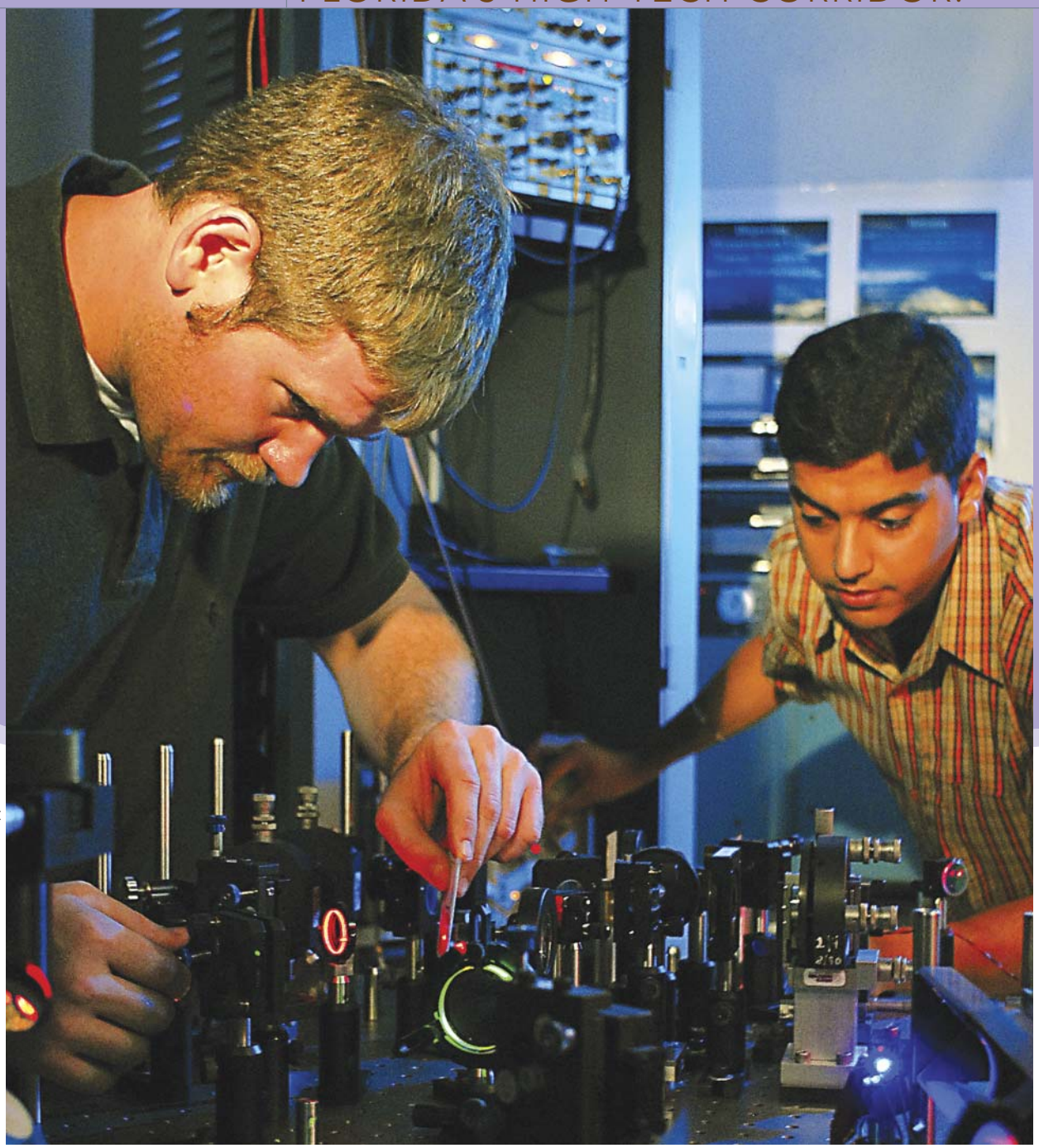
Breeding BUSINESS

By Scott Leon

UCF'S TECHNOLOGY INCUBATOR IS GROUND ZERO FOR CENTRAL FLORIDA'S HIGH-TECH CORRIDOR.



