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Enhancing partnering between Academic Institutions and Industry

June 2020

Executive summary

Academic institutions are partnering with Industry to drive improved social and economic outcomes for regional communities and to create new opportunities for faculty and students

- Academic institutions are increasingly focused on determining how to maximize the value and societal impact of their innovation, research, and intellectual property
- As part of that focus, many have identified enhanced partnering with industry as a strategic imperative
- To do so effectively, they need to first clarify and then prioritize their value drivers for partnering with industry, understand industry's value drivers, and align on the institution's unique value proposition
- Based on these inputs, academic institutions can then devise and implement a purposeful plan for building an organizational capability in effective industry partnering
- Success requires a clear leadership imperative, a purposeful approach, focused efforts at internal alignment and change management, as well as a robust foundation of partnering best practices

ABOUT VANTAGE PARTNERS

MISSION

Drive measurable business results by transforming the way individuals, teams, and organizations work together

FOCUS

We provide strategic advice, hands-on coaching, and training to help clients with their most critical negotiations, external business relationships, and internal collaboration challenges

EXPERIENCE

Over thirty years' consulting to, and creating learning experiences for, Global 2000 companies, major universities, and academic medical centers

COMMITMENT

Ongoing thought leadership, with six articles published in Harvard Business Review, and adjunct faculty appointments at Harvard, Dartmouth, the US Military Academy at West Point, and Tufts University

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Our areas of expertise

- Organic and Inorganic Growth Strategies
- Acquisitions, Alliances, and Cross-Industry Partnerships
- Outsourcing Strategy and Supply Chain Management
- Marketing and Pricing Strategies
- Customer-Centricity and Sales Execution
- Organizational Design and Change Management
- Training and Skill Development

Considering the drivers for partnering

Possible academic institution drivers for partnering with industry

A critical first step to establishing effective partnerships is to be clear on your drivers for partnering; the drivers are the keystone for all partnering efforts — absent clarity on the purpose of partnering activities it is likely efforts will be undermined

Attracting industry to the region	Diversifying funding sources	Providing market access / commercialization for technology
Enabling additional and complementary research	Supporting enhanced and sponsored spin-outs / start-ups	Attracting and retaining leading researchers and high potential students
Improving employment prospects for students	Improving participation in corporate sponsored research	Enhancing access to external ideas and capabilities

Possible industry drivers for partnering with an academic institution

Understanding your industry partner's value drivers for entering into a relationship is central to establishing effective collaboration, where all parties' interests can be discussed and met

Research & Discovery

Efficient access to both applied and pure research because multiple priorities can be met through a single institutional alliance that has multiple projects

Academic Talent

Enhanced opportunity to attract **top academic talent** to its business

Organizational Capabilities

Access to broader institutional capabilities and ability to bring together diverse and deep expertise, as well as de-risking development by enhancing business' visibility across leading research

Enhanced Structure

Efficiency due to streamlined contracting & related processes for individual projects, when part of a broader alliance collaboration

Evidence Generation

Ability to obtain **focused and persuasive evidence,** including RWE

Marketability of Technology

Better alignment between academic research and market needs of industry

Reputation & Elevated Access

Elevated relationships & access within the institution to: leading researchers, thought leaders across disciplines (e.g., data science, engineering), and innovation

