

Stakeholder analysis of strategic partnerships – supporting information for KTH Business Liaison’s self-evaluation for the Administrative Assessment Exercise

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Executive summary

This report is an analysis of the strategic partnership process at KTH Business Liaison. The report provides supporting information for the self-evaluation being carried out for the Administrative Assessment Exercise (AAE). This analysis was conducted in the form of interviews with relevant stakeholders, i.e. management and personnel at KTH and companies, as well as document analysis. The results show that the stakeholders have high expectations for the process. The report also shows that strategic partnerships are regarded as an important complement to ad hoc constellations, e.g. as a means of being better prepared when forming teams to perform specific tasks or when reacting to research calls. The partnerships also provide greater opportunities for working across boundaries. It should, however, be pointed out that the processes studied are so new that it is too soon to be able to present a full evaluation.

1. Introduction

During the period 2013 – 2014 KTH carried out an evaluation of the university's administration, a so-called Administrative Assessment Exercise (AAE). The purpose of the AAE 2014 Business Liaison sub-project is to help improve the quality of the administrative support functions for the KTH model for collaboration and in particular how the Business Liaison department at KTH interacts with KTH's schools with respect to establishing partnerships and raising awareness of opportunities for individual exchanges. This report provides supporting information for the report to be written by KTH Business Liaison. The assignment was to study the processes involved in establishing partnerships, to generate information that the external assessment team needs ahead of the June 2014 visit. The studies were carried out by researchers at the school of Education and Communication in Engineering Science (ECE) under the leadership of Lars Geschwind.

2. Background and implementation

A number of strategic partnerships for long-term cooperation have been established at the management level. There are seven ongoing strategic partnerships: Stockholm County Council, Scania, Skanska, Ericsson, Saab, ABB and Vattenfall, of which the last six were established within KTH Business Liaison's mandate. The first agreement was signed on 29 September 2011 and the last one on 16 May 2013. An additional two partnerships are in the process of being established.

A document entitled *Rekommendationer för drift av KTH:s strategiska partnerskap* (Recommendations for running KTH's strategic partnerships), dated 20 September 2013, contains the following opening statement on partnering:

Strategic partnerships are entered into with large organisations, companies or public sector bodies that have specific significance for KTH's activities. Collaboration is to be broad based and involve several schools within KTH, and include elements of the following types of cooperation: individual exchanges, recruitment, research collaboration, education collaboration, product and service placement, and financing of research and education.

Stakeholders are people and organisations who are affected in some way by the activities or operations at KTH and the participating companies. We have compiled an initial list of stakeholders as well as an analysis of their expectations and experiences of, relationship to, and views on the process. Visibility, competence, service and cost were areas of focus.

This analysis was conducted through a) document studies highlighting intentions/goals, implementation and effects of activities, b) analysis of existing survey and interview data generated by the so-called NOTIS project, and c) interviews conducted with the following categories:

KTH, university management	4
KTH Schools, management and/or contact node for partnership	4
KTH partnership coordinator/administrator	7

Adjunct faculty*	8
Partner companies, management level*	4

* Two of the eight interviewed adjunct faculty members were also at management level at two of the partner companies.

A separate evaluation was carried out consecutively of the adjunct faculty at KTH in a process that has several points of contact with the partnerships. Most of the interviews have therefore covered both of these processes, and the reports to some extent reflect the close connection which, in many cases, exists between partnerships and adjunct faculty. A total of 25 interviews were conducted. In the report we have emphasised reproducing the viewpoints that emerged in the interviews and keeping descriptive text to a minimum.

It may be worth mentioning that in conducting our analysis, we did not interview people who are involved in the administrative aspects of the partnerships, other than the partner coordinators who we regard as a particularly important group from which to gain insights. Any subsequent evaluation of the partnerships should also include this stakeholder group.

3. Results

3.1. High expectations but slightly different methods

We asked the stakeholders about their expectations for the partnerships. As shown below, the process has only been under way for a relatively short period of time. Still, we can conclude that many stakeholders have high expectations. Stakeholders at KTH feel that increased collaboration will enhance the university by raising relevant issues and bringing opportunities for new resources. Increasing mobility and cooperation will bring more people in to spend more time on the core activities. Companies can provide contacts and expertise, but they can also provide resources in varying amounts in the form of research funding and infrastructure. In answer to a question about what companies could be expected to contribute, one interviewee said the following: *Knowledge! What areas in our education and research do we need to develop to remain at the leading edge?*

