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Purpose
This report was developed by the Business Research Collaboration Project Team for the Science and Commercialisation Policy Division in the Department of Industry, Innovation and Science.

It presents the findings of the Discovery Phase of the Business Research Collaboration Project and identifies quick wins and areas of opportunity for solution design to lift business research collaboration in Australia.

Audience
The intended audience for this summary report is external stakeholders. This includes industry bodies, the research sector and businesses that participated in the project.
Section 1 - Project Context
Networking and collaboration are essential to a high-performing innovation system. When businesses collaborate with research organisations, they more than triple the likelihood of annual productivity growth. Research organisations also benefit from collaboration through increased income and research impact. However, despite the benefits and various policy initiatives, Australia performs poorly in business-research collaboration relative to other countries.

To build the knowledge base and options for new policy development, the Science and Commercialisation Policy Division undertook a research project from May to July 2017 using design thinking methodology to learn more about the barriers and drivers for Australian SMEs when collaborating with publicly funded research organisations.

The majority of research in collaboration policy has concentrated on the research sector so building the evidence based on business needs is an important contribution to this policy space.
Challenge Statement:
What inhibits ‘collaboration ready’ businesses from collaborating with publicly funded research organisations?

User Centred Design
The project applied a user-centred design methodology focusing on identifying the core needs of users in order to design targeted solutions.

We approach our projects in three key phases: Discover, Create and Deliver. This project focused on Phase 1 Discover where we engaged directly with end users to understand their needs and motivations and to identify opportunities for solution design.

We interviewed 30 businesses from a variety of industry sectors, sizes and locations. Businesses included those who currently collaborate with publicly funded research organisations, have not collaborated, or have collaborated but are no longer doing so.

The Discovery process identified user journeys and derived insights to ensure we understand the true challenge. This report combines this data into key findings and recommendations to inform ideation and prototyping of possible solutions in Phase 2 Create.
Project Definitions

We applied the following definitions:

**Collaboration**
Formal arrangements between businesses and PFROs (including universities) that have a commercial focus on innovation including consultancies, research contracts, joint research collaborations, licensing of intellectual property and staffing placements.

A broad definition of collaboration was chosen so data on a range of collaborative activities could be collected.

**Business**
Australian Small to Medium Enterprises (SMEs) including micro businesses. Given the qualitative research approach, it was not possible to develop a representative sample of Australian businesses however a spread of companies were recruited across size, sector, location and collaboration experience characteristics to provide robustness.

**Collaboration Ready**
Refers to businesses deemed capable of collaboration based on key characteristics such as size, sector and maturity/turndown.

**Publicly Funded Research Organisation**
Includes universities, research agencies and medical research institutes that receive Australian Government funding.
Desktop Review

Forty studies and reports were reviewed as part of this project including:

- Enhancing the Value of PhDs to Australian Industry (Australian Technology Network of Universities, 2017)
- Joining Forces: Innovation Success through Partnerships (Australian Industry Group, September 2016)
- Growth through Innovation and Collaboration, A Review of the Cooperative Research Centres Programme (Miles, March 2015)

- Leading up to the project, the department commissioned a report by the Australian Academy of Technology and Engineering which analysed and summarised reports and publications on collaboration and provided summary details of 100 measures in Australia and internationally. The ATSE work was also considered as part of the desktop review.

- Five barriers for SMEs when collaborating with PFROs were identified in the desktop review, including:
  - Not knowing how to engage
  - Lack of trust-based relationships
  - Lack capacity and skills
  - Cost is too high
  - Businesses struggle with IP negotiations
Recruitment

8 - 26 May
Recruitment targeted micro and small-medium businesses across Australia with varied collaboration experience. Four focus group meetings with Innovation Connections (IC) facilitators were arranged.

3 - 19 May
40 studies and reports reviewed to identify business insights.

Project Kick-off

3 May
Kick-off workshop held to:
  - refine challenge statement
  - capture assumptions, hunches and hypothesis.

1 May
Project charter finalised by the Core Project Team for Project Sponsors.

Desktop Review

30 May - 10 July
- 30 business interviews
- 4 IC focus groups

15 May
Tailored discussion guides developed for interviews and focus groups.

User Research

17 - 28 July
Discovery Report Drafted, socialised and finalised.