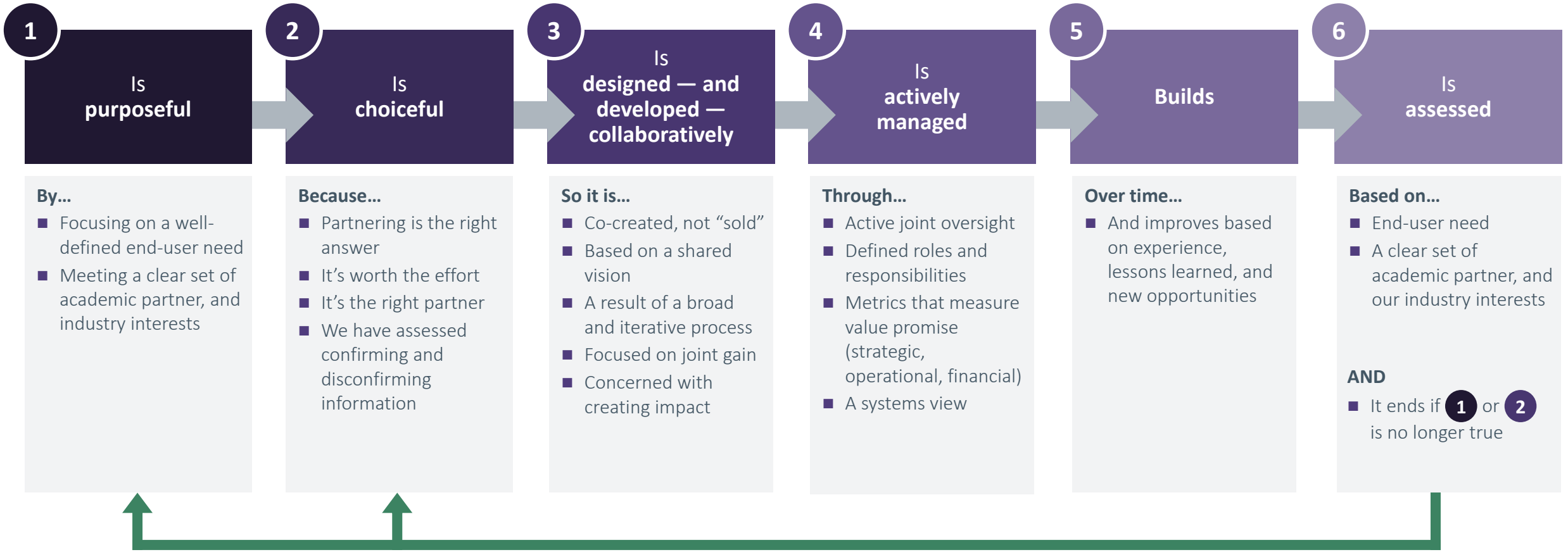
Supporting Infrastructure

Streamlined entrance to broader infrastructure including seamless MSAs, as well as the required separation between different activities within the institution (e.g., gifts, sponsorship)

Embedding a clear partnering process to support value creation

An end-to-end partnering process begins with clear and purposeful choices about which partners to work with towards meeting drivers, and ends in effective implementation and oversight

This process…



Building the broad capability across the Institution required for successful partnerships

Understanding your institution's portfolio of relationships

Determine which types fall within the scope of the new partnering capability

Illustrative Relationship Types	Definition
Government-sponsored research	Research funded entirely by a government partner (e.g., NSF) or federally-sponsored industry research (e.g., DoD)
Licensing to an established company	Companies paying for usage and/or commercialization rights of technology or IP
Industry-sponsored research	Research funded entirely by a corporate industry partner
Fee-for-service	Companies paying for access to a service or resource in a discrete agreement (e.g., for use of 3D printing facilities)
Economic development	Third parties interested in collaborating on initiatives dedicated to regional growth or prosperity
Spin-outs and start-ups	Companies founded at the institution, either as a result of ongoing IP development / research, or leveraging the institution's startup development infrastructure
Investor recruitment	Outreach to potential investors or maintenance of existing investor relationships (e.g., VCs)
Philanthropy	Foundation, high-net-worth individual, or company which provides funding to the institution with charitable intent
Sponsorship and advertising	Corporations paying for their likeness or brand to appear alongside the institution's
Strategic supplier	Third parties which the institution relies on for a key resource, service, or commodity (e.g., lab supplies provider)
Student engagement	Third parties interested in direct interaction with or access to students (e.g., recruiting, capstones, fellowships)
Executive education	Non-degree programs intended for employees of companies interested in upskilling or training their workforces

Aligning on management implications for relationship types and tiers

Stratification across relationship types and tiers helps ensure that relationships are provided with a **right-sized level of resource, time, and attention** (i.e., "treatment") given their **complexity and strategic importance**

Stratification Methods

Typing	Determined by the relationship's subject matter (e.g., philanthropy, industry-sponsored research)
Tiering	Determined by considerations — which may be type specific — such as strategic importance, financial value, reputational risk, and/or relationship complexity

