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Corporate Sponsorship of Academic Research: The Trend, Its Drivers, and Its Implications

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Abstract:

Budgets are shrinking in higher education, and greater financial accountability is simultaneously being demanded of universities. One of the consequences is that internal funding for research is more difficult to access than in years past. In such an environment, corporate sponsorship is an alternative that must be considered. In this article, we describe the forces compelling business schools to seek corporate sponsorship for research. Then, we discuss why some business faculty may perceive undesirable constraints in corporate-sponsored research. We also describe the challenges that researchers often need to address in order to secure corporate sponsorship and take full advantage of it. We conclude by describing some of the implications of this paradigm shift in research funding. When corporate funding is accessed and the relationship with the sponsoring organization is managed well, incentives are aligned among researchers, universities, and corporations. Benefits also include the development of new knowledge, solutions to real-world business problems, funding for researchers and universities, enhanced teaching, and a clear demonstration of the value of academic research.

Keywords: IS research, research funding, external funding, research centers

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I. INTRODUCTION

Historically, business school faculty members have been able to conduct research with minimal external sponsorship. Particularly productive faculty members are provided with internal grants and afforded course releases from full-time teaching loads to support their research and publication. This research is funded by the university using state or private funds. But as the cost of higher education continues to increase, and as the source of funds—tax dollars or private donations—continues to erode, researchers are increasingly having to seek other sources.

At the same time that funding is decreasing, the push for financial accountability at universities is increasing. When research does not directly generate revenue, or when the monetary value of academic research is observable only indirectly, legislatures, administrators, taxpayers, and donors question the expenditure of funds on research. Media scrutiny of university expenditures has become aggressive, and tuition increases are regularly challenged. Thus, the issue of assigning revenue to costs—often known as revenue responsibility budgeting—is becoming very important in higher education [Hopkins and Massy, 1981; Massy, 2003; Strauss, 2002; Strauss, Curry, and Whalen, 1996; Whalen, 1991]. Major research institutions are performing more extensive cost accounting analyses, and some universities have even gone so far as to create balance sheets for each and every faculty member [Simon and Banchemo, 2010]. For universities, this means that faculty with external support for their work are more economically valuable to the institution than are faculty with internal support. The bottom line is that there is an increasing need and pressure for business faculty to seek external research sponsorship from the private sector.

Additional reasons exist for the shift toward corporate sponsorship. Increasingly, accrediting bodies such as the AACSB are encouraging business schools to undertake “engaged research” with and for corporate partners. Engaged research demonstrates that the work of the university is relevant and useful in the business community. Well-managed sponsorships can lead to ongoing engagement with the business community and positive media coverage for the institution. Thus, corporate sponsorship is beneficial in nonfinancial ways as well.

Given that the traditional model of research funding is changing, it seems clear that many researchers will need to pursue entrepreneurial strategies to maintain or increase funding for research. Corporate sponsorship is the most common alternative to government or internal funding. It is the growing trend toward this type of funding that we examine in this article.

We begin by briefly describing the forces compelling business schools to seek corporate sponsorship for research. Second, we move to a discussion of why some business faculty are reluctant to undertake corporate-sponsored research. These researchers may perceive a number of constraints in this model, so we endeavor to examine these perceived constraints, identifying ways to address these concerns. As we address these issues, we also explain the benefits of well-structured agreements for research sponsorship. Third, we describe the challenges that researchers must address in order to access and take full advantage of corporate sponsorship. In the process of addressing these challenges, we describe different models of funding that have worked in a variety of settings.¹ Fourth and finally, we conclude by examining some of the implications of this shift in research funding sources.

II. REASONS FOR THE INCREASING EMPHASIS ON CORPORATE SPONSORSHIP

There are numerous reasons why business schools are seeking corporate research sponsorship. As we have noted in the Introduction of this article, some of the primary reasons are financial. Whereas universities have historically provided a significant amount of internal funding for faculty research, shrinking government budgets and calls for public universities to justify their expenditures are currently limiting this source of research funds. Terms like *accountability*, *academic efficiency*, *transparency*, and *productivity* are now fully a part of the budgeting process in government offices and university conference rooms. *Revenue responsibility budgeting* and its synonym

¹ This article focuses primarily on the North American academic environment. We are aware that, in other parts of the world, it is common to have a considerable portion of research funding come from corporate contributors. In Europe, for instance, The IST Framework Programs (and predecessors such as RACE, ACTS, TAP, and ESPRIT) have established a marketplace to define research topics of interest. The EU and corporations provide funding to sponsor research, while academic institutions contribute by providing expertise through their researchers. Similar mechanisms exist in Australia, New Zealand, Hong Kong, and other parts of the world. While the commentary and suggestions in this article may be relevant in a variety of settings, they will likely be most relevant to academics working in North America.

responsibility center management [Hopkins and Massy, 1981; Massy, 2003; Strauss, 2002; Strauss et al., 1996; Whalen, 1991], are prominently mentioned among central administrators. Researchers are currently being encouraged and even forced to pursue a variety of entrepreneurial strategies to gain access to the funding that they need to undertake their work and support their doctoral students. In this environment, one of the primary strategies that researchers can pursue is to identify corporations to sponsor their work.

There are also nonfinancial forces that are encouraging researchers to pursue corporate research sponsorship. The aforementioned need for AACSB schools to undertake “engaged research” with the business community is one such force. Undertaking research for and within companies clearly demonstrates the value of the institution to the business community. Ties to the business community for the sake of research, even apart from any financial benefit for researchers, provide value to the academic institution. This value is realized during the accreditation process, through positive PR for the school, and in enduring relationships with businesses.

Another nonfinancial force is that researchers have a need to identify datasets that provide insight into current business problems. With firms collecting increasing amounts of data, the opportunity for researchers to access it, analyze it, and provide solutions based on it exists as never before. Corporate-sponsored research can provide access to datasets that will allow researchers to apply theory to conduct empirical work that will have clear, practical implications. The production of research that is relevant to the business world, rather than simply to other academics, is precisely what has been advocated in IS research [Benbasat and Zmud, 1999].

Given that these financial and nonfinancial forces augur for greater levels of corporate-sponsored research, researchers should examine the costs and benefits of embracing this shift. As with any organizational change, there can be reluctance on the part of some individuals. Therefore, we now enumerate the reasons why some researchers may not pursue corporate sponsorship, and we discuss what can be gained if they should choose to do so.

