Making Innovation Happen

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Innovation Context

- Ireland was late to industrialisation (1960's)
- Very little culture of business networking

- Technical colleges developed late – most northern European countries developed theirs in the late 1900's to support their industrialisation effort
- There is a significant gap in the applied research activity (J Cogan)

- Telesis (1982) recommended less dependence on FDI and more development of indigenous industry
- The main recommendations of the report, were not adopted

- OECD report 1985 – essential for Ireland to have an aggressive innovation policy

- *In 2010, there is a big job of work to be done*

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The urgency now!

We could afford to miss the goal when we were 4-0 up

At 0-1 down we must be clinical

The Development Challenge

- SMEs are busy and operations-focused
- They often have a deficit in absorptive capacity
- They need to learn over a time scale and in a way that takes account of this
- SMEs need exposure to project based learning on *their* business projects
- SMEs need to be top class at the thinking, practices and tools of innovation
- *The important question relates to how we build innovation capability to the right level and across enough companies to have a significant impact on the innovation perormance of the indigenous economy*

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Innovation Task Force Challenge

- Build an innovation ecosystem

- Top two principles in creating the ecosystem:

1 – The entrepreneur and enterprise must be at the centre of national efforts

2 – The establishment, attraction, growth and transformation of enterprises must be *the focus of national effort*

- *The big issue is doing it -- Applied Innovation gives us a good start*

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Four pillars of Applied Innovation?

- **1 -- Thinking**
- Believe in the value of innovation, the role of experimentation, creativity and intelligent risk taking
- Know what innovation is and what it is not
- Be aware of the importance and role of strategy, leadership and culture

2 -- Practices

- Teamworking, networking, prototyping, project management

3 -- Tools

- Aids to decision making throughout the selection and evaluation of opportunities and the related development of products or processes

4 -- Access to knowledge and problem solving expertise

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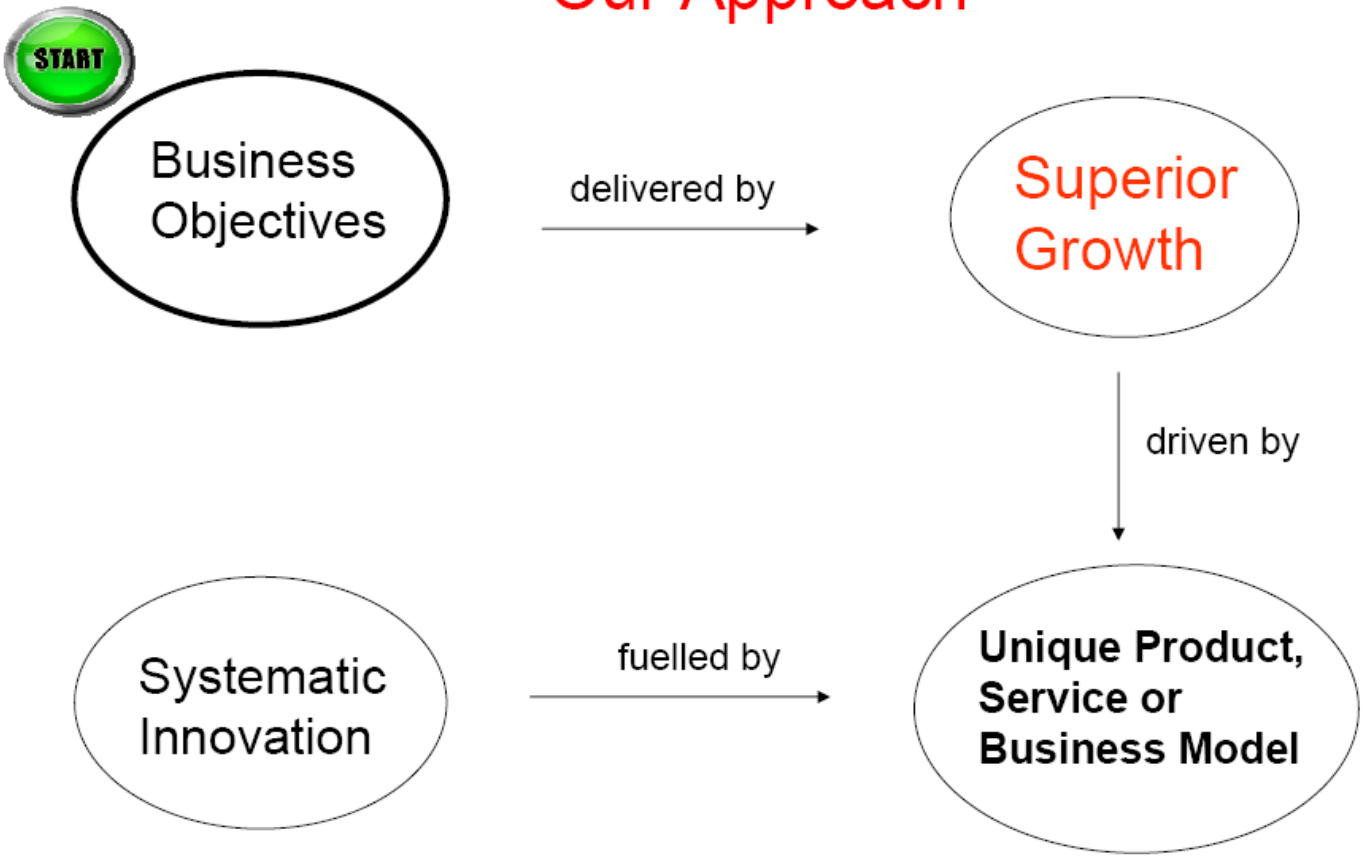
Applied Innovation Model

