling voids in biotechnology where we needed to bring leadership into the state to push on a new area, or maybe we already had an array of assets in a particular discipline, but what was lacking was a leader to maybe bring all of those pieces together and synthesize it. So we sought out folks that could be recruited to sort of take on those roles. Today, again, we're a little more focused in the technical areas. The gaps that exist are probably easier for us to see today because we've developed strengths in certain areas and there's holes in other areas. We can be very, very deliberate in going after talent to fill those holes. The universities tend to surface a lot of these opportunities for us and they're usually very, very specific in a particular individual. It's not that one of our universities comes and says, "We would like to go find a molecular biologist." They will come to us with a name of an individual that they want to bring to their institution because they believe that that person will fundamentally be able to help reshape that particular area of science. So it's a very deliberate, very strategic process of

identifying what assets do we need to bring into the mix to increase our capabilities.

Mr. Slanina: In your program itself you stress "a commitment to the GRA model and inner-university collaboration." Can you further describe exactly how an Eminent Scholar verifies this commitment?

Mr. Cassidy: You know, it's probably hard to verify it for you. It's a relationship. I mean we're very involved. Our staff is very involved with our universities in the courting process of a given individual. There are some very objective quantitative criteria that we have on our list and the universities have on their list in terms of the credentials of an individual. Then there's the soft side of it. There's just the chemistry. We talk a lot with the candidates about what we're trying to accomplish here at the research alliance, and inner-institutional collaboration is one of the founding principles of this organization.

We were founded to try to bring these universities into close alignment and collaboration. So there are cues that you pick up on when you spend time with individuals. Are they team builders or are they going to want to be off working independently? Are they interested in being part of commercialization of research or do they believe in solely occupying the ivory tower and not getting their hands dirty, so-to-speak, with commercial activity. So I think the piece that you're asking here, there's a softer side to that and it's a more qualitative than a quantitative. But you know if you spend a couple of days with these folks if they are going to be a contributor to the overall mission.

Mr. Slanina: Once you select Eminent Scholars, you require them to have some type of annual reporting. Can you describe the content of the annual reporting?

Mr. Cassidy: There's a couple of different pieces to it, but it's pretty basic. Of course we're bringing them here, in part, to generate more scholarly research and one of the ways of measuring that is just strictly through granting activity. So we ask them to report to us the grants that they're being awarded, whether it's from the federal government, or private foundations, or industry and we keep up with that. And the numbers are pretty significant. We count about 60 Eminent Scholars in our portfolio right now and last year that group generated over $200 million of new grant activity. So we look at that. We expect them to build teams. There are very few of our scholars that are independent operators, so we do keep up with how big is their enterprise; you know, how many associated faculty, how many post-docs, how many staff and technicians, etc.

Because what we're saying back to the state is when we can identify and recruit one of these scholars, it has the potential of being just like a large industrial recruitment in that it's a big team of people and they are generally well above median salaries, so it's a big economic generator. So the employment of their enterprise is important.

Then, with regard to commercialization, looking at their disclosures, numbers of disclosures, looking at patents applications, patents awarded and their licensing activity, their relationships either formal or informal with companies. You know, have they generated intellectual property that's become part of a start-up? So, really, across those three broad areas of their financial impact, their employment impact, and then the potential that they represent for commercialization.

Mr. Slanina: When you have your annual meeting where you gather all the Eminent Scholars from across the State of Georgia, what's discussed in the room? What's the content that you're all speaking about?

Mr. Cassidy: It's a lot of sharing. It's the one time of year where we have them all together. It's a chance for us to talk with the scholars about our view on funding environment. You know, specifically state budgets as we're tweaking the kinds of investments that we're making, it's a chance for us to talk with them about that. We always spend some time – you know, we were just talking about the kind of information that we collect from each of our scholars. We put that all together and we give them a report on their collective impact, and that usually generates some discussion.

If we're looking at some kind of a new initiative, there may be a lot of discussion about that initiative. We really seek guidance from them on how to shape various activities. We'll often have 1-2 of our trustees, our board members come and just talk to them about why they're involved in this. Our organization has a very, very strong leadership structure in terms of governance and part of what we're trying to do is have the business leadership of our state understand what these Eminent Scholars are doing and have the Eminent Scholars understand why the business leadership is so interested in this strategy. We'll usually single out some big successes.

Last year we had two of our scholars that had been admitted to the national academies. We made a big deal out of that. There's any number of other awards that are granted to these individuals and we'll try to highlight those. It's just a good time, as you would expect, for any kind of a fellowship event, but it's us reporting to them and it's using them to help guide our strategies going

forward. A lot of times we'll – maybe every other year – carve out a piece of the program to talk about emerging trends in science. You know, what are the big problems? Where's science taking us? What are some of the challenges? That can be technical kinds of things. Two years ago we had a very lengthy discussion about the situation with NIH and what kind of contingencies should we be thinking about as the NIH budget flattens out. So it's a good exchange of information.

Mr. Slanina: Can you describe, then, the actual planning process that you went through within both your organization and the universities to decide certain scientific fields to concentrate in?

