

# *Who will join and who will decline?*

An analysis of factors predicting a firm's decision to join a university-based industrial consortium

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# *Study Overview*



- Address gaps in the I/U collaboration literature
  - Center marketing
  - Sub-organization factors (decision process)
  - Control group of non-members
- Help center directors and other stakeholders increase the odds that memberships will happen

# Model of Informal Collaboration

## Stage 1: Discovery

Accidental  
encounters

Barter economy

Liberal sharing  
of information

## Stage 2: Exploration

Creative  
connections

Validation of ideas  
Planning of work  
Project formation

## Stage 3: Crystallization

'Production'  
External  
recognition  
Mobilization of new  
partners

Crystallized  
networks of  
collaboration

Kreiner & Schultz (1993)  
Informal collaboration in R&D: The formation of networks  
across organizations. *Organization Studies*, 14(2), 189-209.

# Stage Model of Inter-organizational Processes



## Key issues:

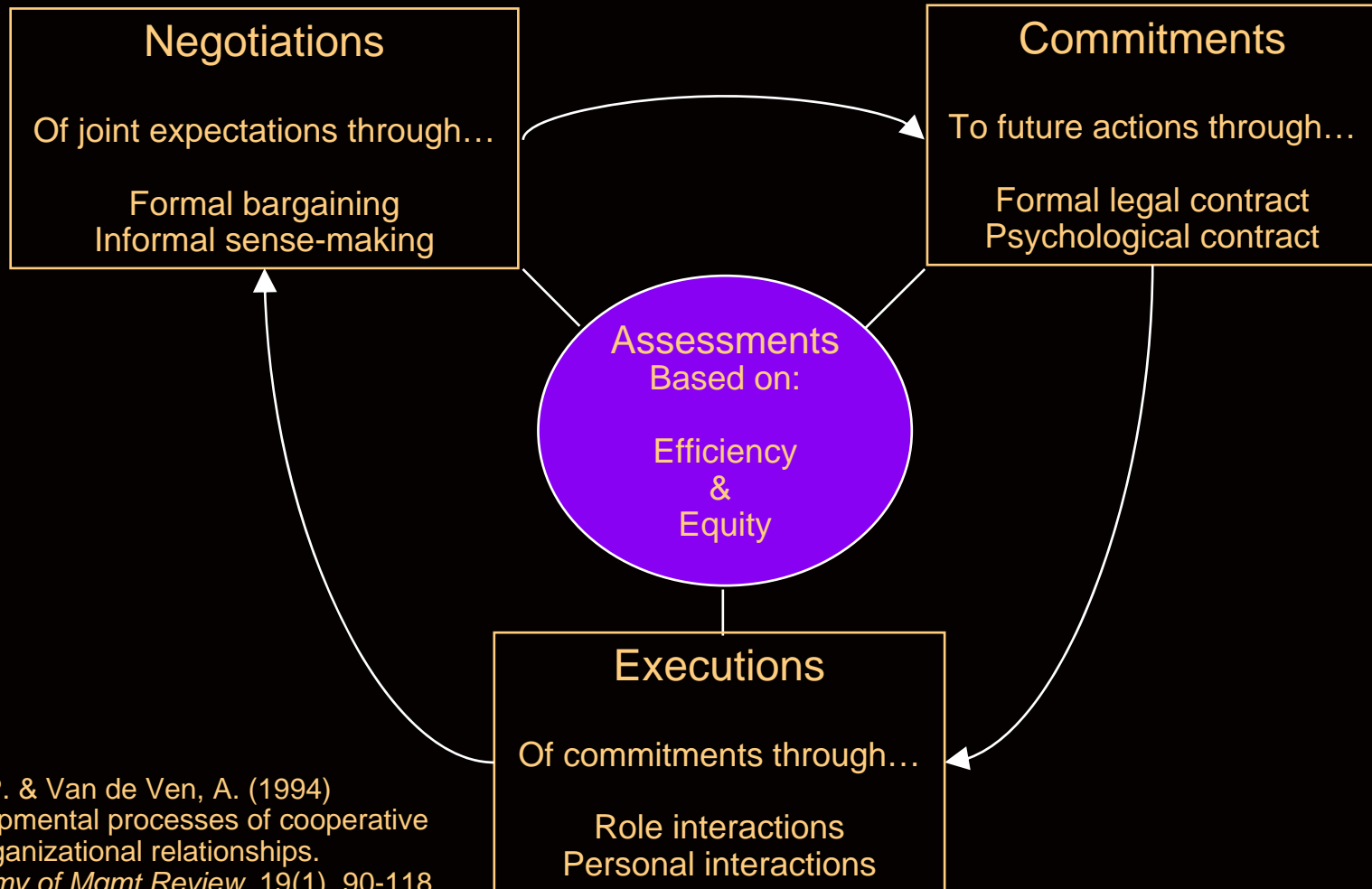
**Weighing alternatives**  
**Preliminary negotiations**  
**Estimating value**  
**Clarifying parameters**