15 June - 14 July
Synthesis of user research and other consultations:
  - 4 key themes
  - 22 insights
  - 3 quick wins
  - 4 platforms
  - 1 possible spin-off project

1 May
Project charter finalised by the Core Project Team for Project Sponsors.

Final Report

31 July 2017
Discovery report delivered to project hosts.

Next steps...

Along the way:
  - 3 SES Showcases
  - 1 Ministerial Showcase
  - 3 Interdepartmental Committee meetings

Other Consultations

27 June - 7 July
- 3 research sector meetings
- 1 industry peak body meeting

Discussion Guide

15 May
Tailored discussion guides developed for interviews and focus groups.

Report Production

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Summarising the Journey

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Recruitment targeted micro and small-medium businesses across Australia with varied collaboration experience. Four focus group meetings with Innovation Connections (IC) facilitators were arranged.

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Summarising the Journey
Section 2 - The Collaboration Journey
Businesses Interviewed

30 businesses

Queensland (QLD) - 6
New South Wales (NSW) - 4
Victoria (VIC) - 5
Tasmania (TAS) - 4
South Australia (SA) - 4
Western Australia (WA) - 3

Collaborator - 19
Non-collaborator - 11

* Firms recruited as SMEs but the interview confirmed their size as large.

Collaborators

- Collaborator, 19
- Non-collaborator, 11

Firms by Sectors

- 10 Advanced Manufacturing
- 11 Enabling Technologies & Services
- 3 Medical Technologies & Pharmaceuticals
- 4 Food & Agribusiness

Firm size by no. employees

- Micro (1 to <5): 2
- Small (5 to <20): 11
- Medium (20 to <200): 14
- Large (>200): 3

* Based on project definition of collaboration
Key Business Needs

To provide context to collaboration experiences, businesses were invited to share information about their history, strategic outlook and biggest challenge.

Based on this information, five main needs were identified by the project team:

1. **Financial stability and cash flow** is a key need. A number of businesses interviewed are under financial pressure.

2. **Management capability and leadership** underpins business success.

3. **Skills** are essential to viability and growth. Some businesses are struggling to recruit workers with the right skills and experience.

4. Accessible and reliable **information** is needed to support all facets of planning and operation.

5. Businesses rely on trusted professional and personal networks. Some businesses need to expand these **networks and connections**.
Benefits of Collaboration

Businesses that had undertaken or were engaged in a PFRO collaboration noted a number of benefits from the engagement, including:

• It helped them strengthen, diversify, grow
• Provided new, improved and tested products and services
• Supported skills development including building an innovation mindset
• Expanded networks
• Offered recruitment pathways
• Shared or minimised risk
• Helped them market products
• Enriched PFRO research.

“We wouldn’t be where we are today without collaboration”

“It takes you places you wouldn’t normally go”

“Collaboration is absolutely necessary in a fast changing world”

“It helps unis research and it also helps us”
Businesses Collaborate in Different Ways

- 27 out of 30 firms had engaged with a PFRO in some way.
- 17 of those 27 firms had undertaken more than one type of collaboration.
- Joint collaborations and fee for service contracts were the most common collaborative activities.
- Informal collaboration was also reported by some SMEs, particularly small businesses.
- Medium sized businesses undertook the most skills-based collaborative activities such as hosting student internships and placements.
- 7 out of 11 Enabling Tech & Services firms had undertaken joint collaborations with PFROs.
- OECD collaboration data excludes firms with less than 10 employees. This project found 5 out of 8 firms with less than 10 employees had undertaken a joint collaboration with a PFRO.
Understanding the Collaboration Journey

Businesses enter and exit PFRO collaborations at different points in the journey - and experience pain and high points along the way!

