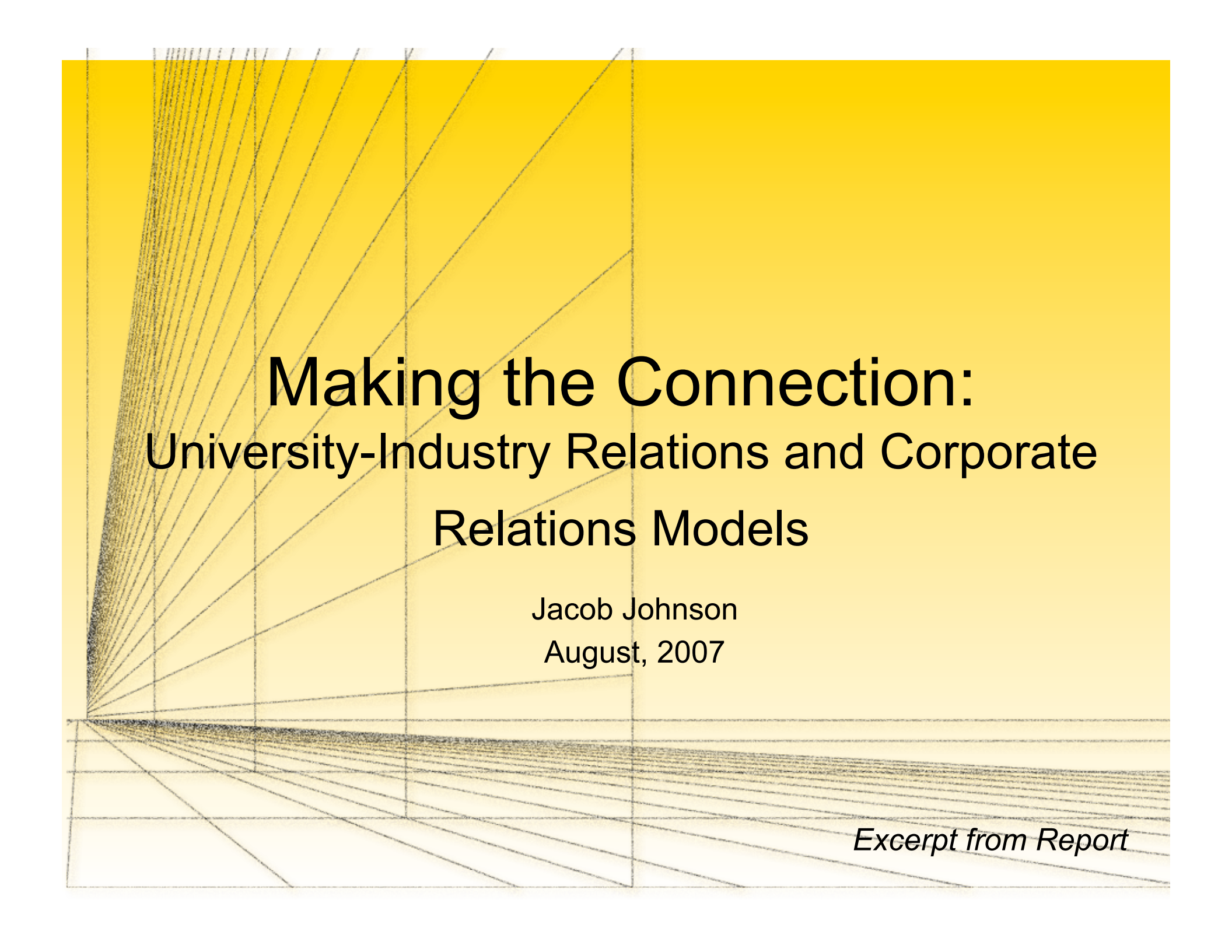


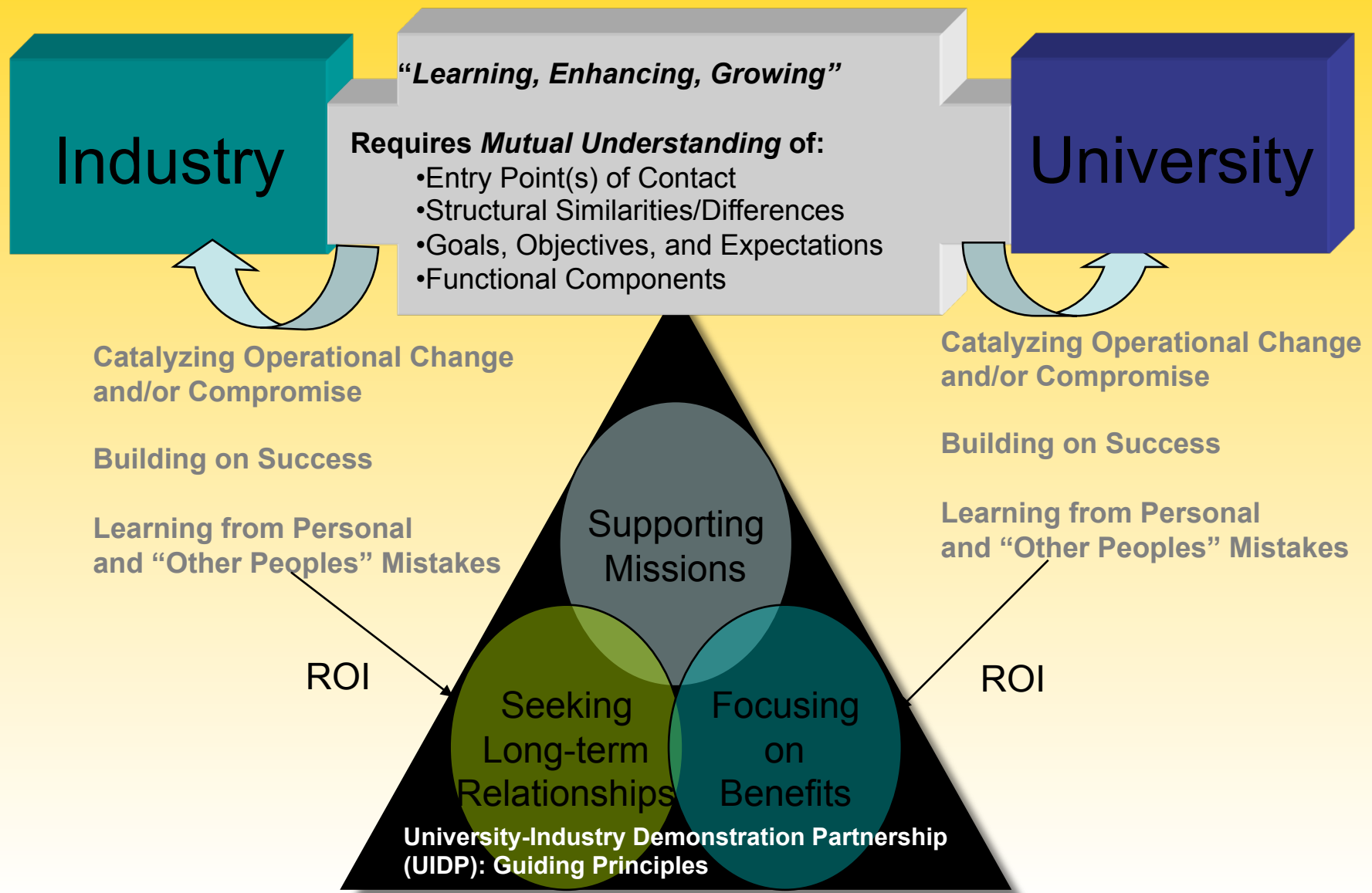


Making the Connection: University-Industry Relations and Corporate Relations Models

