

# *The Evolution of the Infrastructure of the Knowledge Exchange System*

**PACEC**

Public & Corporate  
Economic Consultants



## **The Evolution of the Infrastructure of the Knowledge Exchange System**

### ***Executive Summary***

A report to HEFCE by PACEC  
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## Foreword

Some days I read that we at HEFCE are funding 1,000s of Intellectual Property (IP) managers. Who are managing around £56M in licensing income. I think- outrageous. But then I think of the diversity of our universities and colleges, of their subjects and of their partners in society and the economy. And then I think – hang on, are these all focussed so intently on Intellectual Property that they need 1,000s of specialist IP managers?

Clearly not – as this report from the Cambridge Centre for Business Research and PACEC consultants describes. The report tries to capture the wide range of engagements between higher education and societies and the economy – and the support in place for research translation, development of human capital, soft networks, provision of facilities and civic and community outreach. Such engagements generated at least £2.25Bn in total value for the economy and society in 2007-08.

Not that we at HEFCE or HEI leaders and managers should be complacent. HEFCE provides around 2% of its funds from Government to help HEIs support their engagements with the wider world. This complements project support from such as Research Councils and Regional Development Agencies. We all need to maximise efficiency and effectiveness, both in engagement work and in the underpinning research and teaching. Improving strategic and operational efficiency is critical. A key part of that is getting the right balances between academics and professional staffs, so that the academics feel supported in their creative roles and the institutions are comfortable with the financial, legal and other consequences of engagements. We hope that this report will help with this development process.'

**David Sweeney**

HEFCE Director Research, Innovation and Skills

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## Executive Summary

- X1.1 The knowledge exchange (KE) system is evolving to meet and growing need for KE support services. These needs are being driven by the increasing emphasis being given to KE by HEIs in their overall strategy development. Academics are engaging in KE in wide variety of ways and participation rates are high. Notwithstanding, they are demanding more information and support for the different modes of engagement which are emerging. Participation is taking place through a diverse set of mechanisms, well beyond the commercialisation mechanisms in science, technology, engineering and mathematics (STEM) subjects that have received much of the attention in the past. In addition, the *potential* market for HEI KE looks promising, with a shift towards outsourced research and development as well as training, although HEIs still need to work more closely with businesses and other external organisations to demonstrate the value added they can deliver.
- X1.2 To meet these needs of academics, HEIs, supported by government funding through HEROBC and HEIF, have responded by greatly expanding their capacity and capabilities with a diverse and imaginative set of initiatives and KE support functions. We have grouped these functions into five broad categories: support for the translation of all types of research; skills and human capital development; stimulating interactions between academics and external organisations; facilitating the exploitation of the physical assets of HEIs; and support for engaging with the community and society.
- X1.3 Organisational structures of HEIs have also adapted to this expansion of KE activity and again a striking feature is the diversity of response and the extent of HEI experimentation. For some HEIs the organisational response has been to increase the specialisation of knowledge exchange units (KEUs) through a process of 'vertical disintegration', for others to rationalise and consolidate to a smaller number of KEUs. These different organisation changes reflect the learning by HEIs of how to improve the support delivered and the shifting leadership priorities and objectives mediated by factors such as the availability of funding, government policy, subject composition, internal culture, the existing capability and capacity of academics and importantly, and the legacy of past engagement in KE.
- X1.4 Critical to the success of these organisational responses, and the overall efficiency and effectiveness of the KE system, is the need to ensure adequate interactions between different KEUs where they may be mutually beneficial and to the advantage of the system as a whole.
- X1.5 The overall system of KE infrastructure has witnessed a large amount of experimentation over the past decade as HEIs seek to improve their support to the KE process, as well as in response to the changing terms of different funding streams. However, academics still perceive important constraints with the overall system of infrastructure, particularly in lower research intensive HEIs, including bureaucracy and inflexibility of HEI administrators and a lack of capability of university staff. Difficulties with intellectual property agreements appear to be mainly confined to specific disciplines rather than being pervasive across all subject areas and all HEIs.

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