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UNC RESEARCH



Professor Richard Mailman was one of the 12 faculty members to co-author a document suggesting improvements to technology development at the University.

DTH/ANDREW SYNOWIEZ

ON THE CUTTING EDGE

UNCVENTURES

FIRST OF TWO PARTS

TODAY

A look at the process and problems associated with getting UNC-developed technologies into the market place

TOMORROW

A case study in creating a UNC startup company and how the University's endowment hopes to capitalize on venture capital

Startups balance innovative research, tough economy

BY JOHN FRANK AND NIRAV VORA
STAFF WRITERS

Ever since Gatorade was created in a University of Florida laboratory in 1965, exploding into a billion-dollar success story, other research universities like UNC have thirsted for innovation on that scale.

UNC's labs have produced some new technologies with great prospects, including a possible HIV vaccine and a treatment for cystic fibrosis.

At UNC, nothing has neared the commercial payoff of an invention such as Gatorade yet.

But smaller, less tangible benefits of conducting cutting-edge research have begun to show.

Last year, the University brought in almost \$2

million in licensing revenue. And the research opportunities are attracting top flight innovators, such as Michael Ramsey, a renowned scientist who announced this month that he is leaving his independent lab for UNC.

The benefits trickle down to the students in the form of research opportunities and better equipped science facilities.

Technology transfer — where University inventions move from the laboratory to the business world — is a booming arena for research institutions.

The nation's universities brought in more than

SEE **UNC VENTURES**, PAGE 7

Faculty seek to streamline paper trail

BY JOSEPH R. SCHWARTZ
ASSISTANT UNIVERSITY EDITOR

Research at UNC-Chapel Hill is on the verge of a revolution, one that some faculty members say is much needed.

With the official ground breaking today on the \$205-million Physical Sciences complex, the largest ever UNC-CH construction project, and the preliminary negotiations about the Carolina North research park underway, research is putting its stamp on the University.

Usually when considering whether to

develop a technology further, University officials think abstractly about how the invention can benefit society.

But now, they've turned their focus inward at the process that puts the technology into the marketplace.

After an internal evaluation and several complaints from faculty entrepreneurs, University administrators have made several moves designed to make getting technology out of the laboratory and into the market more efficient.

Several fundamental flaws have been identified in the process that tries to

turn campus research into a commercial success — both in transitioning from the lab to the Office of Technology Development and from that office to venture capitalists in the marketplace.

During the past year technology development officials have been working alongside prominent faculty innovators to revamp the process.

The office is responsible for funneling faculty inventions to companies, which, in turn, can benefit the University financially and provide faculty and students with cutting edge

experiences.

UNC-CH is relatively new in the field, and less than 10 years after the office was created, it is making significant strides to restructure the process.

"We're behind the curve as compared to our peers, but we're making progress," said Mark Crowell, director of the technology development office.

Some of UNC-CH's top scientists were upset about the process of technology transfer and submitted a formal

SEE **RESEARCH**, PAGE 7

Rising tensions lead CIO to resign

YUSKO, BOARD SPAR OVER INVESTMENTS

BY JOHN FRANK AND EMILY STEEL
STAFF WRITERS

A fractured vision for the long-term management of the University's \$1 billion endowment has pushed UNC-Chapel Hill Management Co.'s Chief Executive Officer Mark Yusko to pursue his fund management strategies in the private sector.

Yusko announced Tuesday his resignation from the helm of the UNC-CH-affiliated, private organization that manages the Investment Fund. Under Yusko, who will serve in his position until June 30, the management company has become one of the nation's pre-eminent investment models for higher education.



UNC's CIO Mark Yusko announced his resignation Tuesday.

Chancellor James Moeser said a national search to replace Yusko in the management of the state's oldest university endowment would begin "post haste." UNC-CH's endowment is a crucial source of funding for the University, with about 5 percent of its earnings supporting scholarships, professorships and campus programs. In 2002, that equaled \$24.7 million.