PRE-COLLABORATION EXPERIENCE

- Business may not be aware of collaboration as an option
- Business may not be aware of government assistance

BUSINESS ENTERS COLLABORATION JOURNEY

COLLABORATION EXPERIENCE

- Business may have difficulty finding the PFRO or researcher

INITIAL CONTACT

COLLABORATION

- Business may exit collaboration journey before achieving expected outcomes (driven by either party)

EARLY EXIT

POST-COLLABORATION EXPERIENCE

PFRO MAY EXIT COLLABORATION JOURNEY EARLY

- PFRO finalises collaboration and exits journey

ONE-OFF

- Business ceases collaboration after a successful one-off collaboration experience

SAME PFRO

- Business may continue to collaborate with the same PFRO or researcher after initial collaboration experience

DIFFERENT PFRO

- Business may continue to collaborate, but with a PFRO or researcher unrelated to the initial collaboration experience

END

PFRO ENTERS COLLABORATION JOURNEY

BUSINESS

ONE-OFF

SAME PFRO

DIFFERENT PFRO

High point

Pain point

POSITIVE

NEGATIVE

Business has a problem

Business may exit collaboration journey after a successful one-off collaboration experience

Business may exit collaboration journey after a bad experience and doesn't collaborate again

Business finalises collaboration after a bad collaboration experience, but collaborates again with the same PFRO or researcher

Business finalises collaboration after a bad experience, but collaborates again with a different PFRO or researcher

Business may not be aware of collaboration as an option

Business may have difficulty finding the PFRO or researcher

Business may exit collaboration journey after a bad experience and doesn't collaborate again

Business finalises collaboration after a bad collaboration experience, but collaborates again with the same PFRO or researcher

Business finalises collaboration after a bad experience, but collaborates again with a different PFRO or researcher

Business may exit collaboration journey before achieving expected outcomes (driven by either party)

Businesses enter and exit PFRO collaborations at different points in the journey - and experience pain and high points along the way!
Section 3 - Key Themes and Insights
Overarching Key Themes

Understanding Each Other

Commercial Realities

Capability and Support

Relationships and Trust
Drivers - move collaboration forward

Barriers - roadblocks in the way
Core Insights: Summary

Theme 1: Understanding Each Other

Active Engagement
PFROs with active SME collaboration strategies help to drive collaboration.

PFRO Responsiveness
When PFROs don’t meet agreed project timelines it is costly for the business and this undermines the collaboration, sometimes leaving businesses reluctant to collaborate again. Businesses have contacted PFROs but in some cases they don’t respond in a timely manner or not at all.

Difficult Negotiations
Businesses are faced with convoluted, unclear language and unexpected time delays when negotiating projects. This can cause frustration and lead to unclear expectations.

Different Language
Businesses and PFROs have a different understanding of what research is, means and involves. When businesses engage with PFROs, they feel like PFROs don’t understand them or their business, which can delay or stop projects getting off the ground. There is an opportunity to help facilitate a common language between both parties.

Navigation
PFROs do not market their research staff and capability in a way that is easy for businesses to understand or navigate. This means that businesses are relying on chance meetings, existing contacts, internet searches and other ad hoc methods to find a research partner. There is an opportunity to improve communication and navigation.

Research Priorities
The research agenda and priorities of a PFRO do not always align with business needs. This can lead to projects going off track or not meeting business expectations. Some businesses are left feeling ‘ripped off’.

What we heard

Active Engagement
PFROs with active SME collaboration strategies help to drive collaboration.

"The university looked for opportunities for students, research opportunities and consulting opportunities"

"The researcher found me, I didn’t find her"

"Unis get a good arrangement from the placements as the students are paying for the course, and they complete their mandatory part of study requirements"

What we heard

Research Priorities
The research agenda and priorities of a PFRO do not always align with business needs. This can lead to projects going off track or not meeting business expectations. Some businesses are left feeling ‘ripped off’.

How might we encourage true partnerships with aligned priorities?

"Unis only want fully funded students and publications with their name on it"

"The outcome each partner will achieve is different, in the University’s case...they are meeting a broader set of objectives"

"If you have a researcher who likes researching just for the sake of it, this is not so good"

"They were ignoring our needs"
What we heard

**Difficult Negotiations**

Businesses are faced with convoluted, unclear language and unexpected time delays when negotiating projects. This can cause frustration and lead to unclear expectations.

How might we assist in improving the upfront negotiation process?