**Identifying formal/informal obligations**  
**Accelerating learning**  
**Building trust**  
**Managing conflict**  
**Creating norms**

**Reaching end of expected duration**  
**Assessing performance gap**  
**Redefining strategy**  
**Redefining nature of exchange**

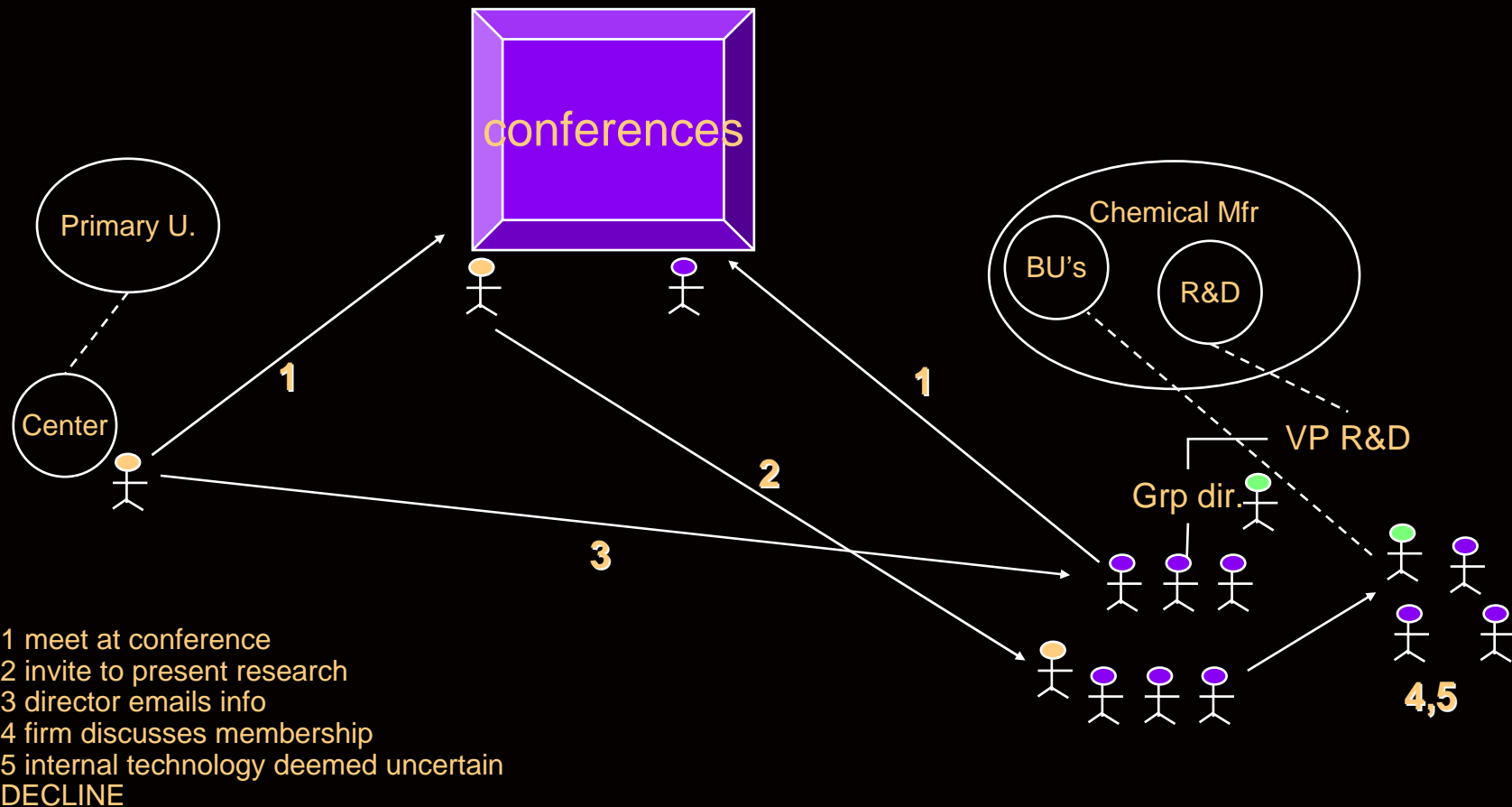
Zajac, E. & Olsen, C. (1993)  
From transaction cost to transaction value analysis:  
Implications for the study of interorganizational strategies.  
*Journal of Mgmt Studies*, 30(1), 131-145.

