Roundtable: The Role of National Laboratories and Industry Partnerships
21 August 2009

These comments are provided by:

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Hello, I am sorry that I cannot attend your roundtable discussion – but I am happy to report that the reason is that our spin off business is doing very well, this will be a banner year for InEnTec. In order to help provide perspective for my comments, I will provide a brief background:

1982 – Started work with EG&G Idaho in the area of Plasma Technology and Materials Research.

1989 – Left EG&G Idaho with several others to form an environmental consulting company – HAZANSWERS. We left on a good note, but did not have any laboratory support or options to return to the lab if things did not work out or our business failed.

1991 – Business was sold to SAIC.

2000 - Transferred to Richland just before the contract changes on the Vit plant. After Bechtel took over and the dust settled, my family and I were in a different town and I was without a subcontract.

2001 – Started work at Integrated Environmental Technologies (IET) now InEnTec LLC.

InEnTec was a spinoff from PNNL in 1995, started by Jeff Surma and David Lamar from Battelle / PNNL and Dan Cohn from MIT. (Full disclosure - Battelle still retains a small ownership (a few percent) in InEnTec.) As with many startups, InEnTec has had its ups and downs. In hindsight, InEnTec may have moved too fast in fielding a commercial product, and then experienced a general slowdown in the wake of 9/11. In the last year, InEnTec has formed two joint ventures to market its technology, one with Lakeside Energy of Chicago and one with Waste Management.

So, I have had two experiences with national laboratory “spin-off” companies. I think my experiences have been similar to what others have stated:
1. The scientists and engineers involved with the spin-offs are very knowledgeable about technology, but have limited experience with marketing, finance, or other critical business activities.

2. The spin-off companies are undercapitalized.

3. The time to market is always under estimated – for new technology this can be many years.

4. The market (for everything) is always changing and one difficulty is to get the right combination of product, market, and timing.

The startup companies that I have worked for were helped by the following community and government sponsored actions:

1. In Idaho Falls, our first office was at an incubator facility that provided low cost office space.
   a. Today, I think these types of facilities should provide a combination of office space, conference rooms, telephone, internet, printing and copying, and reception staff.
   b. A similar environment for low cost laboratory and technology development space would be very useful for some businesses.

2. InEnTec has benefited from the following:
   a. Initial IP development with Battelle
   b. Entrepreneurial Leave of Absence Program provided health insurance assistance and a safety net that allowed for the potential to renter the Laboratory (dependent on available work) if the venture failed
   c. Continued support from PNNL through a technology support program that provides ~40 hours per year of technical assistance. This could be improved by providing a larger block of hours. The problems that we encounter require significant resources and 100 – 160 hours would be a better task size
   d. Sales of excess government equipment
   e. Various small business education programs to help beginning entrepreneurs.

The following are some ideas that you might consider:

- Methods of connecting entrepreneurs with angel investors
- Methods for sharing high level executive support – for example, new companies need knowledgeable CFO’s to help plan long term strategies but rarely can afford or find this type of expertise in the early stages
- Support for preparing permit applications, including all types of city, county, and state permits
- Technical labor pools – the national labs have lots of talented people who might be willing to work part time at a reasonable cost. A method of coordinating and pooling this talent to provide a single point of contact would be a useful service.

Thanks for your time, I hope you enjoy your stay in Richland.