

Spotting the Next Innovation: Tuning Your Emerging Market Antenna On

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Why are some organizations more 'innovative producers' than others?

Competition

Finite game:

- *Leans toward competition.*
- *The object is to win the game.*
- *Adherence to contract terms.*
- *Competing for segments of existing markets.*

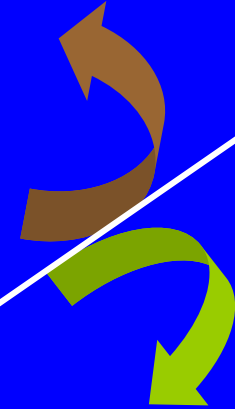
**'product-out'
attitude
'selling what is
produced'**

**'producing what
can be sold'**

Infinite game:

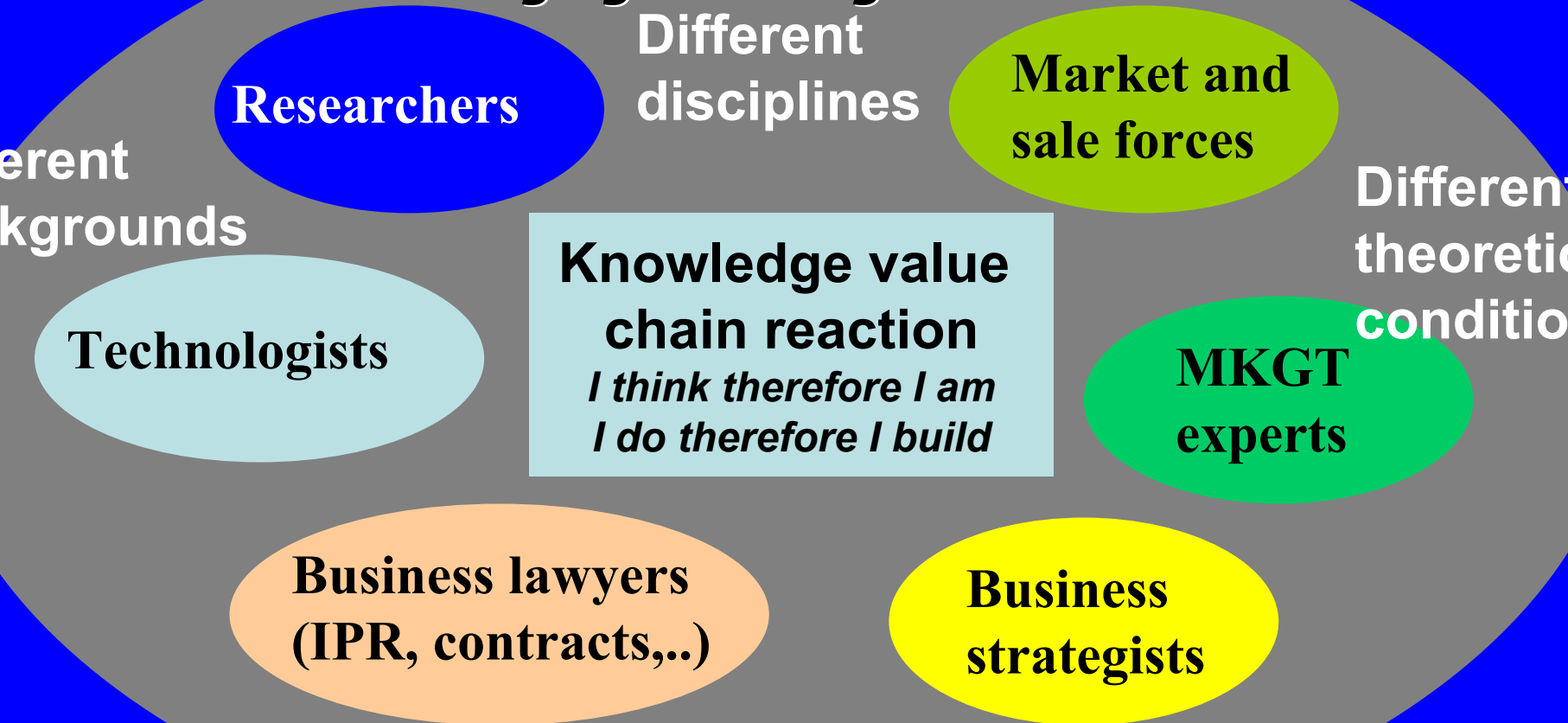
- *Leans toward co-operation and co-opetition.*
- *The object is to improve the plays.*
- *Dynamic reciprocity of relationships. One partner does more than the contract specifies and obligates the customer to do more also.*
- *Creating new markets.*

Co-operation and co-opetition



How do you put innovation production at the centre of your culture?