III. COSTS AND BENEFITS OF CORPORATE-SPONSORED ACADEMIC RESEARCH

Some researchers are reluctant to undertake corporate-funded research because of the constraints that they perceive it presents. At the extreme, some researchers believe that accepting corporate funding may limit the type of work they can do, and could push them into more of a consulting role than a research role. But are the costs of corporate sponsorship actually that high? Numerous researchers have been able to access corporate funding and simultaneously maintain control of their own research agenda—and many have found additional benefits that arise from sponsorship arrangements. In this section, we address some of the reasons academic researchers may be reluctant to receive corporate sponsorship, and we explain the benefits of it.

One concern of some researchers who might otherwise consider pursuing corporate sponsorship is that they believe that they may be entering into a relationship where they are working for the corporation rather than with it. Researchers contemplating corporate funding may envision an agreement where a specific business problem is identified and the researcher is asked to provide a solution. Whereas academic researchers traditionally focus on identifying generalizable principles that can be encapsulated in theoretical propositions, corporations usually seek an efficient and effective solution to a specific internal problem. The rationale behind potential solutions, rigorous ways to measure outcomes, and the generalizability of results can be secondary for the corporation. Sponsorship may be granted only to researchers who are willing to investigate a highly context-specific business problem. While context-specific work will produce actionable insights for the corporation, researchers may fear the possibility that their work will not be broadly applicable enough to enhance theory, contribute to the body of knowledge, and be publishable in accordance with academic standards. Simply put, researchers may fear that their work will not attract the interest of a sizable enough academic audience. These are some of the perceived costs of corporate-sponsored research.

Obviously, not all researchers avoid consulting work. Many attitudes toward consulting exist, with some researchers regularly and willingly engaging in a day or two of consulting each week. At the opposite end of the spectrum are those who feel that their focus must be exclusively on research. For researchers who actively pursue and engage in consulting, corporate sponsorship likely feels comfortable. However, for those who generally avoid consulting in favor of research, the paragraphs that follow may provide insight into ways that corporate sponsorship can be made more attractive and beneficial for research.

Those who are reluctant to engage in consulting may feel that they cannot cede even small amounts of control of their research agenda to a corporate sponsor—and they cannot risk the possibility of having research findings that are too practitioner-oriented or too context-specific. Thus, the concerns of highly research-focused faculty are nontrivial, yet there are a host of reasons why these concerns need not prevent researchers from pursuing corporate sponsorship. First, a number of research centers have been able to satisfy sponsors and achieve their research objectives (see Table 1 for a brief list of research centers). Rather than functioning as consulting organizations,

these centers play an active role in determining their own research agenda. These centers collaborate with their corporate partners to determine the topics that will be investigated. Discussions with corporate representatives should be structured to match areas of researcher expertise with corporate-business problems [Benbasat and Zmud, 1999; Wetherbe, 2001]. At larger research centers, these discussions often take the form of roundtable sessions where a list of research emphases are developed by the center based on input from the funding organizations. And even at smaller research centers, or in cases of individual researchers forming relationships with corporate sponsors, that match expertise with business problems, a negotiation of the research focus can ensure that the relationship is mutually beneficial. One of the benefits of a center is that it helps define a research agenda, tailoring it to the needs and interests of research faculty.

Table 1: Universities and Research Centers*

Copenhagen Business School <i>Centre for Applied ICT</i>	University of Arkansas <i>Information Technology Research Institute</i>
Copenhagen School of Entrepreneurship <i>Innofactor</i>	University of California, Irvine <i>Center for Research on IT & Organizations</i>
Georgia State University <i>Center for Process Innovation</i>	University of California, Los Angeles <i>Information Systems Research Center</i>
Georgia State University <i>Center for Research in Information Systems</i>	University of Cologne <i>Department of Media Management</i>
Loyola College <i>Lattanze Center for Information Value</i>	University of Minnesota <i>MIS Research Center</i>
Luiss "Guido Carli" University <i>Centro di Ricerca sui Sistemi Informativi</i>	University of Nebraska-Lincoln <i>UNL/IBM Innovation Hub</i>
Massachusetts Institute of Technology <i>Center for Information Systems Research</i>	University of North Texas <i>Center for Decision and Information Technology</i>
Oklahoma State University <i>Institute for Research in Information Systems</i>	University of South Florida <i>Bear Stearns IT Research Center</i>
Southern University <i>International Center for IT and Development</i>	University of Texas at Austin <i>Center for Research on Electronic Commerce</i>
Temple University <i>Center for Design+Innovation</i>	University of Virginia <i>Center for the Management of Information Technology</i>
Temple University <i>Center for Neural Decision Making</i>	Wayne State University <i>Manufacturing Information Systems Center</i>
Texas Tech University <i>Institute for Internet Buyer Behavior</i>	Worcester Polytechnic Institute <i>Center for eHealth Innovation and Process Transformation</i>
University of Alabama <i>Aging Infrastructure Systems Center of Excellence</i>	
*Table developed from list of attending research centers at ICIS 2010 Research Center Directors' Breakfast	

A second benefit, and one that we have touched on in the previous section, is that a close relationship with a corporate sponsor can yield access to rich datasets that provide insight into corporate issues. Data access is one of the challenges all researchers face, and corporate sponsors can provide ready access to data when the corporation's needs and the researcher's interests and skills align. When researchers can provide value by using their specialized research training to analyze the data that modern firms collect, they demonstrate the essence of engagement with the larger business community.

A third benefit, and one that is closely related to data access, is that corporate sponsorship opens the door for researchers to use any of a wide variety of research methods. Corporate-sponsored research that is highly context-specific can be investigated using a case study approach—either in the grounded theory tradition [Corbin and Strauss, 2008; Glaser and Strauss, 1967] or the positivist approaches to theory testing using case study data [Dube and Pare, 2003; Yin, 2009]. While in the past the case study methodology was misunderstood within the academic community as an approach lacking formality and academic rigor, established methodologies now exist for such research. Action research studies may be undertaken as well. Like case studies, the action research methodology possesses a set of guidelines and best practices [Baskerville, 1999; Baskerville and Myers, 2004]. Often, these options of case research and action research are what immediately spring to mind when corporate-sponsored research comes to mind.

Nevertheless, corporate-sponsored research is not limited to any particular methodology. Journal editors have demonstrated their willingness—and researchers have demonstrated their ability—to publish corporate-sponsored

papers that use experiments, SEM, regression, and analytical modeling—in addition to case-based research. Table 2, below, illustrates this fact, noting the methodologies of studies published in MISQ or ISR between 2010 and 2012 that made use of corporate funding.

