Securing Private Funding for Research

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Early in my career I made a decision to focus my efforts on:

- Research that would emphasize areas I had the passion for and that would benefit society (clientele, stakeholders, humankind, etc) and the cow.

As long as I can maintain my research productivity and be very happy in my career, I will avoid writing grants just to secure funds.

- I do not believe that a dairy cow is a very good model for humans in my areas of research (nutrition and reproduction).
  - Exception might be pelvic inflammatory disease and ovarian cystic disease.
My Rationale to Explore Private Funding

- PI of Grants/Research Contracts
  - 41% (9/22) Intramural funding at UC Davis and at UF
  - 20% (2/10) USDA, BARD
  - 65% (34/52) Private Funding

Administrators and my peers were not happy with that. It does not generate IDC. It does not support graduate students.

Funding Range: $17,000 to $312,000
Rationale to Explore Private Funding

- Well prepared competitive federal funded grant
  - Takes me 2 months of dedication
  - 1, maybe 2 opportunities a year
  - Many of the projects do not have an opportunity to be revised for a subsequent submission

- Well prepared competitive private sector grant
  - Takes me 1 to 2 weeks of dedication
  - Multiple opportunities a year
  - Projects can be revised
Oportunities - Animal Health

- **Pfizer Animal Health**
  - Global revenues at ~ 3.6 billion/year

- **MSD Animal Health**
  - Global revenues at ~ 2.9 billion/year

- **Merial**
  - Global revenues at ~ 2.6 billion/year

- **Elanco Animal Health**
  - Global revenues at ~ 1.4 billion/year

- **Boehringer Ingleheim Vetmedica**
  - Global revenues at ~ 1.2 billion/year
Animal Health

- Animal Health
  - Costs ~ 100 million to place a new product on the market
    - Discovery research
    - Pharmocokinetic studies
    - Safety and toxicological studies
    - Efficacy studies

I want a piece of those funds, particularly if I can fit within my research interests, answer important questions for my clientele, and can support my graduate students.
Pharmaceutical companies involved with animal health invest ~8 to 11% of their yearly revenues on R&D

- Their profit margin is high (50-70%)

Approximately 40-50% of the R&D funds are used for third party research

- Universities
- Research laboratories
- Privately owned agricultural entreprises (dairy farms, feedlots, etc)
- Veterinary groups
Animal Nutrition

- Spend 5 to 10% of their gross profits on R&D

- Journal of Dairy Science in 2012
  - 33 journal articles published in January-March
  - 9 acknowledge financial contribution from the corporate sector to fund their research

- Arm & Hammer Animal Nutrition
  - $180 million in yearly revenue
  - 30% is gross profit
  - 5% of gross profits is invested in R&D
    - 50% is directed to independent research (1.3 million/year)

(Balchem, Alltech, Adisseo, Virtus, Lallemand, Diamond V)
What the Private Sector Expects

- Good idea with proper experimental design and methods
  - It has to have some relevance to them or to their clientele (which oftentimes our clientele)

- Timely delivery (complete the project on a timely manner)

- Meet commitments (report and feedback)

- Publish results
  - 3 possible outcomes and publication will happen no matter what the results will be
  - Transparency

- Unbiased

- Keep your independence in the entire process
  - I work for the UF, and not for company X
My Approach

- I incorporate company products to research concepts, not to do “product testing”
  - I have done product testing, but only when there was $ left to support additional research or a graduate student

- Sell my ideas to develop research with scientific merit
  - Companies that are serious about R&D do not want to do demonstrations trials
  - Do not necessarily expect immediate results
My Approach

- Identify priorities within the private sector that might be of my own personal interest
  - Make the idea of this project interesting to them

- Do not make false promises
  - Results can be negative, no difference or positive
  - They are all valid and will be in the public domain once published

- Discuss preliminary results, but do not release anything until we have reviewed all the data
  - Marketing within the corporate sector can be your worst enemy!
Challenges

- Private sector does not like the 46% IDC
  - Accept 25% IDC and funding graduate students, but most refuse 46% to go to the university without any visible return to their investment
    - I have lost 2 grants ($148,000 and $174,000) because the university did not accept 25% IDC

- Private sector oftentimes bids and go with institutions in which research is more competitive
  - Cost is an issue to them and many of us are asking for a piece of the pie

- Few opportunities for matching funds with University or government funds