A University-Wide Approach to CRC Bid Development for Round 13

Workshop briefing material for prospective University of Melbourne CRCs

Prepared By: Melbourne Research Office, with support from SPP, September 2009, Version 2
Background

The University of Melbourne proposes a new approach for the oversight and coordination of the University’s involvement in the Cooperative Research Centre (CRC) program. The approach is being implemented by the Melbourne Research Office, with support from Strategic Project Partners.

The approach is designed to provide a multi-stage education and support program for CRC bid development for University led CRCs, and a series of go / no-go gates that provide for the selection and endorsement of CRC bids to proceed to the next stage of development.

A workshop was conducted on Wednesday, 30th September, to brief potential CRCs on the new approach. This presentation is intended to provide CRCs with an overview of the Melbourne approach, and an outline of the processes that the University expects bid teams to conduct in order to present a strong, compelling bid in Round 13, expected in August 2010.
CRC bid preparation involves five key components of activity

Understanding the core components required to develop a successful bid is critical.

RECOMMENDED PROCESS FOR CRC BID PREPARATION:

<table>
<thead>
<tr>
<th>Process step</th>
<th>Preparation</th>
<th>Business Planning</th>
<th>Partner Development</th>
<th>Program Development</th>
<th>Bid template and impact template preparation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key activities</td>
<td>• Understand what's required in developing a bid</td>
<td>• Identify issues to solve</td>
<td>• Prioritise industry partners</td>
<td>• Workshop research projects within each program</td>
<td>• Develop costings, contributions and governance</td>
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<td></td>
<td>• Engage internal stakeholders (CEO, Board, researchers, support staff)</td>
<td>• Understand internal capabilities</td>
<td>• Develop a communications piece for potential partners to understand the vision</td>
<td>• Use a framework to narrow the focus, and eliminate those projects that are not critical to the bid</td>
<td>• Estimate and quantify benefits – logic over estimation is key</td>
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<td></td>
<td>• Determine if you're going to need help</td>
<td>• Start “top down” with research – programs, not projects</td>
<td>• Understand their needs, and how they might fit in</td>
<td>• Identify resources required (researchers, materials, infrastructure etc)</td>
<td>• Delegate tasks effectively, populate the template, review drafts regularly</td>
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<tr>
<td></td>
<td>• Get support on the areas that you know will require it</td>
<td>• Identify industry partners</td>
<td>• It’s a sell – make no mistake about it!</td>
<td>• Secure commitment early</td>
<td>• Ensure bid leader and key researchers are engaged</td>
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<td></td>
<td>• Line your ducks up!</td>
<td>• Prepare communications piece (and business plan if possible)</td>
<td>• Secure commitment from research and end-user partners</td>
<td>• Get into the detail</td>
<td>• Write the submission</td>
</tr>
<tr>
<td>Overall:</td>
<td></td>
<td>• Articulate your vision, “top down” and in layman’s terms</td>
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</table>

There is a significant amount of work to be done before the bid template can be filled

Source: SPP, March 2009.
The University of Melbourne has defined a new model for CRC development

The Melbourne Research Office has provided a framework for a new model for CRC development. The guiding principles are identified below.

GUIDING PRINCIPLES FOR THE UNIVERSITY OF MELBOURNE’S STRATEGIC APPROACH TO CRC DEVELOPMENT:

- Early knowledge by Faculties / Melbourne Research Office of intended CRCs
- Opportunity for operational and strategic feedback at an early stage
- Early go/no-go decision making in relation to the University’s involvement in specific CRCs
- High degree of comfort across the University that the CRCs the University is involved in are the right ones
- University professional staff from Melbourne Research, Melbourne Ventures, Legal Office and Faculties will be engaged in the process throughout
- The model will serve as a valuable professional training opportunity (a train the trainer approach)

The model has two parts:

Part One: A multi-stage education and support program for CRC bid development for University-led CRCs

Part Two: A series of go/no-go gates that provide for the selection and endorsement of CRC bids to proceed to the next stage

The University’s approach to CRCs is intended to develop and strengthen potential bids proposals in order to achieve a higher success rate in Round 13

Source: SPP work with Melbourne Research Office, August / September 2009.
The model delivers compelling bids in time for the next round

The timing required by the CRC committee and the University is well understood. The program needs to work in with other funding timing such as ARC, NH&MRC and other applications.

