

URL: <https://stvp.stanford.edu/blog/videos/the-successful-leap-from-research-lab-to-enterprise>

Why are companies that plant roots in academia or a research environment more successful than other start-ups? John Hennessy, President of Stanford University, says that these research-heavy innovators are not only well-versed in their subject matter, but they are also optimists for their project's eventual triumph.



Transcript

One of the things I've observed over time is people who are involved in the creation of new technology not only become the best advocates for that technology but also become the best people for transporting the technology from the walls of the academy to the outside environment.. And I've tried to think hard about why are companies which take the entrepreneurs from a research environment and move them out so much more successful than those that start by reading a research paper, for example, and begin to build the technology on the basis of that research paper.. Well it's clear that the people who worked on the technology have a lot of insights into what did work and what didn't work.. But I think the most important characteristic they have in the end is that they're optimists about what they've worked on.. They see the glass as half full rather than half empty.. And all you have to do is go pitch something to the venture capitalist one time to see how critical this issue is.. When you go and pitch a new technology what you get back are all the criticisms.. All the reasons why that new technology, while it worked great in the lab, will never scale up to solve real commercial problems and people will never pay real money for it.. I still remember one time when we had just started MIPS and a colleague of mine at Berkeley by the name of Dave Patterson who I've co-authored several textbooks with.. We were on a panel..

And at that time the risk idea which had been done at Stanford, Berkeley and IBM Yorktown Heights, their research laboratory, were still extremely controversial.. So there was a guy on the panel who was our opposition saying this stuff is baloney and it doesn't really work and it'll never be commercial.. And so the panel is going along, finally we have Q&A with the audience.. And the audience says to this person who's pooh-pooing our ideas, said, "I understand Hennessy has just gotten some money from the venture capitalists to start a company based on this technology.. What would you advise him to do, given your view of the technology?" And he said, "Take the money and go to Brazil." So we didn't go to Brazil.. It turned out we were right and he was wrong about the importance of these various technologies.. But I think partly that came from our having been involved in the technology and having a commitment to it and an insight to it that was absolutely crucial..