

How to turn transactional relationships into strategic partnerships

What will you learn in this module?

In this module you will learn about ...

- The characteristics of strategic partnerships
- Key drivers and facilitators for undertaking strategic partnerships
- How to move from transactional relationships towards strategic partnerships
- The importance of aligning strategy and goals

The characteristics of strategic partnerships

University-business collaboration (UBC) comes in many shapes and sizes. One of the forms of partnership between universities and industry, are the strategic partnerships. These partnerships are more selective, exclusive, productive and sustainable than other forms of UBC (Tjong Tjin Tai et al., 2018; Edmondson, 2012).

Through its work on supporting universities around the world to enhance their approaches to strategic partnerships, UIIN has identified key characteristics that are commonly used to describe strategic partnerships:

- Long term
- Shared and aligned vision and goals
- Can achieve more together
- Mutual value creation & benefits
- Recognition on both sides of importance
- strategic nature of partnership

- Trust-based
- Multidisciplinary
- Multi-layered
- Certain level of commitment and exclusivity
- Strategic input and support from the leadership on both sides

Key drivers and facilitators for undertaking strategic partnerships

Due to the complex nature of strategic partnerships, they usually require high investment and dedication, but at the same time can provide large benefits for all parties involved. The underlying motivations for universities and business to undertake collaboration, as outlined in [figure x](#), are also applicable for strategic partnerships. In fact, strategic partnerships provide a mechanism for addressing several of the motivations from university and business perspectives, through developing a shared vision and leading to mutual benefits.

	Academics collaborating with business	HEI managers	Business collaborating with higher education
1	Gain new insights for research	Obtain funding / financial resources	Get access to new technologies and knowledge
2	Use my research in practice	Improve graduate employability	Improve our innovation capacity
3	Existence of funding to undertake the cooperation	Use the university's research in practice	Access new discoveries at an early stage
4	Address societal challenges and issues	Improve the reputation of the university	Obtain funding / financial resources
5	Improve graduate employability	Positively impact society	Provides access to better qualified graduates

Figure x: The main motivators for cooperation with business / universities (source: Davey et al., 2018)

It is important to note that strategic partnerships often develop over time, following repeated collaborations between the parties and the nurturing of the relationship over time. This is evidenced by the top facilitators for university-industry collaboration identified by universities and business being having mutual trust, and a shared goal – as demonstrated in **figure x**. This further shows the alignment between universities and business in terms of the importance of relationship-based elements. Nevertheless, it is often mentioned that there is a cultural divide between universities and business, which can hinder collaboration and the progression towards more strategic partnerships.

Having leadership and staff that understand the importance of collaboration, as well as incentives and supporting mechanisms, can help overcome these barriers and drive further collaboration and strategic partnerships.

In order to build strategic partnerships, the university and business need to establish deep professional ties, trust, and shared benefits (Edmondson, 2012). Other key elements in building long-term relationships with industry are the alignment with the partners’ businesses strategies and objectives, and well managed relationships (UIIN, 2021). However, it is the individuals that understand differences between academia and business that are driving force of successful partnerships.



Tip for SMEs

From a **business perspective**, Frølund and Riedel (2018), have identified five success factors for strategic industry-university collaboration:

1. Select the focus areas of your university partnerships in alignment with your business goal
2. Select your primary university partners in a systematic way
3. Select collaboration formats that match your focus areas and business goals
4. Have dedicated people, processes, and organisation to support your university partnerships
5. Regularly evaluate your university partnerships, using suitable key performance indicators

Formats and activities of strategic partnership

Strategic partnerships can exist in many different formats, and often involve several types of activities or interactions occurring across different areas of the organisations. For example, a strategic partnership between a university and company can be based on collaboration in

	Academics collaborating with business	HEI managers	Business collaborating with higher education
1	Existence of mutual trust	Existence of mutual trust	Existence of mutual trust
2	Existence of a shared goal	Existence of a shared goal	Existence of a shared goal
3	Existence of funding to undertake the cooperation	Existence of funding to undertake the cooperation	Existence of mutual commitment
4	Existence of mutual commitment	Existence of mutual commitment	Existence of funding to undertake the cooperation
5	Interest of business in accessing scientific knowledge	Prior relation with the business partner	Prior relation with the university partner

Figure x: The main facilitators for cooperation between HEIs and businesses (source: Davey et al., 2018)

publicly-funded research, while also including mobility of students and staff, co-supervision of students and shared resources. **Figure x** shows an overview of the different research-driven and education-driven activities that you can undertake on a continuum from transactional towards relational.