Table 2: Research Methods Used in Corporate-sponsored Research Published in MISQ and ISR Between 2010 and 2012

Citations	Research methods				
	Experiment	Regression	SEM or PLS	Analytical modeling	Case-based research or action research
Scheffel, Pikovsky, Bichler, and Guler, 2011	✓				
Tanriverdi and Uysal, 2011		✓			
Kleis, Chwelos, Ramirez, and Cockburn, 2012		✓			
Mishra, Anderson, Angst, and Agarwal, 2012		✓			
Aral, Brynjolfsson, and Van Alstyne, 2012		✓			
Dewan and Ramprasad, 2012		✓			
Ceccagnoli, Forman, Huang, and Wu, 2012		✓			
Rai, Pavlou, Im, and Du, 2012		✓			
Hsu, Lee, and Straub, 2012			✓		
Siponen and Vance, 2010			✓		
Spears and Barki, 2010			✓		
Tallon and Pinsonneault, 2011			✓		
Choudhary, 2010				✓	
Lee and Xia, 2010			✓		✓

A fourth benefit is that even when a relationship with corporate sponsors may feel more like consulting than a researcher may be accustomed to, there are lessons that academic researchers can learn from consultants. Many of the business and IT concepts that are being embraced by the business world were developed by consultants rather than academics [Davenport and Markus, 1999]. Consultants’ close connection to practical business problems, willingness to use terminology that is accessible, interest in outcomes rather than inputs, and forward-looking approach make their expertise valuable to practitioners. Academics strengthen the value proposition that they offer when they emulate the best aspects of the consultant’s approach—and simultaneously maintain the rigor necessary to convey research findings to the academic community [Benbasat and Zmud, 1999].

In sum, even the perceived cost of ceding a measure of control to the corporate sponsor can be balanced—or even outweighed—by the benefits for the academic researcher.

A second concern associated with corporate funding is that researchers may perceive that theoretical work cannot be funded. Theory development, extension, and/or testing is generally a cornerstone of high-quality scholarly research. Researchers may perceive that corporations are interested only in theory to the extent that it provides practical guidance for them to become more efficient, create value, develop firm-specific competencies, or gain competitive advantage. Ironically, is there anything more practical than a useful theory?

This perceived cost need not prevent researchers from seeking corporate sponsorship. Applied research can be conducted to generate (as a byproduct) funds for theoretical research [Wetherbe, 2001]. This approach is similar to the way in which companies use sales revenue to fund research for new product development. The Center for Research on Electronic Commerce takes this approach, generating research funds for theoretical work by providing programming as well as other services to companies (see <http://crec.mcombs.utexas.edu/> for an overview of this center). Also, researchers should recall that numerous centers turn out high-quality publications, thus providing evidence that theoretically-rigorous work can be appealing to corporations. For instance, many of the research centers named earlier in Table 1 have been able to establish research programs that provide national and international leadership on IT issues. Their leadership takes the form of both applied research findings for practitioners, and a considerable number of theoretically-oriented academic publications. Similarly, the papers listed in Table 2 represent theoretically-grounded sponsored research and can provide guidance for academics searching for ways to do the same.

Clearly, academic researchers can establish funding relationships in such a way that applied work funds theoretical work, and they can also focus on ways to demonstrate the value of theory to practitioners. In fact, it can be argued that one of the hallmarks of excellent scholarship is enlightening practitioners to the value of “practical theory.” Thus, the development and testing of theory is one of the benefits of corporate sponsorship.



A third and final concern is that some researchers may fear that engaging in corporate-funded research will weaken their commitment to a given research topic or to a given methodology. Or perhaps a researcher may feel that by taking money from a sponsor, he or she would be pressured in some way by the funding organization to find a particular or “confirming” answer to the sponsor’s questions. Indeed, researchers in some fields have altered the design, methodology, and even the results of their studies due to pressure from external funding sources [Martinson, Anderson, and de Vries, 2005]. Others have noted that funding bodies may want to review manuscripts prior to submission [Mello, Clarridge, and Studdert, 2005]. And in IS research, some funding situations present significant constraints, including a limited number of topics that can be pursued, specific methodologies, shorter time frames to complete projects, and an emphasis on application-oriented research [Arnott, Pervan, and Dodson, 2005]. While these stories do exist, the idea that corporate-funded research somehow impinges the impartiality of the researcher need not be true at all.

There are ways to manage the relationship so that the purposes of the research study are not affected by the funding body. The overriding principle is that researchers should carefully draw up the contract between themselves and the sponsor. Researchers should realize that there is a reasonable amount of give-and-take in the negotiation process and that they need not feel beholden to the sponsor. In addition to the funding amount, negotiations can take place regarding the size and scope of the research project, the topic, the timeline for the study, the research methodology, and intellectual property rights. Of particular importance is the researcher’s legal right to publish the findings. In practice, the publication of research findings does not have to be a major sticking point. Most corporations recognize the benefit of having the initial access to research results as a sufficient advantage over any readers of a research paper. When this advantage is coupled with the financial advantage of the lower cost structure of university research (that is, the use of graduate students), most firms are able to identify the benefits. Nevertheless, the specifics regarding the use of data, situations, and names in publications must be clearly spelled out. While negotiations on these issues may be challenging, the importance of coming to a mutually beneficial agreement up front cannot be overemphasized. Careful negotiation is necessary and beneficial when a researcher is a part of a major research center and is perhaps even more so when the researcher is contracting with the funding organization outside the boundaries of a research center.

Additionally, researchers would do well to remember that not every funding opportunity should be pursued. There may be mismatches between the researchers’ and sponsors’ interests, or between the researchers’ expertise and the sponsors’ needs, or even a failure to negotiate a level of control of the project that is acceptable to each party. Thus, the researcher or research center may simply need to say “no” to some opportunities for funded research [Amoroso, Carr, Cheney, and Mann, 1985]. In these ways, the perceived cost of ceding control of a project can be avoided.

IV. COSTS AND BENEFITS OF CORPORATE-SPONSORED ACADEMIC RESEARCH

Challenge 1—Institutional Overhead

Researchers are not the only university employees in search of funding. Central administrations are also seeking ways to balance their budgets, and charging overhead on research is one technique they can employ. Here is the fundamental challenge: A precedent exists where government-funded research that is conducted in university facilities (such as medical and engineering labs) is charged an overhead fee above and beyond the costs of the researcher(s). While overhead varies, overhead charges are commonly as high as 55 percent. An additional, overhead-related challenge is that contracts from government agencies such as the NSF or NIH require that no other research contract provide an overhead rate that is less than what the government is charged.

Universities’ position on institutional overhead can be summarized in a few statements. Overhead is charged because the university bears the costs of building, maintaining, and operating laboratories, libraries, grounds, and offices. Universities must also pay the salaries of administrative staff and stipends to graduate student research assistants. Therefore, universities believe that if any research makes use of their facilities and personnel, the university should be compensated.

