Building Customized University-to-Business (U2B) Partnerships

George Irvine
UNIVERSITY OF DELAWARE

Lisa Verma
LOUISIANA STATE UNIVERSITY

Continuing education (CE) units throughout the United States have successfully built University-to-Business (U2B) partnerships to provide greater value to their community partners and to increase revenue for the university. Our experience in building U2B partnerships and feedback from our partners—businesses, corporations, state agencies, and other organizations—indicates that an opportunity currently exists for CE units to leverage their university's comparative strengths in research and teaching to help businesses develop their employees to increase efficiency, meet strategic goals, and increase employee engagement. As is the case in building any CE area of practice, programmatic challenges must be overcome to launch and expand U2B programming. This article shares survey results from organizations about why they like to partner with universities, provides solutions to the typical challenges of building a U2B practice area, and offers a diagnostic tool to help CE managers get started in building robust partnerships to achieve their outreach and engagement goals.

WHAT IS A U2B PARTNERSHIP?

In the business community, one frequently hears about business-to-business (B2B) or business-to-customer (B2C) relationships. In our experience, a CE

unit should not adopt a B2B model to serve its partners in the business, government and nonprofit sectors because a university operates differently than a business in three critical ways: we operate on a different, usually slightly longer time scale than a business; we generally operate from an educational, mission-oriented rather than profit motive; and we operate under different funding structures than a business (subsidized, quasi-private, nonprofit, for example.) For these reasons, we choose to refer to our model as university-to-business (U2B) to more accurately reflect the partners involved.
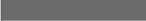
One can argue that a more accurate name would be university-to-organization (U2O) partnership, since CE units work not only with businesses but also state agencies, nonprofits, and other non-business organizations. However, the majority of the revenue generated by CE units involved in U2B partnerships comes from business and corporate partners with both the need to develop their employees through university-based knowledge and the ability to pay for its delivery.

WHAT IS THE OPPORTUNITY FOR U2B PARTNERSHIPS?

In spring 2013, we surveyed our customers to ask them why they enter into a U2B partnership and what they get out of it. The results clearly indicate that businesses and organizations enjoy working with a university partner and get tangible value out of the training and employee development services that they receive. In addition, the survey also highlights how universities could better serve their business partners. Here are the key highlights from the survey:

- Surveyed customers rated their overall level of satisfaction with their university provider of custom and on-site programs at 9.5 on a 10-point scale, where 0 is very dissatisfied and 10 is very satisfied.
- Customers gave a variety of reasons as to why they selected a university for their educational programming needs, as shown in Table 1. 75 percent said that the university was easy to work with while 58 percent indicated that price was the motivating reason. We would assume that this is due to our reasonably priced educational offerings.

Table 1: Why businesses work with universities

#	Answer		Response	%
1	University brand		5	42
2	Knowledge of current research		5	42
3	Price		7	58
4	Easy to work with		9	75
5	Attended previous professional development program		4	33
6	I went to the university for my degree		1	8

Qualitative feedback from customers also indicates that a university can be an excellent partner for an organization:

- I have partnered with LSU for years, and keep using them, because they meet our needs at a level of excellence that could not be matched anywhere else.
- The ease in which the development and delivery of training programs. The resources the university has at its disposal.
- I appreciate the working relationship. I have gotten to know a number of the people with the Division of Continuing Education and I can pick up the phone or send a quick email and get the answers I need. They were also helpful in the grant-writing process.
- How well the training instructors are received by plant folks.
- Professionalism, the way associates responded to the program—engaged with the tools/resources and put into practice.
- The strong business acumen in academia and interest in partnering with the business community—our getting beyond any corporate bias.
- The strong research basis, the availability of a variety of instructors according to their expertise.

• In class collaboration with employees from various local companies has really enhanced these courses. The ability to discuss the content and share how it meshes with various industries, or how various companies practice similar processes is very interesting and informative.

Ninety-two percent of our customers have partnered up to 10 times in the past five years with a college or university to purchase educational programs for their organization. As shown in Table 2, 64 percent of customers responded that they retain from one to five external vendors in a typical year for employee training and development. 27 percent indicated that they retain more than 10 vendors. A CE unit can be one of these vendors.

Table 2: Number of external training vendors retained in a year

#	Answer		Response	%
1	None		0	0
2	1-5		7	64
3	6-10		1	9
4	More than 10		3	27
	Total		11	100

The percentage of training handled in-house rather than outsourced to a vendor varied across the surveyed customers. The majority of customers (55 percent) handle between one-third and two-thirds of their employee training in-house, leaving a significant percentage to be provided by vendors. Only 27 percent, or slightly more than 1 in 4 customers, conduct more than two-thirds of their employee training in-house. Customers rated their university partner from a number of different perspectives as shown in Table 3.

