



Commercializing Innovation

When potentially great laboratory breakthroughs perish on the high-risk journey to the commercial marketplace, it's more than a disappointment – it's a lost opportunity to advance both human health and economic vitality. "Venture philanthropy" can make the difference.

Every year, research universities such as OHSU make the kind of discoveries that have the potential to improve health and quality of life. But getting ideas out of the laboratory to the commercial marketplace is a risky, complicated and expensive process. Scientists talk about this perilous journey as "crossing the valley of death." For donors, the valley of death is a new frontier for high-impact philanthropy.

The earliest stages of commercializing university research involve some of the most challenging funding obstacles. Traditional research grants don't include the resources startup companies need to incorporate, to create business plans or to recruit leaders. OHSU operating budgets can't always cover these activities either. And venture capitalists generally won't. They focus their investments instead on companies that are poised to market products and return profits.

This early-stage funding gap is where private contributions can make an enormous impact. "This is the sweet spot," said Tim Stout, M.D., Ph.D., M.B.A., vice president of OHSU's office of Technology Transfer and Business Development. "Philanthropic dollars contributed at the earliest stages in a start-up's development can push them to the next level where success is much more likely."

Take Yecuris Corporation, for example. While OHSU researcher Markus Grompe, M.D., director of the Papé Family Pediatric Research Institute at

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OHSU, and his colleagues were exploring pathways for treating an often-fatal pediatric liver disease, they realized that their research could broadly impact other health concerns – and that it may have significant commercial applications. But they needed the data to prove that to traditional investors.

Targeted philanthropic contributions from a special OHSU fund supporting premarket start-up activities – the OHSU Innovation & Seed Fund – allowed Grompe and collaborators to improve on early results, to show broader uses for their technologies, and to launch Yecuris Corporation, a Portland-based start-up company now in development.

David Brown was an early contributor to the Innovation & Seed Fund, which supports ventures such as Yecuris. “It was exciting to support innovative discoveries in health and health care technologies,” he said. “And because I could take advantage of a tax credit, I ended up making a larger gift.”

Contributions to the seed fund also qualify donors for a state income tax credit through a unique public policy developed to promote Oregon innovation and economic development.

For donors such as Brown and for the start-ups that benefited from their investments, gifts made through the Innovation and Seed Fund can deliver a winning combination of timing and impact.

“These gifts really have the potential to evolve our innovation ecosystem,” said John Bial, CEO of Yecuris. “They are an investment in advancing medical science and building economic clusters for our community and our children. That can be a big payoff.”

For information on making a gift to the OHSU Innovation & Seed Fund, call Chris Tye at 503 494-0104.

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