When administrators expect to collect overhead, a problem exists for the business faculty member who is pursuing corporate sponsorship. Corporations do not operate on the same model as research universities and cannot conceive of that type of overhead. Business faculty members must avail themselves of several strategies to reduce or even eliminate overhead. It is critical to address and resolve the overhead issue up front—before the funding arrives at the institution. If a solution is not found at this early stage, the overhead dynamic can seriously impact funds that are available to conduct research.

First, business faculty should highlight for administration that there are fundamental differences between the type of research they are conducting and the type of research conducted in engineering colleges, medical schools, and the

natural or physical sciences. Many business faculty conduct their research off site and use minimal university resources—perhaps only a laptop computer. In contrast, research in engineering often requires the use of large laboratories, equipment, and workshops; the natural sciences and medicine are similar. Simply put, overhead may be appropriate in situations where university resources are being used or consumed on a large scale, but capital-intensive research is less common in business schools.

Second, there are numerous ways to structure the grant or the contract for research so that overhead is legally minimized or eliminated. Overhead can be negotiated down to 0 percent, a solution that is obviously preferable for the researcher and the sponsoring corporation, and, when negotiations are done well, such an arrangement can also please administrators. There are several possible strategies for negotiating down overhead for corporate-funded research. It may be possible to have the corporation stipulate a maximum overhead rate. This is a “take it or leave it” tactic. If the company does not have a policy on overhead, they may need to implement one. If they do have such a policy, it will prevent the university from charging a higher rate. Alternately, an agreement can be made to charge the overhead but return the majority of it to the college and have it directly support the research. For example, University of Texas charges 55 percent overhead, with only 15 percent being held by administration and 40 percent returned to the school of business.

Another option is to treat the grant as a gift and place it in a foundation. This was done recently with a \$500,000 grant/gift from Best Buy to Texas Tech University. The trade-offs here need to be clearly understood and explained, however. This approach has the advantage of avoiding potentially contentious negotiations regarding overhead with central administrators. A large portion, perhaps even 100 percent of the value of the gift, can be used by the researcher. A trade-off here is that, when a gift is made to a research foundation, the business school does not get credit for receiving a “research grant.” Tallying research grants is particularly important to the dean of the business school—and the dean must be an ally in any negotiations regarding overhead. Sometimes the dean may prioritize receiving sponsorship as a formal research grant, which would provide credit toward a university’s Tier One status, and more generally, improve a widely-used metric for a dean’s development work. If the dean specifically wants corporate sponsorship to be treated as a grant, he or she may be willing to make up the difference and replace the overhead lost to central administration in order to receive credit for the grant. At other times, the dean may be willing to receive sponsorship as a charitable contribution to a research foundation.

Third, faculty can structure an agreement where they receive research sponsorship as income within the limits of their allowed one-day-per-week of consulting. This is a common practice but, again, does not help a university achieve Tier One status.

Similarly, funding from corporate sponsors can support doctoral students through a variety of arrangements, including scholarships, endowments, and employment contracts. Such arrangements avoid overhead and can be useful even at universities that are highly compliant with government funding agencies’ requirements.² These practices are common, but again, do not help a university achieve Tier One status. So ultimately these tactics will need to be considered in light of the constraints and motivating factors at each institution.

To summarize, academic researchers should find out what the arguments for overhead are at their particular institution so that they can then systematically build a case against the university’s requests. The rationale for overhead will differ from institution to institution, and researchers must familiarize themselves with the most commonly-stated arguments. If, for instance, the primary arguments for overhead have to do with what administrators believe to be the capital-intensive nature of research, business faculty may need to educate administrators, highlighting the absence of laboratory use, the lack of equipment, and/or the lack of doctoral students. If these resources are not being used, there is little reason for a university to collect overhead. If, on the other hand, one of the primary constraints on the process of structuring sponsorship is the need for the business school to show grant income, researchers should tailor their arguments to address this need. Every context will be unique, and while we have outlined several general strategies to minimize or eliminate overhead, researchers will obviously need to adapt these tactics to their specific context. Each university’s unique setting, culture, and policies will require a unique solution to the challenge of institutional overhead.

Challenge 2—Skills Needed to Attract Corporate Sponsorship

Although faculty may be motivated to attract corporate funding, they can at times lack the tools and skills to do so. In part, this is because the skills needed to develop relationships with corporate partners are not taught in doctoral programs. If doctoral students are exposed to funding issues, their training is often limited to grant writing for

² For many university grants and contracts, support of graduate research assistants (including PhD students) is generally exempted from overhead considerations. Depending on the circumstances of the particular grant and university, this may be a relatively minor issue.

government-associated funding bodies such as the National Science Foundation (NSF) and National Institutes of Health (NIH). The process for attracting corporate funding, however, differs from the grant-writing process. Corporations do not generally issue funding opportunity announcements like the NSF and NIH. In fact, corporations may have no initial interest whatsoever in funding university research. Accordingly, it is up to faculty to engage with corporations in a manner that reveals research possibilities that are worthy of funding.

A starting point for researchers is to read some of the publications that practitioners read. Journals and magazines such as *Harvard Business Review*, *Sloan Management Review*, *CIO*, *InformationWeek*, and *Computerworld* are examples. Practitioners are often concerned about different issues than academics are, and they often describe their issues differently than academics would. An important prerequisite for attracting corporate funding is the ability to understand the business environment as a practitioner does.

After gaining a “practitioner perspective” on the challenges facing potential sponsors, researchers can engage in conversations with businesspeople to identify the major problems or questions the corporations are facing. Then it is up to the researcher to develop a research project that can address the problems or questions. Conversations with potential sponsors can take place in several ways, with perhaps the most traditional approach being through the agency of a research center. The first research center in information systems, the MIS Research Center (MISRC) at the University of Minnesota, was formed this way in the 1960s. The MISRC developed as managers at various corporate headquarters in the Twin Cities struggled with how to manage and develop MIS in their organizations and as Minnesota faculty helped identify solutions to their struggles. The Center for Information Systems Research (CISR) at MIT takes a similar approach, with a variety of corporate partners meeting annually with research scientists to identify topics of common interest. These topics become the foci of research and executive training for the upcoming year(s). Conversations with potential sponsors can also take place without the agency of a research center, as individual researchers network with business professionals near their institution, as researchers engage practitioners through professional organizations, and as a part of consulting opportunities.

In general, researchers would do well to remember that research funding can be gained on either a “push” or “pull” basis [Wetherbe, 2001]. *Push* means that the researcher is promoting a research idea or offering a methodological approach. The researcher’s idea is in search of funding. If a “push” strategy is preferred, the best option for the researcher may be simply to spread word of their interest very broadly. Out of a large group of contacts, it may be the case that only a handful of industry professionals are interested, and, of those, perhaps one or two will follow through. This small response is valuable but may be difficult to achieve. It is also worth noting that researchers who have a degree of marketing talent, who are persistent, and who possess a certain level of personal charisma may have the most success with a push strategy.