Drive

Management Implications

- **Governance**
- **Activities**
- **Accountability**
- **Monitoring**

Defining roles across different types and tiers of relationships

Relationship Types	Tier 3 "Transactional"	Tier 2	Tier 1 "Strategic"
Government-sponsored research	E.g., Informed	E.g., Consulted	E.g., Responsible
Licensing to existing company			
Industry-sponsored research			
Fee-for-service			
Economic development			
Spin-outs and start-ups			
Investor recruitment			
Philanthropy			
Sponsorship and advertising			
Strategic supplier			
Student engagement			
Executive education			

- **Responsible**: performs an activity or does the work
- **Accountable**: ultimately accountable and has Yes/No/Veto power
- **Consulted**: needs to feedback and contribute to the activity
- **Informed**: needs to know of the decision or action

Note: *Detailed tiering considerations ought to be developed to reflect the final "in-scope" types. The below are indicative.*

Tier 1 ("Strategic")
- Partnership is complex and/or of significant importance in meeting the Institution's strategic objectives

Tier 2
- Company and Institution have made a large commitment to working together, and the relationship is considered either strategic or complex

Tier 3 ("Transactional")
- Neither complex nor particularly strategic; this relationship typically fills a specific commoditized need within the company

Thinking across the relationship lifecycle

Clarify the governance, activities, accountability, monitoring, and resourcing needs of the partnering capability

What activities do you believe ought to sit under "attract"?

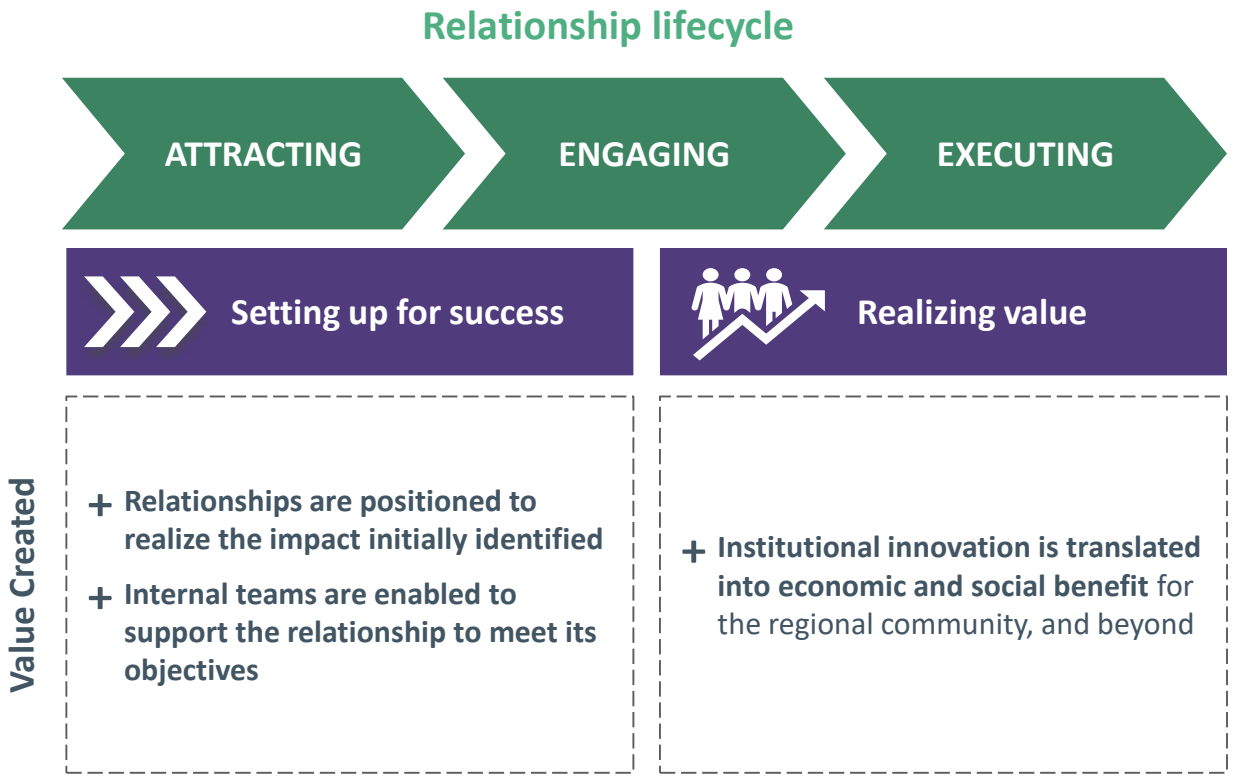
- Which of these ought to be supported by which teams across the institution?

