

Lambert Review of Business-University Collaboration

Input from Premier Farnell, global distributor and marketer of electronic, MRO and specialist products and services – in the service sector.

Context

The core activity of Premier Farnell is to market and distribute components and parts to a very large and broad business customer base. There is virtually no scientific or technical research or product development, but rather the company works with its suppliers to bring new products to a targeted market effectively. The areas of R&D are more related to business ideas and to technology based channel development – such as supply chain reshaping and e-business solutions. The following paper is written in this context as a service provider. As will be developed later, the matching of the state and needs of any company with the state and capability of universities is critical to the success of any effective collaboration.

Historically the business has been a very practical and pragmatic organisation, focussing on serving customers with effective, basic business processes. As a result, there has been relatively little interaction with universities, although this has been changing over the last few years – mainly as a result of increased sophistication in the business rather than any specific change in activity from universities. There is no coordination in the approach to universities from the company and it is very much driven by personal contacts and experiences.

Areas of Collaboration – best practice

There are several areas for possible collaboration for any company and these may be summarised as follows :

- Consultancy
- Training and development
- Project work
- Technology transfer
- Source of resource & skills
- Networks

Each of these headings has in its own right a range of activities and approaches and many universities offer some or all of these services openly through business development departments, enterprise boards, university web sites or indeed intermediaries, such as RDAs. Elements of all of these could benefit service companies

such as Premier Farnell, but most of the collaborative work has been associated with consultancy, training & development and source of resource & skills.

The consultancy has been limited and predominantly business management based with examples such as advice on rebranding or product marketing. These interactions have been typically drawn from personal relationships and tend to be specific and short lived – not all have involved direct payments. One of the successful examples was work with a professor at Cranfield University on product marketing. This developed from consultancy through to an 18 month training and development program involving formal training courses and then ongoing projects which were supported by the original consultant. These projects led to a change in direction in product strategy, with new emphasis in certain new technologies, and also to a change in culture in the teams involved. The main reasons for success were the quality & ongoing availability of the consultant, (a contact that had been made in a previous employment) and the continuation and involvement of staff throughout the 18 month period.

In addition to the example above, training and development has been a more widely used collaboration area. Again, the focus has been on business management as opposed to the sciences or technology. The range varies from part time MBAs, through tailored CRM & marketing courses to attendance at university hosted or led seminars. The company has a number of individuals following university based personal training programs, in the UK and elsewhere, covering MScs in computing, IPD certification in HR, plus business administration and marketing qualifications. These are typically with local establishments. They are generally much sought after by employees and can involve significant investment of time and funding by the company. The tailored courses have been effective when the university has really understood the requirements of the company and not simply repackaged standard courses. Some of the courses lead into best practice groups, such as Key Account Management at Cranfield, which are only effective if time is invested in them.

Probably the most common collaboration area is related to sourcing resource and skills. There is again a range of examples from students providing part time support (using their subject knowledge to assist with short term goals) to longer term full time projects. These tend to be direct agreements with individual students rather than with the university, although the local university has often facilitated the contact. Most of these have been successful in terms of the achievement of short term goals, such as the collection of technical

product data for catalogue production, using students from the Job Shop at Leeds Metropolitan University. It is however unclear whether there is any longer term value created through the students' experience in the business. Success has been based on identifying the key skills required to do the specific task and then either directly or with the help of the university, identifying students with those skills – rather than treating the students simply as a pair of hands. As far as more permanent roles are concerned, Premier Farnell has not traditionally recruited direct from universities. It primarily recruits from schools or after first employment. A graduate recruitment exercise would be expensive and is not currently carried out although increasingly new graduate intake is required.

There is a desire to increase the amount of funded project work and attempts have been made with local business schools, such as Leeds University. The critical elements here are the timeliness & availability of appropriate resource and the ability to attract the best students to the projects.

Barriers to Collaboration

The major barriers to a company such as Premier Farnell can be summarised by the following headings - some of these have been alluded to in the examples given above :

- Pre-conceived ideas
- Awareness
- Measurement of impact
- Finding the right fit – business as a key customer
- Ease of access

The earlier examples demonstrate the impact individual managers have on collaboration opportunities and highlight the strength of pre-conceived ideas. Virtually all collaboration has been led by managers with an academic background and / or direct experience of successful collaboration. The relationship has moved on from the polarised positions of the past, but there are still perceptions of a cheap source of research requiring significant business modification before any value can be driven out. In many cases, there also seems a lack of real mutual trust, understanding and respect.

Another barrier is the nature of the relationship between the business and the university. These different establishments have different goals, but the interface where they come together needs to be business like at least in terms of a supplier-customer relationship. In this relationship, the supplier needs to understand

the needs of the customer and deliver a product or service to fit them - as an example, the needs of Premier Farnell are very different from that of a technically driven manufacturing company. The supplier needs a service organisation & culture for their customers and a marketing approach to the opportunities - they need to realise that not all suppliers have appropriate propositions to all customers. In return, the customer needs to assist the supplier by clearly articulating the specific needs, particularly where those needs are not main stream. Some suppliers have capabilities and resources that are highly desired by many customers and in this situation, the relationship between supplier and customer needs to be balanced & mutually beneficial.

There are an increasing number of programs, such as STEP, HEROBC and TCS, available to support joint work, but not all potential beneficiaries are always aware of them. In addition, even when there is awareness, some businesses do not have or make time to exploit the opportunities. The direct financial benefits of some of these programs & funds are also unclear or at least, less focussed on large businesses in the service sector. Awareness seems to be predominantly dependent on proximity and personal experience.

After awareness, accessibility is the important next step and although much progress has been made through business development departments and enterprise boards, finding the right resource at the right time can be difficult. In addition, the information that can be accessed is often focussed on the academic aspects of the work rather than being targeted at its business customers. Given the different objectives of universities and businesses, it is understandable that there are competing requirements. It is interesting to note the significant differences in ease of access of certain skills in different universities and the lack of consistency of approach.

The final barrier is associated with measurement. Some specific tasks can and are measured, but the ongoing, longer term impact is less easily captured, not least because of the wide variety of potential benefits.

Opportunities

Given the relatively low level of collaboration of Premier Farnell with universities, this short section aims to outline some examples of the large number of potential opportunities that are now being actively pursued:

Recruitment - as mentioned already

Networks – using specific universities with key contacts in certain technologies or markets to build business relationships or simply develop understanding – such as Cranfield for aerospace

“Technology transfer” – building long term relationships to research and develop new business models or key strategic skills, such as data management.

Projects – a large area of opportunity requiring focus and planning by the company

Summary & Conclusion

As a service provider and due to the historic ways of working, Premier Farnell has not developed strong or coordinated university collaborations and those which exist have been driven by proximity and personal contacts. There is no technically based research, which is often the major part of collaborative work, but there are real opportunities being pursued for working together on fundamental, business related subjects. The barriers need to be addressed in both universities and the company with a change in pre-conceived ideas and a more supplier-customer relationship required at the heart – the right products and services to meet the needs of the specific company, with a prolonged relationship generating sustained value.

Proposals would thus include :

- a more marketing based organisation and approach from universities
- increased communication and awareness of existing programs and the value they can bring
- a common language and some relevant, recognised performance measures for short and long term collaborations
- some mechanisms for building trust – such as more placements or forums for discussion
- support to enable timely resource availability and sustained relationships