

The Lemon Economy

Information Economics

Information Economics

Which one would you purchase?

Adverse Selection



Quality Uncertainty and Perception

- Joseph Stiglitz, George Akerlof and Michael Spence (Nobel Prize Economics in 2001)
- Asymmetric Information
- Lemon Economy
- Adverse selection
- Perceived Quality

Exchange information

Two Way Street - Equalize the information

- Read your Customers Papers
- Ask about Future Plans
- Educate your user base
- Consult the Institutional Leadership.
- Educate the Institutional Leadership

Communication

Be prepared to refocus

How many Passes?

Try it Again

Do your customers know you?

- Are you sociable
- Do you attend functions
- Have you formed relationships

Who is the Director?

- Dress
- Dependable hours
- Good Citizenship
- Visibility

Institutional Change

John Kotter “Leading Change”

- Step One: Create Urgency
- Step Two: Form a Powerful Coalition
- Step Three: Create a Vision for Change
- Step Four: Communicate the Vision
- Step Five: Remove Obstacles
- Step Six: Create Short-term Wins
- Step Seven: Build on the Change
- Step Eight: Anchor the Changes in Corporate Culture

Leadership

Managing from the Middle

Middle Managers are Translators

- Think Like a Designer
- Act like a Partner
- Be a Teacher

Think Like a Designer

- Identify core parameters- specs
- Be Imaginative
- Know the Iterative Process is Essential
- Reframe or Rephrase for better Communication

Act Like a Partner

- Build Strong Relationships
- Focus on Others Gains First
- Do Business and Build Business Relationships
- Know who's help you need today
- Know who's help you will need tomorrow

Be a Teacher

- Be a Good Learner
- Watch for and use Teachable Moments
- Have a Message Ready
- Know People Learn at Different Rates
- Events away from the Work Place

Economics

- Dwindling Revenues – NIH NSF etc.
- Increased Competition for Resources
- Rising Prices for Complex Technology
- Rewarded vs. Investment
- Lottery Jobs – Fall Backs
- Local Economy

Case Study - Where did they go wrong?



Adding new personnel

Typical applicants

Students

Recent Grads

Trailing Spouse

Locals

Internal Applicants

Wants Your Job

What is the Perceived Quality of Your Facility?

How many investigators in your institution?

How many are your customers?

How many potential customers are there?

Why does Dr. Btfsplk go out of house?

Do you have disgruntled customers?

Outside your institution?

“the customers perception of the transaction is that value has been gained”

What Influences that Perception?

- **Q**uality Management
- **M**arketing
- **B**usiness Management
- **I**nformation Economics