# Model of Formal Collaboration



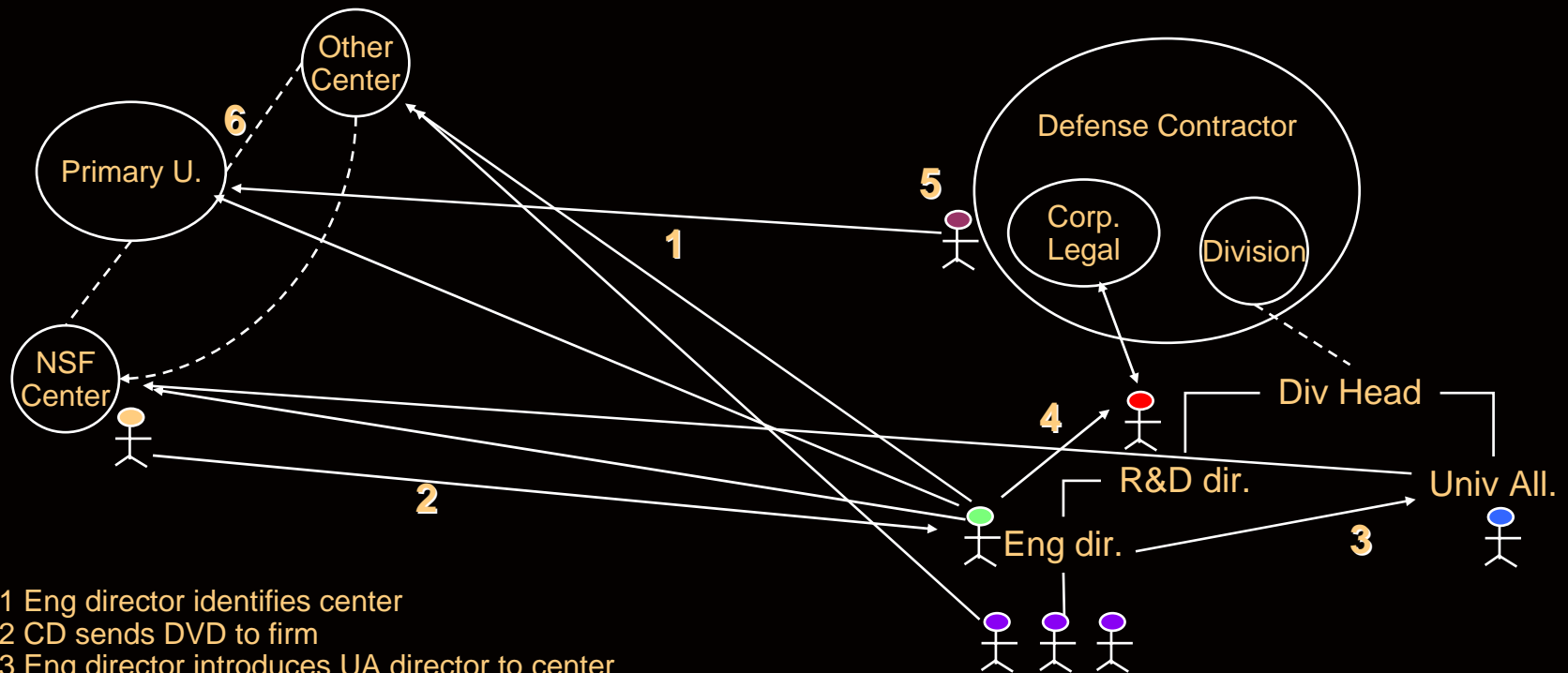
Ring, P. & Van de Ven, A. (1994)  
Developmental processes of cooperative  
interorganizational relationships.  
*Academy of Mgmt Review*, 19(1), 90-118.