“**We don’t have a legal department, so complex convoluted contracts are a barrier - we need things clear and simple so everyone can get on with business**”

“It’s taken 2 months of negotiations. The comms are waiting and ready to go…but the agreement has taken a while longer than we expected it to”

“Legal costs and delays in big agreements associated with commercialisation and collaboration are an issue”

Difficult Negotiations

“... I don’t know where to start or what door to knock on. Would find someone in my network and start a discussion”

“Don’t even know enough on what unis do and don’t know how to fit our stuff in with them”

“Uni websites aren’t great to help businesses find the right person or capability - most businesses don’t know who to work with so this is a barrier”

Navigation

PFROs do not market their research staff and capability in a way that is easy for businesses to understand or navigate. This means that businesses are relying on chance meetings, existing contacts, internet searches and other ad-hoc methods to find a research partner.

There is an opportunity to improve communications and simplify the navigation process.
What we heard

PRFO Responsiveness

When PRFOs don’t meet agreed project timelines it is costly for the business and this undermines the collaboration, sometimes leaving businesses reluctant to collaborate again. Businesses have contacted PRFOs but in some cases they don’t respond in a timely manner or not at all.

“Time is money for businesses; this is not appreciated or understood by the research community”

“We went to a PRFO who are a big player, it wasn’t so commercial in the end and it was difficult to get through compared to say another business”

“They don’t understand that every minute is money, this is the biggest challenge”

“We were reaching out to universities but were getting blocked walls and deaf ears... Yes, we probably could have pushed harder, but how hard do you have to push yourself to get buy in from the other side?”

PRFO Responsiveness

What we heard

Different Language

Businesses and PRFOs have a different understanding of what research is, means and involves. When businesses engage with PRFOs, they feel like PRFOs don’t understand them or their business, which can delay or stop projects getting off the ground.

There is an opportunity to help facilitate a common language between both parties.

“I don’t know if universities would be the first people we would go to – maybe in the future, right now it would be business to business – we understand each other better”

“The universities all wanted to go back to first principles... but that can’t work with this product. Universities wouldn’t accept this - closed mindset”

“Collaboration with the PRFO was ended as they didn’t understand what was required from them”
Core insights: Summary

Theme 2: Commercial Realities

Problem Solving
Collaboration opportunities arise from businesses having specific problems they need to solve to survive and grow but are unable to tackle in-house. This creates a strong need to tap into PFROs’ R&D capabilities and expertise.

There may be an opportunity for a group of businesses to work together with a PFRO on shared projects.

Capability Transfer
Businesses, particularly micro and small businesses, do not always have R&D capability. Working with a PFRO partner provides an opportunity for knowledge and capability transfer, ultimately strengthening Australian businesses.

Research Limitations
Some businesses have specialised research needs that don’t align with the capabilities of PFROs in Australia, therefore they go overseas.

Commercialisation
Market regulation in Australia can create significant delays for businesses when commercialising a product, in comparison to commercialising overseas. This can undermine collaboration due to a lack of clarity around the commercial pathway following a collaboration.

Value Proposition and PFRO Capacity
Collaborating with PFROs can take significant time, cost and effort compared to working with private research providers or other businesses. Without a clear value proposition, businesses may be reluctant to invest the additional time and effort, especially if they are under financial strain.

There may be an opportunity to educate businesses on the benefits of collaborating with a PFRO.
What we heard

Problem Solving
Collaboration opportunities arise from businesses having specific problems they need to solve to survive and grow but are unable to tackle in-house. This creates a strong need to tap into PFROs’ R&D capabilities and expertise.

Capability Transfer
Businesses, particularly micro and small businesses, do not always have R&D capability. Working with a PFRO partner provides opportunity for knowledge and capability transfer, ultimately strengthening Australian businesses.

“... we needed scientific help to address the problem”

“Universities are a reservoir of R&D, which offers access to strong, robust, thinking around company problems”

“We were looking for skills that they have and we don’t have and don’t need a permanent requirement of”

“We needed to work with external parties to understand the science behind it, is it realistic and is it feasible to take on this prospect and potential behind it”

“We don’t have R&D capacity in house at the moment”

“I need as much help as I can get”

“Getting independent product testing from a university would help us sell our product – we need more than just customer testimonials to verify our product works”
What we heard

Research Limitations

Some businesses have specialised research needs that don’t align with the capabilities of PFROs in Australia, therefore they go overseas.