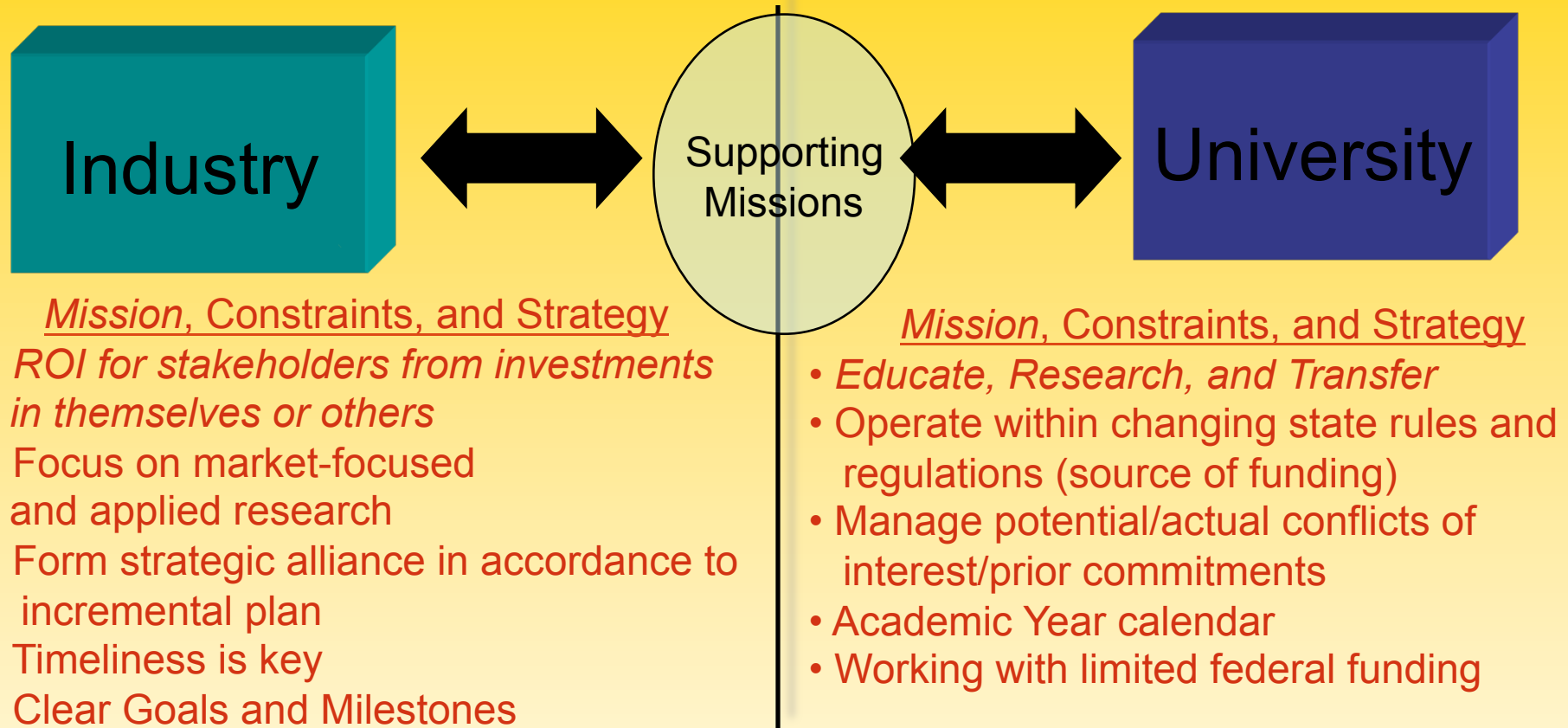
Jacob Johnson
August, 2007

Excerpt from Report

Overview: Balancing a Successful University-Industry Relationship

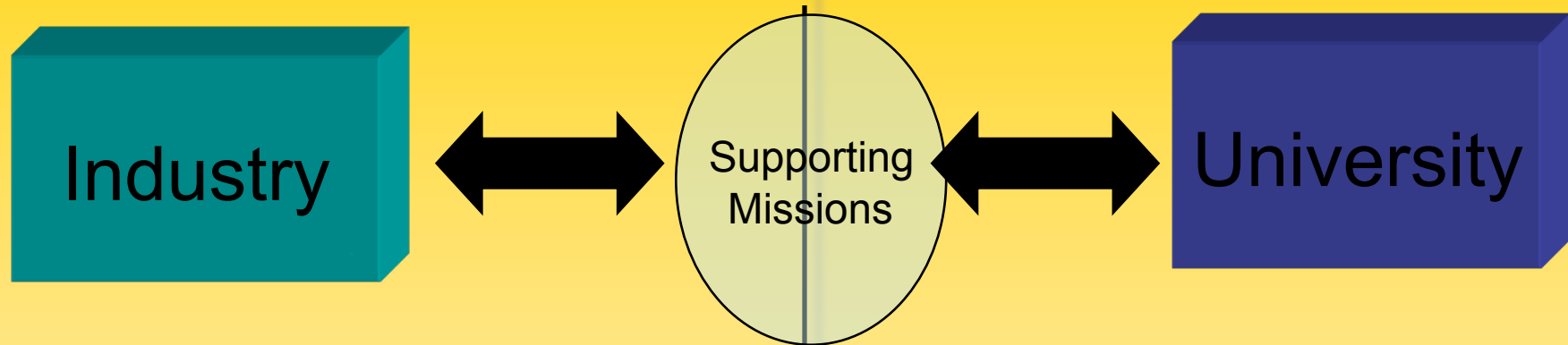


Understanding and Supporting Multiple Missions (System Constraints)



Lack of match between industry segmentation
of research and university segmentation
(shared constraint)

Understanding and Supporting Multiple Missions (System Opportunities)



