

Digital Media Start Ups:

Benefits of University Research and a Steps for Success

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Question:

“What, if any, are the benefits of university research in the area of digital media start-ups and how can they succeed?”

How to Be Successful:

We will define a successful company as one which is not only profitable, but sustainable in the market for a period of time as well. Many things go into a successful start-up, but innovation, ingenuity and new ideas are the most important for a digital media start-up.

Innovation is the key to success.

Digital Media:

What is digital media?

Digital media is anything that relates to media content in the digital domain. CD's, the internet, software, digital video, videogames, e-books, and Web 2.0 are all examples of digital media.



Why is digital media important?

In today's world almost all content is in a digital form making it some sort of digital media. Billions of dollars every year are spent creating content or new ways of delivering content to consumers. Because it is such a ubiquitous and prevalent field, it is imperative to research it thoroughly.

Primary Benefit of University Research:

Research: Then and Now

In the early to mid 1900's large companies would partake in "Blue Sky" research opportunities for the sake of learning. Some of the most important advancements of the century were discovered through these facilities. Now days companies focus on short term benefits and leave little money for R&D. This is where universities have an advantage: they have a great amount of research to start new companies which can compete with the big ones.

UC Discovery Grant:

- Much of the funding for research is given through grants
- The UC System gets grant money through the UCOP, in the form of the UC Discovery Grant
- From 1998 to the present, this grant has given close to 100 different grants totalling \$30.25 million in the area of digital media research alone

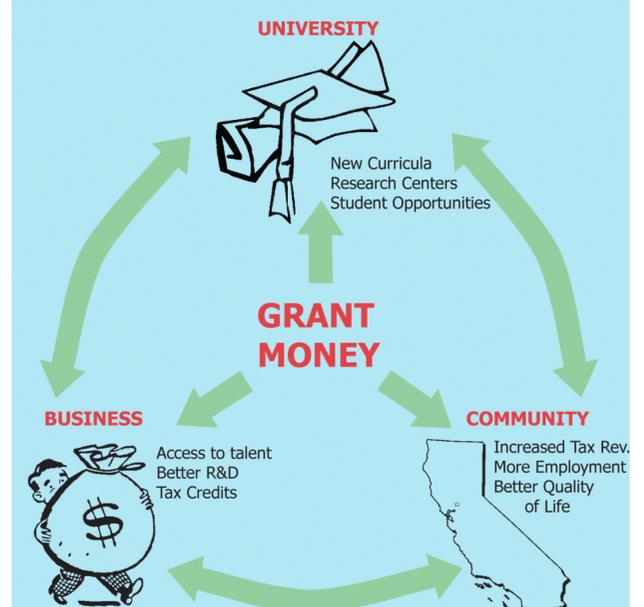
Research → New Technology → Start-Ups

Steps to Start-Up:

	Actions	University Aide
1 Planning/ Idea	<ul style="list-style-type: none"> • First step is to have an idea and a solid business plan • Must have a clear vision of what you want in your start-up and to research market viability 	<ul style="list-style-type: none"> • Good ideas come from university research • Interdisciplinary nature facilitates integration to form solid bases
2 Basics	<ul style="list-style-type: none"> • Take care of legal/copyright issues • Figure out the financing of the business venture • Insurance? Human resources? 	<ul style="list-style-type: none"> • Technology transfer departments take care of the legal stuff • Universities are know to enlist the help of venture capitalists or use grant money to lift a start-up
3 Production	<ul style="list-style-type: none"> • Put your plan to action • Hire people and get your product or service made • Make sure to get a good staff and a solid product • Does your business need offices or can it be run out of the home? 	<ul style="list-style-type: none"> • Other than possibly using some university facilities or using them as an employee pool, there is not much the university can do at this stage
4 Market/ Sales	<ul style="list-style-type: none"> • The final and most important step • Marketing is crucial • Set up a solid consumer base and target the ones who will use it • Make sure to keep customers satisfied with good service • How much revenue? How much to pay yourself? 	<ul style="list-style-type: none"> • Once again, not much help from the university other than name recognition and prestige to help encourage sales

Other Benefits:

Other benefits from university research extend into the community and even other businesses. Funds from research grant money trickle down into the undergraduate curriculum, create jobs and provide private organizations with research and funding. Overall, the benefits of university research extend far past those of just the start-up company.



Conclusion:

Starting a company is always a gamble. Sometimes the market isn't as accepting of new ideas as we could hope, and sometimes the timing is just off. Overall, however, the university has vast resources that can help not only spawn a good idea for an emerging company but help nurture it through its infancy. In my research, I have found many differing viewpoints and this was an attempt to create something rational out of a chaotic, emerging industry.