Commercialisation

Market regulation in Australia can create significant delays for businesses when commercialising a product, in comparison to commercialising overseas. This can undermine collaboration due to a lack of clarity around the commercial pathway following a collaboration.
What we heard

Value Proposition and PFRO capacity

Collaborating with PFROs can take significant time, cost and effort compared to working with private research providers or other businesses. Without a clear value proposition, businesses may be reluctant to invest the additional time and effort, especially if they are under financial strain.

“To date, collaboration hasn’t been too important. Has to work for both and everyone wants to be paid. To do that, have to deliver value in a timely manner”

“For any company it’s a long road and a risky process - risk/reward thing - if well cashed up and have long timeframes you can do it, if not you can’t.”

“... finding ways to collaborate without putting financial strain on the organisation is a challenge”
Core Insights: Summary

Theme 3: Capability and Support

**Placement Opportunities**
Business skills gaps and recruitment needs are successfully driving collaboration through student internships and industry PhD programs.

**Innovation Mindset**
An innovation and growth mindset in businesses stimulates collaboration.
Some of the businesses interviewed were interested in collaborating to build not only their own business, but the sector or region. There may therefore be an opportunity to support more group collaboration.

**Red Tape**
Applying for collaboration grants at the State and Federal level was considered complicated and lengthy. This results in businesses not making the most of the support available.
There is an opportunity to streamline the collaboration grants process to make it easier for business.

**Capability**
Businesses may not have the technical and management skills to understand the benefits of collaboration, manage a project or commercialise the outcome successfully.
Opportunity exists to close skills gaps and heighten awareness around benefits of collaboration.

**Awareness**
Commonwealth and State and Territory government funding are viewed favourably and have helped many businesses collaborate. However some businesses remain unaware of the Government support available.

**Intellectual Property**
Businesses may be inexperienced in managing intellectual property and often don’t have access to the specialist legal advice needed to represent their interests appropriately. This can lead to delays in commencing a project or sometimes loss of competitive advantage if an unfavourable contract is made.
What we heard

Placement Opportunities

Business skills gaps and recruitment needs are successfully driving collaboration through student internships and industry PhD programs.

“Innovation Mindset

An innovation and growth mindset in businesses stimulates collaboration.

“Hard to get people with right skills when you need them, hence need to build around a Masters or a PhD student”

“We probably have too many senior people at the moment, and need more junior people that we can train up, so we will look for talented people out of universities that we have known for a while or done projects with”

“We would function without it [collaboration] – without this mindset in the past 5 years, the business wouldn’t exist. Market is stagnant, difficult to compete in the [sector]”

“If you get a group of positive, innovative people in the room, nothing you can’t do. It’s about feeding the mindset”

“Only PhDs done inside companies foster collaboration … It is through their connections with the universities that they attract talent and Word of Mouth gets around”

“I collaborate with whoever I can collaborate with … Anyone working at the university is a part of my tribe”

“The assumption is that I wouldn’t want to collaborate again [because of a bad experience with a PFRO] but ‘you need to collaborate’

“IC [programme] has been great. Would bloody love it if we could have someone find a PhD student with state of the art knowledge and embed them in our company”
What we heard

Red Tape
Applying for collaboration grants at the State and Federal level was considered complicated and lengthy. This results in businesses not making the most of the support available. There is an opportunity to streamline the collaboration grants process to make it easier for business.

Capability
Businesses may not have the technical and management skills to understand the benefits of collaboration, manage a project or commercialise the outcome successfully. Opportunity exists to close skills gaps and heighten awareness around benefits of collaboration.

“Don’t you guys talk? Government is replicating the same thing over and over again”

“Those that promote programmes regionally say you just fill in a form, you just ... no, it’s not ‘just’, it’s a complicated process”

“Do you really need to write a 20 page report for $7K?”

