

The Opportunity

Declines in federal and state research expenditures, and heightened efforts to commercialize intellectual outputs have spurred universities to allocate greater enterprise focus toward industry sponsorship (Lieszkovszky, 2012; National Research Council, 2012).

This industry-focus is not without its challenges though, as synthesizing the divergent university–industry cultures while still respecting each entity’s immutable limitations can be quite an undertaking. Moreover, each entity’s engagement-champions may have to overcome their own entity’s internal political and cultural resistance to such partnering. Nevertheless, a field-focused industry-pivot may be a crucial and timely move given that disruptive technologies alone are predicted to have an annual economic impact of between \$14 trillion and \$33 trillion by 2025 (Manyika et al., 2013). Positioning the university on a course to intercept industry’s development of these technologies will create nearer term opportunities to share in the creation process while ensuring the longer term relevance of the research enterprise to industry through the development of mutually beneficial relationships.

The Theory

A disruptive innovation can be described as one that has “the potential to disrupt the status quo, alter the way people live and work, rearrange value pools, and lead to entirely new products and services” (Manyika et al., 2013, p.1). Simply stated, a disruptive innovation is a product or service that either addresses a market not previously

served (a *new-market* disruption) or offers a simpler, cheaper, or more convenient alternative to an existing product or service (a *low-end* disruption), or does both (a *hybrid* disruption) (Christensen & Raynor, 2003; Rachleff, 2013). But the crux of the disruptive innovation theory is not the product or service itself, rather, it is the business model behind its deployment (Rachleff, 2013). Indeed, for an innovation to be disruptive, it must offer something to the marketplace that incumbent competitors are unable (or unwilling) to respond to because their business models cannot adapt to the disruptor’s strategy; and this is exactly what gives a disruptive innovation its incredible potential (Christensen & Raynor, 2003).

The Status Quo

The value of a disruptive strategy is that its implementation can utilize an institution’s existing assets and capabilities, albeit in a novel orientation, to engage unserved markets and/or the low end of over-served markets wherein the institution is able to run free without competition. However, current university strategies are often focused on “building a better mousetrap” in their efforts to engage with industry—a strategy known as sustaining innovation (Christensen & Raynor, 2003). While this approach has its own great opportunities (the discussion of which is beyond the scope of this article), it also presents problems for many resource-lean research enterprises in that if such an enterprise creates and attempts to deploy a better product or service into the established market to capture more customers, the competing enterprises will be motivated to respond (Christensen & Raynor, 2003). Once mobilized, resource-rich enterprises are likely to reclaim the lost business and re-establish their dominant presence, thereby limiting the return on investment for the resource-lean enterprise while hindering its growth prospects (Christensen & Raynor, 2003).

References:

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The Mindset

Without question, universities and industry-entities have fundamental differences; however, in a quest to more fully engage, modeling a successful business strategy is an excellent step, even if the value is limited to disrupting perceptions of what is possible, to wit: the creation of a disruptive mindset. Rather than viewing the immutable aspects of the university structure (e.g. status, mission, academic freedom) as limits on what can be achieved, revisit the perspective and consider the university as a platform preloaded with intellectual capacity and immense functionality just ready to be tapped (does that sound like the cloud?). Ask questions, lots of questions. What is it that my university can do that no other university can? What makes us special, vital, important, and unique? How can our existing strengths get us to where we want to be? What will our research enterprise be focused on in 2025?

The Take-away

Universities have an astonishing breadth and depth of resources, from physical plant to intellectual capital to administrative infrastructure, and these strengths are key components in crafting a new engagement strategy. Thinking of the research enterprise as a platform and realizing that it has great latent value in its capital assets and intellectual talent opens the way to think about both sustaining and disruptive innovations that might well drive growth. Importantly, a disruptive strategy can work with a university’s existing assets. All that remains is for the engagement-champions to reassemble them in an innovative fashion. Imagine the possibilities afforded by chasing disruptive innovations with a disruptive engagement model that on-boards and through-puts innovative technologies by partnering with the disruptors poised for success. ■



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