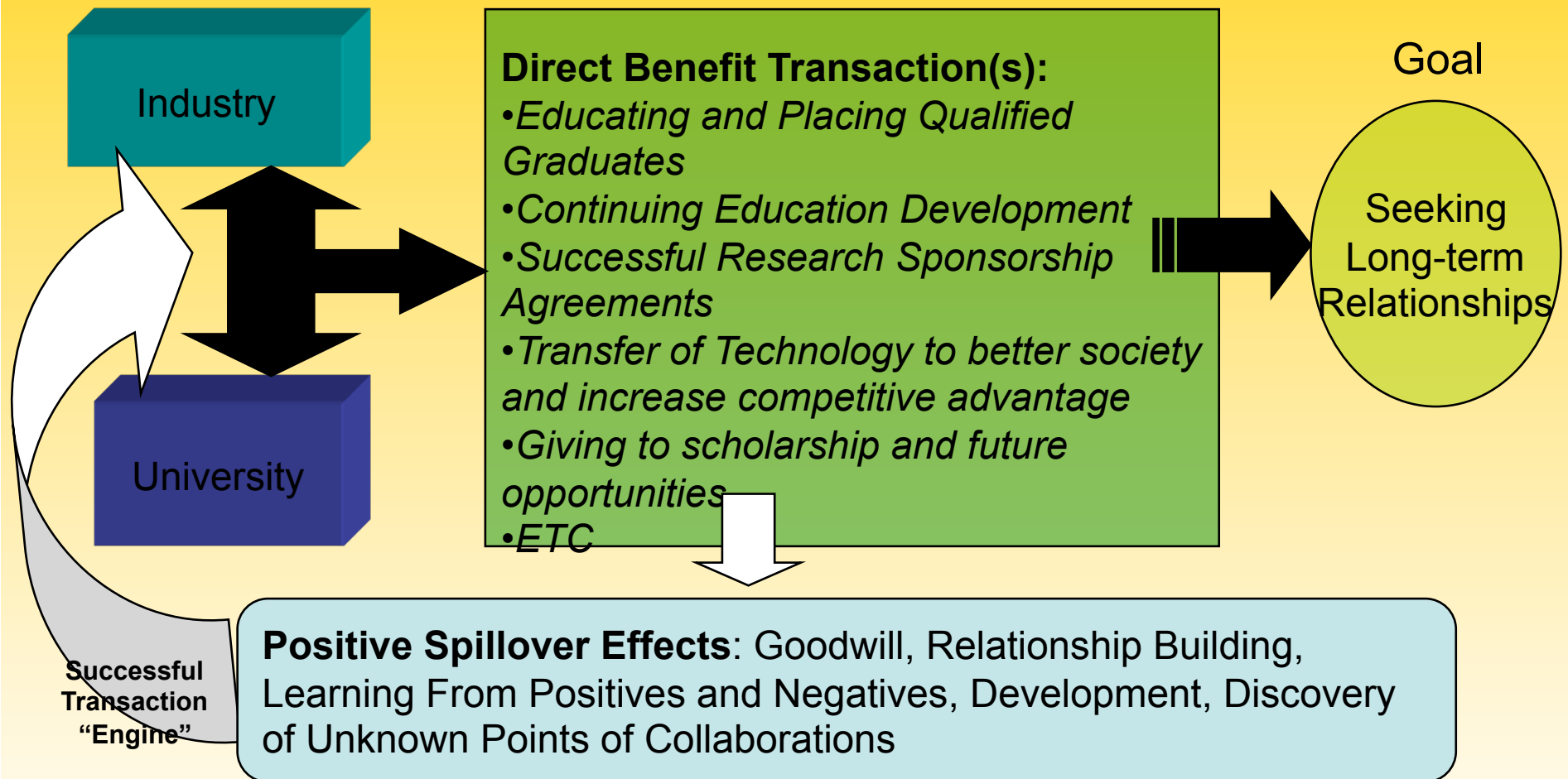
Benefits through Transactions

- *Managerial/Technical Employee Training*
- *Positively affect marketplace*
- *Industrial Focused Research*
- *Support Education of Future Workforce*
- *Employment of trained students*
- *Objective testing ground for new technology*
- *Access to University Resources*
- *New technology licensing for commercial purposes*

Benefits through Transactions

- *Infusion of Market perspective into Labs*
- *Expanding Faculty knowledge through consulting and sabbaticals*
- *Research and Program Funding*
- *Real world experience and opportunity for students*
- *Equipment/Facility donation or upgrades*
- *Curriculum Development*
- *Economic Development*

Perpetual Success: Forging Long-term Relationships



How are Universities conducting Corporate Relations?

Perspectives from National
Survey

Survey Goals and Purpose

- Assess the State of the Art as it relates to corporate relations functions at leading US Research Universities
- Use information from survey to align our strategic objectives for the future
- Share information with other US Research Universities
- Personal Interest

Acknowledgements

- **University Leaders:** 32+ Research University study group (including U of MN) who shared time, experience, and insight
- **Thought Leaders:** University Industry Demonstration Partnership (UIDP), and Kauffman Foundation
- **Ranking Leaders:** National Science Foundation (NSF), University of Florida Study, and National Institute of Health (NIH), Florida Rankings

Survey Method

- Created a survey list based on:
 - U Comparison Group/Big 10
 - NSF Rankings
- Conducted phone interviews with 31 Universities
- Followed with a web survey of additional questions to 31 Universities (81% response rate)
- Summarized and compiled model drafts and University profiles
- Returned drafts to Universities for amendment and input
- Completed initial report

“Old School”

Many respondents echoed the sentiment that the “Old School” University is not operating in a style conducive to the needs/missions/goals of a competitive, global economy.

“Old School”

- **Lack of responsiveness**
- **Lack of enterprise-wide communication or the “silo effect”**
- **Many deans and directors must be convinced of positive benefits and encouraged to cooperate**
- **Lack of awareness or indifference of top administration**