Knowledge Pool - A super collider for the entrepreneurial reaction.....bringing them together the reaction starts



**The symbiosis is the building upon one another's strength...
one another's competencies...adding value and passing it on”.**

In Circulation: Knowledge Nomads and Boundary-Less Knowledge Entrepreneurs

International Circuit of *Clerici Vagantes* (Wandering Students) in the Middle Age and To

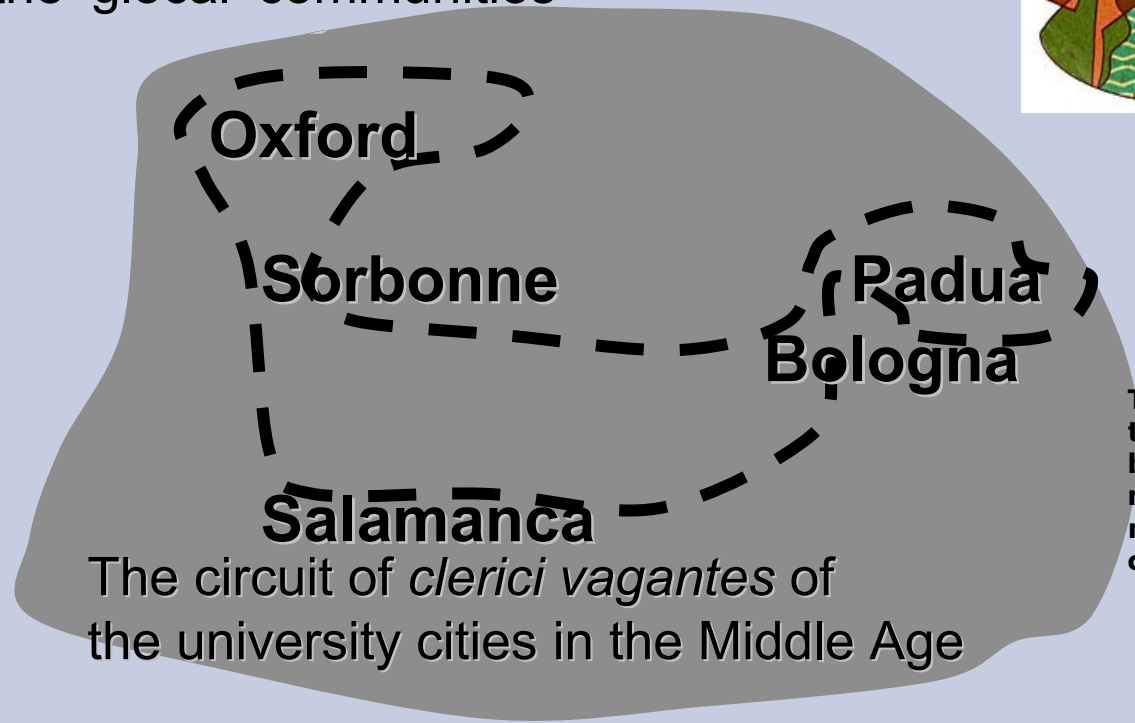
BOSTON

The circuit of *native missionaries* of the 'glocal' communities

LONDON



CALIFORNIA
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businesses
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and 1996
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The circuit of *clerici vagantes* of the university cities in the Middle Age

The best indication that Bangalore is becoming hot is how many foreign techies non-Indians - are now coming here to work.