Table 3: Ratings of university partner

#	Question	4 - Strongly Agree	3 - Agree	2 - Disagree	1 - Strongly Disagree	Total Responses	Mean
1	Selecting a university to provide educational programming for my organization was a smart choice	10	2	0	0	12	3.83
2	My university provider provided me with value for the money.	11	1	0	0	12	3.92
3	I would purchase another educational program from my university provider.	11	1	0	0	12	3.92
4	I would recommend my university provider to another company.	10	1	0	0	11	3.91
5	I thought my university partner could have delivered greater value.	2	2	2	5	11	2.09
6	My university provided research-based training and knowledge.	6	5	0	0	11	3.55
7	My university partner provided actionable training to help my employees do their job better.	9	2	0	0	11	3.82

Customers indicated areas where their educational partner could have done a better job:

- Nothing that I can think of at this time.
- I can honestly say it was/is a pleasant experience and there is nothing I would change.
- In my case, I'm not impressed with the time it takes the University to process financial transactions—vendor approval, check processing, etc. These transactions can be pending for months sometimes with very little to no feedback as to the status. I'm used to a much more responsive/fast-moving financial team. That can be a bit frustrating.
- Occasionally the instructors could have asked more of the participants (less lecture), and we have discussed making a change to the program to provide more sup-port to the group project/presentations.

- We found that some courses were either too broad or mislabeled. For example, an "Advanced Excel" course was more of an beginning to intermediate, an advanced course would include macros, perhaps light SQL, etc. 'Technical Writing' could have focused more on writing business cases or similar correspondence for middle managers. Luckily these were a small portion of the many courses our staff participated in, and may still have been beneficial to the junior staff and managers.

The return-on-investment (ROI) of a university-provided employee development program is a critical measurement for any U2B partnership. Customers indicated a high return on their investment in their U2B partnership in a number of financial, qualitative, and quantitative ways.

- Improved performance by participants was readily apparent to supervisors and managers.
- ROI = 95 – 100 percent.

We have received training for our employees that makes

- them better prepared to deal with daily roadblocks. Better-prepared employees and supervisors create an environment where we can deliver better service and complete jobs in a more timely and safe manner. Giving our clients a better product leads to more opportunities for future growth.
- Too early to tell in this round of training but solid retention numbers from previous training
- LSU has a great local reputation. So it's easy to sell my employees on the idea of attending a class hosted at LSU or using an LSU speaker. Same with persuading my company's owners to spend with LSU. They respect LSU and its standing in the community. So, the ROI for me as a Training Manager could be measured in increased respect for me and my role by recommending we use LSU as an educational partner. Financially, the breadth of courses available through LSU helps because we have been able to schedule management, IT, writing, customer service, project management, among others—all through a local vendor which means only managing one

vendor relationship. (We do use other vendors for some specialized topics). But the lion's share of the outside work is through LSU.

- I began with my company three years ago as the company's first Training Manager. A call to LSU was among the first calls I made. The partnership has been ongoing since that first phone call.
- Excellent value and return.
- Highly positive feedback from participants, in some cases comparing this program favorably with a full MS done at another school. One participant has been promoted since completing the program (not necessarily as a result of attending the program) and has said she feels more confident taking on the next level role after completing this program.
- The university relationship allowed us to be approved for a workforce commission grant that listed the university as an approved partner/vendor. This allowed us to register for classes right out of their catalogue, vs. working with multiple vendors or create custom courses. It also allowed us to send wide swaths of our staff through "certification" courses like Project Management Certification. This was important to us because it ensured all staff received basic project management knowledge and certification.

Taken as a whole, the survey responses indicate that businesses and organizations like to partner with universities because we are easy to deal with, provide excellent value for the money, can meet many of their training needs in one vendor relationship, generate positive ROI from the training provided, and leave them pleased that they entered into a U2B partnership.

THE CHALLENGES OF BUILDING A U2B PRACTICE AREA

While the U2B opportunity exists, so do the challenges to succeed in an increasingly crowded marketplace. Foremost among these challenges is how to start a U2B practice area in a CE unit. Which piece of the programmatic puzzle—staff, instructor, product line, marketing, relationship building—is the most critical to build first? Other challenges include determining the

most effective manner to approach local and regional organizations; educating business partners about a CE unit's offerings for their employee training needs, particularly if they are used to working with private sector training vendors; articulating (without overstating) the ROI from training programs; finding subject-matter experts who can relate to the business world; working with small and medium-sized businesses as well as big businesses with a larger training budget; managing sticker shock if the price of a training program is high; establishing replicable processes to allow a U2B practice area to grow without undue pains. The following are solutions to the key challenges of building a U2B practice area, provided in a frequently asked question format:

