



# AdvantageThinking™

The Newsletter of Contrarian Thinking From  
ExecutionAdvantage Partners, LLC

## The Business of Science – An Oxymoron?

### The Attitude Hurdle Independent Research Institutions Must Clear to Survive

“Nothing shocks me, I am a scientist,” said Harrison Ford as Indiana Jones, but even this rock solid support of the scientific mind would be undermined by the reality of the way many non-profit scientific research institutions operate in the real world.

Many of these research institutions rely heavily on funding through the National Institutes of Health (NIH) and other governmental organizations to survive. And, survive they must, because their work significantly contributes to the welfare and quality of life for humanity as a whole.

Any first year business student will tell you without hesitation to rely on one client or a select few clients for the majority of your revenue is a risky business. This dependence limits growth potential, and can actually put the life blood of an organization at risk should the relationship with this client(s) take a turn for the worse, or if competition increases.

Government grants are not the only source of revenue for these research institutions. There is a huge pot of money available through contract and out-sourced project work from major pharmaceutical corporations and research contract organizations. These alternatives, however, are ignored by many non-profits. For some reason, even in tough financial times, the idea of straying beyond pure science is shunned by many scientists.

While this is a simple business concept, reduced dependence on a single source of revenue, it is one that is often ignored by many research institutions. The reason is the “B” word — *Business*.

Many scientists immerse themselves in “pure science” for the betterment of the world. Participating in the dark side (the “for profit” business world) would, they believe, dilute the value of pure science and contaminate the pure scientific approach to problem solving, for the greater good, in favor of solutions for profits.

Hippocrates said, *“There are in fact two things, science and opinion; the former begets knowledge, the latter ignorance.”*

It seems that when it comes to the business side of keeping an independent research organization viable, many committed and well meaning scientists are embracing opinion. Opinion that nurtures their idealized view of how the world should work and puts at risk the great scientific contributions that would be lost should the realities of business shut down an organization.

Clearly, these types of research institutions must change their thinking, in a world that is making it more difficult, through tightened budgets and dramatically increased competition, to sustain their revenue flow.

The reality of today’s marketplace demands a change in thinking about the business of science. A difficult but achievable task is for non-profit research institutions to align themselves with the right partners; partners with experience to help engage the right for-profit companies and contract research organizations in order to diversify revenue. Partners who know how to take the passion of an organization and frame it in a way that is relevant and meaningful to a business audience. Non-profit research institutions who try to do this on their own, however, carry a high probability of failure because the skill set required to make this happen is not indigenous to the research organizations.

Non-profits must first focus on clearing the single greatest obstacle to ensuring their on-going viability — overcoming their intellectual aversion to the world of business.

Ivan Pavlov is credited with saying, *“Perfect as the wing of a bird maybe, it will never enable the bird to fly if unsupported by the air. Facts are the air of science. Without them a man of science can never rise.”*

In today’s highly competitive environment of non-profit government financing, **revenue diversification** is the air that will support and lift non-profit research organizations, but only if they can accept the concept of the Business of Science.