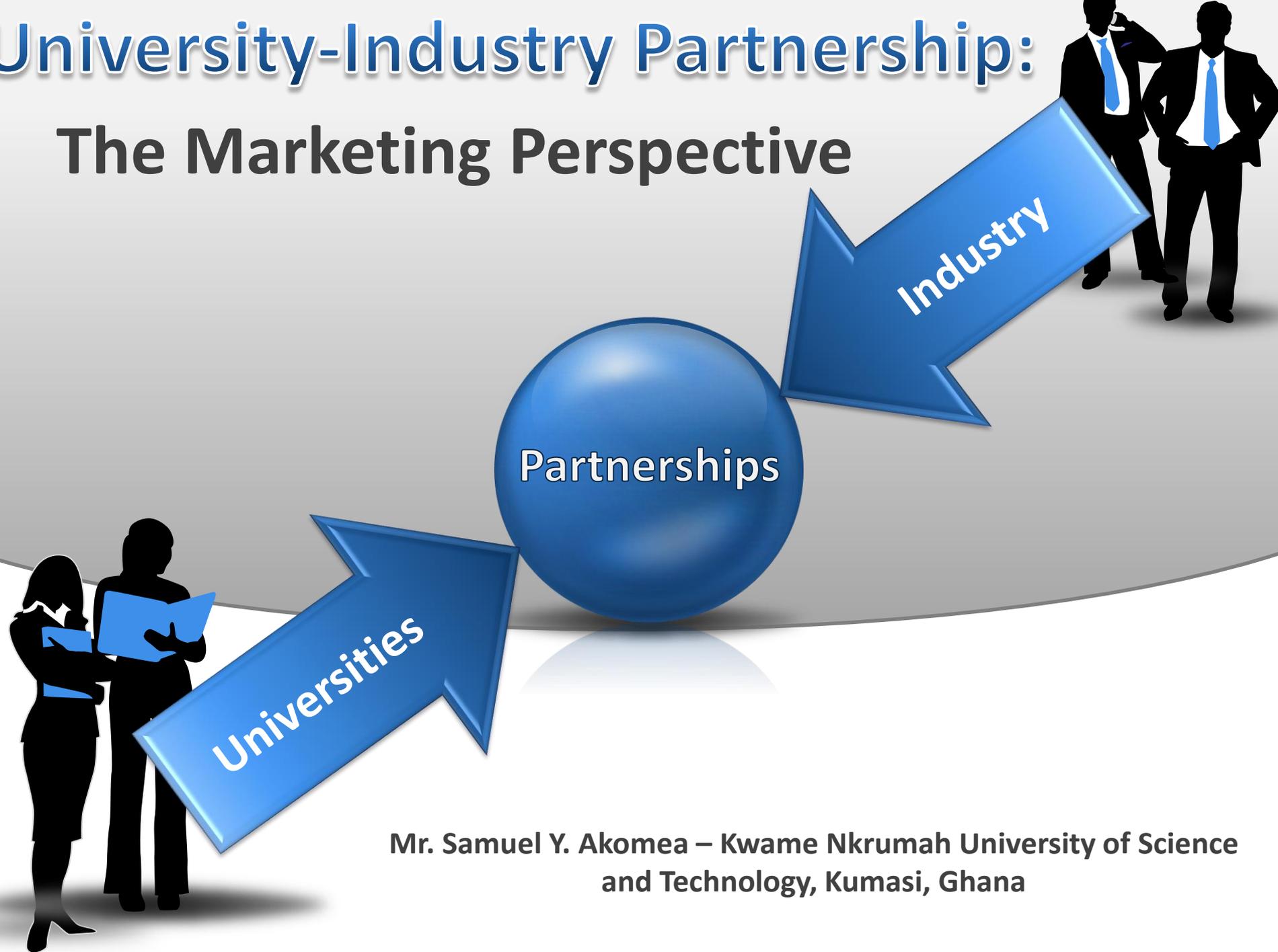


# University-Industry Partnership:

## The Marketing Perspective



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# Transaction Cost Economics

- The concept of University-Industry linkage is embedded in the Transaction Cost Economics. In TCE, Asset specificity is a term related to the inter-party relationships of a transaction.
- It is usually defined as the extent to which the investments made to support a particular transaction have a higher value to that transaction than they would have if they were redeployed for any other purpose.
- Asset specificity enhances the trust between partners, which in turn leads to more cooperative behavior and higher partnership performance.

# Bounded rationality

- **Bounded rationality** is the notion that in decision making, rationality of individuals is limited by the information they have, the cognitive limitations of their minds, and the finite amount of time they have to make decisions.
- **Opportunism:** refers to self-interest seeking by economic actors and to their calculated efforts to mislead, distort and disguise information

# Marketing, a Two-Way Affair

- For marketing to be effective each party must find **value** in the other person's offering.
- Value could be money, profits, **solutions**, reputation, skills, market share, research uptake, access, knowledge transfer, value addition, branding, shared resources, scholarships, etc.
- The initiator of the exchange package must take into consideration the relevance to the other party.

# Relationships

- Relationship is best nurtured when it is mutual and not a zero-sum game.
- It is short-lived when driven by selfishness; avarice; lack of transparency; and opportunism.
- Most university linkages are one-sided; we are so 'busy' we do not attend companies' invitations such as new product launching, annual dinners, staff awards, opening of new branches etc. However, we expect them to attend all university programmes.

# Value Proposition

- If we approach organizations with ambitious programmes that we cannot achieve, we do not convince the organizations.
- What achievements do we bring to the table?
- What is in it for the organization and its brand, society and humanity in general?
- What level of research do we make in order to know how the subject matter relates to their objectives.
- How much information (statistics and characteristics) of our university do we make available to prospective partners?

# Solicitation

- Do we choose the right organizations?
- How convincing are our proposals?
- Are we exact on what we ask for?
- Who receives the proposal in the organizations?
- Who is behind our drive and follow-ups?
- What is the level of network we possess to make things happen.
- What is the time limit we allow for consideration?

# Positioning Strategy

- If we position ourselves well, organizations will approach us and we will have the opportunity of evaluating competing proposals at the same time, making counter proposals;
- Our value will increase and organizations will find it profitable to associate or partners us;
- Our products will be associated with quality;
- We need to re-enforce this positioning with a communication theme.
- Note that businesses want to associate with achievers.

# Towards Policy Framework

Which of the following will you like your school to be associate with?

- Tobacco Companies
- Alcoholic beverage companies\*
- Political parties in opposition
- Betting Company
- Known drug barons

What then is your institutions policy on this?

Lest in your desperate situations, you will clutch on unethical businesses and dent your hard won reputation.

# The Ivory Tower Concept

- This is by far the intimidating factor in the partnership.
- In organizations that have not so many graduates occupying positions are intimidated by Professors and experts or even management consultants.
- Sometimes they listen to Academics on radio and TV and they sometimes do not understand them;
- Sometimes they assume the professors don't understand their job processes and environment;
- It is a good idea for Universities to hand-pick existing firms as model firms and groom them for success. This will be your triumph-card for future negotiation and reputation in the business world.