We live in a time when research opportunities are growing; many of them are based on collaboration with companies. Partnering and mobility are strategic ways of taking advantage of those opportunities. They provide long-term interfaces with the surrounding community, which over time provide more opportunities to solve complex problems and impact society. They also provide opportunities to identify new application areas.¹

One of the criteria for collaboration is, of course, that there is mutual interest in the partnership. The interviews described how there has been a renewed and intensified interest for some time from industry in partnering with universities. Cooperation has existed for a long time, but the new emphasis on long-term partnerships is now supplementing previous

¹The study carried out by Enrico Deiacco in cooperation with consulting firm McKinsey in 2010 played a direct role in the preparation of this process and for the related Forum for Adjunct Faculty. Enrico Deiacco, An Industry Faculty at KTH. Analysis of the current situation, needs and strategies, undated PPT.

cooperation which was mainly based on specific projects, programmes or centres of excellence.

What are the main incentives and expectations in industry? In general it can be said that the incentives overlap. Many people emphasise the broad and non-conditional aspects:

Good question. Broad and fairly non-conditional. The partnership was initiated by KTH. We have worked in cooperation with several universities and we wanted to coordinate and pool resources and efforts to a greater extent. We are involved in many research partnerships. Here we wanted to expand our activities and do other things.

One difference in expectations that emerged was that companies emphasise contact with students and undergraduate education, while at KTH, as mentioned above, the expectations to a greater extent relate to revitalising research – both in terms of ideas and monetary resources. One important partnership incentive for companies is being able to recruit the best engineers. Companies also like the idea of having “their” issues addressed in education and that students will learn about them as employers. This may happen in the form of degree projects or lectures presenting future careers, based on the company’s perspective.

However, despite the general optimism, several stakeholders have also expressed some caution: *I have sober expectations. More research may be conducted in areas that are relevant to us. Resources will come into the system, but how much will actually come out of the process in five years’ time remains to be seen.*

Many interviewees emphasised the long-term nature of the work involved, and that this should factor into the expectations. Partnerships, unlike other forms of cooperation, are about preparing for and setting up structures for long-term processes. It is important to first create many interfaces and identify common issues; the resources will then follow in various activities. There are of course high expectations that the partnerships will result in concrete ventures leading to results and effects.

3.2. Work so far: experiences and lessons learnt

The partnerships have reached different stages in their maturing process. This is partly due to the fact that they have been under way for different periods of time, and partly that their collaboration was at different stages when the agreements were entered into. Strategies and internal processes on both sides also, of course, affect the path forward. One quote that illustrates this:

The partnership as it has developed with [partner company X] is much more about the long-term perspective than about finding collaboration opportunities – about finding each other. This is very different to [partner company Y] which wants to do things here and now and has the resources for it. [Partner company X] is going through a major reorganisation and doesn’t know what they should use the partnership for. These are completely different situations.

For some, the process of formalising a partnership has not involved any changes for them yet. Rather, it is seen as putting a name on something that was already in place.

3.2.1. Organic process, but strategies being developed

One question we asked was: Are there any plans at your school/department for how you will use/exploit the strategic partnerships? Several interviewees responded that at the school level the process has so far been organic – a project happened to get started and they happened to meet an appropriate person to call in for an adjunct/affiliate position. With respect to the latter, the ability to find the right person was emphasised. The strict requirements placed on adjunct faculty limits the number of appropriate candidates. Conversely, it can be said that appointing adjunct professors can be a way of strengthening the faculty in cases where recruitment is difficult for various reasons. The initiative could come from any direction: management, research teams or a company employee. The perceived added value of an adjunct professor has been described like this:

Added value, a way of supporting research activities with added technical expertise, or a subject profile. Another type of experience that is important to have. Helps improve the capacity for action, opportunities for strong cooperation with industry – with the company as well as in a broader industrial collaboration. Brings an industrial perspective into education.

It does, however, appear that the schools are developing long-term strategies for partnerships and adjunct faculty. These strategies are integrated in their strategic plans. One of the issues addressed relates to what these individuals should contribute. How can we identify areas for cooperation at several levels, e.g. individual exchanges, research and professional development?

It is very beneficial for collaboration to be integrated into all of the processes under way at KTH and at the respective company. There are good examples, based on a company's long-term planning, of how to develop action plans for joint efforts in a specific area and then populate the project with researchers from both the company and KTH. But here there is also, in certain cases, the potential to incorporate other aspects of the company's activities which have not yet been included in the partnership, such as internationalisation, which is an important part of some companies' structures and strategies.