Mr. Cassidy: Number one, we're dealing with very scarce resources, so you can't do everything. So there was a decision early on that it would have to be some focus in what we do and there would have to be some focus with the investment that we bring to the table. So the two areas that we've been investing in from day one, advanced telecommunications technology and biotechnology. Each of them were chosen for a little bit different reason. On the communications technology side, in the late 80s there was already a very strong industry base here in Georgia in the telecom and electronics sector. So the feeling was that we should be investing even more in our universities to make sure that they would be leading the way on some of the new discoveries that could be of benefit to an existing industry base that's here. A good number of the scholars that were recruited in that space actually came from industry and brought those ideas into the academic setting and also brought a different culture into the academic setting in terms of opening up the labs and having more collaboration between our universities and an existing industry base.

On the other hand, with biotechnology, there was a very limited base of biotech or life science here in Georgia in the late 80s, but, on a national scale, you have the Genome program was just being launched and it was very clear from an analytical standpoint that these tools of biotechnology were going to be very, very important to medicine and any number of other areas. So there was, I guess, a desire to make sure that Georgia would be a player in this explosion that would occur in molecular biology. So a little bit different kind of an investment strategy, you know, really needing to scale up and make sure that we had all the required disciplines in place for us to begin to emerge as a player. So today Georgia is recognized as having a very good number of new companies that have been formed around the results of research. We don't have a big pharmaceutical industry here and that's one of the things that we're still struggling with, but it was a different strategy, you know, how do we build the

capabilities to be a player in a particular technical area that's going to be ripe with opportunity versus telecom. How do we do more work in the universities that's relevant and can be connected to and help grow an existing industry base.

Mr. Slanina: Since you started the Eminent Scholars program, your approach has been replicated in other states and will probably also continue to be replicated in other states and regions. Are there any components of the Eminent Scholars program that, if excluded, you think would prevent many of the accomplishments from your program or would have prevented them from taking place?

Mr. Cassidy: Well, we touched on a little bit earlier in selecting scholars, things that we look for. We're pretty particular about the folks that we want to name as a scholar and endow. So let's just say there's some quality control. I can think of a few other states that do have Eminent Scholar programs and it would appear that it's – the numbers are very big and you look at the disciplines and it's all over the place and that could be very important for that state. I think focus, discipline, thinking of it as an investment strategy, those are the things that have made it work very, very well for us. I think if we were to take any one of those elements out, our efforts would not be successful.

Mr. Slanina: Do you have any recommendations for the leadership of other TBED programs about how to establish ties and build trust with their state legislatures and locally elected representatives?

Mr. Cassidy: That's a tough one. We're guiding the investment of a lot of state money and we take our role in that – again, we're non-profit, we're not an apparatus of state government, unlike some of the other TBED organizations. We aren't an agency. We don't have a direct reporting line up to the state. That being said, we take our stewardship role very, very seriously. We try to discipline ourselves to provide accurate and timely information. We try to maintain a dialogue with the legislative leadership about the impact of the investments they're providing. I think it's just stewardship of the investment. I think if you were to talk to folks in the state's budget department, I think they would feel pretty good about us - an outsider from the state, being a very, very good steward. We are the honest broker. We make decisions about investing state money with business discipline and I think that's appreciated. But it changes every day as you know, in working with the elected officials. The relationships change, the people change, the things they're interested in sort of change from time-to-time, but I think that the constant is that I think we're pretty much viewed as an honest broker in helping with the transactions. You know, making the selections. The state's going to be

put a certain amount of money into TBED. They want to know that they're going to get the best return out of that. I think what we've built up over the years is some credibility as being a wise investor for them and we do our best to provide a lot of information back to them about the impact of what they're making available.

Mr. Slanina: Would you like to share any additional lessons learned from administering this program with our listening audience?

Mr. Cassidy: There's a couple of things we point to. One, again in our structure, we have a very, very strong governance structure in terms of our board. Our board is made up of business leadership and civic leadership from our state. When we talk with other states about how to replicate what we're doing, we start with that as a principal. You really have to have top leadership involved if the initiative is going to be sustained. We've been in business for 18 years and in the scheme of TBED, that's a long time. I think we have been in business all those years, and successful all those years, because we've got this very, very strong top leadership involved in what we're doing. We think collaboration's important and that's going to vary from state-to-state, but, again, we've got six research universities in Georgia. It's important for them to interact with each other and work with each other. Research today is highly inter-disciplinary and just because of the structure of our universities and the disciplines they're involved in in most cases here we have to cross lines of universities to get at inter-disciplinary research. So we think that's really important.

Just, again, having a rigorous approach to investment and managing expectations. I think we talked about this at maybe last year or the year before on a panel at SSTI, particularly in launching an initiative. I think it's terribly important to manage the expectations, because the big results that we're after like the formation of new companies or the creation of a new industry, truth be told, that's going to take a long, long time. There are a lot of short-term wins. As I said, we go out and we recruit one of these top investigators as an Eminent Scholar and right away there's probably a couple of million dollars of new money in the form of grants that are coming into the state. The challenge is to help legislators and other elected officials to understand that that is impact, just like attracting a new industry into the state. So we talk about what we're doing with the universities as building the research enterprise and that there's a lot of employment associated with that enterprise, there's a lot of revenue in the form of grant dollars that are flowing into that enterprise, and kind of helping with that translation between what otherwise is viewed as an academic effort, but

helping folks to understand that that's just like big time traditional economic development. So those are some of the things that we try to stress.

More information about GRA's Eminent Scholars program is available at: http://www.gra.org/. More information about the Excellence in TBED awards is available at: http://www.sstiawards.org/.