“Biggest issue was the timeframe. Lots to go through with quotes, documentation, getting contracts ... lots of time taken up in the initial paperwork”

“The engineer was good but not a people person ... couldn’t explain properly”

“There is an advantage to me having worked within universities previously, I have to internally sell what unis are good for and not good for”

“Business boards are not convinced by academic language and this can undermine collaboration projects getting off the ground”

“I’ve never even thought about it”
What we heard

Awareness
Commonwealth and State and Territory government funding are viewed favourably and have helped many businesses collaborate. However, some businesses remain unaware of the available Government support.

“I haven’t come across an IP barrier yet but expect to”

“We’ve never even thought of collaborating with anyone, we just do it all ourselves.”

“Universities have all their IP people and know all the clauses and they send it back to you and you think this is how it must work”

“There’s not a lot of success stories that you hear out there. If those people were out there, they’d motivate us. Finally hear a success story, and then you keep hearing the same one over and over again”

Intellectual Property
Businesses may be inexperienced in managing intellectual property and often don’t have access to the specialist legal advice needed to represent their interests appropriately. This can lead to delays in commencing a project or sometimes loss of competitive advantage if an unfavourable contract is made.

“What happens to the IP they [PhD students] create? The reality is the universities want it... when the students come in and have their placement with you, they see all your secrets and patents and then go back to the university - is a risk to the business”
Core Insights: Summary

Theme 4: Relationships and Trust

Enduring Relationships
Businesses often rely on existing relationships and people they know and trust when attempting to collaborate.

If a good relationship is made, businesses will continue to work with that researcher even if they move between PFROs.

False Perceptions
Some businesses assume that because PFROs are public institutions they can trust them. This can drive collaboration but also lead to issues when businesses don’t follow standard due diligence as they would in business-business relationships.

Others hold the view that because PFROs are ‘funded by the taxpayer’ the research should be free. This is a barrier.

Breaking Trust
Trust and positive working relationships are critical to collaboration. Businesses with negative experiences are less likely to collaborate in the future.

PFRO Bureaucracy
Businesses view PFROs as large and bureaucratic and they prefer to engage with individual researchers rather than through formal channels. This becomes a problem when businesses later enter into formal arrangements with PFROs – triggering project delays and renegotiations.

Previous Experiences Count
Businesses that have had positive collaboration experiences are more likely to collaborate in the future. They are also more likely to influence other businesses to collaborate through word of mouth.

Opportunity exists to promote positive case studies.
Enduring Relationships

Businesses often rely on existing relationships and people they know and trust when attempting to collaborate. If a good relationship is made, businesses will continue to work with that researcher even if they move between PFROs.

Previous Experiences Count

Businesses that have had positive collaboration experiences are more likely to collaborate in the future. They are also more likely to influence other businesses to collaborate through word of mouth. Opportunity exists to promote positive case studies.

What we heard:

“Need to work with people I trust, who have a track record ... trust is an issue and personal relationships are more important”

“Personal relationships are important. It doesn’t matter contact is in Melbourne, but that there’s the continuity of the relationship over 3-4 years and that you know he’ll take your call”

“One good person in a research organisation can make all the difference, and can make collaboration a great experience”

“Will go back again dependent on what they need” ... “Nothing went wrong with these collaborations”

“I have managed to build good working relationships, like for instance with the University”

“Initial collaboration opened the door to other ways of engagement”

“Need to work with people I trust, who have a track record ... trust is an issue and personal relationships are more important”

“Personal relationships are important. It doesn’t matter contact is in Melbourne, but that there’s the continuity of the relationship over 3-4 years and that you know he’ll take your call”

“One good person in a research organisation can make all the difference, and can make collaboration a great experience”

“Will go back again dependent on what they need” ... “Nothing went wrong with these collaborations”

“I have managed to build good working relationships, like for instance with the University”

“Initial collaboration opened the door to other ways of engagement”
What we heard

Breaking Trust

Trust and positive working relationships are critical to collaboration. Businesses with negative experiences are less likely to collaborate in the future. Opportunity exists to encourage business to learn from negative experience and persevere with collaboration efforts.