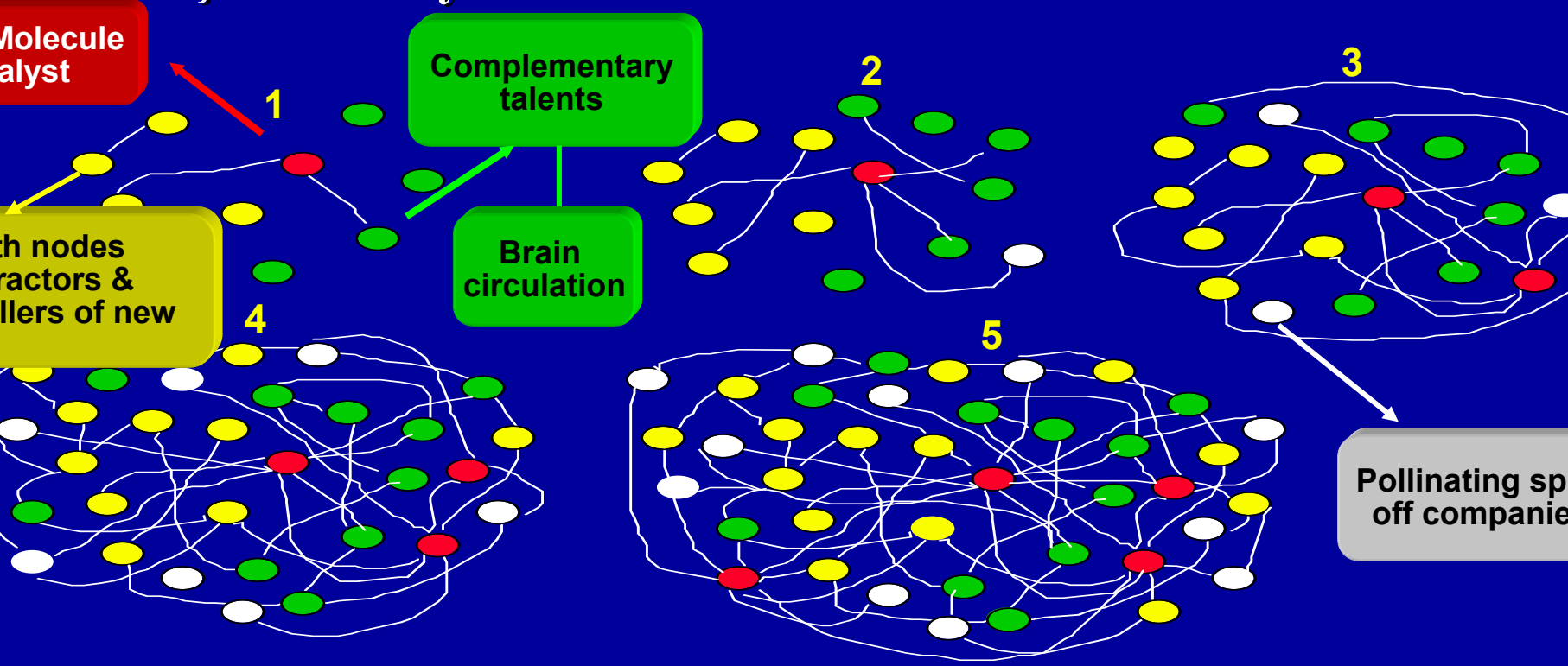
China: the government hopes to have 120,000 foreign students in China by the time Beijing hosts the 2008 Olympics. The increase is aggressive given that only 20 years ago less than 8,000 foreigners studied in China.

BANGALORE
HYDERABAD
MUMBAI
SHANGHAI

at Works and Why?