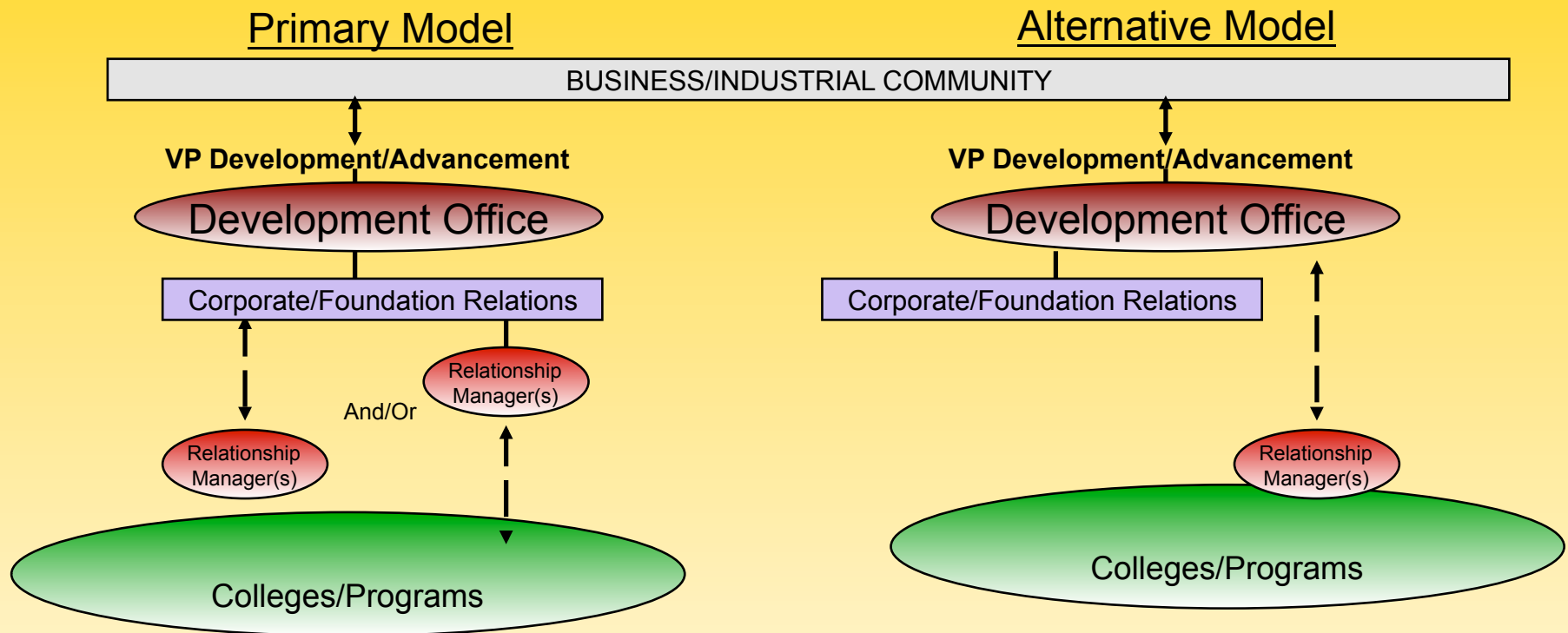
A Three Model Approach

Corporate Relations at Top National
Research Universities

Philanthropic Focus

- Primary entry point for the business community is almost solely maintained through the Development office/Foundation
- Often industrial development-based proposals, high level executive, and large account contacts must be cleared by this unit
- Primary mission is to increase the potential for a gift/donation from industry for institution related goals and objectives
- Secondarily, this unit may assist/connect the industry client to internal resources (Continuing Education, Student Placement, Research Expertise, Research and Licensing)
- Generally, informally refer to other areas on campus (hands-off)

Philanthropic Focus



MAIN SUCCESS METRIC: GIFT/DONATION \$\$\$

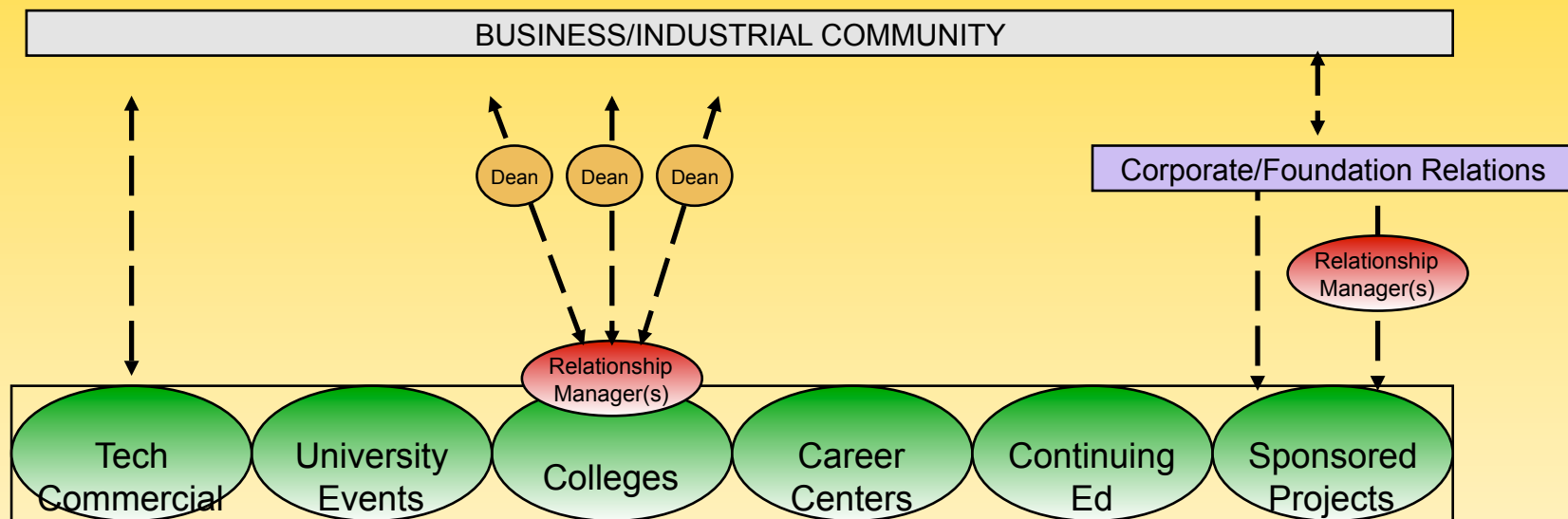
Byproducts: Student Placement, Continuing Education, Sponsored Research/Licensing, etc.

Decentralized

- Formations of proactive and focused industrial access points from other strategic units (in addition to the Development office/Foundation). Examples may include college/unit level industrial relations, as well delegates from other units such as Technology Licensing
- The Development Office focuses on philanthropic matters and industry
- A unit may also take a more active role in loosely coordinating some of these industrial activities across campus
- Primary mission to increase points of collaboration with industry in accordance to central mission of each unit. This may be wide spread and all encompassing (from philanthropic to research sponsorship) or narrow (industrial research projects)