What pieces does a CE unit need to have in place to build a viable U2B business? Which piece is the most important to grow a U2B practice?
First, it is critical to have at least a three-quarters time staff person dedicated to building a U2B practice area. Establishing relationships with community partners takes time, as does devising business processes in the CE unit to support U2B programs. Investing in a dedicated staff person is absolutely critical to success. Second, it is important to identify a product and/or service that will provide real value to an employer or organization. Once this product or service is identified, designate at least one staff member that has excellent sales and customer service skills. In most cases, the potential client does not see the university as a typical sales organization. Our experience is that the client views the university more as a partner in their employee's development and training. With these two elements in place, it is important that you find excellent subject matter experts (SMEs) with good teaching skills who have some industry experience themselves and/or who can relate research-based knowledge in an actionable way to an employee of a company. Look for these SMEs among the faculty and adjuncts of the university/college. Freelance consultants are also an option, provided they know that they are working for the CE unit, not themselves. The next item to develop is a planned, as opposed to ad hoc marketing strategy. In the end (or rather beginning), the most important piece of this puzzle is to have the desire to grow your business and revenue through meaningful partnerships that add value to both the business community and the university.

Why do organizations in the private, public and nonprofit sectors select a university partner to provide educational programming rather than a training or HR consultant, for example? Do we have to act like a consultancy to meet client expectations or is it okay to be "academic" too?

As previously noted, organizations choose to enter into a partnership for a number of different reasons, but primarily for price and ease of partnering. But a university has an advantage in that the university's core mission is to provide the best in research, teaching, and service, not necessarily to sell a product or consulting service. Our mission provides us a degree of objectivity that distinguishes us as solutions- rather than sales-oriented.

A critical organizational piece for success is customer relationship management software and IT. What IT challenges do CE units face as they seek to grow their U2B business?

Resources are critical to success. Developing a healthy U2B "ecosystem" to include IT / software is essential. Take stock of what you already have and what you must add. Do you have a robust customer relationship (CRM) tool, an enrollment management system (EMS), and / or a content management system (CMS)? In terms of marketing, are you positioned to use social media in addition to traditional marketing channels?

How do you find your customers?

We find new clients by meeting with local and regional industry associations (chambers of commerce, Society of Human Resources Managers, business councils, etc.). In some cases, a new client is a client from the past. Many of our customers are current or repeat customers.

How do you ensure that your educational content meets your customers' needs?

In the case of LSU, we offer more than 200 face-to-face professional development courses that we are willing to bring to the customer and to customize. When meeting with potential partners, we ask them about their employee "pain point"—the thing that prevents them from achieving their training goals. We ask probing questions to understand their problems instead of offering an off-the-shelf training solution. This is an important piece of the partnering process; well-formulated questions show a competent and caring university partner. Once there is agreement about the organization's needs and our ability to meet them, we bring together our subject-matter expert and the client for a more in-depth conversation about what the training

should accomplish. The process does not always result in a "sale," but it gives us more information about an organization's or industry's needs and helps us think about potential resources for meeting them.

What "ecosystem" exists to help a CE unit grow its U2B business?
Every university has resources that can be called on to support successful U2B partnerships. This ecosystem will be unique to a university, ranging from an office of career services that has excellent partnerships with companies that hire university graduates to the university's customer and other support systems. External resources could include local and regional workforce and economic development advisory boards, chambers of commerce, and departments of labor as well as relationships with national professional organizations such as UPCEA and ACHE. The important thing is to think about the ecosystem in which your CE unit exists. How can you tap its resources?

When are you a consultant and when are you a university educator? How do you know which hat to wear and where do you draw the line?
This should be decided from the start. In addition to providing training and development, it will take a considerable increase in time and staff to provide consulting services such as conducting needs assessment, personality assessments, business coaching, designing performance appraisal systems, identifying job competencies, etc. In the end, we are not HR consultants, and our partners do not expect that of us, though it is helpful to be familiar with strategic human resource consulting firms through their websites and the websites of the American Society for Training and Development and the Society for Human Resource Management.

Can U2B work with small and medium-sized businesses, or is it only for big businesses with large training budgets?
Small and medium-sized businesses typically do not have large enough training budgets to support customized employee development programs. However it is easier to train a smaller staff than a larger one, so be prepared to provide specific skills training in smaller and modestly priced portions so that when a company grows and its employees' training needs become more complex, you are ready to help them. Another option is to provide

one-on-one employee coaching on communication, budgeting, or HTML skills, which can help small businesses develop their employees without spending a lot of time and money sending him/her to a semester length university course.