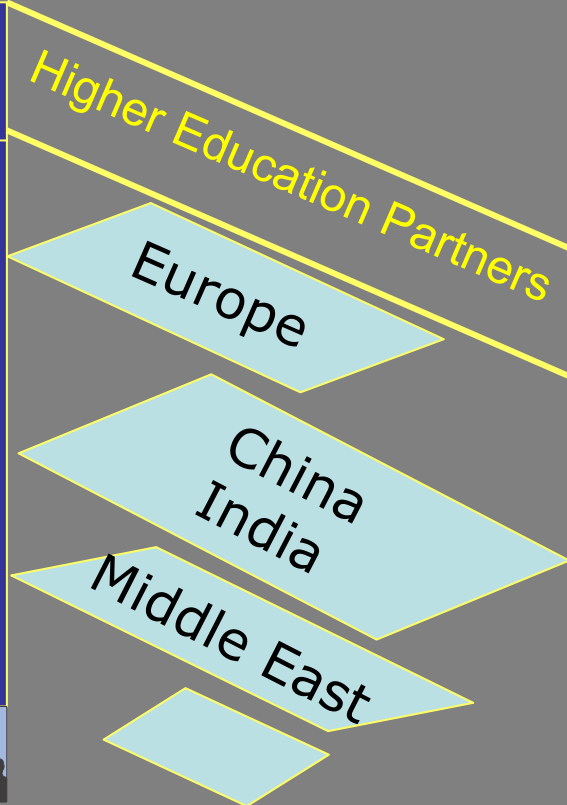
Case in point: The "Autocatalytic Network" model of the International Entrepreneurship Academy

The Autocatalytic Network Model





INTERNATIONAL ENTREPRENEURSHIP ACADEMY

<p>Business Partners</p>	<p>Environment</p>	
<p>Business Advisory Board</p>	<p>House of Ideas Entrepreneurship Policy Network Courses Workshops Seminars Conferences</p>	<ul style="list-style-type: none"> • Open-source network patterns • Federated, distributed and authentic conversations • Access to and refine of entrepreneurship policy • Knowledge for problem solving and opportunity chasing • Student's style of learning • Professional professors (theory-oriented practitioners) • Academic professors (practice-oriented scholars)



<p>Education</p>	<p>Competence-oriented diploma Non-credit programmes Career counselling</p>	 <p>Lecturing Researching Mentoring and tutoring Academic counselling</p>
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<p>Business process implementation</p>	 <p>Business and Tech Labs</p>	<p>Incubator Without Borders</p> 
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FINALE

There is a Dinosaur....

The view that corporatist administrative practices enforced by their knowledge providers embedded in corporatist groups can cultivate innovation

**...and a gazelle labelled
"Knowledge Pool"**

You don't get a gazelle by breeding dinosaurs

Contents

Why are some organizations more 'innovation producers' than others?

How do you put innovation production at the centre of your culture?

What type of leadership will transform innovation consumption into innovation production ?

What are the key innovations that the public sector must embrace?

Why corporatist practices do not work: Italy versus Sweden

What works and why? A case in point: The "Autocatalytic Network" model of the International Entrepreneurship Academy

What type of leadership will transform innovation consumption into innovation production ?

Linking dispersed resources and skills	Reconciling short-term and long-term commitments and pressures	Encouraging and supporting extroverted initiatives
Building a context of strong trusting relationships	Creating a spirit of common purposes & ambitions	Challenging the embedded success factors by a new vision
Inspiring confidence & creating beliefs	Ability to communicate	Understanding of how doing new things in new ways
Fairness	Insightful	Visionary-minded

What are the key innovations that the public sector must embrace?

Free agents replacing corporatist groups

CORPORATISM

Exclude outsiders

– **Keep fees**

– **Entry barriers**

Subsidies-led

Meeting elected politicians' needs

Set rules

• **MARKET**

• **Include outsiders**

• **Transcend individual discipline or profession**

• **Expertise and trust-led**

• **Meeting consumers' and clients' needs**

• **Lead values**

Free agents are those facilitating intermediaries in the marketplace who compete among themselves to meet the innovation needs. They are governed by open-ended market guidance.

What are the key innovations that the public sector must embrace?

A KC policy that incorporates market-oriented measures

These measures include, inter alia:

Releasing individual talents

Protecting the independence of change agents and minimizing the risk of 'capture' by specific business interests

Putting competition on the road to transparency (instead of secrecy-set and restrictive practices)

Contributing to the practical application of knowledge: *Knowledge in action*

What are the key innovations that the public sector must embrace?

