"I have been affiliated with our local incubator since its begin-
ning. Since then, I have been on the board of directors to man-
age the facility. Although we are not affiliated with a university,
I can see many benefits of such a relationship. For example,
market assessments, prototype development, testing, surveys,
etc., can be done by students when available. I believe an incu-
bator in a community is a valuable asset, independent of the
form of its organization."

— Marv Clement, Battelle-Pacific Northwest Laboratories

This chapter investigates university-connected incubator strategies for
growing new businesses. University incubator initiatives should benefit
higher education and produce sustainable, equitable economic develop-
ment.

Because the environment for incubation changed early in this decade
due to a growing number of privately owned incubators and due to the
Internet revolution, this chapter’s survey-based and literature-based
investigation of role model incubators was augmented by expert
opinion concerning the implications of privatization and the Internet.

The resulting set of conclusions suggest that incubators and universities
can offer much to each other, monetarily and otherwise. Moreover,
universities should play to their strengths, in order to complement the
kinds of services being offered by investor-owned incubators.

In general, according to these recommendations, universities should
exercise great caution in building and owning physical (as opposed to
virtual) incubators. Exceptions will exist for certain locales, and for
cases where the culture and organization of the university can adapt,
to thoroughly integrate all applicable university missions, programs
and rules with the incubator’s imperative to nurture fast-growth companies.

Project background

The purpose of the project described in this chapter was to recommend an incubation strategy for Oregon universities. It was to draw on key success factors from the past and anticipated key success factors for the new environment of the future. This new environment included the proliferation of private incubators (now much less of a force, following the bursting of the dotcom bubble) and the rapidly growing and still evolving impact of the Internet.

Different regions and localities in Oregon want and need to pursue one or more of the following goals:

- Create companies;
- Create jobs;
- Create and preserve high-wage jobs;
- Increase the number of locally headquartered companies;
- Build a mass of local suppliers for large companies located in the area;
- Increase university spin-out companies and technology transfer;
- Leverage and increase the technological vitality of the region;
- Increase exports from the local region;
- Increase international trade;
- Make the region an inviting environment for entrepreneurship;

and to do these things in a way that preserves environmental quality and provides opportunities for minority, immigrant, and women entrepreneurs.

The conclusions in this chapter draw on incubator surveys, interviews and visits, and literature search to point the way to a university incubator strategy that can meet these goals.

Data sources

A questionnaire was administered to a number of incubators throughout the United States, Asia and Europe. Nine incubators, most university-connected, returned the questionnaire. I visited three incubators and two technology transfer-intensive university research centers. In addition, I used extensive notes from incubator visits made prior to this project, and interviewed a small number of incubator directors by phone and in person.

The research plan called for interviews with three experts who are not incubator directors. All three of these interviews have been completed: with