How can you manage sticker shock with respect to the cost of training?
In any proposal it is important to emphasize what the client receives from the employee development program. Price is a function of value provided. If the value provided is high, then the impact of pricing will be manageable.

What is the best way to put replicable processes in place to allow a U2B practice area to grow without undue pains?
The U2B team must map the process it creates. Process mapping helps identify redundancies and time wasters. Once mapped, processes are more easily improved and replicated. It is as important to diagnose the reasons for failure as to highlight successes.

ACTION ITEM: U2B DIAGNOSTIC

Increasingly, universities expect CE units to return additional revenue to the central campus, and a robust U2B program can be a source of that revenue. The first step in building a U2B program is assessing its current state. To this end, we have developed a U2B Diagnostic (see Appendix A) to help CE managers to determine the current strength of their program. Whether a CE unit has an established U2B program or is just starting out, the U2B Diagnostic offers focus areas where resources can be allocated to grow a U2B program.

The U2B programs at our institutions (University of Delaware and Louisiana State University) are an important part of our noncredit program portfolio. Our U2B programs contribute between a quarter and a third of our CE unit's annual gross revenue and yield greater net revenue than open-enrollment programming. More importantly, our U2B programs extend our university's knowledge to the broader community and have a positive impact on workforce and economic development.

APPENDIX 1: U2B DIAGNOSTIC—HOW STRONG IS YOUR U2B?

Developed by George Irvine, University of Delaware, girvine@udel.edu, and Lisa Verma, LSU

This diagnostic evaluates the strength of your University-to-Business (U2B) program. Based on your score, your program will fall into one of four categories. The diagnostic can help you identify U2B practice areas that you might want to focus on to strengthen your program. Rate each of the statements on a 5 - 1 scale:

 5-Strongly agree, 4-Agree, 3-Neutral, 2-Disagree, 1-Strongly disagree.

Circle your response, total your points, add the points together at the bottom of the last column. Divide the total by ten (10.) This is your U2B Strength Number.

OVERALL	5 Strongly Agree	4 Agree	3 Neu-tral	2 Dis-agree	1 Strongly Disagree	Point
I routinely network with organizations at regional events (Chambers of Commerce, conferences, etc.)	5	4	3	2	1	
I have an organizational advisory committee to ensure programmatic alignment.	5	4	3	2	1	
I seek out new content matter experts on and off campus.	5	4	3	2	1	
I know who my competition is, their programs and services, their price and their comparative advantage.	5	4	3	2	1	
I believe revenue is a function of value provided to the organizational partner.	5	4	3	2	1	
I continuously improve my employees' sales, responsive customer service, and process improvement skills.	5	4	3	2	1	
I calculate my delivery costs and my desired profit margin on each program so I can analyze Return on Investment.	5	4	3	2	1	
I share revenue with critical university departments/offices.	5	4	3	2	1	
I use some form of customer relationship management software.	5	4	3	2	1	
I am open to partnering with other university or private sector organizations to meet client needs.	5	4	3	2	1	
					Total	
					Average	
If you do NOT have a dedicated U2B staffer, divide your score in half.					Revised Average	

1 to 2: Your U2B has room to grow

You have the opportunity to create or refashion your U2B program by incorporating best practices from peer institutions. Meet with business and organizational leaders in your region to find out their employee development needs. Determine your CE unit's core strengths and play to these in content development and marketing. Consider finding a strategic partner on campus to leverage their comparative strength. Create a U2B manager's position if you do not already have one. Train your staff in customer service, organizational partnering, and program management skills.

2 to 3: Your U2B is a little robust

You have some good things going in your U2B programming. Consider focusing greater effort on those statements where you scored a 3 or lower. Have your U2B manager (or staffer) research best U2B practices, talk with peers in the field, vendors who sell relevant products/services, HR consultancies that provide similar services etc. As you strengthen these areas, they should complement your existing strengths and move you up in your average score.

3 to 4: Your U2B is moderately robust

You are doing well but could do better to provide greater value to your customers and generate more revenue. Look at the statements where you scored 4 or lower and consider how to raise that score. More than likely it is just a few U2B practice areas that need addressing, such as CRM or staff development. Perhaps strategic partnering with another university unit on campus would make sense to grow your capabilities and market reach.

4 to 5: Your U2B is highly robust

You are doing very well in your U2B programming and should share your best practices with your peers. But don't rest on your laurels. Ask yourself, "What would it take to double my U2B revenue and value provided?" Do you need more staff, more content, more marketing muscle? What is the next great topic that organizations will need to know and can you provide it before anyone else does? Is there a Blue Ocean strategy to follow (low competition with high returns due to unique content/product) vs. the Red Ocean strategy to follow (high competition with low returns due to routine content/product)? Can you extend your market reach by going online perhaps?