<table>
<thead>
<tr>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Stage 4</th>
<th>Stage 5</th>
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</thead>
<tbody>
<tr>
<td>CRC Briefing / Workshop on early bid preparation</td>
<td>Bid Coaching, development and support</td>
<td>Present to University Panel including host faculty</td>
<td>More detailed bid development</td>
<td>Final stage of bid development</td>
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<tr>
<td>EOI</td>
<td>Work with EOIs to develop key elements:</td>
<td>- Issues solved</td>
<td>- Mini-business planning, operational management considerations, governance framework, alignment of research with end-user needs, engagement with partners</td>
<td>Detailed business plan, preparation of all material required to submit the bid including impact analysis, engagement with partners etc</td>
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<tr>
<td></td>
<td>- Program position</td>
<td>- GO / NO-GO decision</td>
<td></td>
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<tr>
<td></td>
<td>- Potential partners / collaborators</td>
<td>Present to University panel</td>
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<td>Final presentation and submission for University signoff</td>
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<td></td>
<td>- Prepare internal presentation</td>
<td>Decision made as to whether to proceed with bid, advice on key issues</td>
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<tr>
<td>Date: 9/10/09</td>
<td>w/c 26/10/09</td>
<td>Early March 2010</td>
<td></td>
<td>July 2010</td>
</tr>
</tbody>
</table>

The first and second gates will be completed by end-October 2009

Source: SPP work with Melbourne Research Office, August / September 2009.
Each stage has specific objectives

The key objectives of each stage are summarised below.

Stage 1: BRIEFING AND INFORMATIONAL, EOI
- Make bid leaders aware of the amount of work required to develop the bid
- Brief bid leaders on the critical success factors in developing a successful bid (not just about the research!)
- Identify potential issues and stumbling blocks, and steps to resolve

Stage 2: BID COACHING, DEVELOPMENT OF THE CASE
- Provide bid teams with frameworks to capture key information on the bid
- Lead the teams through development of the information and analysis
- Help teams identify the issues / opportunities their CRC will solve, the research they will do to solve the issues, and the process by which their research will be deployed by end-users to deliver a benefit
- Provide additional support / specific facilitation on an individual basis if required
- Provide ongoing coaching, feedback and support to teams

Stage 3: PRELIMINARY BUSINESS PLANNING
- Develop preliminary business plans including answering the “why, what and how” – the value CRC proposition, research partner engagement, research leaders, market and competitor analysis, and other items

Stage 4: DETAILED BUSINESS PLANNING AND BID PREPARATION
- Development of a full business plan (if required / requested by Faculties)
- Writing of the CRC application and associated documents (Impact Tool, Budget, others)

The objectives for each stage are clear. The bid leader needs to plan early to meet these objectives.

Source: SPP work with Melbourne Research Office, August / September 2009.
CRC bids will be evaluated at each “gate”

The objective of each “gate” gives bid leaders a better idea on how they will be evaluated at each stage of the internal process.

**OBJECTIVES:**

**Gate 1**
- **EOI**

**Gate 2**
- **Bid coaching, development and support**

**Gate 3**
- **More detailed bid development**

**Gate 1**
- **EOI**
  - Expression of Interest
  - Must have Head and Faculty sign-off
  - University involvement in non-lead bids will also be required to submit EOIs
  - All potential bids will be supported to the next stage, unless high numbers of EOIs are received

**Gate 2**
- **Presentation to University Panel**
  - Assess whether the proposed CRC bid is good enough to progress to the next stage
  - Provide feedback on strengths and weaknesses
  - Approximately 6 bids will proceed to “Gate 3”

**Gate 3**
- **Second Presentation to University Panel**
  - Identify and endorse the proposed CRC bids that will go forward into full bid development
  - Gain Faculties’ full support of the CRC bid going forward (require formal sign-off)
  - Provide feedback on strengths and weaknesses

**9th October**
- w/c 26th October (times to be scheduled)
- March 2010

Each “gate” is designed to track the progress and assess the strength of the CRC bids going forward

The EOI is required at MRO by October 9th

There are specific questions in the EOI that must be answered. All proposed projects will proceed unless there are unusually large numbers of applications. Responses to each question should be no longer than 5 lines and must be endorsed by the Head of Department, Associate Dean and Dean of the relevant faculties.

QUESTIONS TO ADDRESS:

- Is this a public good or commercially oriented CRC?
- What is the key concept/rationale of the CRC?
- Who are the likely researcher and end-user partners that you seek to involve? (i.e. what industry sector, potential collaborators)
- How will the CRC link to end-users of the research outcomes?
- How does it align with the University’s and/or Faculty’s research strengths, research priorities or research strategy?

Once EOIs are submitted, Teams may seek bid support from MRO and SPP, i.e. by submitting early you can get support for bid development sooner.

A University panel will review the progress and strength of all bids

The University review panel will be made up of representatives from key University stakeholders and commercialisation.