Pull, on the other hand, means that a business organization has a research need—a business problem for which a solution is being sought. The effective use of this strategy is a skill that can be developed by researchers who are engaged with business professionals and are attentive to the issues they are facing. This strategy may be more useful for many researchers, where they demonstrate an awareness of, or an interest in the potential sponsor’s business problems. In either case, whether push or pull, the matchmaking process should involve input from the researcher to ensure that his or her objectives are being met in addition to the corporation’s objectives. Ideally, a project should be approved only if it meets both the researcher’s and the company’s objectives.

Another strategy is to pursue funding not directly from corporations, but from industry-related groups. The Society for Information Management (SIM), the Institute for Financial Research (SIFR), and the Life Office Management Association (LOMA) are all examples of such organizations. All have a history of funding noteworthy IS research that is driven by the needs of professionals (see, for instance, Furneaux and Wade, 2011; Massey, Montoya-Weiss, and O’Driscoll, 2002 or for a European example, see Iversen, Mathiassen, and Nielsen, 2004).

The key point from this discussion is that researchers should have ongoing conversations with corporations about pressing problems they are facing. Once researchers take this approach, they will then need to develop the ability to communicate the benefits that they offer in terms that resonate with executives and managers.

The value that research offers the academy is somewhat different than the value that it offers the corporation, and so the ability to see and articulate each unique value proposition is vital. Often, universities have a key competitive advantage in terms of skills and cost. Universities can offer highly-skilled individuals at a very low cost because of the additional incentive of publication. Indeed, many faculty will do research for free if they can get a research publication. In addition, academic faculty can offer rigorous tests of various solutions that consulting firms often cannot duplicate. The validation of a particular approach to a business problem by an objective third party, conducted by a highly-trained academic, in a scientific manner, provides value to both the academic as well as practitioner communities. Faculty can also provide thorough (theoretically-grounded, but practically-oriented)

explanations about why various solutions work. In sum, if academic research can provide a solution to corporate problems and if researchers can articulate the value proposition they offer, there are funding possibilities.

Challenge 3—Establishing a Framework for Corporate Sponsorship

A final challenge is that of building a framework for corporate sponsorship. Traditionally, research centers have been the primary vehicle for corporate sponsorship development. Research centers where corporations pay a fixed annual fee usually provide for corporations a speaker series, discussion groups, and working papers. The research foci need to have broad appeal and be attractive to a broad array of clients. The research-center model works well when the research center is directly coupled with a university department with a degree program and students. Often, companies are seeking access to top students, and participation in the research center's activities is one way they gain such access. Additionally, the research-center model also generally works well when a university has convenient access to a large metropolitan area with a good collection corporate headquarters.

Even when a large metropolitan area is not conveniently located, other models for research centers exist, such as the single client with single benefactor model, which involves engaging a corporation in a proprietary research interest where it is the primary benefactor of the research. This model was used in creating Best Buy's Institute for Internet Buyer Behavior at Texas Tech University. The University was able to capitalize on strong research faculty in the areas of marketing and information systems to attract Best Buy's interest. Applied work was completed for Best Buy, but this applied work was guided by theory and used to develop new theory as well. Numerous publications in top journals have resulted and the partnership has benefitted both parties in the relationship (see, for instance, Browne, Pitts, and Wetherbe, 2007; Li, Browne, and Chau, 2006; Pitts and Browne, 2004; Song, Baker, and Wetherbe, forthcoming).

The partnership with Best Buy was established based on a win/win principle that Best Buy would have the "first mover" advantage of useful knowledge gained from the research. This research would be conducted at a lower price than what consultants would charge due to the comparative cost advantage of universities, including well-trained, but relatively low-cost graduate students. In return, Best Buy accepted that universities had a mission of advancing knowledge through research and publication. Best Buy understood that, due to the lead time in academic publishing, years would likely elapse before competitors would be able to read in print what Best Buy already knew and had acted on. Accordingly, they agreed to allow research results to be published and, in fact, never questioned this issue during negotiations.

An additional model for universities without a large number of corporate headquarters is one with a single client but multiple benefactors, that is, one where the funding organization provides research service and/or results for its customers. An illustration of this model is the FedEx Center for Cycle Time Research at the University of Memphis. In addition to package delivery, FedEx helps organizations improve supply chain performance. Therefore, FedEx was interested in developing a research center that made use of the abilities of operations management and IS researchers. They envisioned a center that would serve not only them, but also their customers, by providing insights for efficiency-related challenges. Not only did FedEx gain practical insight into business problems, but academic research was published and a new academic journal was launched because of this relationship [Wetherbe, 2001].

Of course, even when a research center is not feasible, individual researchers may still partner with firms to study their business problems. These individual relationships should be managed carefully, governed by contracts, may or may not include consulting, and should be beneficial to both the firm and the researcher.

Aside from the establishment of a research center or the decision to set up a contract with a sponsor individually, there are two additional points that bear consideration when establishing a framework for sponsored research. First, there may be difficulties for the researcher dealing with his or her institutional review board (IRB). Some IRBs may be difficult to convince of the legitimacy of a proposed research project when there is not a set absolute protocol or when a precedent does not exist. In such situations, a contractual framework that works well is that either the corporate sponsor(s) or the university may propose a research project—Independently or collaboratively. However, a project is funded and proceeds only when both the corporate sponsor(s) and the university sign off on the project. This prevents the corporate sponsor(s) from "pulling" for a project that does not have potential for advancing knowledge, for example, if the project consisted of implementing existing knowledge in a repetitious manner (i.e., consulting). It also prevents the university from "pushing" a project for which a corporate sponsor sees no potential value for practice—which is the sponsor's rightful prerogative. This in no way precludes the university from pursuing more esoteric research—just not with corporate-sponsored funding.

Second, when a corporate sponsor is involved in a research project, it is possible for the researcher and the sponsor to disagree about the direction of the project, the methodology, the way results are reported, or other issues. The



best solution to such issues is to carefully contract with the sponsor so that this risk is minimized upfront. Nevertheless, even the best contracts are incomplete and cannot foresee every circumstance. If unforeseen differences arise, win/win renegotiation is the first step, mediation is the second, with litigation being a last lose/lose resort.