Decentralized

Primary Model

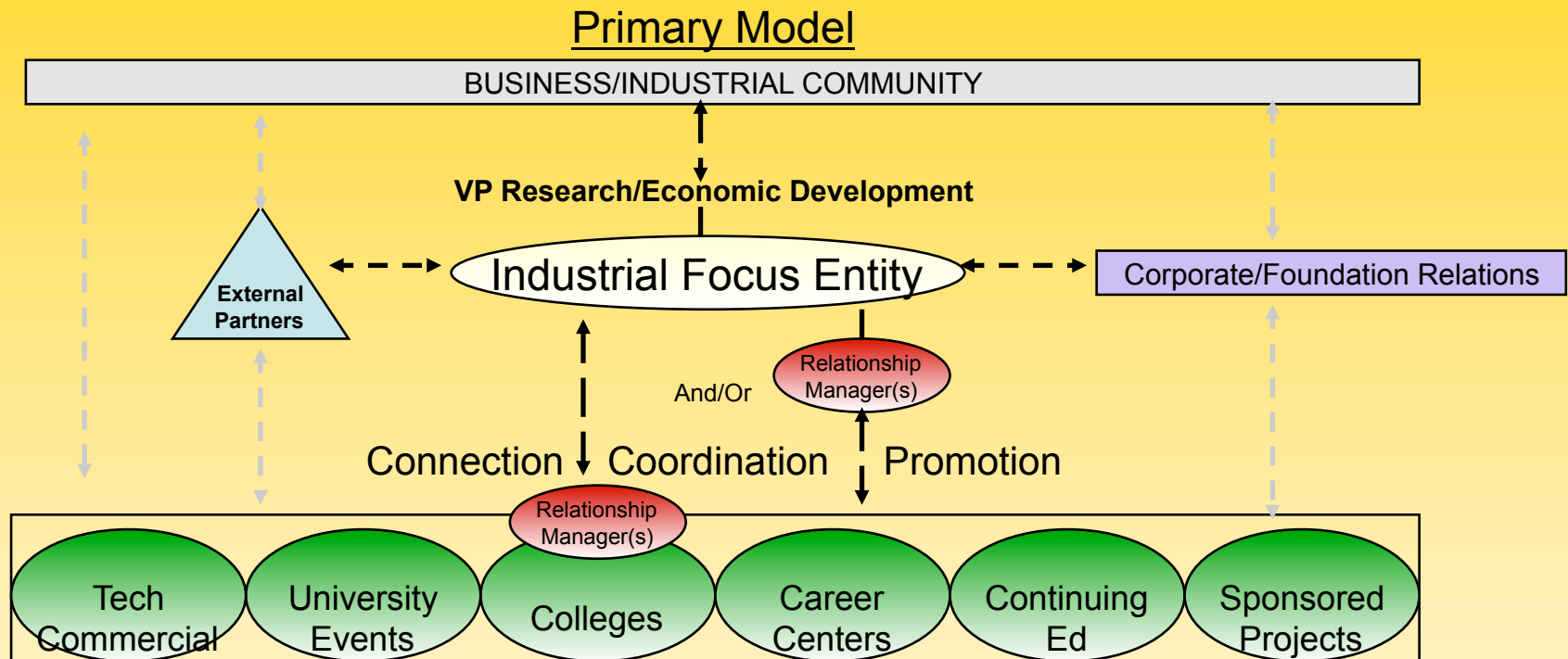


MAIN SUCCESS METRIC: **Highly dependent on unit objectives**

Industrial Focus

- Established and marketed single point of entry for business, in addition to the Development office/ Foundation.
- This unit acts **on behalf** of the business community as a connector to a wide array of University resources, an additional promoter of those resources, and a facilitator to expedite the process of discovering and making use of them
- May include but not limited to Continuing Education, Student Placement, Research Expertise, Research and Licensing, Event promotion, .
- Strong effort to understand what the University is capable of, assessing client needs, and matching where applicable.
- Mission focused on strengthening relationships and increasing collaborations with the business community. Philanthropy is an intended potential byproduct, but not a focus (the Development office continues to target corporate giving)

Industrial Focus



MAIN SUCCESS METRIC: Student Placement, Continuing Education, Sponsored Research/Licensing, Economic Development, and Goodwill

Byproducts: Gift/Donation \$\$\$

Models: Benefits and Challenges

Model	Benefits	Challenges
Philanthropic Focus	•Already have working knowledge and relationships in organizations •Traditional, well known entry point	•First focus on Development •Division between “giving” and “ROI” •May stretch skills, resources
Decentralized	•More knowledge of Specific Area of Interest •Easier access to senior level deans, directors, etc. in units	•Disbursed •Duplication of Resources •Coordination
Industrial Focus	•Dedicated individuals and resources that sit across many University functions •Can bring together individuals and tools	•Form new relationships •Tracking of Success •Chance of more bureaucracy

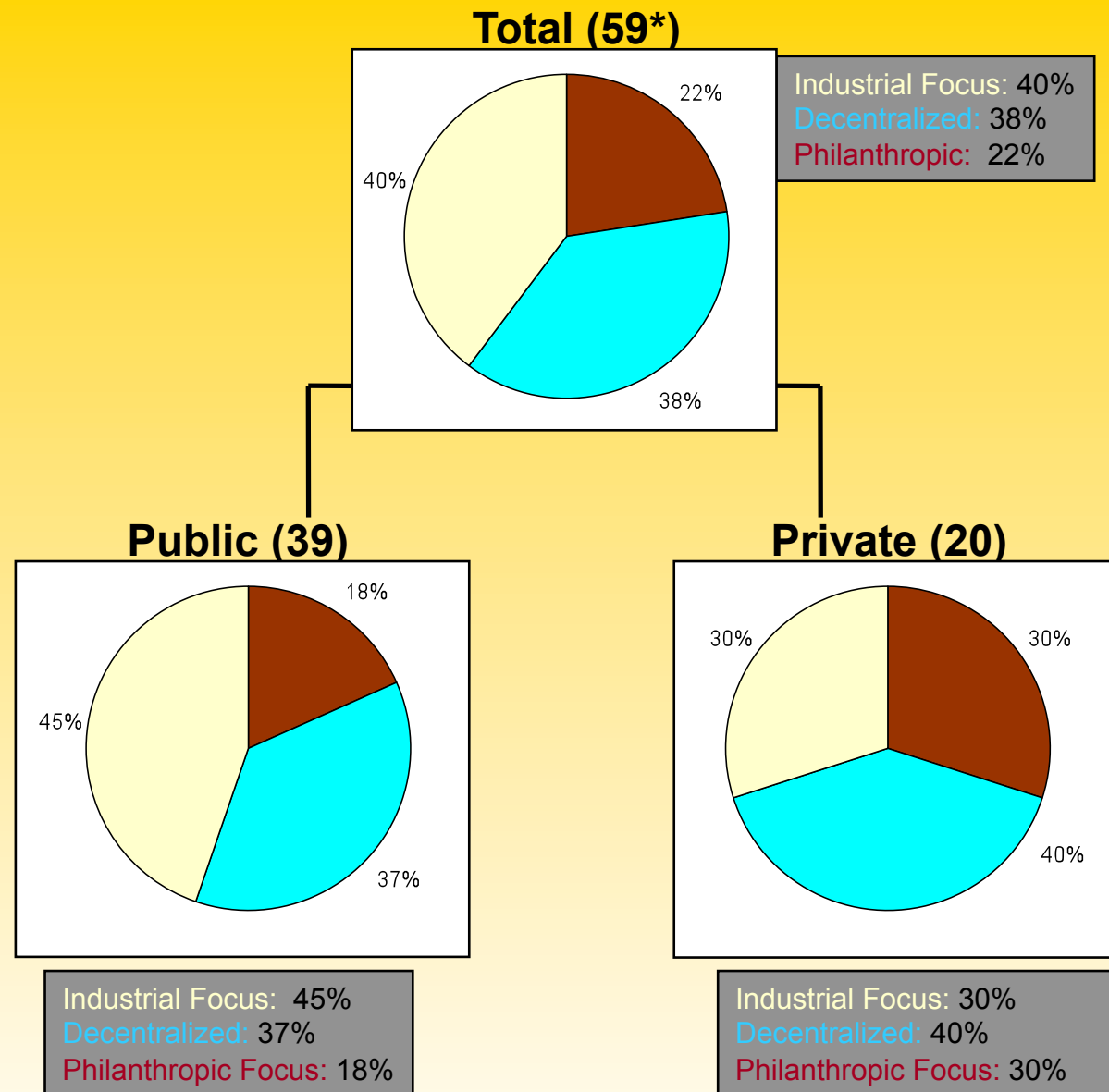
Organizational Structure: Overview of the Top 50 NSF04'