The format(s) of strategic partnership that a company or HEI employs, depends on the goals that company or HEI wants to pursue. For example:

- if the goal is talent acquisition or enhancing graduate employability, the HEI or company might employ student-oriented activities such as hackathons, student mobility, or fellowships;
- if the goal is to meet grand challenges or advance research in a particular field, the strategic partnership approach could be to pursue collaborative R&D and create staff mobility and co-location opportunities, and;
- if the goal is to enhance the innovation pipeline, the HEI or company could choose formats that are geared towards identifying and connecting startups.

It is important to note that the success and benefits of strategic partnerships does not rely on one particular format. It is about systematically prioritizing and reprioritizing different formats in response to changing organizational goals.

Moving from transactional to strategic partnerships

Strategic partnerships are not established overnight and typically develop from single collaboration activities with partners. In this section, we will discuss two models that capture the continuum between collaboration and strategic partnerships, the importance of vision, strategy and alignment of goals for strategic partnerships, tool for developing and managing partnerships, and provide you with a framework to assess your strategic partnerships.

Partnership models

When developing strategic partnerships, the collaboration usually progresses through different stages and levels of collaboration. Below you will find two leading models for strategic partnerships that capture this continuum between engagement (or single collaborations) and strategic partnerships.

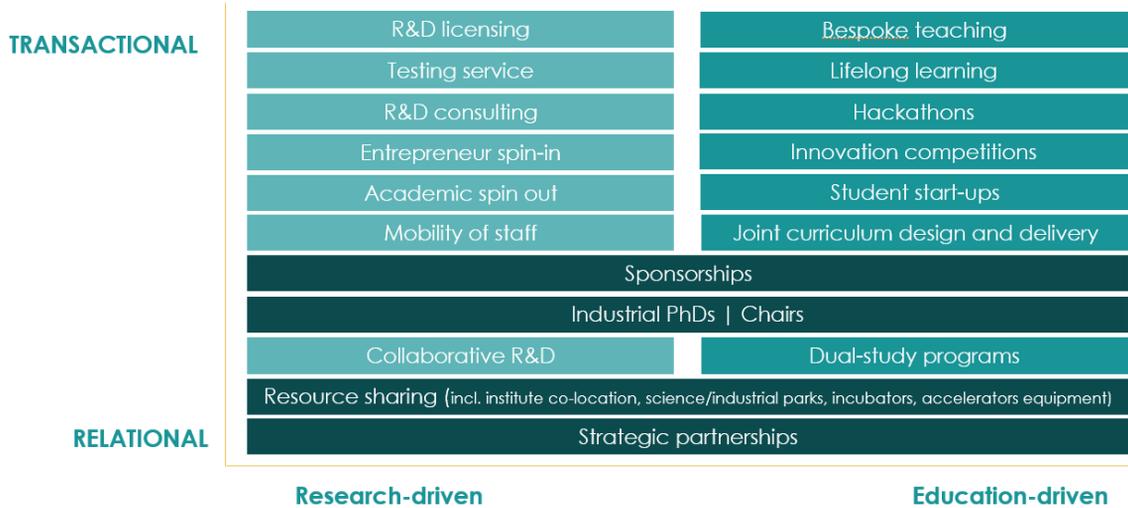


Figure x: UBC activities. Source: UIIN, adapted from Davey et al., 2018.

The Partnership Stairway model

Researchers from UIIN and the Science-to-Business Marketing Research Centre at the Münster University of Applied Sciences developed the Partnership Stairway Model (Baaken, 2008). This research-based model demonstrates how collaborations can progress from more transactional (e.g. based on one project) to more collaborative and finally strategic partnerships. Each step describes the different characteristics that accompany different stages of partnerships (see figure x). Many universities and companies utilise a version of stairway model in thinking about their partnerships, including allocating resources and support.

Strategic partnerships do not always need to occur between two partners, but can further involve a consortia or network of partners that are aligned with the same goals.

Good practice example

The University of Applied Science Münster has pursued a progressive partnership strategy, the

Good practice example cont.

Triangle for Innovation and Technology Transfer (Baaken & Schröder, 2008). One of the core strategies is to constantly structure technology and knowledge transfer to address partners' needs. The university is thus seen as a service provider. Within their strategy, both research and teachings have equal importance. The strategy consists of a triangle of synergies for innovation:

1. Strategic approach: Innovation is strategically embedded and anchored with the university's board.
2. Analytic-scientific approach: Innovation is analytical and research-focused through 'Science Marketing research Centre' which undertakes research on how to better link the University to Businesses and how to improve the marketing competencies of academics
3. Operational approach: the exchange process takes place through a service provider and transfer branch for technology and knowledge transfer under private law.