As we have stated earlier, the most important issue for researchers is the right to publish the findings. The long lead time prior to publication as discussed in the Best Buy case above serves as a natural reason for most corporations to allow publication. For example, one of many key findings of the Best Buy research was that the number one trigger causing customers to abort an online shopping experience was shipping costs. By eliminating shipping costs a retailer can increase sales. This finding was revealed in research in approximately 2001, but not published until papers began to appear in 2004 through 2007. By this time, the value of the insight was not as profound and Best Buy had already been able to capitalize on the information. New research in Internet-buyer behavior is currently being funded by Best Buy so that they can better compete with firms like Amazon.com. The results of this research will benefit Best Buy long before they are published.

V. IMPLICATIONS OF THE SHIFT TOWARD CORPORATE SPONSORSHIP

Several implications exist, but perhaps the most salient is that the trend toward increasing corporate funding can help ensure that the research being conducted is relevant and useful in the business community. An almost-ideal barometer for relevance is whether an idea is able to attract funding from corporations. The marketplace does not lie—it provides a vital measure of the value of academic research. If no corporation is interested in a particular research idea, then the real value of that work needs to be questioned.

The business world has numerous clear needs and compelling business problems to solve. When researchers are able to identify those problems and propose workable solutions for them, they are not only promoting their own research program, but they are also elevating the profile of the entire IS field.

Thus, while some lament the introduction of corporate funding into academic research, one significant benefit is that corporate funding serves to align the incentives among researchers, universities, and businesses. Universities seek funding from the community they are attempting to serve; researchers further the university's mission by creating new knowledge; researchers use their expertise and skills to solve real, practical problems; and businesses gain access to some of the most knowledgeable people in the field while also giving knowledge back to the broader business and academic communities. Thus, there are clear benefits to the growth of corporate-funded research in business schools. Some have gone so far as to celebrate this trend, noting that with growing corporate sponsorship, the academy will be reoriented toward working to solve real-world business and societal issues [Österle, Becker, Frank, Hess, Karagiannis, Krcmar, Loos, Mertens, Oberweis, and Sinz, 2011].

There are also other, larger questions to consider. This essay began by noting that North American universities and legislatures are increasingly reluctant to fund academic research. The assumption that we as authors have made in this article up to this point is that the funding that is no longer available needs to be replaced and that corporate sponsors are one of the most attractive ways to accomplish this. Other responses to shrinking budgets exist, however. Universities may choose simply to do less research, altering their mission. Some institutions may weigh the value of conducting research against the costs of it and opt to become more teaching-oriented. Similarly, universities may limit a college or department's research to projects that show the clear promise of making a difference (on some university-defined criteria, possibly financial).

The implications of such institutional shifts either away from research or toward fewer, more-specific research projects, would be changes in recruiting, faculty evaluation, and tenure standards. Tenure standards have been identified as unreasonably high in many places [Dennis, Valacich, Fuller, and Schneider, 2006]; perhaps shrinking research budgets will be one of the forces that leads to widespread reconsideration of what constitutes "excellence" and acceptable levels of research productivity.

Still another response would be for researchers to consider working with private firms, rather than exclusively for universities. Perhaps IS researchers could find employment with Gartner, Forrester, or similar organizations on a part-time or full-time basis. Such a change would force researchers to demonstrate that their research has practical—even commercial—value. The related effects of such a shift would likely include a dramatic shift in research topics, with some disappearing entirely from discourse. Admittedly, privatization of research is a radical proposal, but with funding from traditional government sources becoming scarcer, change will come to academic researchers. The only question is what form that change will take.

VI. CONCLUSION

As researchers, we want to make meaningful (scientific) contributions to the body of knowledge we pursue. Historically, productive researchers could rely on release time from teaching and/or summer support to fund research efforts and support for graduate students, including Ph.D. students. With declining budgets for higher education, administrative leadership has begun to question the economic tradeoffs of forgoing tuition revenue for research. Funded research is a common solution in colleges of engineering and medical schools. There is sufficient empirical evidence that business research is quite fundable through corporate relationships and is a worthy alternative to ensure and often improve ongoing business research. It can be responsibly achieved by developing corporate relationships where the mutually beneficial win/win pursuit of knowledge can be accomplished, integrity maintained, and knowledge advanced. We suggest that, when change is inevitable, the best course of action is not to resist change, but to anticipate it, facilitate it, and position oneself to succeed in the new paradigm.

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APPENDIX A: CASE STUDY—THE MILLION-DOLLAR-AN-HOUR CONVERSATION

As an example of achieving corporate-funded research, this case study is provided. It is referred to by Jim Wetherbe's colleagues as the million-dollar-an-hour conversation.

The context of the case study was a one-hour meeting with Fred Smith, CEO and founder of Federal Express Corporation, now renamed FedEx, headquartered in Memphis, Tennessee. It is based on a chapter in a communication book entitled *So, What's Your Point?* [Wetherbe and Wetherbe (1996, 2012), Las Vegas, NV: Mead Publishing]. The communication goal was to obtain a commitment for one million dollars in funding for creating a research center, to be named the FedEx Center for Cycle Time Research, at the University of Memphis.

FedEx Chaired Professorship

FedEx established a Chaired Professorship in Information Technology in 2001 at the University of Memphis. Information technology has always been a key part of the success of FedEx. Their tracking systems for packages and providing customer workstations for preparation of shipping and receiving of packages were groundbreaking and well-known in the industry as they were frequently portrayed in their clever and innovative advertisements on television. Due to their strong interest in information technology, FedEx decided they wanted to attract a strong researcher in the field of information technology to the University of Memphis. To attract a professor for this role, FedEx worked with the University of Memphis and the state of Tennessee to establish an endowed chair.

The endowed chair is supported by a large endowment—in this case, two-and-one-half million dollars of combined state and FedEx funds. The endowment money is invested and used to provide additional income and research support for the individual filling the endowed chair or professorship.

FedEx Center for Cycle Time Research

As honored as Wetherbe was to be offered the chair, he really was not interested in just filling the chair and being scholarly at the Fogelman College of Business at the University of Memphis. Rather, his objective was to establish a meaningful research relationship with FedEx. Dr. Lane Rawlins, the new president of the University of Memphis, was also very interested in enhancing the quality and prestige of the University of Memphis. Since FedEx was much more visible both nationally and internationally than the University of Memphis, Wetherbe's goal was to establish a relationship with FedEx through creation of a research program. This program could enhance visibility for the University, add value to FedEx, and provide a ground-breaking, strategic alliance for collaboration between universities and corporations working together.

To make this happen, he felt he needed to initiate a research program that would resonate with the people at FedEx and also be a viable research program for the University of Memphis. After contemplating this for a couple of months while he was interviewing for the FedEx chair position, he conceived the idea for a center for cycle time research.

