Mick Card

“KTPs deliver a strategic project that allow a company to introduce a new technology or capability.”

says Mick Card, a Knowledge Transfer (KT) Adviser working for the Knowledge Transfer Network, which manages KTPs for Innovate UK. For companies at the stage of hiring someone, making the project into a KTP can both de-risk the development and lower the cost.

‘You get a high-calibre graduate or post-grad with access to – and the resources of – world class academic expertise and facilities. They’re constantly being mentored and supported technically, alongside personal development support. Not only do KTP Associates (the graduate in a KTP scheme) create a new capability within the organisation, they provide a highly capable, potential new business leader or manager,’ he insists.

Working with universities can be difficult on the face of it: ‘KTPs allow easy access, and are often an introduction to collaborating with universities or research organisations,’ says Card. ‘Ninety percent of the time, employing an individual directly is more expensive than a KTP,’ he says. ‘KTPs cost SMEs around £30k per year – while employing someone, especially with experience, directly will very often cost more than that, when you factor in employer’s costs, project consumables and training budgets. KTPs are designed to work where you have a strategic project that’s going to yield a financial impact for your business.

‘KTP is a great mechanism for accessing the university’s knowledge base in terms of value for money and access. You have a person dedicated to working in your business delivering the programme, alongside a professional who understands that process intimately. If you sponsored a PhD, for instance, while you have access to that research, you’re not controlling or running it... Nor do you have the same level of academic expertise, or any formal management structure.’

The KTP’s steering board provides a rigorous project management framework. ‘While companies can be apprehensive about this structure, with hindsight they often realise that they couldn’t have delivered a project in the same timescale, or as effectively without it. It keeps the pulse of the technical development; it pushes the Associates’ personal development, creating a more capable, employable person; and it opens windows of opportunity for the company to interact with the wider innovation landscape. Many companies later adopt the process, because of the structural benefits it brings.’

KTPs are, he points out, just one tool to increase productivity and competitiveness. ‘Innovation can be a bit of a misnomer,’ he admits. ‘It’s often about common sense, learning from others and adopting best practice. You don’t have to be a new Google or the most creative new ad agency; it’s just doing things differently or better to improve your organisation and benefit your bottom line. Companies do it day-in, day-out.’ McKinsey Global Institute (MGI) estimates that 55% of productivity growth will come from firms adopting existing best practice – from catch-up – as opposed to 45% from market innovation.
‘The clever thing is realising that you want to do something,’ says Card. ‘The next question is how best to resource and deliver it. You could go to the private sector and get a consultant, but – if you work with universities – you’d be surprised at the wealth of expertise and knowledge transfer mechanisms available.’

KTPs work because the academic team is completely committed to the ethos and purpose, and making sure that the company gets full benefit. ‘KTP engaged Academics are focused on working with companies in a business environment,’ says Card. ‘Partnership’ is the key word. The university isn’t a subcontractor. It is a relationship – particularly with the individual – and gives you a team who’re plugged into a wider network working on your side.

The university takes the project admin burden off both the company and academic team, although its involvement is pretty light touch. It supports and refines the KTP application process in collaboration with KT Advisers, resulting in a grant application success rate – through the University of Liverpool’s Business Gateway service – of over 95%. ‘We go to a lot of effort to make sure that a project fits and will be eligible for a KTP. By the time you apply, it’s well defined and we have a good understanding that we’ll get approval for it,’ Card says.

Knowledge Transfer Partnerships

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KT Advisers play a role not just in supporting the application process, but in matchmaking between business and academics, and highlighting business-friendly policies. ‘Does their IP agreement work for you? Check...’ says Card. ‘What about their employment or publications policies?’

While Innovate UK provides other R&D funding, this is often oversubscribed resulting in around 10% of applications, by value, being funded. KTPs, by contrast, have had their budget increased by around £30m.

The number of new KTP projects approved has already grown from around 300 to over 500 a year (around a 70% increase), and Card expects future numbers to exceed that. ‘Chiefly,’ he says, ‘because KTPs work. There have been lots of different knowledge transfer programmes over time, and KTP is the longest-surviving. It is universally positively endorsed.‘

Projects fall chiefly into two main categories – productivity and operations type projects (McKinsey’s 55% of growth), like applying game-changing lean management, enterprise resource planning, manufacturing processes and techniques. Or cutting-edge tech projects, of which the University of Liverpool has been involved in a good number. ‘At the moment we’re seeing a lot of big-data and Artificial Intelligence-related projects,’ says Card. ‘The Internet of Things and Big Data. Media, communications, and platform service applications, where companies need to process data more quickly.’

‘Productivity and business operations-type projects are transferable to any organisation, and KTPs can be used in any business area.’

Innovate UK often describes KTPs as its ‘best kept secret’. While the need for product development-led projects may be clearer, productivity-driven or smart data projects may be less obvious. The CBI report, From Ostrich to Magpie, is a sharp reminder of the need for businesses to be more innovative, creative and productive, and develop new modes of operation. ‘KTPs are a good tool for achieving this,’ says Card.

As part of a strategy to improve the innovation and productivity of UK Plc (which, historically, isn’t very high up international league tables) the potential for KTPs is clear. From Ostrich to Magpie reminds us that almost 70% of the UK labour force performs below average in productivity: ‘closing this gap could reduce the difference between the highest and lowest earners in the UK,’ it says.

In it, the CBI recommends expanding the KTP model, facilitating more engagement with business schools and ‘raising business awareness of routes to identify innovative technologies that can confer competitive advantage.’

‘KTPs have been universally endorsed by businesses,’ says Card. ‘The feedback from both businesses and universities has been wholly positive. For the commercial sector they add value for money and are effective; for universities they are an effective means of engagement and increasing their industrial impact, which is core to academic currency. For the Associate they enhance their future career and earnings potential.’