# Case: Chemical Mfr.



**Key factor: relevance to specific project**

# Case: Defense Contractor

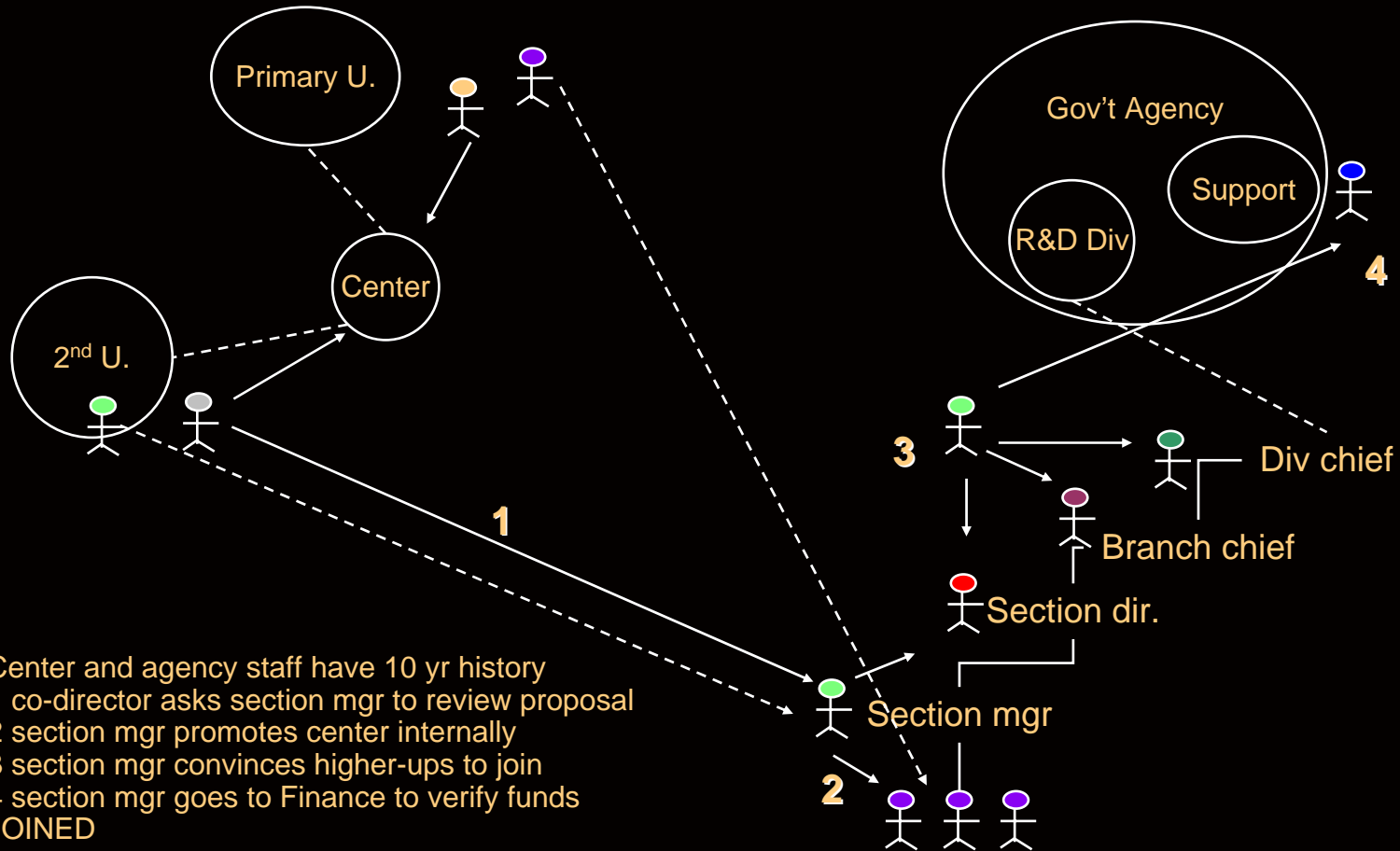


- 1 Eng director identifies center
  - 2 CD sends DVD to firm
  - 3 Eng director introduces UA director to center
  - 4 Eng director goes to R&D director for approval
  - 5 R&D director consults legal, recommends against it
  - 6 Eng director secure agreement with university TTO
- DECLINE