The purpose of the center would be to conduct research on ways to reduce the time required for completing organizational processes, while also reducing cost and increasing customer service. Organizational processes include activities such as processing insurance claims, admitting patients to a hospital, designing a product, establishing credit, scheduling a class, ordering a product, or moving a package from point A to point B. Comprised of a selected group of faculty, FedEx staff, and students, the FedEx Center for Cycle Time Research would be dedicated to:

- performing research projects that address cycle time reduction issues
- developing and documenting the innovations to reduce cycle time
- providing benchmark cycle times on various business processes

The results of the research program would be disseminated through seminars and a newly created journal, *Cycle Time Research*.

The idea for the FedEx Center for Cycle Time Research went over well at the University of Memphis—from the president's office to the provost's office to the dean's office and to the faculty. The problem was that funding grant was needed to create such a center. Obtaining such a grant involved setting up a meeting with FedEx management, preferably with Fred Smith the CEO and founder, to explore whether FedEx would be interested in supporting the



center. Wetherbe hoped they would view such a center to be supportive of FedEx's goal of reducing cycle time for its customers in all aspects of their business logistics—not just in shipping packages.

Wetherbe requested Dr. Rawlins contact Fred Smith and ask for an hour of his time to meet with Wetherbe as the candidate the university was recruiting for the FedEx professorship. Mr. Smith graciously agreed.

Walking in Memphis—in Fred Smith's Shoes

Realizing he would have only one hour to make his point, Wetherbe knew he had to invest substantial upfront time to make the best use of that one important hour. So he began reading every book and article he could find to understand more about FedEx, its management, and particularly Fred Smith. He talked with people who currently and previously worked at FedEx and tried to understand the rationale that would be most conducive to a positive decision to support the Center for Cycle Time Research. Overall, he spent about eighty hours in preparation—which turned out to be an incredibly good use of time based on the very beneficial things Wetherbe learned.

Wetherbe knew before he started that understanding Fred Smith was critical to making this proposal a success. His research provided many insights into this incredible entrepreneur. He also discovered through his reading that, contrary to some people in such positions who have very strong egos and are primarily interested in enhancing their reputations, Fred Smith is definitely not an egomaniac. Rather, he is very modest, even self-effacing. Like many of the greatest leaders, he is a humble person. Fred Smith is incredibly focused on continuing to make FedEx a better and more successful corporation. His efforts are not for self-glory. (An obvious conclusion from this insight is not to propose naming the FedEx Center the Fred Smith Center for Cycle Time Research!) He feels an enormous loyalty to the people working in his organization. In fact, one of the things FedEx is known for is its no lay-off policy—an incredible accomplishment given the economic conditions facing organizations in the late 1980s and 1990s.

Wetherbe also learned Fred Smith is an avid reader and very much a scholar in his own right. This made Wetherbe optimistic that he might be inclined to support an intellectual pursuit such as a research program in cycle time reduction. Fred is also a risk taker. Besides founding one of the most successful companies of the past three decades, he initiated the largest venture capital start-up in the history of the world when creating FedEx. Ironically, the concept of FedEx was based on a paper Fred Smith authored while a student at Yale University—for which he received a grade of C from his economics professor. Obviously, Fred Smith is not easily discouraged. Fred is also a hometown boy who has done well and continues to do good—an icon within Memphis and a strong supporter of the community.

If Fred Smith were to agree to support this center, he would have to view it as a truly productive and helpful research program that would contribute to FedEx and its customers. In other words, it would have to be a value-added operation. Regardless of his reputation for supporting the community and the university, Fred Smith would not likely give the money just for the recognition of supporting the university or for enhancing his visibility.

Issues to Absolutely, Positively Be Prepared For

As Wetherbe was preparing for what might occur in proposing a Center for Cycle Time Research, there were two key issues that he felt would absolutely, positively have to be dealt with to achieve a successful result:

- More money already?
- How can I be sure it's a good investment?

One possible problem area was that, having provided part of the funding for the endowed chair, Fred could raise the fair and legitimate question, "We gave money for the endowment; why are we being asked to give again?"

In preparing for this issue, the logic had to build on FedEx's previous contribution where the intent of the endowment was to attract a person committed to doing high-quality research in the area of information technology at the University of Memphis. That, in fact, was being accomplished. While showing appreciation for FedEx's prior generosity, the approach in requesting a million dollars to establish the center was that the university was not asking for a gift, but rather a contract to do research. Wetherbe knew he would have to convey how the center could do research beneficial to FedEx for less cost and greater value than FedEx could do it. Research skills are a core competency of faculty; plus, through the use of Ph.D. students, research can be produced much less expensively. The bottom line was that the center could return at least two to three million dollars in value for the one million dollars being asked for research.

The key point had to be that FedEx was making an investment for which they would receive a return. This was not a gift.

The other major issue which Wetherbe thought he would have to be prepared to handle was any reservations or doubts Fred Smith might have about the center's ability to deliver high-quality research. Wetherbe's planned response for this issue was to reference his fifteen-year track record of directing the Management Information Systems Research Center (MISRC) at the University of Minnesota. The MISRC has had twenty-five (25) corporate sponsors over the years. Wetherbe would provide Fred Smith with the names of key people in those sponsoring companies in the Twin Cities that he could contact to ask if they felt the money invested in research programs under my direction delivered much more value than they cost.

An Hour with a Legend

Fred Smith turned out to be everything Wetherbe had been told he was—warm, a gentleman, incredibly bright, and well-read. In a very short time, Wetherbe was aware that Fred had done his homework as well. He knew much about Wetherbe's background and track record, books and articles that he had written, and was very generous with his compliments about Wetherbe's previous work. (Can you imagine the honor of having a person of Fred Smith's stature check out a professor's background?)

As the conversation progressed beyond the initial cordial, get-acquainted topics, Wetherbe had the opportunity to explain the idea for a research center.

Presentation of the Idea

The idea was presented in two problem solution explanations as follows:

There is a problem with higher education in this country—it's out of touch and not delivering what the market expects—which is reflected in the amount of funding available. As you know from your business, the market doesn't lie to you. If the market isn't providing you with resources, you probably are not meeting its needs. The University of Memphis is no exception. Resources are very limited there. [problem]

I would like to share with you some ideas for trying to address these problems in a win-win way. We have a unique opportunity to demonstrate how a university and a corporation can work together to establish an alliance around a research program which is meaningful, adds value, and is worthy of being funded.

A key operational component at FedEx is reducing cycle time as a value-added part of your relationships with your customers. What I would like to explore with you is creating a research center to advance and disseminate knowledge revolving around reducing cycle time of business processes. The research that we would do could be both internal to FedEx, that is, reducing cycle time within FedEx—one of your major agendas, and external for your customers as a value-added service helping them reduce their cycle time. This could further improve the partnership relationship that you cultivate with your customers. [solution]

Fred was interested and asked Wetherbe to continue.

