



8th April 2003

Mr. Richard Lambert
Lambert Review of
University-Business Collaboration
1 Horse Guard's Road
London
SW1 2HQ

Dear Mr. Lambert

**RESPONSE TO THE LAMBERT REVIEW OF BUSINESS-UNIVERSITY
INTERACTION BY GLASGOW CALEDONIAN UNIVERSITY**

The University welcomes the above review as an important step in seeking to address the impediments to greater engagement between the Higher Education and business sectors. Glasgow Caledonian University regards this type of collaboration as vital to meet the economic development needs of Scotland.

Responses to the specific consultation questions posed by the review are presented below, taking into account that the focus of the review is on the demand side.

1. Identification of best practice and excellence in business-university collaboration

The focus of University engagement has traditionally been on the supply side, as engagements with business were viewed as a by-product of academic activity. Industrial R&D has moved over the last 20 years to being driven by overall business objectives i.e. very much more market- and customer-focused. It is now important for the University sector to regard businesses as customers, and to seek to proactively accommodate their requirements. We have found that the best and most satisfying interactions have arisen from relationships based on fulfilling a demand-side need and engaging with business clients on their own terms. This has not precluded the academic generating academic outputs from such interactions and often results in additional benefits in teaching practice. The Teaching Company Scheme is a particularly useful way of generating interaction between Universities and SME's as the focus is on the application of research in addressing a problem specifically identified by the business. We believe that it is this applied research and development

focus that offers the greatest potential in benefiting business and economic development. This type of activity also leads to

graduate employment with the companies and deepens the relationship with the University as a consequence. It is our view that the (a) extension of teaching capability into commercially available courses, and the continuous professional development, work based and online learning, and lifelong learning agendas; (b) undergraduate vocational placements (c) alumni employment in the regional economy and (d) consultancy, technical service and contract research activity all play a part in synthesising broader customer-supplier relationships .

2. What are the barriers to strengthening relationships?

There are cultural issues to be addressed across the business-University divide which arise from misunderstanding of roles and even of language (“research” is an obvious example) used to address the same topics. Financial barriers are significant for the SME sector. A significant amount of effort is required to maintain participation in public and private sector networks and to exchange information and find matches for synergies in capability. There is an ongoing need to develop mechanisms that allow Universities to engage with companies to address the agenda of the latter. The University sector needs to find a way of better harnessing both capability and management of capacity in third leg activities and balancing and rewarding both this and the other mainstream academic duties. The legal complexities of intellectual property ownership and licensing can act as a barrier to the engagement with the SME sector in particular. This can be resolved in most cases by a sensible approach to sharing of rewards and risk. Universities need to improve internal information systems (e.g. customer relationship management) to identify mutually beneficial interactions, but there are cost implications and risks in developing such custom-built software solutions.

3. How can business attract the best graduates and postgraduates with the skills they require, especially in technology?

Our University has a very good record concerning the employability of its graduates, due to the applied and relevant nature of the skills imparted. Businesses can attract the best graduates by offering attractive conditions of employment, and in technology in particular the prospect of utilising and developing technical skills in R&D activity to achieve tangible outcomes. The participation in placement schemes provides the means of assessing students in the workplace while at the same time delivering valuable work experience. Joint collaborative projects with corporate business at the postgraduate project level have been established for many years and have often been a route to the employment of students with key skills aligned to business priorities. Teaching company schemes offer an alternative route for SME recruitment. The advice of employees who are alumni of an institution could be sought in guiding further recruitment. Spin-out companies tend to have synergistic relationships with their originating University research groups and beyond and this is to be encouraged.

4. Do financial considerations currently help or hinder the relationships between business and Universities?

It is undoubtedly true that Universities are under pressure to recover the full economic cost of interactions with business. Large companies are more likely to accept overhead costs than SME's, although even in the former case there is increasing emphasis in achieving value for money in respect of outputs. The requirement for public sector accountability in Universities is a significant barrier to flexible and business-like interaction, making institutions more rather than less risk averse. Costs defined in University terms are seen by business as being notional as staff are already paid from the public purse. Universities focus on the opportunity cost of focusing on particular activities to the exclusion of others and net income drivers are very strong in this regard. However, there is a need to develop and deepen relationships for the longer term beyond the financial value of a single contract and to build a track record on this basis. This requires pricing and costing flexibility which as an institution we are seeking to evolve. Government initiatives such as R&D tax credits have done little to stimulate additional demand for interaction with Universities according to companies we have engaged with.

The University welcomes the opportunity to contribute to this consultation and wishes you well in the complex task ahead.

Yours sincerely

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