NSF04 Rank	Organizational Structure		
	Philanthropic Focus	Decentralized	Industrial Focus
1			John Hopkins University
			UCLA
			U Wisconsin
		U Michigan	
5			UC San Francisco
			U Washington
			UC San Diego
		Stanford University	
			Penn State
10	U Pennsylvania		
			Cornell University
			M.I.T
			UC Berkeley
		Duke University	
15		Ohio State U	
			U Minnesota
		UC Davis	
		UC Illinois UC	
		Washington U-S.L.	
20		U Colorado	
			U Arizona
		Baylor Col of Med	
		Columbia University	
	U Pittsburgh		
25	Texas A&M		
		Harvard	
		U Florida	
		USC	
	Yale University		
30		U North Carolina	
			Georgia Tech
			Indiana University
			Purdue University
	Northwestern		
35		U Texas Cancer	
			U Texas-Austin
		Louisiana State U	
			UMD College Park
	Michigan State		
40			Vanderbilt
		UMD Baltimore	
		Texas SW Med	
	U Georgia		
			U Iowa
45	U Rochester		
	Emory		
		U Alabama	
			U Chicago
		U New England	
50		U Kentucky	

	Philanthropic Focus	Decentralized	Industrial Focus
Top 25	3	10	12
Top 25-50	6	11	8
Total	9	21	20

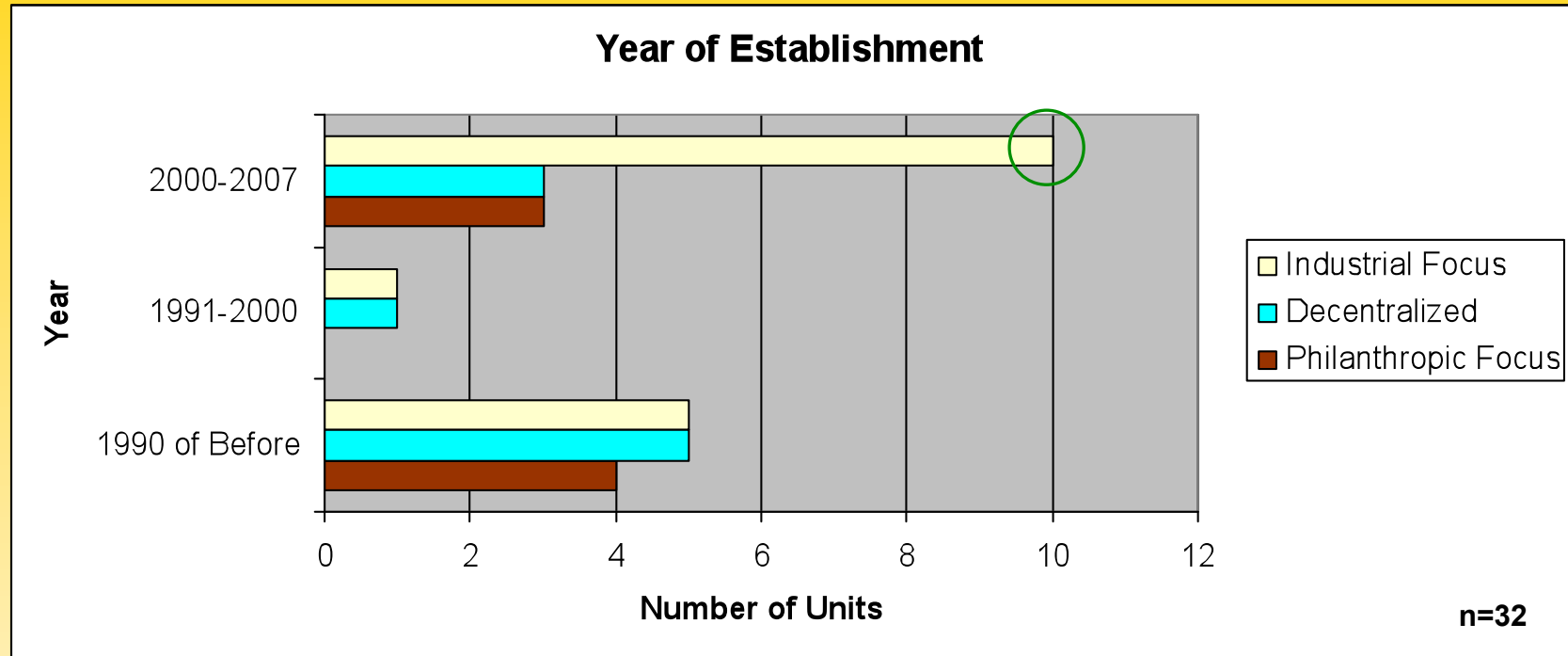
“Over 80% of the Top 50 NSF04 R&D Institutions are either maintaining a single point of entry or opening other entries for the business community in addition to/ outside of the traditional Development office/ Foundation”

Organizational Structure Break-down: Public vs. Private



*This includes the intuitions phone surveyed (32) supplemented with a web search of the remaining NSF Top 50 R&D Institutions (50), for a total of 59 (repeats eliminated)

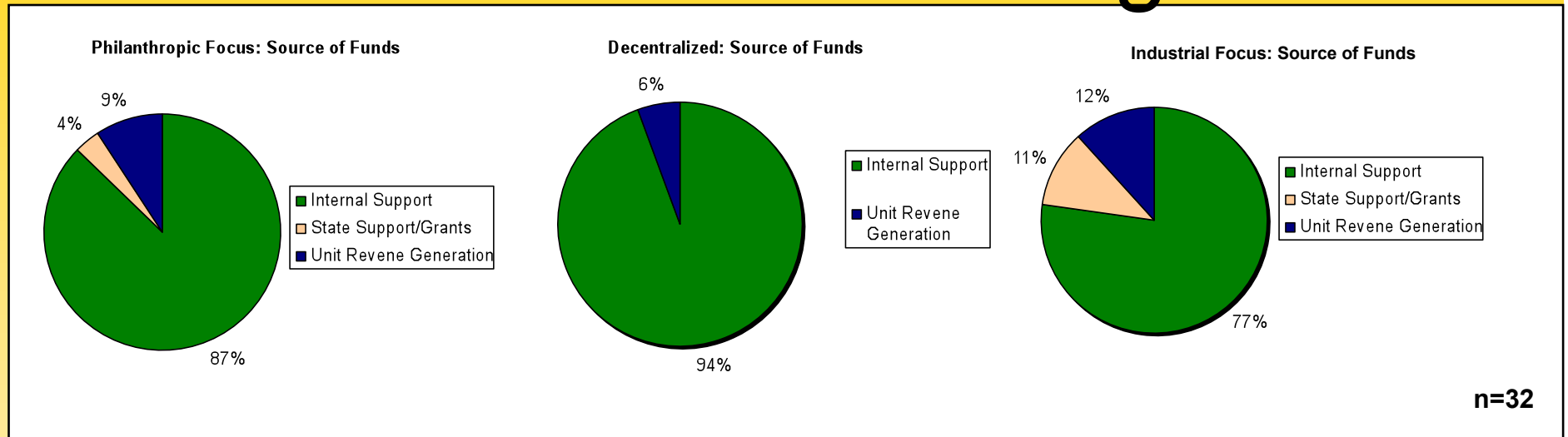
Year of Establishment



- The Industrial Focus model is relatively new as compared to the other two models.
- 63% of those Institutions with units expressing an Industrial Focus were formed within the past 6 years (Nearly 70% in the past 15 years).