Organizations in all industries are under increasing pressure to get more done with fewer resources in order to remain competitive. A key concept in achieving this is reducing cycle time. By reducing cycle time, organizations can reduce cost or opportunity cost, increase quality, and improve customer service. All too often in organizations, less than 3 percent of the elapsed time involved in performing a process has anything to do with real work. The rest of the time is spent on scheduling, waiting, needless repetition, getting lost, getting found, expediting, in other words, the left hand not knowing what the right hand is doing. For example, it might take a month to process an insurance claim in elapsed time but only fifteen minutes in actual work time. [problem]

By making innovative use of information technology, operations management, empowerment, behavior modification, organizational redesign, outsourcing, parallel processing, economic analysis, etc., we can reengineer business processes to eliminate waste and nonsense, thereby cost-effectively reducing cycle time. We could jointly offer much value to organizations worldwide by creating a center focused on developing strategies and methods for reducing cycle time, shared through journals and seminars. [solution]

Wonderfully, this was one of those days when everything went right. Preparation paid off, and the issues of "more money already" or "assurance of investment" were not raised. Rather, Fred liked the idea—and asked how much funding would be needed. Wetherbe responded, "One million dollars to be spread over a three-year period."

Fred said he would like to support the center, but never makes such decisions without consulting his senior executives. He asked Wetherbe to put together a written proposal for him to present the idea to FedEx management. He also affirmed that he was aware Wetherbe needed fast cycle time in their response, so he could make a decision to accept or not accept the chaired professorship. Fred committed that within one week of receiving a written proposal, he and his management team would make a decision to go or not go with the one-million dollar grant.

Wetherbe thanked Fred for his time, reiterating what he had mentioned earlier in the conversation, that he was leaving his office to catch a flight to Europe. He would be gone for a week, but that he would get the proposal to him as quickly as possible.

Uh-oh—This Is a Test!

As Wetherbe was riding in the taxi to the Memphis airport to catch the first leg of his flight to Berlin that Friday afternoon, he was thinking, "It's too bad I can't get this proposal to him until I get back from Europe next week." Then it struck him—this could be a test! He had just espoused the value of getting things done quickly to Fred Smith, he indicated he could make a million-dollar decision within a week after receiving the proposal, but then Wetherbe had implied he couldn't get a proposal to him until he got back from Europe.

One of the great stereotypes about academics is that they tend not to be goal- or results-oriented, and the old stigma, "Those who can, do; those who can't, teach," continues. Wetherbe had to find a way to get this proposal to Fred—fast!

When he arrived at the Memphis airport, he called and asked a colleague to meet him with a laptop computer at the airport in Boston where he was connecting for his international flight. Then he wrote the proposal on the flight to Boston. During the one-and-one-half-hour layover in Boston, the handwritten notes were converted to an electronic version of the proposal which was electronically transmitted to Fred Smith's office and awaited him on Monday morning.

Epilogue

Fred Smith and his management team agreed to support the FedEx Center for Cycle Time Research. It was founded in the fall of 1993. The first issue of *Cycle Time Research* was published in January 1994. Having the opportunity to create the Center for Cycle Time Research and work with the incredible people at FedEx was highly rewarding to faculty at the University of Memphis.

The following two quotes from the FedEx Center for Cycle Time Research brochure illustrate the commitment between FedEx and the University of Memphis in establishing their research alliance:

Investing in cycle time research is vital to the future of FedEx. To remain competitive in today's global economy, companies must relentlessly pursue innovations that speed the flow of information as well as their products and services. The benefits we'll gain from research carried out at the Center for Cycle Time Research will far exceed our investment and will prove invaluable not just to FedEx, but to all companies.

Fred W. Smith, CEO of FedEx

The FedEx Center is an opportunity for The University of Memphis to work in partnership with major American businesses and a perfect example of what a major university should be doing.

V. Lane Rawlins, President of The University of Memphis

The final tribute to the results of their relationship is the following letter from Fred Smith to the President of the University of Memphis:

January 20, 1995

President V. Lane Rawlins
The University of Memphis
Office of President
Memphis, TN 38152

Dear Dr. Rawlins:

I wanted to let you know how pleased we are with the Cycle Time Research partnership between FedEx and The University of Memphis. Jim Wetherbe provided the executive seminar and copies of the Cycle

Time Research journal at the FedEx Orange Bowl in Miami. We have key customer executives from around the world attend this seminar. The response was extremely positive. Several participants indicated it was the best seminar they had ever attended. There was also lots of interest from companies to participate in future cycle time research projects.

The research team at the University of Memphis is doing a great job of researching real world problems in a pragmatic manner. The new journal and Jim's seminar are straightforward and quite accessible to a business community. We plan to distribute the journal to key executives worldwide.

The original vision of a meaningful, win-win working relationship between FedEx and The University of Memphis is definitely coming to fruition. The FedEx Center is promoting both FedEx and the University of Memphis while creating a powerful and useful core competency in cycle time. We at FedEx are very satisfied with the results of our investment.

Sincerely,

Fred W. Smith
CEO, FedEx

Summary

This case study represents an important opportunity and achievement for both FedEx and The University of Memphis. By the way, guess how many colleagues thought Wetherbe had a chance of getting a million-dollar commitment from a one-hour meeting? Less than 5 percent; the rest thought he had a better chance for an Elvis sighting! Preparation and ensuring research related to a relevant problem were keys to success.

ABOUT THE AUTHORS

Jeff Baker works as an Associate Professor of Management Information Systems at the American University of Sharjah. He is also a Research Associate at the Institute for Internet Buyer Behavior at Texas Tech University. His primary research interest is IT investment and strategy, with an emphasis on IT business value, strategic alignment, and strategies in electronic commerce. His research has appeared in the *Journal of the Association for Information Systems*, *Communications of the Association for Information Systems*, and in the proceedings of the *International Conference on Information Systems*.

James C. Wetherbe is the Robert Stevenson Chaired Professor of MIS at Texas Tech. He has been rated as one of the top dozen consultants and lecturers on management and information technology by *Information Week* and is co-recipient of the first *MIS Quarterly* Distinguished Scholar Award. He has consulted for a host of *Fortune 500* firms, is widely published author of articles and books, and served on the boards for several major corporations. He directed the MIS Research Center at the University of Minnesota and was the founding Director for the FedEx Center for Cycle Time Research at the University of Memphis and the Institute for Internet Buyer Behavior at Texas Tech.

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