3. Market-oriented measures that favour open innovation

Open innovation assumes that businesses can and should use ideas from outside for useful knowledge

Closed innovation is the underlying logic of a policy model based on “closed shop” mentality and restrictive practices (“Corporatism”)

- At company level, closed innovation means that successful innovation requires control from start to finish**
- Hence, companies must generate their own ideas, develop, market, finance and support those ideas on their own**

**COUNTRY A
CORPORATIST ADMINISTRATIVE PRACTICES ENFORCED
BY THEIR KNOWLEDGE PROVIDERS EMBEDDED IN
CORPORATIST GROUPS**

COUNTRY A

- new body of knowledge
- research reports & papers
- publications (international journals)

INTENTIONAL ACT

COUNTRY B

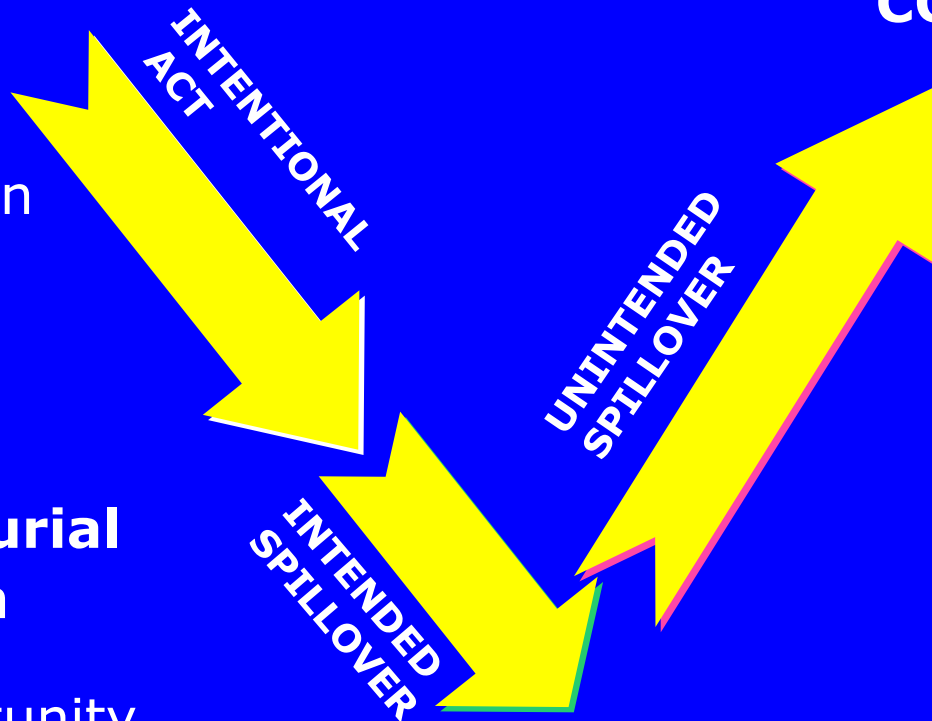
- business opportun
- economic knowledg
- conversion of knowledge creation

UNINTENDED SPILLOVER

COUNTRY B NON-CORPORATIST, INNOVATIVE PRACTICES TO GUIDE INVENTIONS AND SCIENTIFIC RESEARCH THROUGH THE COMMERCIALIZATION PROCESS

COUNTRY B

- management knowledge chain
 - **creation**
 - **diffusion**
 - **conversion**
 - **entrepreneurial exploitation**
- business opportunity