3.2.2. High level of ambition but different ways to reach the goals

Several interviewees pointed out that the level of ambition in several of the partnerships is impressive on both sides. But the number of partnerships that KTH enters into was also discussed. If the level of ambition is to be as high as it is now in the most developed partnerships, KTH should not enter into too many partnerships, according to some interviewees. There is a risk of it becoming unmanageable. Another aspect regarding the number of partnerships, for both parties, is that limiting the number makes it more exclusive for those entering into partnerships.

With this argument it is important, just as KTH has established, for the “exclusive” partnerships to be complemented by other types of agreements that can be entered into with a larger number of companies and organisations. These partnerships are not expected to extend over such large areas, nor necessarily involve several schools at KTH.

The strategies and ambitions from the companies' side have shifted somewhat over time and among the various companies. Some companies seem to have had a very clear objective and have demonstrated this with an ambitious project plan, including who will be involved. Some companies are focusing more on placement of adjunct professors, while others see opportunities to create centres of excellence. Another difference is that some enter into relatively narrow partnerships in a single area at the beginning with the possibility of expanding into other areas later on, while others take a broad approach from the start and then subsequently focus in on specific areas. Taking into account the relatively short time that has passed, there is no easy answer to what is the right or wrong way forward. In the current situation any means of driving this process forward is in some sense the "right" way.

One quote from a partnership:

We signed an agreement in May 2013 without any real concrete plans. We had the first steering committee meeting in October to further define the partnership process and then we had two seminars before Christmas where we clarified the way forward quite well. Now we are having concrete discussions on various collaborative projects – both in research and education – that would not have come about without our partnership agreement.

3.2.3. Formalising is necessary otherwise nothing will happen

Is it important to formalise cooperation in this way? The answer was unequivocally yes. Formalisation has, among other things, placed a greater emphasis on the process, with the agreement and the activities involved now being discussed as strategic instruments. In several cases in the past, collaboration and joint projects have existed but they have been less formal and have therefore not been perceived as significant. Now the same projects can carry more weight when they are placed in greater contexts.

At the same time we have detected some concern from some individuals at KTH and at the partner companies who have already had a relationship with each other. They are concerned that the partnerships that are already working will become more controlled and therefore be more difficult to manage. The issue of dependence on individuals has also been mentioned as a strong reason to centralise and formalise relationships, as illustrated by the following quote:

Good way to formalise. The strength of the old way – the dynamic aspect – is also a weakness; it becomes very dependent on individuals. Now the process is lifted up to the KTH level and there are no downsides to that. KTH seems a bit difficult to navigate for those of us on the outside. It's hard for the [partner company] to get a good sense of the entirety of KTH and its organisation.

With formalisation comes an increased need for support from the central level where there is a clear responsibility and is the right level to provide support. This applies to both partner companies and KTH. When this works properly it provides shorter contact paths between companies and KTH.

3.2.4. Communication and coordination

A recurring theme in the interviews has been the need for communication and coordination in both of the processes. This applies to all channels – both at KTH and at the partner companies. We have not studied things like minutes from meetings, but the interviews indicate that issues such as who should do what and in which timeframe are not always clearly defined. The expectations that the parties have of each other are simply not communicated clearly enough. There may of course be a reasonable explanation for this. One reason that is mentioned is that people are dependent on other people's knowledge and schedules and when sitting in a meeting have no authority and/or knowledge of what resources are needed. The partner coordinators have, of course, a key role to play in facilitating this.

The partner coordinators' skills have been mentioned as a crucial factor for the partnerships. We believe that their task requires a unique combination of skills: knowledge about universities in general and KTH in particular, a deep understanding of business and industry, and a full range of project manager capabilities, e.g. communication skills.

A positive voice on the topic of communication and coordination says the following: *We can help each other. KTH has pipelines between different organisations. So do we. We can help each other to think along different lines thanks to this partnership.*

This quote summarises one of the challenges faced by the partnerships, namely that with the right communication and coordination, the partnerships provide mutual benefits for both organisations. If that aspect fails there is a risk that the partnership will be weakened.

3.3. Challenges and bottlenecks

At a more overarching level, we can see, as shown above, that the partnerships have been well received. However, when stakeholders were asked about the pros and cons, some more critical viewpoints emerged. With respect to keeping partnerships exclusive and therefore only involving a few companies, opinions on how to choose partners were expressed. Choosing one type of company within one sector can create an imbalance:

It is too early to say. Partnerships can work in different ways. It's a new way of working and it can create some concern in a sector if not everyone is included.