The three corners of triangle influence each other, and together have an impact on the processes and projects of research and transfer promotion at the university.

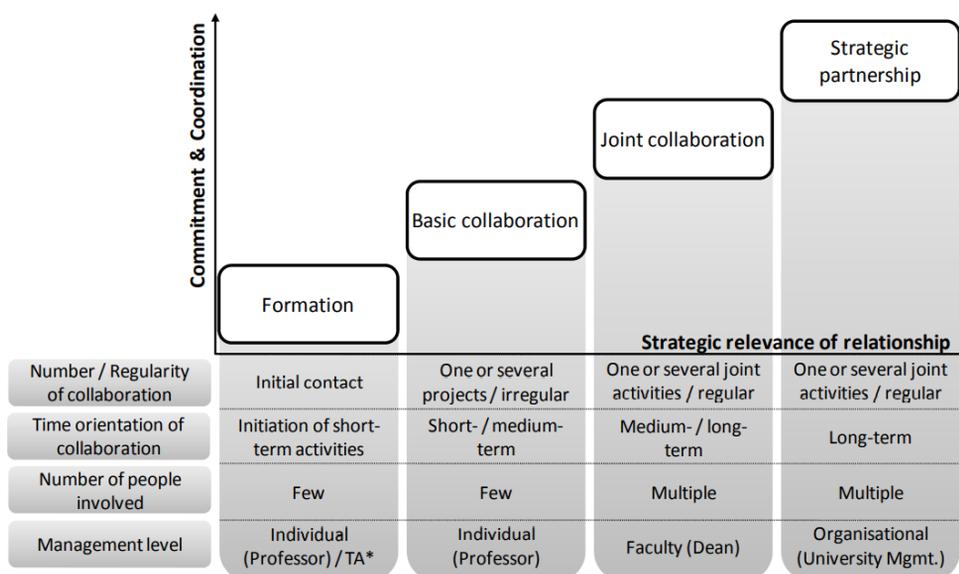


Figure x The Stairway Model to Strategic Partnership (source: Davey et al., 2011)

Partnerships and Relationships

The Partnership Continuum

Another representation of transactional to strategic partnerships was developed by a working group of industry, academic and government professionals, convened by UIDP, called the Partnership Continuum model (UIDP, 2008). These modes are represented as different phases in the process from transforming the engagement towards strategic partnership, as can be seen in figure x. Representing it as a continuum reflects the way in which the way the forms of interaction are connected.

Suggested reading cont.

Developing Successful Strategic Partnerships with Universities – [link](#) (webpage)

A research feature exploring the factors that make collaborations successful.

Suggested readings

Making Industry-University Partnerships Work – [link](#) (report)

Report, including the key lessons (page 6-12), and case studies of innovative and successful partnerships.

Developing and managing partnerships

Strong communication between the partners is important not only at the start of a partnership, but throughout. It is also important to continuously assess the existing strategic partnerships - one way this can be done is through the university partnership canvas. The university partnership canvas (see figure x) is a tool that can be used by both universities and business to assess their current partnership approach with specific partners, or to identify what would be the best approach to undertake partnership or

