Corporate Partnerships Primer

For UC Riverside Faculty
September 2015

This information provides UC Riverside faculty with an overview of the opportunities and challenges that arise when working with industry. The Office of Corporate & Strategic Partnerships, along with the Office of Technology Commercialization, are here to help you through the entire process.

The core mission of the university is education, related creation and dissemination of knowledge, and outreach. Industry’s core mission includes creating value for investors, providing useful goods and services, and expanding the state of the art in a product or service. From the perspective of the corporate or industry partner, external collaborations are expected to satisfy this mission by providing compelling benefits and return on investment (ROI) in exchange for funding or other tangible considerations. Perhaps the biggest value of academic industry relationships is the bridge they form to bring scientific breakthroughs to the public.

There are numerous reasons to engage in corporate-funded research, many of which aren’t related to research funding.

- Companies may have physical resources that an institution cannot access any other way. Companies are typically interested in questions that require applied research, which can be difficult to fund through most federal or foundation funding sources. When an institutional laboratory is interested in pursuing applied research or experiments that lead to product development, non-industry funding sources may be limited.
- Companies can bring tacit knowledge of the product development process, which is otherwise proprietary and generally unattainable to the academic community. Corporate partners can bring experience to a collaboration that can provide the foresight to prevent a PI from committing mistakes already made in industry.
- Industry collaborations can provide access to additional sources of funding (e.g., SBIR [Small Business Innovation Research] and STTR [Small Business Technology]) that encourage collaboration with small businesses. More federal and state funding programs require collaborations for certain grant programs. Working with corporations can diversify the curriculum vitae (CV) of an institutional researcher, which serves to improve the competitiveness of future federal grant submissions.
- Research support, often referred to as Internal Research & Development (IRAD) funds, can come directly from a corporate entity.
- Close relationships with companies can provide insights on the direction a particular industry is heading. This can reveal potential market needs and opportunities that institutional researchers can address in their research and commercialization activities.
- Company funding can come quickly when a project is desirable to both parties, sometimes within weeks. By contrast, most federal and foundation sources require as much as a year from submission to award.
- Working with a company can provide valuable experience to students, particularly graduate students. The opportunity to participate at some level in a company-sponsored project allows students to assess potential industries and companies and build relationships that can lead to career development.
• Collaborative projects may create IP that may be immediately valuable to the corporate partner. For institutional researchers, such an outcome can reveal a more immediate application of one’s work while potentially generating revenues for the institution.

• Institutional-industrial relationships can provide important economic development advantages for the community, leveraging the resources of the institution and putting them to work throughout the region and the state.

• Companies have access to proprietary materials that can help an institutional researcher advance the lab’s current research endeavors or open doors to new areas of investigation.

However, there are distinct challenges to industry-funded research although most can be overcome. Obstacles include:

• Time: Corporate partners are driven by timelines and deliverables, which can make the terms of a project difficult to negotiate and coordinate. In a world of graduate students and various competing obligations such as teaching or pursuing other avenues of research and/or funding, a PI may have difficulty aligning institutional research schedules with business cycles or corporate manufacturing and product development schedules.

• Agreement: Negotiating contract agreements between institutions and industry can be complex—particularly IP ownership, clarification of the SOW, indemnification, and publication rights.

• Confidentiality: Holding information confidential or delaying its public dissemination until the corporate partner has secured its advantage is expected by industry. However, a PI can use a variety of ways to achieve both the company’s goals and the academic goals to disseminate knowledge. Part of this may come through discussions of what the corporate sponsor deems as important for IP purposes and what is not.

• Project Length: Corporate projects need to be approximately a year in duration if graduate students are involved due to their contract status and educational pursuits at their institution. Longer time periods may be interrupted due to looming graduation. For national laboratories or other non-academic contract research organizations, this is not an issue.

While such relationships with smaller entities share many similarities with those involving larger partners, challenges that are unique to small businesses can include:

• Resource Limitations: Smaller corporate partners are more likely to have resource limitations—financial, personnel, legal, etc. Resource availability needs to be discussed early on to establish realistic timelines, deliverables, and expectations.

• Vision/Planning: Not all small businesses have longer-term plans and visions for the future, so it can be difficult for faculty researchers to initially assess whether a prospective relationship may provide longer-term potential. Limited Funding for Follow-On Research: The small business may have a narrower scope of interest than the institutional researcher.

Most of this text is excerpted from the Researcher Guidebook, published by the University-Industry Research Partnership in 2012. For more information: www.uidp.org

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