**Key factor: IP Agreement**



# Case: Government Agency

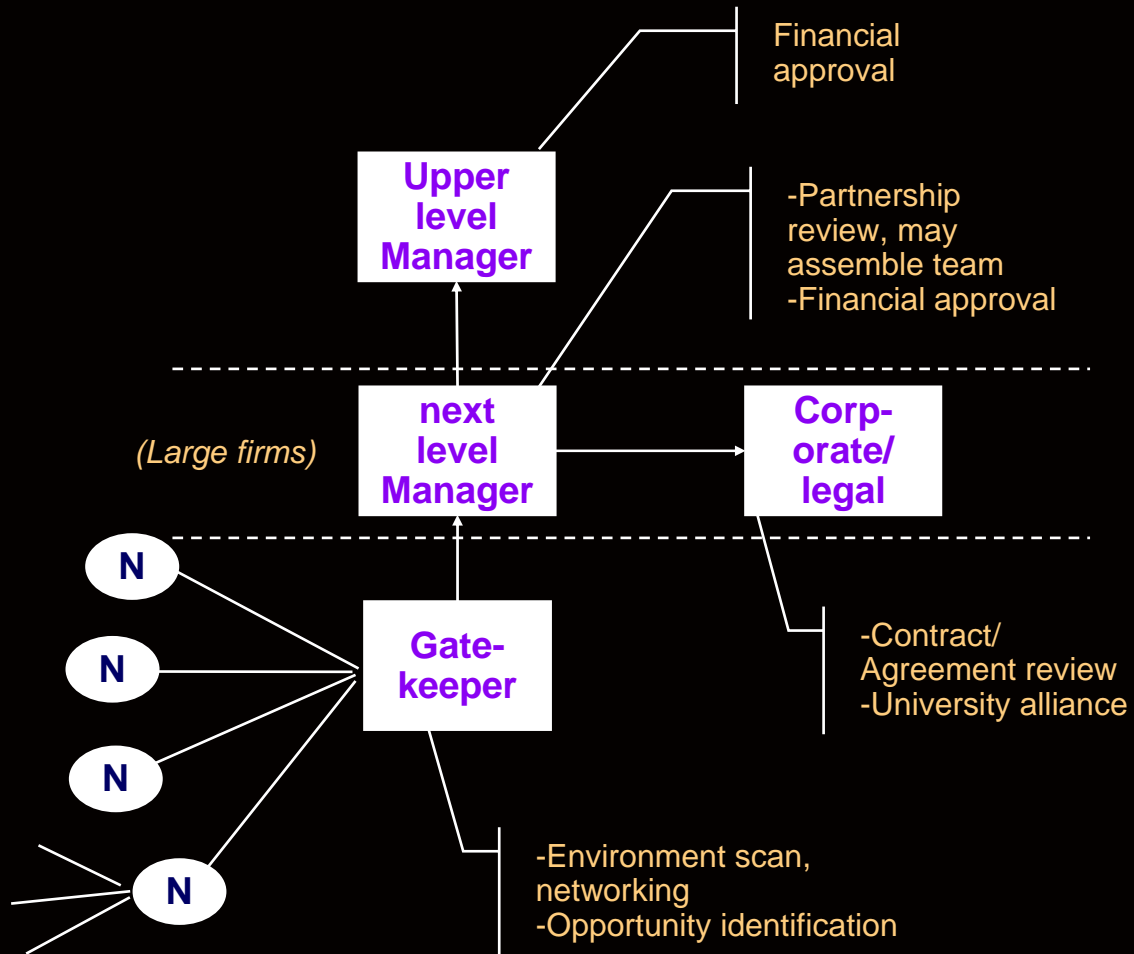


**Key factors: Relevance, leveraging, reputation**



# General Model of Decision-making

1. Informal linkages are established in the research community
2. Potential projects or collaborations are identified and proposed to immediate manager
3. The opportunity is evaluated against organization needs by the gatekeeper, the manager, (and other researchers)
4. If accepted, then additional approvals may be required:
  - Budget approval
  - Legal review
  - Corporate oversight
- Large firms tend to introduce additional decision points in the process



# *Joiners: Key factors*



## NETWORKING BENEFITS

- Company identified potential customers on the IAB
- Company viewed the IAB as opportunity to enter US markets

## ALIGNMENT WITH TECH ROADMAP

- Center research aligned with the organization's technology roadmap, and membership fee was viewed as excellent financial leverage
- Center research viewed as particularly relevant to long-term needs
- Center research viewed as closely related to core technologies
- Center research aligned with specific project in the Company

## SEEKING INNOVATIONS AND DISCOVERIES

- Company looking to borrow innovations from related areas, and to build business partnerships
- A new corporate initiative provided funding support for product groups collaborating with universities on basic research
- Company believes in supporting basic research in their industry

# *Decliners: Key factors*

## TECHNICAL ALIGNMENT

- The Center is too advanced for the Company's current skill set
- The Company had already learned what they needed from the Center