The partner companies do not feel the same way about exclusivity. They have expressed an ambition to create similar close partnerships with several Swedish universities.

Another risk that we have touched upon already is that having too many partnerships compromises exclusivity and productivity. From KTH's perspective, in many cases the same individuals hold the key positions for all partnerships and in the end there is a risk that their time and availability will be a factor that determines if not only a partnership will succeed, but if everyone will succeed as well.

Another risk that has been mentioned is that it is possible to become too close to one partner which can scare away competitors in the respective sector. Both KTH and the companies are aware of the signal value that the "exclusive" aspects of partnerships can have:

And we shouldn't think that KTH alone can or should cover all knowledge areas that are important to [the partner company]. Other universities have their roles to play and we need to work with others as well, even if KTH is our long-term main partner. [The partner company] is aiming for closer relationships with 4–5 Swedish universities. So far only the partnership with KTH is formalised, but we have started to discuss this with a couple of others.

The role of the strategic partnership in relation to other long-term collaborative relationships is another important aspect. It became clear, for example, in the interviews conducted in connection with the NOTIS project that in many environments not many people realise the partnerships exist. On the other hand, numerous other partners are mentioned with whom both individuals and groups of researchers/educators are working.

Another risk, which was emphasised by the university, is control over content and implementation in academic activities. Here, KTH must always make sure that it is still in control over its core activities: research and education. There seems to be a great awareness of this issue.

One concrete aspect relating to formalisation is how to draw up the agreements. Drawing up the main agreement between the partner company and KTH is not regarded as being a big issue, which can be explained by the fact that it essentially contains no binding clauses on things like resources etc. for either party. But when the partnership is to be filled with content in the form of projects and activities, the wording of the agreement is important and the key point is often IP issues.

It is not possible to single out an individual party or entity as particularly difficult in this regard. At the central level at KTH there is suspicion that researchers do not understand what they are giving away, while researchers, on the other hand, think that the legal experts' opinions lack a basis in reality. The partner companies may have a similar situation, where another aspect might be that an international team of lawyers for a corporation may have opinions about the wording of a contract.

On the positive side we have noted that many of those we talked to have respect and understanding for the legal aspect of partnership agreements and realise that time needs to be allocated for this. Also, several interviewees say that the more agreements like this are signed, the smoother the process becomes, and that structures and routines are being created for the wording of agreements. One key issue for mutual understanding is structured and good communication – both within and between the respective organisations.

4. Conclusions and looking forward

Our study reveals that strategic partnerships are an important complement to ad hoc constellations. One aspect that was highlighted is that they are a means of being better prepared when forming teams to perform tasks or when reacting to research calls. The partnerships also provide greater opportunities for working across boundaries. New, sometimes unexpected, constellations can emerge, and this benefits all parties. The partnerships spread knowledge internally on how to collaborate. The long-term aspect also

makes it possible for problems and questions that would not otherwise be asked to emerge. The partnerships increase the opportunities for issues to be addressed across school lines at KTH.

Both the strategic partnership process and the related Adjunct Faculty Forum indicate a clear investment from KTH as a university. They demonstrate an ambition to develop cooperation beyond personal relationships, which will still be important, to a more uniform strategy. It was, however, mentioned in the interviews that KTH's ambitions and desires could be expressed even more clearly, in both statements of objectives and agreements. With respect to the agreements, many lessons have already been learnt in the negotiations that have taken place. Improving the agreement process and making it more efficient has, for example, been described as a "hygiene factor."

With respect to the concrete aspects of collaboration, some partnerships have progressed farther than others. Most people believe they are progressing according to plan; they are basically "in phase." An important strategy issue for KTH to discuss is the different levels of maturity of the projects. Should we invest considerable resources in aspects that are already successful and thereby delay work in other areas? As several people pointed out, dedication like the commitment that now exists in the most well-developed partnerships requires an enormous investment from everyone involved, at a high level in the organisations.²

It is interesting to note that the companies to a greater extent than KTH talk about the students as an important reason for cooperation and increasing their presence at the university. For several partner companies, engineers from KTH are the actual backbone of their own workforce. This is not, however, reflected in the activities that are under way or planned, which are dominated by research and postgraduate education.

Increased internationalisation has also been mentioned as an aspect with future potential. The partner companies are major international players, but this is not yet reflected to the same extent in their collaboration with KTH.

²Participants in KTH's strategic partnerships, 24 October 2013. Faculty for Innovative Engineering Report 2011–2013. Annex 3