<table>
<thead>
<tr>
<th>Panel members could be selected from:</th>
<th>Presentation format will take a CRC interview approach</th>
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<tbody>
<tr>
<td>• Melbourne ventures</td>
<td>• 15 min presentation to the panel</td>
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<tr>
<td>• Legal office</td>
<td>• 15 min questions from panel</td>
</tr>
<tr>
<td>• Melbourne Research Office</td>
<td>• Panel review of presentation</td>
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<tr>
<td>• Industry representatives with commercialisation experience</td>
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<tr>
<td>• Deans</td>
<td></td>
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<tr>
<td>• And the relevant Faculty Dean for each bid</td>
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</table>

The panel will:
- Assess the quality of the applications (not the research)
- Narrow the list to those most likely to succeed (intend to support ~ 6 bids to next stage)
- Provide feedback to all Bid Teams on current application gaps
The University has a preferred option for CRC structure and governance

Where possible, the University prefers UJV governance models over an incorporated governance structure.

Unincorporated (UJV) models are preferred over incorporated models:

- More collaborative, opportunity for greater involvement in decision making processes
- Company - Board must put CRC company’s interests first
- Greater control by university
  - Research programs – past uni experience – research allocations may change from that originally anticipated
  - Student involvement
- Greater connection between university and research programs
- Simplified internal approval processes (cf approvals re company constitution)
- Lower set-up and compliance costs
- Easier to wind-up at the end of the term (company v contracts)
Complexity of governance arrangements is a major consideration

Single entity is a signatory with the Commonwealth

Governance model
• Similar principles regardless of whether incorporated or not
• Chairperson must be independent of the participants
• A majority of Board members who are independent of the research participants

Legal costs
• More complex the legal structure, more expensive it is
• Use standard agreements wherever possible (Participants’ Agreement from AIC website - TBA)
• Role of Legal Office – review and negotiate on behalf of the Uni, not to draft
• Only the Legal Office is authorised to engage external legal providers
• Legal costs of set-up included in the budget (TBA)

In addition to legal approaches, Melbourne Ventures must sign off on any commercial or intellectual property considerations
Government has identified the critical aspects of successful bids in Round 11

The features of “compelling” applications differed slightly between existing and new CRCs.

CRITICAL ASPECTS:

<table>
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<tr>
<th>Existing CRCs</th>
<th>New CRCs</th>
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<tbody>
<tr>
<td>• Easily understandable and clear descriptions on what collaboration had achieved</td>
<td>• Easily understandable and clear descriptions on what the collaboration would be expected to achieve</td>
</tr>
<tr>
<td>• Outlined and measured the benefits of the project clearly</td>
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</tr>
<tr>
<td>• A plan for transition or closure</td>
<td>• Demonstrated knowledge of good governance</td>
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<td>• Succinct applications are welcomed by the Committee</td>
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<td>• New applications were of a lower standard than existing CRCs</td>
</tr>
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</table>

The CRC bid must be clear, succinct, and strong, measurable benefits must be articulated

Source: Peter Jonson’s comments on CRC Round 11, 2009
Major changes have also been introduced to the CRC program

The key changes to the CRC program include:

- Reintroduction of public good as a key objective of the program

- Imposition of a clear end point for CRC collaborations after 10 years or in rare cases 15 years (with allowance for a final funding round of up to 5 years for existing CRCs)

- Introduction of an “Impact Tool” for Round 12 to strengthen the measurement of benefits and to provide a method for ongoing evaluation (the impact tool is only slightly different to the Economic Impact Projection Template used in Round 11)

- Introduction of the ability for one entity to sign on behalf of the CRC to maximise speed and flexibility of response

- Introduction in Round 11 of explicit calls for CRCs from the Social Sciences and the Humanities (although there were no proposals in Round 11 that directly addressed this area)

The changes were largely viewed as improvements to the CRC program.

Source: Peter Jonson's comments on CRC Round 11, 2009

Government feedback and changes to the CRC program highlight the Government’s expectations from CRCs
Our experience in Round 11 and 12 has identified some critical success factors

Our key learnings from the most recent CRC Round 11 have been summarised below.

OUR KEY LEARNINGS AND REFLECTIONS ON IMPROVING THE BID DEVELOPMENT PROCESS:

• Plan, and plan early. Plan all facets of the bid including structure, research, resources, results, impact

• Ensure your Governance structure and IP management structures allow you to grow, and satisfy the needs of your stakeholders

• Engage an independent reviewer who can look at your bid with fresh eyes

• Work closely with your Board, and engage their help early in the process

• Secure key decision makers in your partner organisations

• Understand the rules

• Engage external resources, particularly if you are not confident in all of the above

• Appoint a conductor who can conduct the “orchestra” and develop a coherent document

• Do all writing early, and refine it as you go through the business case process

• Work through the online submission early – it’s tedious, there are traps, and you need to be prepared for frustration

Next steps

• Complete the EOI and submit to MRO by 9th October
• Schedule a kickoff workshop with SPP BEFORE the EOI is complete in order to maximise benefit from the support available

Please contact Michelle Farrugia or Ko-Chen Wu at Strategic Project Partners on 9669 6900 to schedule your kickoff workshop