COUNTRY A

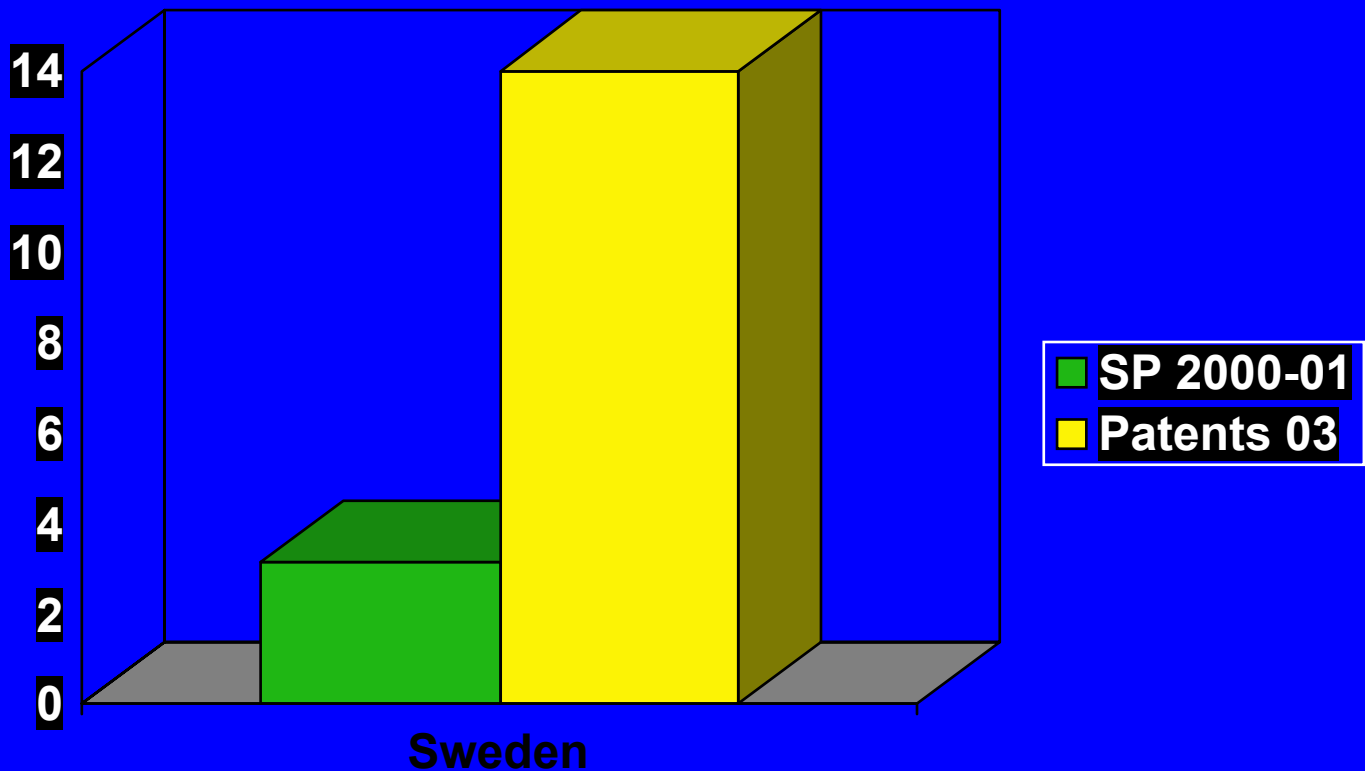
- access to country B's of new
 - **knowledge**
 - **Products**
 - **Services**
 - **Technologies**

COUNTRY B's policy package provide incentives addressed to:

- **stimulation of scientific entrepreneurialism**
- **incubation ventures and licensing**
- **living business labs**

Country B's outperforms country A in number of publications and its performance is even better than country A in number of patents

Country B biased Sweden versus Country A biased Italy Scientific Publications (1) and Patents (2): Swedish Performance Relative to Italy's (3)



Scientific publications in international acknowledged journals, 2000-2001 – number of publications per million population. Source: National Science Indicators (NSI) database, 2002
Patents to EPO and USPTO, 2003 – relative to population. Source: OECD Patent Data base (2005), OECD in Figures (2004) and World Development Indicators (2005)
Italy = 1

Sweden outperforms Italy in productivity growth-related indicators

Indicators and relative scores	Italy	Sweden
Public institutions index rank	0	1
Inefficient government bureaucracy	0	1
Corruption	0	1
Business R&D expenses % GDP	0	1
VC/HT Venture Capital % GDP	0	1
PRODUCTIVITY	0	1

Higher business R&D expenses reflect stronger business attitude to invest in the knowledge value chain, from creation to commercialization.

Productivity Index, 1992-2003; 1992 = 100

Sweden 2003 = 224

Italy 2002 = 112