What activities do you believe ought to sit under "engage"?

- What are the different ways an organization could enter the "engage" stage? How does this impact who will undertake the relevant activities?

What activities do you believe ought to sit under "execute"?

- Which teams are responsible for direct and enabling support of these different activities? And across which type / tier of relationship?



Addressing the above questions will ensure you are well-placed to:

- List the activities required across each lifecycle stage
- Define the processes for completing these activities
- Clarify the output expected from those activities and processes
- Determine the optimal resourcing and structure for the capability

Putting in place the right partnering operating model for your needs

	Decentralized (industry touch points owned by relevant functions / schools)	**Decentralized - coordinated** (horizontal structure in place)	**Center-led**	**Centralized**
	Each 'local' area of the University manages their industry relationships independent of one another – including defining own practices	*There is no central function, however, there is resource devoted to driving coordination across 'local' relationships*	*Central function primarily responsible for strategy and establishing best practices, with direct partner management via dotted lines to 'local' relationship managers*	*Central function wholly responsible for managing defined types of engagement with industry through solid line reporting staff*
Pros	■ Preserves autonomy of functions/offices over partnership strategy decisions ■ Leverages shared resources (low cost)	■ Works without the need to establish a partnerships team ■ Leverages shared resources (low cost) ■ Increases coordination	■ Drives increased coordination, consistency, and focus across partnering activities ■ Minimizes confusion over decision rights or process ownership	■ Ensures end-to-end process consistency ■ Minimizes risk of deprioritization of partnering activities by shared resources
Cons	■ Difficult to scale over time ■ Increased confusion over decision rights, particularly with opportunities impacting multiple areas of the University	■ Ability to scale significantly can be limited ■ Reliant upon robust governance structure or process can be mired in excessive delays	■ Requires increased resources with significant partnering skills ■ Some risk of insufficient resourcing or focus from supporting teams	■ Can be costly if pipeline is not robust enough to keep resourcing functioning at or near capacity ■ Limited autonomy by parts of the University

Supporting development of alliance-capable staff

Staff that…

Understand how alliances work and are able to apply alliance best practices

Effectively collaborate internally and with the partner, and can manage complex relationship networks

Nimbly manage organizational systems and the partner, and when required can challenge the status quo and find flexibility