## DECISION PROCESS

- The champion was unable to garner support from the product groups
- The Company's Internal Legal group advised against signing the contract

## ADDRESSING SPECIFIC NEEDS

- The center research did not align with the Company's current projects
- The project slated for collaboration had an uncertain market potential (and was later cancelled)
- The Company prefers to only engage on specific projects, and rarely engages in consortia
- The Organization was focused on shorter-term objectives, due to recent industry regulations
- Upper management avoids consortia; they could not be convinced of benefits outside of specific project work independent of the consortium

# *Survey: Variable Domains*



Industry/University  
Cooperative  
Research Centers

- Respondent characteristics
  - Job responsibilities
  - Involvement in 'networks'
  - Position in firm; levels from Decision-maker
- Relationship characteristics
  - Past transactions
  - Trust
  - Perceived Equity
  - Perceived Uncertainty
- Sub-organization characteristics
  - Policies on collaboration w/ Univ.
  - 'Preferred' university list
  - Complexity of decision process
  - Presence of anti-champion
- Organization characteristics
  - Financial 'health'
  - R&D intensity
  - Size
- Research context
  - Product or process
  - Specific project or exploratory
  - Fit with Center competencies
- Perceived center characteristics
  - Technical competence
  - Operational performance
  - Structural components
- \*Center structural data

# *Remaining work*

- Proposal: July
- Data collection: August-September
- Analysis: September-October
- Defense: November

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