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University centre will let firms cash in on expertise

LOUISE NEVILL

AN increasingly important source for the creation of small businesses and boosting existing ones is the drive to gain commercial advantage from Scotland's world-class universities.

In order to achieve this, increasing efforts are being made to bridge the cultural divide between the worlds of academia and business.

Typically, the two have regarded each other with scepticism, if not scorn, summed up by the caricatures of men in ivory towers and spivvy salespeople.

In the latest development, four of Edinburgh's universities have joined forces to offer a helping hand to businesses in the east of Scotland.

Napier, Heriot-Watt and Queen Margaret universities launched a new TCS Centre based at Napier's Canal Court in Edinburgh last week.

The aim of TCS partnerships - formally the Teaching Company Scheme - is to share the universities' wealth of knowledge and facilities with companies that need access to high-level expertise to improve their competitive position. The two-year partnership is subsidised with a government grant.

The latest joint venture, officially launched at the weekend by Lord Macdonald, the Scottish industry minister, echoes the growing support for TCS partnerships. In its much-

vaunted Competitiveness White Paper last year the Government said it would double funding for the scheme to £20 million, providing backing for an extra 200 programmes a year.

There are 70 TCS partnerships running across all industry sectors in Scotland. They are available to a broad range of companies, selling a product or service, that want to develop their product, market position or production techniques.

The new centre, which has the support of the Scottish Office, is run by Anne Keane. "TCS partnerships are now widely regarded as one of the most effective means of overcoming the challenges businesses face today," she says.

"The government recognises that, pound for pound, of the investment it makes in industry, the funding it contributes to TCS partnerships provides the best all-round yield."

But the TCS partnerships are not just a one-way street. While companies benefit from cutting-edge expertise and facilities, universities gain from the exposure to a commercial way of thinking.

In addition, the university student - graduate, post-graduate or post-doctorate - assigned to work on the project gains valuable work experience and may end up being offered a job by the company.

A business that has gained valuable knowledge from one TCS partnership may decide to embark on



Lord Macdonald (centre, right), the Scottish industry minister, at the official launch of the TCS Centre at Napier University in Edinburgh

another or approach a different university about a separate project.

Spektra Systems is in the second year of a TCS partnership with Napier, but has already set up other projects with the university as well as a separate relationship with Edinburgh University.

TCS Partnerships are aimed at all companies which require high-powered skills and expertise to make them more competitive. But the TCS Centre is keen to stress that the partnerships are available to small

and mid-sized enterprises. A company wanting to find out if it is eligible for a TCS partnership and grant needs to identify a project that requires expert knowledge and skilled manpower.

The project idea is then assessed by a consultant who will also identify the academic experts most able to help. The consultant and relevant academic will then help the company submit a project plan which is the basis of an application for a TCS grant.

The eligible project costs for the

grant award are currently £70,000 per graduate and the grant award meets up to 60 per cent of these costs for SME's - companies with less than 250 employees - and 40 per cent for larger enterprises.

The remainder of the costs have to be raised by the company applying for the grant. Companies can embark on more than one project at the same time. The largest part of the grant goes towards on-going academic support and the graduate's salary. The partnerships tend to run for a

two-year period. The company also has an option to employ the graduate at the end of the project which enables it to avoid the costly problem of recruitment and high level training.

Over 2,000 companies have already realised their commercial ambitions through TCS partnerships with universities and other members of the science, engineering and technology base. The new TCS Centre for the east of Scotland aims to increase the rate of companies seeking this high level support.

Taguchi way to cut costs

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ALAN HARDIE, the managing director of the shortbread and biscuit maker Paterson-Arran, is in the second year of a TCS partnership with Heriot-Watt University.

The Livingston-based company, bought by management in 1995, sought a partnership with the university to improve its manufacturing processes.

"The project has been successful and practical. I feared it would be too theoretical," says Mr Hardie.

The company, which works closely with a Napier PhD student, is applying a complex Japanese-developed mathematical strategy - called the Taguchi method - to improve its processes and cut costs.

The improvements to the manufacturing processes, which aim to cut waste, are expected to make themselves felt over the next three months.

The total project costs for Paterson-Arran, which employs around 200 staff, was £70,000, of which 60 per cent has been provided through the grant and the remainder raised by the company.

It took more than two months to prepare and submit proposals for the grant. "It was not too onerous," says Mr Hardie, "but it helps to have a case that stacks up."

Euan Robertson, a director of Spektra Systems, set up a TCS partnership to investigate the possibilities of breaking into new overseas markets for its electronic business software. Spektra established a partnership with Napier University's Business School in 1997.

Since then, the service-based company has learned that establishing operations in new markets can be prohibitively expensive. A successful presence in a market like Germany, says Mr Robertson, is likely to require a costly physical presence and needs a product base from which to sell the related services.

"We learned that we needed a product focus and we are currently looking at developing that," he explains.