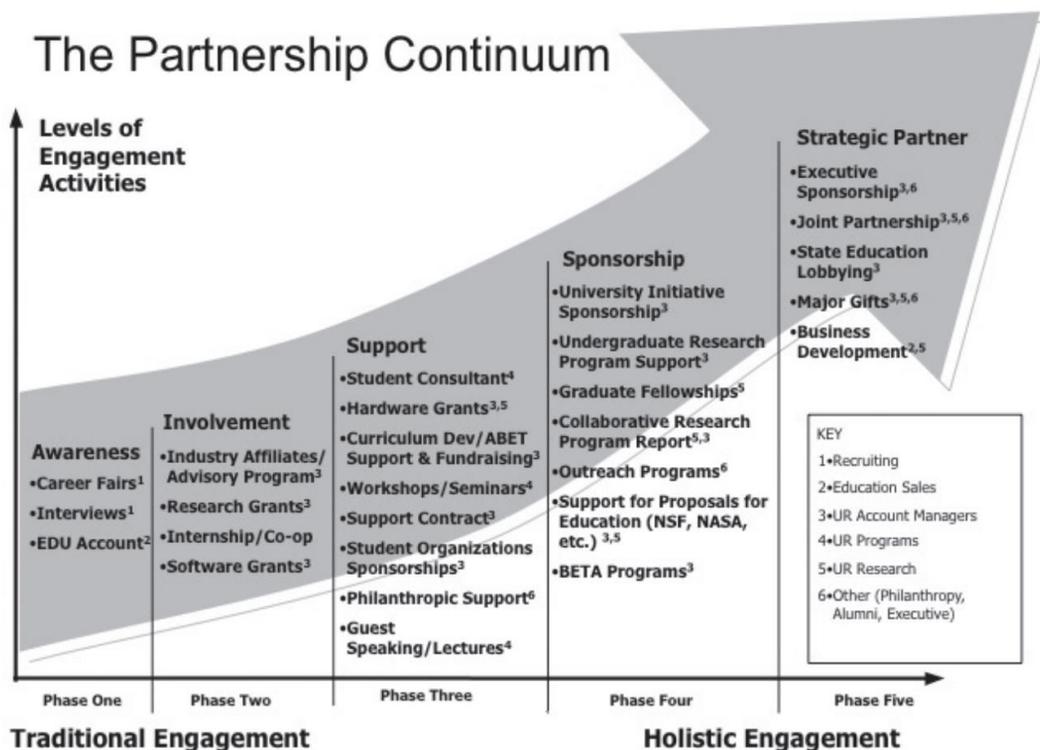


Figure x The Partnership Continuum (source: UIDP, 2008)

collaboration with specific partners. The canvas provides a systematic approach that can be used to continue to revisit goals and alignment with collaboration formats to identify any mismatches in the approach. It can also be used to identify the impact of changing goals on the collaboration.

As we have seen in this module, strategic partnerships can be highly beneficial for all parties involved, but also requires a high investment from all parties. To help stakeholders make an informed decision on whether they want to enter into or support a strategic partnership, and on which conditions, Tjong Tjin Tai et al. (2018) have identified the following key questions that are essential to be part of the assessment:

- How does a strategic partnership impact the access to public knowledge and researchers of firms outside the partnership?
- How does a strategic partnership impact research agendas and the balance between the various academic, social and economic agendas that mobilise science?
- Knowledge generation and technological advances are crucial assets in the battle for economic and military power. Does a strategic partnership help to strengthen the regional / national / European economy or does it boost the economy of global competitors? Is it contributing to the outflow of knowledge and (top-class) researchers to other countries, or is it in fact bringing about an influx of knowledge and talent?

Strategic Partnership Canvas



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1 GOALS What goals drive your partnership? What motivates you to partner with external stakeholders?		4 PARTNER GOALS What are the goals of your (potential) partners? Why do your partners collaborate externally?	
2 FOCUS AREAS What are the key focus areas of your / your institution's work? How can partnerships support you in achieving your (personal) goals?		5 ACTIVITIES What collaboration activities and formats match your focus areas and goals?	3 PARTNERS What and who are your (potential) key partners? By which criteria are they chosen?
		6 VALUE PROPOSITIONS What is the value you deliver to your partners? How does partnering with you address their needs?	
7 PEOPLE, PROCESSES AND ORGANISATION What people, processes and organisational structures support your partnership(s)?			
8 CHALLENGES What are the main challenges you face in making your partnership(s) successful?		9 SUCCESS & EVALUATION What defines success for your partnership(s)? Which key performance indicators are most useful for evaluating your partnerships?	

Take the next step...

To get this moving, the first thing I will do...	Within the next 6-12 months, I will have...	Within 3 years, I will have...
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Figure x: Strategic Partnership Canvas (source: UIIN; adapted from Frølund et al., 2017)

Suggested readings**Developing Successful Strategic Partnerships with Universities** – [link](#) (webpage)

A research feature exploring the factors that make collaborations successful.

Are you an educator?

You can click [here](#) to go to the syllabus on page xx. This syllabus includes suggestions on the delivery of the module.

Tools**University Partnership Canvas** – [link](#)

A tool created to allow business executives (and universities) to address six key questions about their university partnerships visually.

Recommendations

While this module has introduced the concept of strategic partnerships, there are a number of considerations to keep in mind when undertaking such partnerships. Based on an extensive analysis of university-industry partnerships, Edmondson (2012) has identified the following key lessons and recommendations for strategic partnerships:

1. University leadership is vital
2. Long-term strategic partnerships with built-in flexibility work best
3. Start with a shared vision and develop a strategy
4. Put the right people in charge – those who cross boundaries
5. Kick-start the dialogue – encourage cross-fertilisation of ideas
6. Don't get hung up on intellectual property (IP)
7. Promote a multidisciplinary approach to research and learning
8. Don't get hung up on measuring the results of a strategic alliance
9. Redefine the role of the research university as a source of competence and problem-solving for society

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