"Trust in the researcher is critical. Our business is built on partnerships and relationships. If you don’t have this then it will be hard"

PFRO Bureaucracy

Businesses view PFROs as large and bureaucratic and they prefer to engage with individual researchers rather than through formal channels. This becomes a problem when businesses later enter into formal arrangements with PFROs - triggering project delays and renegotiations.

"Australia has so many rules around everything, except for how to communicate with business, and researchers often take advantage of this and act poorly"

"There is a cavern between the people that do the research and the administration of the university"

"the biggest barrier is that you’ve got an elephant and a mouse"

"It is the actual university that is holding it back, not the researcher. He’s a nice gentleman and I get along with him really well"

"if we see a campaign ‘do business with us’ we won’t respond, due to this [bad] experience"
False Perceptions

Some businesses assume that because PFROs are public institutions they can trust them. This can drive collaboration but also lead to issues when businesses don’t follow standard due diligence as they would in business-business relationships.

Others hold the view that because PFROs are ‘funded by the taxpayer’ the research should be free. This is a barrier.

“I thought this was how it worked, if you don’t inform small business they will fall into the same trap unless they find a university who really understands how it must be done”

“They would say to me ‘well, if we do it, you have to pay [for it]. Well, I pay my taxes’”
Innovation Connections Facilitator Insights

Some businesses may not know what they need or how to make it happen - they need facilitation.

The Innovation Connections guidelines could be tweaked so more businesses can access support.

Businesses are motivated and constrained by money.

Some commercialisation offices are chasing big business and are not focused on SMEs. It can be easier to work around them, directly with the researchers.

Marketing of programmes should be improved.

A collaboration is sparked by a commercial problem or opportunity.

PFROs need to provide clearer information and navigation for SMEs.

The majority of IC clients are male business owners.

We have a standard approach and template so IP is not a major barrier.

Businesses want to know who is handling their project - trust and relationships are important.

Government support can be confusing. There are so many small programmes and they have different administration arrangements.

SMEs need projects to happen fast!
They value SME insights on collaboration, were not surprised by the findings, and want to be part of the conversation and work going forward.

Pleased (and somewhat surprised) that PhD student placements were valued by business.

University incentives have changed and there is an increased focus on collaboration in the sector.

Agree there is a need for some PFROs to develop better business management skills and improve information and navigation.

Collaboration with business is broad and includes formal and informal activity.

A networking explosion has to happen!

They have examples of successful collaboration projects.

SMEs may not understand the role of PFROs.

SMEs underestimate the cost and value of R&D.
Section 4 – Key Findings and Recommendations
Key Findings

• Businesses have a very broad understanding of collaboration and many aren’t aware of the benefits.
• Most of the businesses interviewed have undertaken some form of engagement with PFROs including supplying goods and services, recruitment, networking, advice/consultancy, fee for service research contracts, joint research collaborations and PhD student placements.
• Some government collaboration programmes are not marketed effectively to businesses. Some measures are also lacking coordination and would benefit from greater policy cohesion.
• Businesses have difficulty finding a collaboration partner, and rely on existing networks or internet searches. They value trusted relationships and often prefer connecting with individual researchers rather than going through formal PFRO channels.
• An innovation mindset supports successful collaborations. Some businesses need to build management capability and upskill on innovation/‘21st century’ skills.
• PFROs also need upskilling on business acumen and could be more responsive to business needs.
Key Recommendations

Informed by the research, the project team is recommending three quick wins, four ideation platforms which can be further explored and one further research project.

Quick Wins:
- Share findings across Government
- Continue the project Interdepartmental Committee (IDC) as a Business-Research Collaboration IDC
- Review and update Business.gov.au

Ideation Platforms*:
- Marketing of Government collaboration programs
- Connecting businesses with research opportunities
- Skills for Business
- Group collaboration

Further Research Project:
Exploring the barriers and drivers for women in business

*The Ideation platforms combine all the insights and themes into a tool that can be used as a starting point to create targeted solutions. It is recommended this project moves to the Create Phase, building on the above platforms.
Ideation Platforms

The ideation platforms combine all the insights and themes into a tool to be used as a starting point for the creation of ideas for possible solutions. The project team has developed 4 ideation platforms:

1. Marketing of government programs
2. Connections
3. Skills for business
4. Group collaboration

It is recommended the Business Research Collaboration Project moves to the Create Phase, building on these platforms.