Before Yusko came to UNC-CH, the management of the endowment was decentralized. During the past six years, he crafted the enterprising vision of the management company, which now controls endowments for five other UNC-system entities.

But Yusko saw beyond the UNC-system and said from the time of the management company's creation that he hoped to manage the money of many other institutions as well.

Ultimately, it was that vision for branching out beyond the system that led to his resignation, he said in a telephone interview from Houston.

"My vision is just a little bigger and broader," Yusko said.

SEE **YUSKO**, PAGE 6

State leaders likely to keep airport open

Weigh AHEC's needs with plans for Carolina North

BY KAVITA PILLAI
STAFF WRITER

The fate of Carolina North remains uncertain as legislators indicate their intentions to keep the Horace Williams Airport open past 2005, but University officials say they want to see plans for the satellite campus move forward.

The airport is scheduled to close Jan. 1, 2005, but likely will remain open for another two years, said N.C. Rep. Verla Insko, D-Orange, co-chairwoman of the General Assembly's Joint Select Committee on the Horace Williams Airport.

Drafts of Carolina North call for using land occupied by the airport. The Chapel Hill Town Council recently passed a resolution stating that the council should be cautious in dealing with Carolina North until plans for the airport are finalized.

Insko, N.C. Sen. Tony Rand, D-Cumberland and N.C. Rep. Joe Hackney, D-Orange, cited the N.C. Area Health Education Centers program, which relies on the airport to transport physicians to other areas of the state, as a reason for the potential delay.

"I think the Area Health Education Centers are critical to the state," Insko said. "And it plays a key role in helping the University fulfill its service mission to the state."

But Rand, who is also co-chairman of the committee on the Horace Williams Airport, said that although AHEC's use of the airport makes closing it difficult, the legislature must not lose sight of Carolina North.

"Everybody knows that Carolina North is very important to the future of the University," he said. "We're just trying to come to some resolution as to the best thing to do about all of this."

With ground-breaking of the University's new

SEE **AIRPORT**, PAGE 6

Legislators mull reducing number of BOG members

BY CLEVE R. WOOTSON JR.
STATE & NATIONAL EDITOR

RALEIGH — Members of a joint legislative committee gathered Tuesday to discuss ways to increase the effectiveness of the UNC-system Board of Governors — up to and including shrinking its size by as many as 12 members.

But a higher education analyst told legislators that the BOG runs smoothly compared with the governing boards of other statewide university systems.

"It is somewhat ironic that North Carolina is looking at problems, because a lot of states are looking at North Carolina," said Aims McGuinness, a senior associate at the National Center for Higher Education Management Systems, a policy center in Boulder, Col. "The role of bodies like the

Board of Governors is in more disarray (now) than at any other times."

N.C. legislators have been pushing for ways to better the UNC system's governing body for years. In 2001, the N.C. General Assembly organized a joint committee to consider the size and scope of the BOG.

It met once that year, was reauthorized in 2003 and met for the second time Tuesday, less than a month before the legislature reconvenes for its short summer session.

McGuinness prefaced his comments by saying that he has not studied North Carolina's higher education model extensively. But he said that most states with bodies such as the BOG find that a size "not much bigger than around 20" is optimal.

SEE **BOG**, PAGE 6

BITTERSWEET SYMPHONY



DTH/LEAH LATELLA

Students of the UNC Symphony Orchestra perform Tuesday night with guest violinist Richard Luby as part of "Revisions and Rethinkings: Festival on the Hill," the last day of the second annual music festival.



INSIDE

THE SECRET TO HER SUCCESS

Senior Katie Welch accomplished many of the goals she set since being profiled by the DTH four years ago **PAGE 3**

SPORTS

ON THE REBOUND

Pitcher Adam Kalkhof continues his comeback from tendinitis by allowing just one run in 7.1 innings against Elon **PAGE 5**

WEATHER

TODAY Partly cloudy, H 84, L 59
THURSDAY Partly cloudy, H 84, L 59
FRIDAY Mostly sunny, H 87, L 59