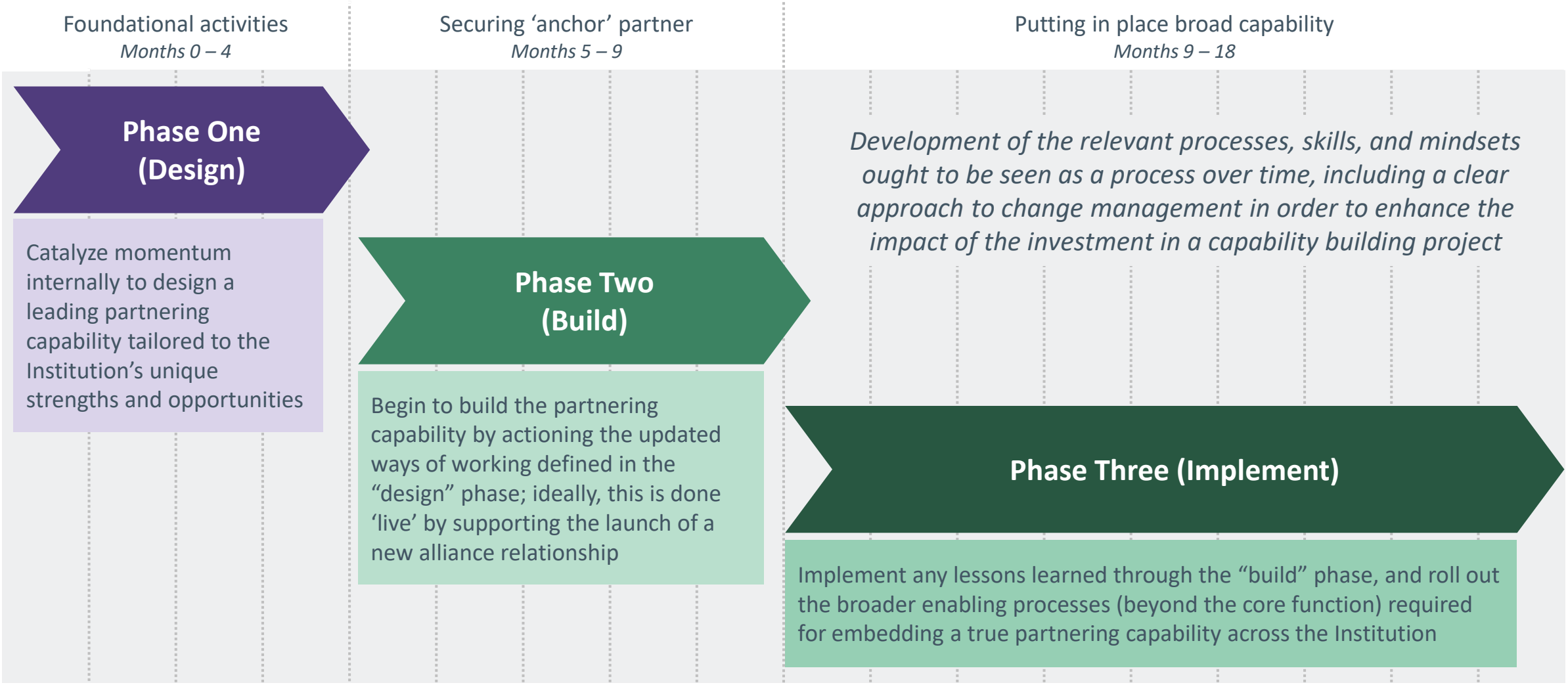
Are aware of their own communication style and are able to adapt appropriately

Engage the partner proactively to find creative solutions

Identify and manage conflict constructively

Taking a staged approach to building a partnering capability

Building a capability is a process over time

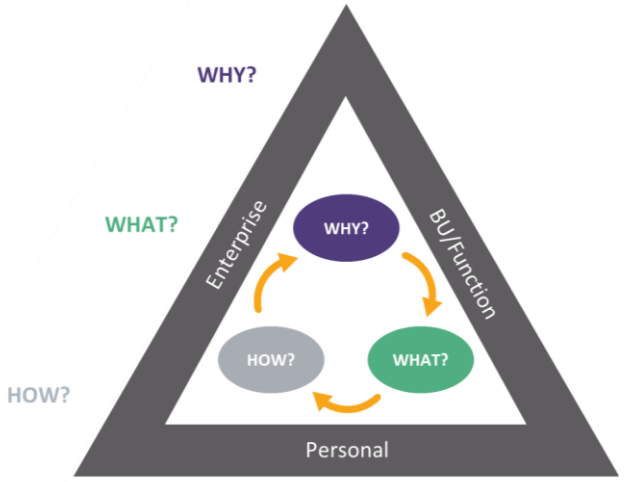


Thoughtful change management increases the odds of success

PROCESS

1	2	3
Create a climate for change	Engage & enable the organization	Implement and sustain
Align leadership	Assess impact	Establish metrics
Develop the vision & strategy	Engage stakeholders	Educate and train

FRAMEWORK



- RESISTERS
- FENCE-SITTERS
- EARLY ADOPTERS

What are the primary strategic, financial, operational, cultural objectives for this initiative?	How will we know we've achieved those objectives?

vantage PARTNERS ALIGN AND ADVANCE

For more information about how best to build your institution's partnering capability,
please reach out to:

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