*MIT ILP Program Established in 1948

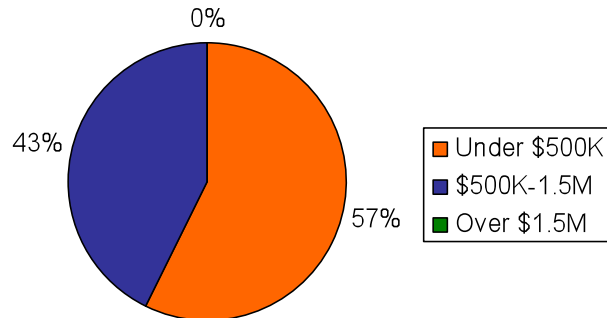
Source of Funding



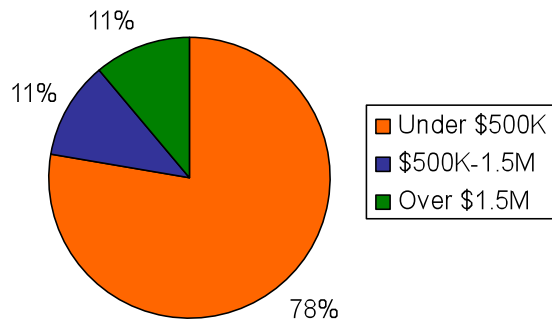
- Regardless of model, around **80%** of all unit funding comes from internal support (general fund, reallocation of resources)
- The Industrial model shows a higher tendency to receive funding from the state (30% of UMN budget)
- Some units in both the Philanthropic and Industrial Models are utilizing service options to business to attract direct unit revenue.

Annual Budget

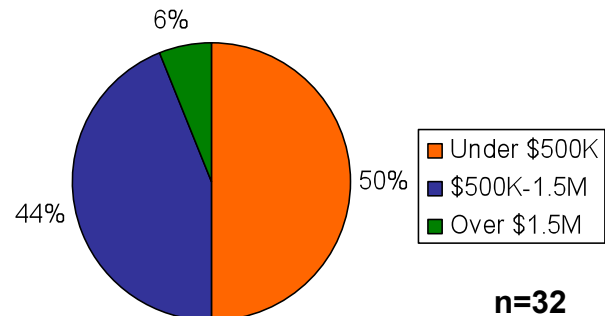
Annual Budget Size: Philanthropic Focus:



Annual Budget Size: Decentralizer:

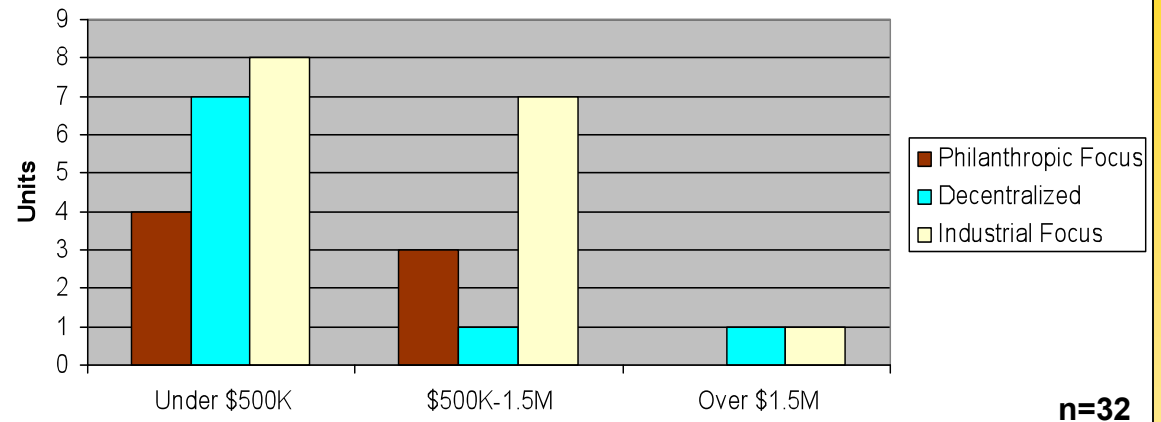


Annual Budget Size: Industrial Focus:



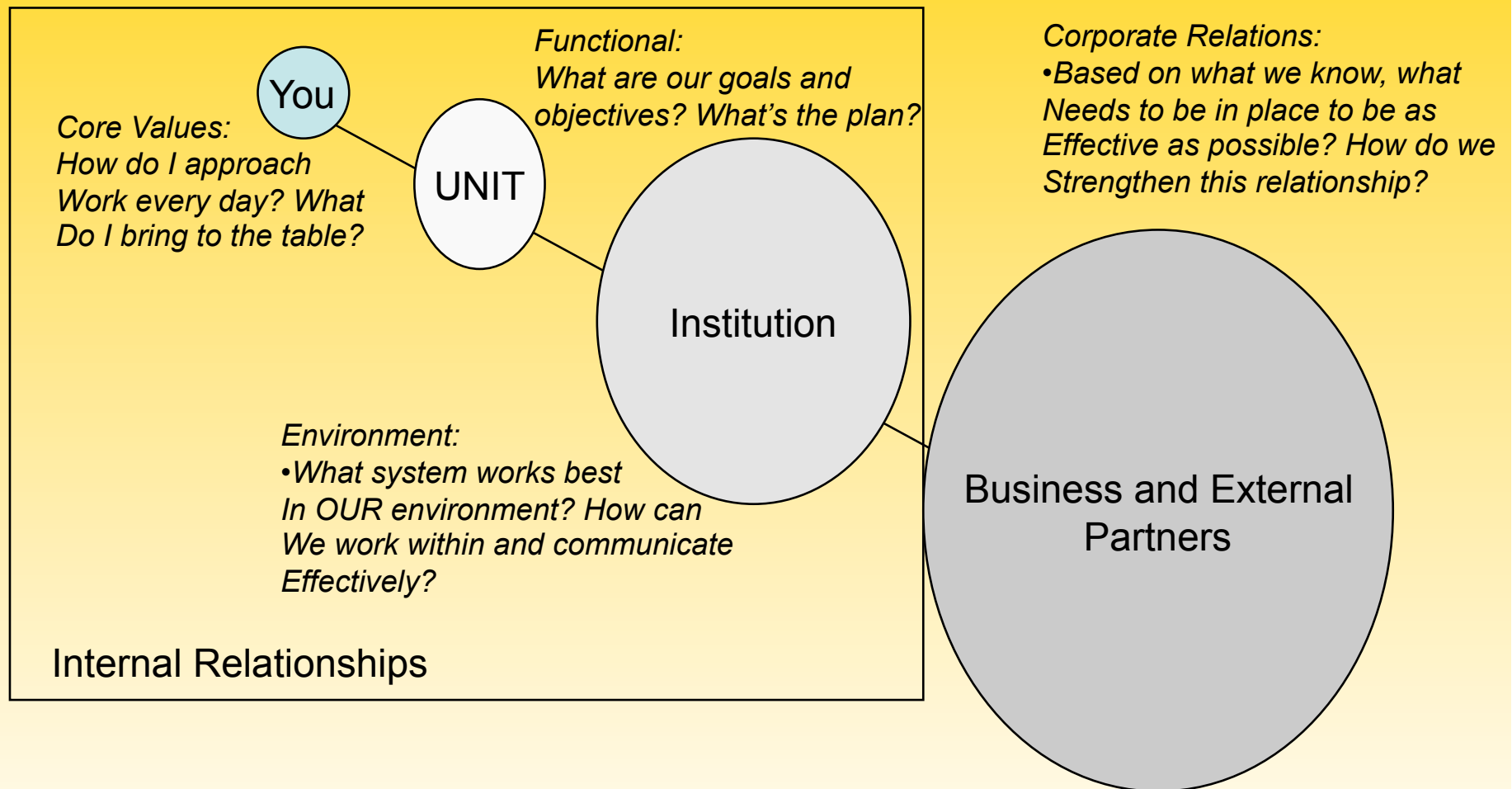
n=32

Annual Budget Size of 3 Models



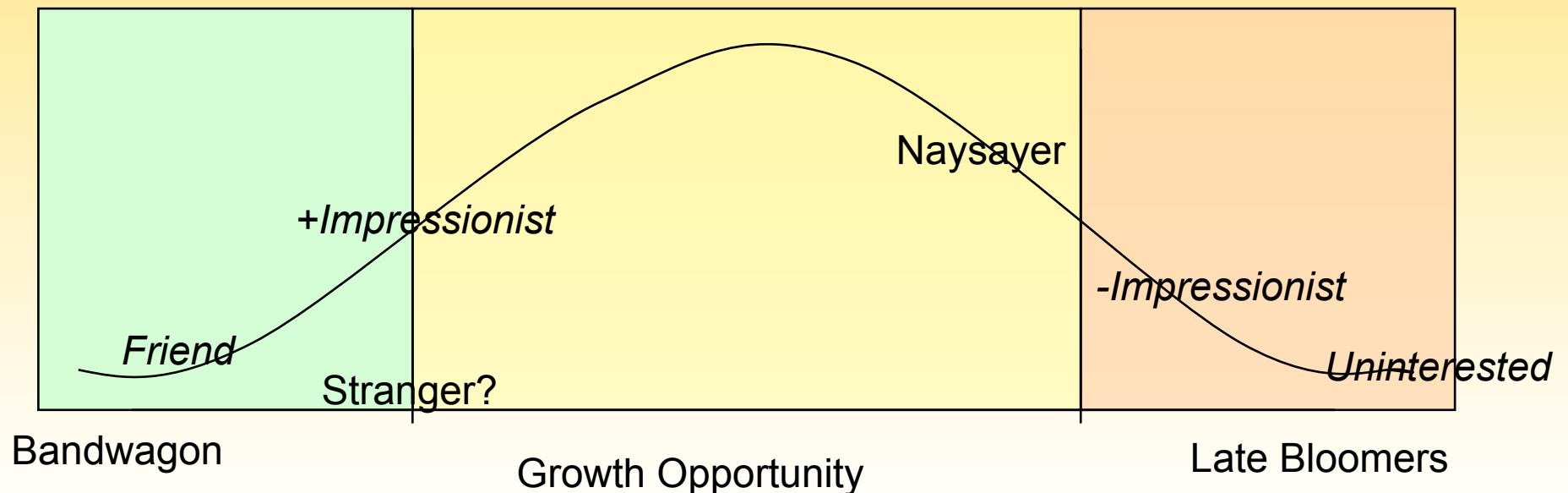
- Industrial Focus operations are **more costly** to operate
 - Staffing (senior level)
 - Types of skill sets
 - Enterprise Resource creation
- Decentralized units tend to be **independently cheaper to operate** on a per unit basis
 - Smaller staff sizes (1-4FTEs)
 - Duplication?
- Philanthropic Models, like Industrial models generally cost more
 - Staffing (central vs. leveraging)
 - Enterprise Resource creation

Understanding your relationships...



Assessing each relationship

	Familiar	Unfamiliar
Positive	FRIEND/ALLY (Low hanging Fruit)	+ Impressionist (Low Hanging Fruit)
Negative	Naysayer (Late Middle Mover)	-Impressionist (Late mover)
No Opinion	Uninterested (Never)	Stranger (Wildcard)



...helps to guide the way.

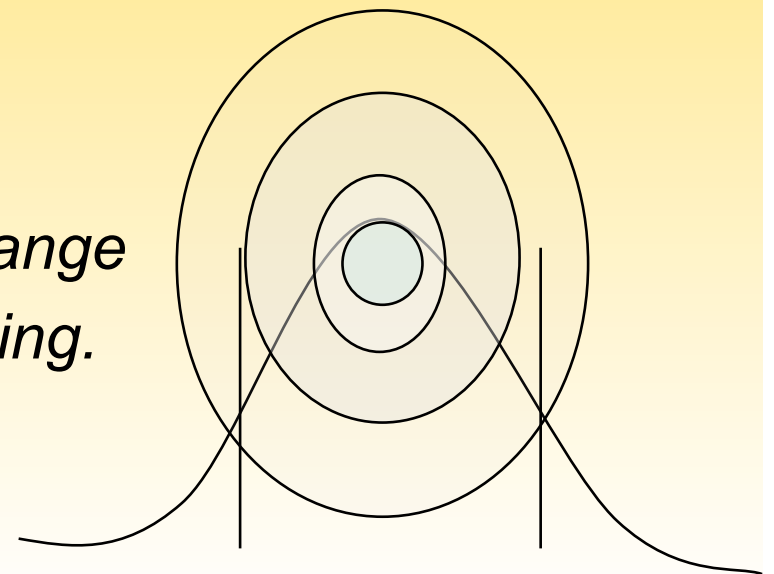
Identifying Relationship and Understanding current state of those relationships is the **starting point**

- Targeted Functions
- Activity
- Staffing needs
- Promotion

• *"We must be the change We wish to see."*

-Gandhi

Keep the great, challenge the good, change the bad...but always be positively creating.



Please contact me

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