There is also one idea for a spin-off project (Women in Business) that could be considered.
How might we market the benefits of collaboration and Government collaboration programmes already available to business?
The Need

Businesses need more information about the benefits of collaboration and what support programmes are available to help.

The Target Audiences

Quotes

"Government tells its story really badly. There is a lot on offer but it isn’t being communicated. The grants are well designed but there is little knowledge among businesses on what’s available. The story is being told, but the message isn’t getting through. There is a need to tell the stories more effectively."

The Opportunity

Raise awareness for businesses on the benefits and value of collaborating with a PFRO.

Considerations

• Diverse range of business types and needs – likely that a range of approaches are needed.
• Information overload – how to cut through with a new message and not add more white noise.
• Co-ordination across government programmes and ensuring any additional marketing aligns.

Where have we seen this problem solved before?

Thought Starters

• Media marketing campaign
• You Tube channel
• New business research collaboration award at PM’s Science Awards
How might we connect businesses with PFRO research opportunities?
The Need

Businesses need clear and easy ways to find a research partner or research solution.

Target Audiences

Quotes

“… I don’t know where to start or what door to knock on. Would find someone in my network and start a discussion.”

“Uni websites aren’t great to help businesses find the right person or capability – most businesses don’t know who to work with so this is a barrier.”

The Opportunity

Quick, easy and user friendly solutions that help business connect with PFROs that best meet their specific needs.

Considerations

• Existing platforms/service are disjointed and can be confusing and time consuming for businesses to navigate.
• Avoid building more platforms?
• Some businesses prefer face to face networking opportunities vs. more cost efficient on-line solutions

Where have we seen this problem solved before?

Thought Starters

• One stop shop for business and PFROs that connects existing services
• ‘Airtasker’ inspired site for business to post research problems they want to engage PFROs to solve
• Run business-PFRO collaboration expos or networking events
• Expand IC facilitation
How might we provide innovation skills development options for businesses?
The Need
To build innovation skills and management capability in management to help businesses, so they can effectively build innovation into their business model. Includes: how to identify opportunities, negotiate contracts, project management, and commercialising outcomes.

Target Audiences
Salespeople, Not ready yet, Groundbreakers, Learning the ropes

Quotes
“There is an advantage to me having worked within universities previously, I have to internally sell what unis are good for and not good for.”

“Business boards are not convinced by academic language and this can undermine collaboration projects getting off the ground.”

The Opportunity
Provide access to management capability building and innovation upskilling for current and future businesses.

Considerations
• Defining skills and competencies, course delivery - who provides the training and how it is funded?

• Need to work within existing VET and Higher Education mechanisms. Could take a long time to realise.

Thought Starters
• Short accredited innovation courses for businesses.

• Work with VET and higher education sectors to ensure ‘21st century innovation skills’ are built into all training packages and course outlines.

• Link to EP programme - business advisers could help identify candidates while VET/HE institutes could refer alumni to EP.
In what ways could we encourage businesses to work together with PFROs to solve shared problems?
The Need

Drawing on business-to-business collaboration and shared business challenges at the regional or sectoral level, there is a need to support more business consortium collaboration.

Target Audiences

Quotes

“... finding ways to collaborate without putting financial strain on the organisation is a challenge”

“Anyone that is trying to develop work and opportunities in the regions, we are keen to work with them.”

The Opportunity

Harness collaborative networks (e.g. professional associations, industry councils, trade events and regional economic networks) to fund collaboration projects that solve a shared problem.

Considerations

• Helps minimise risk, reduce R&D costs, and lead to more businesses engaging in and benefiting from innovation.

• Particularly relevant for regional areas facing skills shortages and declining industries.

• Avoid duplicating existing initiatives such as the CRCs, and align with work done by the growth sectors.

Where have we seen this problem solved before?

Thought Starters

• Have the IC programme facilitators help coordinate businesses in their area with similar needs.