Description

What Is Commoditization?

In the business world, commoditization starts to occur in the latter stages of a product's life cycle (the so-called "golden years"). Consumers no longer respond to aggressive marketing in support of a distinct brand in the marketplace, and with no evidence of meaningful differentiation, sales are driven by price, which drives down margins for manufacturers. Standardization becomes the driving force, as those manufacturers chase lower quality options in order to battle those falling margins.

Research by the Book

Standardized research protocols are critical for accurate comparison of results, and reassurance of the integrity of the study. Different methodologies follow standard practices, and the study results are peer reviewed according to equally standard practices prior to formal endorsement through publication in a hopefully prestigious journal in the relevant field of study.

However, as the funding environment changes from a reliance on stable federal funds to a more competitive race for corporate or grant dollars, questions are now being asked as to whether the process of research is becoming commoditized to the point where the only metric of interest is the cost of production.

Rise of the Bottom Line

As federal research grant budgets are cut, many research institutions are left with limited options. Universities can increase tuition and other fees, but since such increases now face state caps, that option is also limited. Maintaining large research facilities without dipping into endowment funds has required a more proactive approach. The decision to reach out to the private and non-profit sectors for funding, however, has changed the dynamic. The days of investing in state-of-the-art facilities in order to attract renowned research teams to undertake studies that the researchers deem important are long gone. Now the universities and independent research facilities reach out with proposals based on "here's the kind of work our facilities can deliver, how can we work together to produce research of value to you as the customer and also to our students as curators of scientific knowledge."

The Keys to the Castle

Corporations and non-profit foundations, with hundreds of millions of dollars at their disposal, can now leverage this new dynamic for maximum exposure. Stepping in to fill budget gaps from declining federal research budgets allows prestigious institutions to be "saved," which is good PR for all concerned, while also saving the saviors from having to invest in their own research operations. In addition, hearing presentations that begin with "what kind of research can we do for you?" clearly establishes the power ratio.

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If keeping a research department alive and enabling the continuation of the pursuit of scientific knowledge is your end goal, does it really matter who picks up the tab? Critics would argue that we are now in a world where research is treated the same way as shipping costs and janitorial services—they're budget line items that must generate a pre-determined return on investment (ROI) or face the usual consequences of personnel changes in order to meet operational target metrics. As such, issues such as integrity, prestige, and making valuable contributions to the body of work, are in danger of giving way to expediency in delivering marketable results.

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