JACQUE BRUND/UNIVERSITY OF CENTRAL FLORIDA (2)

While the major function of any university is education, research follows closely behind.

Because most universities specialize in certain areas of research and have access to rare equipment and vital lab space, they are the birthplace of most technological breakthroughs. These innovative developments often provide the sustainable competitive advantages critical to success in the marketplace.

Imagine if the university also had a program in place to work with a start-up companies based on these innovations, helping them grow by establishing goals and a strategy. This is exactly what a technology incubator does, and it was precisely the goal that Dr. Tom O'Neal had when he began the Technology Incubator program at UCF in 1999. Imagne no longer! O'Neal's program is now one of the top technology incubators in the country and one of the most respected in the world.

"Right now we have 53 companies involved in the incubator with a success rate of 90 percent, which is excellent for a program like this," says O'Neal. Indeed, UCF's incubator won the National Business Incubation Association's Top Incubator of the Year in 2004.

True to its name, the UCF Technology Incubator (UCFTI) provides an environment where its clients have access to people and organizations with the experience necessary to put together a successful tech-based company, even those not based on technology developed at UCF. It provides mentoring on all aspects of building a new company, from the initial business plan to marketing and public relations tactics. Because of the size and number of the partner organizations involved with the Incubator, each business accepted into the program is provided peer support. This ensures that assistance comes from within the most relevant fields. Every client is also offered support services (like staffing and secretarial) and office space on campus, allowing convenient access to relevant labs, libraries and personnel.

While 70 percent of the Incubator's clients come into the program with their own concepts and technology, 30 percent of the companies are based around technology licensed from a program at UCF. "At a university that has such a productive research agenda in so many fields, the development of innovative technologies and new businesses to market those technologies goes hand-in-hand. Professors who create the technology rarely have the time or interest in developing it, so it's licensed to a group that does," says O'Neal. "The UCFTI helps companies on either path."

According to O'Neal, the formal incubation process takes place through a series of strategic working sessions over a period of up to 4 years. "Companies finally graduate when they achieve a level of fiscal and commercial growththat allows them to move out on their own. Many companies go public, but some choose to remain privately held. Either way, over 90 percent of the companies that graduate from the incubator succeed."

Because of its initial ties to UCF's Center for Research and Education in Optics and Lasers (CREOL), almost 20 percent of the companies involved with the UCFTI are optics based. However, the program includes businesses in virtually every technological field imaginable, from biomedical to educational and training technology to environmental products and services.

Graduates include such companies as DiSTI, which specializes in advanced graphic software that provides services to businesses, governments and militaries worldwide. One of the founding partners and its president, Joe Swinski, credits the UCF Technology Incubator for laying the groundwork for its success. "As engineers, we had the technological capabilities to make DiSTI and GL Studio® a reality. Fortunately, as part of the UCF Technology Incubator, we also had assistance with our business plan, pricing, marketing

and other areas where we weren't as experienced," says Swinski.

Current clients include The Virtual Reality Medical Center (VRMC), which is partnering with the UCF Institute for Simulation and Training to develop a Mixed Reality Rehabilitation System (MRRS) for people with traumatic brain injuries (see Tech Trends on p. 6). "As a San Diego-based company, we were initially attracted to UCF because of the world-class research being conducted in mixed reality, but the Incubator program proved to be an asset we couldn't pass up," says Angela Salva of VRMC. "The help we have received has been invaluable. I'm certain that the new company will be far stronger than we could have done on our own."

To date, the Incubator has served more than 100 emerging technology companies, which in turn have generated more than $200 million in annual revenues and over 800 new jobs. Highly trained individuals educated at UCF often fill those positions.

"As the company develops in the program, its work force is being taught. In many cases the graduate students who end up working for these companies helped research and develop the technologies it licensed while in the lab," says O'Neal. "It's a cycle that keeps many of these companies right here in Central Florida after they complete the program. This in turn helps UCF, the Incubator program, its numerous partners and the local economy." And that's growth worth incubating.