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
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
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.

Possible academic institution drivers for partnering with industry

- 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.

<table>
<thead>
<tr>
<th>Research &amp; Discovery</th>
<th>Evidence Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficient access to both applied and pure research because multiple priorities can be met through a single institutional alliance that has multiple projects</td>
<td>Ability to obtain focused and persuasive evidence, including RWE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Academic Talent</th>
<th>Marketability of Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhanced opportunity to attract top academic talent to its business</td>
<td>Better alignment between academic research and market needs of industry</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organizational Capabilities</th>
<th>Reputation &amp; Elevated Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>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</td>
<td>Elevated relationships &amp; access within the institution to: leading researchers, thought leaders across disciplines (e.g., data science, engineering), and innovation</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Enhanced Structure</th>
<th>Supporting Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency due to streamlined contracting &amp; related processes for individual projects, when part of a broader alliance collaboration</td>
<td>Streamlined entrance to broader infrastructure including seamless MSAs, as well as the required separation between different activities within the institution (e.g., gifts, sponsorship)</td>
</tr>
</tbody>
</table>
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...

1. **Is purposeful**
   - By...
     - Focusing on a well-defined end-user need
     - Meeting a clear set of academic partner, and industry interests
   - Because...
     - Partnering is the right answer
     - It’s worth the effort
     - It’s the right partner
     - We have assessed confirming and disconfirming information
   - So it is...
     - Co-created, not “sold”
     - Based on a shared vision
     - A result of a broad and iterative process
     - Focused on joint gain
     - Concerned with creating impact

2. **Is choiceful**
   - By...
     - Focusing on a well-defined end-user need
     - Meeting a clear set of academic partner, and industry interests
   - Because...
     - Partnering is the right answer
     - It’s worth the effort
     - It’s the right partner
     - We have assessed confirming and disconfirming information
   - So it is...
     - Co-created, not “sold”
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     - A result of a broad and iterative process
     - Focused on joint gain
     - Concerned with creating impact

3. **Is designed — and developed — collaboratively**
   - By...
     - Meeting a clear set of academic partner, and industry interests
   - Because...
     - Partnering is the right answer
     - It’s worth the effort
     - It’s the right partner
     - We have assessed confirming and disconfirming information
   - So it is...
     - Co-created, not “sold”
     - Based on a shared vision
     - A result of a broad and iterative process
     - Focused on joint gain
     - Concerned with creating impact

4. **Is actively managed**
   - By...
     - Meeting a clear set of academic partner, and industry interests
   - Because...
     - Partnering is the right answer
     - It’s worth the effort
     - It’s the right partner
     - We have assessed confirming and disconfirming information
   - So it is...
     - Co-created, not “sold”
     - Based on a shared vision
     - A result of a broad and iterative process
     - Focused on joint gain
     - Concerned with creating impact

5. **Builds**
   - By...
     - Meeting a clear set of academic partner, and industry interests
   - Because...
     - Partnering is the right answer
     - It’s worth the effort
     - It’s the right partner
     - We have assessed confirming and disconfirming information
   - So it is...
     - Co-created, not “sold”
     - Based on a shared vision
     - A result of a broad and iterative process
     - Focused on joint gain
     - Concerned with creating impact

6. **Is assessed**
   - By...
     - Meeting a clear set of academic partner, and industry interests
   - Because...
     - Partnering is the right answer
     - It’s worth the effort
     - It’s the right partner
     - We have assessed confirming and disconfirming information
   - So it is...
     - Co-created, not “sold”
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**Based on...**
- End-user need
- A clear set of academic partner, and industry interests

**AND**
- It ends if 1 or 2 is no longer true

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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

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

**Management Implications**

- Governance
- Activities
- Accountability
- Monitoring
Defining roles across different types and tiers of relationships

<table>
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<tr>
<th>Relationship Types</th>
<th>Tier 3 “Transactional”</th>
<th>Tier 2</th>
<th>Tier 1 “Strategic”</th>
</tr>
</thead>
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<tr>
<td>Government-sponsored research</td>
<td>E.g., Informed</td>
<td>E.g., Consulted</td>
<td>E.g., Responsible</td>
</tr>
<tr>
<td>Licensing to existing company</td>
<td></td>
<td></td>
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- **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

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<th><strong>Decentralized</strong></th>
<th><strong>Decentralized - coordinated</strong></th>
<th><strong>Center-led</strong></th>
<th><strong>Centralized</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>(industry touch points owned by relevant functions / schools)</td>
<td>(horizontal structure in place)</td>
<td>Central function primarily responsible for strategy and establishing best practices, with direct partner management via dotted lines to 'local' relationship managers</td>
<td>Central function wholly responsible for managing defined types of engagement with industry through solid line reporting staff</td>
</tr>
</tbody>
</table>

- 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

### 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...

Understanding 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

Foundational activities
*Months 0 – 4*

Securing ‘anchor’ partner
*Months 5 – 9*

Putting in place broad capability
*Months 9 – 18*

**Phase One (Design)**

- Catalyze momentum internally to design a leading partnering capability tailored to the Institution’s unique strengths and opportunities

**Phase Two (Build)**

- Begin to build the partnering capability by actioning the updated ways of working defined in the “design” phase; ideally, this is done ‘live’ by supporting the launch of a new alliance relationship

**Phase Three (Implement)**

- Implement any lessons learned through the “build” phase, and roll out the broader enabling processes (beyond the core function) required for embedding a true partnering capability across the Institution

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*Development of the relevant processes, skills, and mindsets ought to be seen as a process over time, including a clear approach to change management in order to enhance the impact of the investment in a capability building project.*
Thoughtful change management increases the odds of success

1. Create a climate for change
   - Align leadership
   - Develop the vision & strategy

2. Engage & enable the organization
   - Assess impact
   - Engage stakeholders

3. Implement and sustain
   - Establish metrics
   - Educate and train

What are the primary strategic, financial, operational, cultural objectives for this initiative?

How will we know we’ve achieved those objectives?

- RESISTERS
- FENCE-SITTERS
- EARLY ADOPTERS
For more information about how best to build your institution’s partnering capability, please reach out to:

Stu Kliman  skliman@vantagepartners.com

Mai-Tal Kennedy  mkenndey@vantagepartners.com

www.vantagepartners.com