

Challenges and Opportunities of Industry / Academia Partnerships

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Not all collaborations are equal

(Pisano and Verganti HBR Dec 2008)

- Focus on a couple of questions
 - How open or closed?
 - don't know what you don't know
 - or identified the problem and the solution
 - How Hierarchical or Flat?
 - Partnership (share risks, costs and benefits)
 - or providing service (directed and specific)

Not all collaborations are equal

(Pisano and Verganti HBR Dec 2008)

- **Innovation Mall**
 - Company poses a problem – anyone provides a solution (H,O)
- **Innovation Community**
 - An open network where problems and solutions are shared (F,O)
- **Elite Circle**
 - Participants and solutions selected by the company (H,C)
- **Consortium**
 - A selective network where the problems and solutions are well defined (F,C)

Challenges and Opportunities

- **Challenges**
 - Strategic fit
 - Establishing Trust
 - Understanding Value
- **Opportunities**
 - Stick to your knitting
 - Immense leverage
 - Innovation

Strategic Compatibility

- Difficult if
 - strategies are too vague or overly detailed
 - two parties business needs cannot link
- Will path dependence benefit or limit your business strategy?
 - Limiting flexibility must not be a negative, generate contractual constraints, reduce market opportunity
 - Research Institution may have narrow or technically defined strategies “world leading cereal breeders”
 - A business will have a market facing strategy “largest and most profitable cereal company”
- If strategies are compatible then the sum of the two will be synergistic

Trust and Honesty

- Takes time and observation
- Both parties reveal strategic plan clearly and honestly to other party
- Both parties maintain confidentiality
- Achieve targets via the timelines of shortest party (delivering on time)
 - Commercial urgency vs. low risk bureaucracy

Understanding Value

- Common Pitfall - Claiming value too early
 - Result - negotiations become a game of poker
- Early stage of an “invention” initial value low
 - expectations of one entity is high,
 - the other entity sees high risk and cost
 - becomes a mismatch and the danger of over promising is high
- The single reason that most potential collaborations fail

***N efficiency gene
BOTEK figures***

global N use	90 million tonnes
N eff gene	10% efficiency
10% of market	9 million tonnes
N price \$/t	\$550
annual saving	\$500 million

OK but don't expect to get a billion dollars

Opportunities

- Stick to your knitting
 - The collaboration provides the opportunity to focus on what you do best
 - Resources devoted to achieving your strategic intentions “the best cereal transformation lab in the world”
 - Build on the scientific infrastructure (people) of the state investment

Opportunities

- Leverage
 - Genuine teamwork using the resources of both parties
 - The strengths of both groups should be encouraged
 - maintain innovation and scientific endeavour
 - maintain commercial focus

Opportunities

- Innovation
 - Network broadly for wider opportunity
- Depends largely on the collaboration model (open, closed, flat or hierarchical)

Intellectual Property

- IP is important

but

- So is Freedom to Operate
 - (maybe more...)
 - You may have the gene for N eff
 - But you may not have the FTO around insertion, expression, or even marketplace germplasm.

Managing the Alliance

- Deal completion is only the beginning
- Best practices tools to manage alliance is essential to meet the expectations of the agreement.
- Establish the Steering Team with
 - Clear accountability
 - Clear milestones
 - Adequate resources

Thanks