Our Approach



Doing the right thing – Leadership

In the right setting – Culture matters

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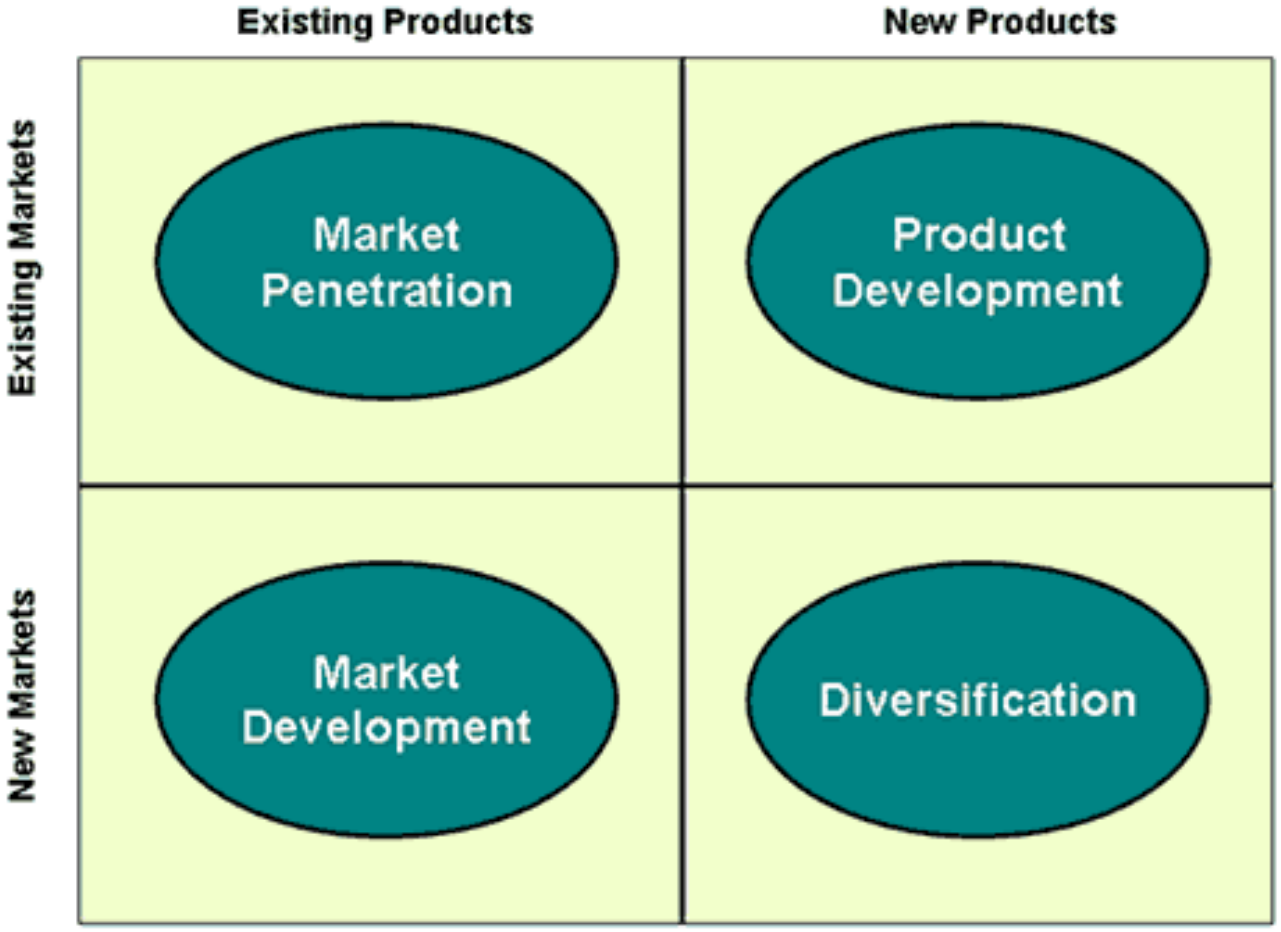
Business Options



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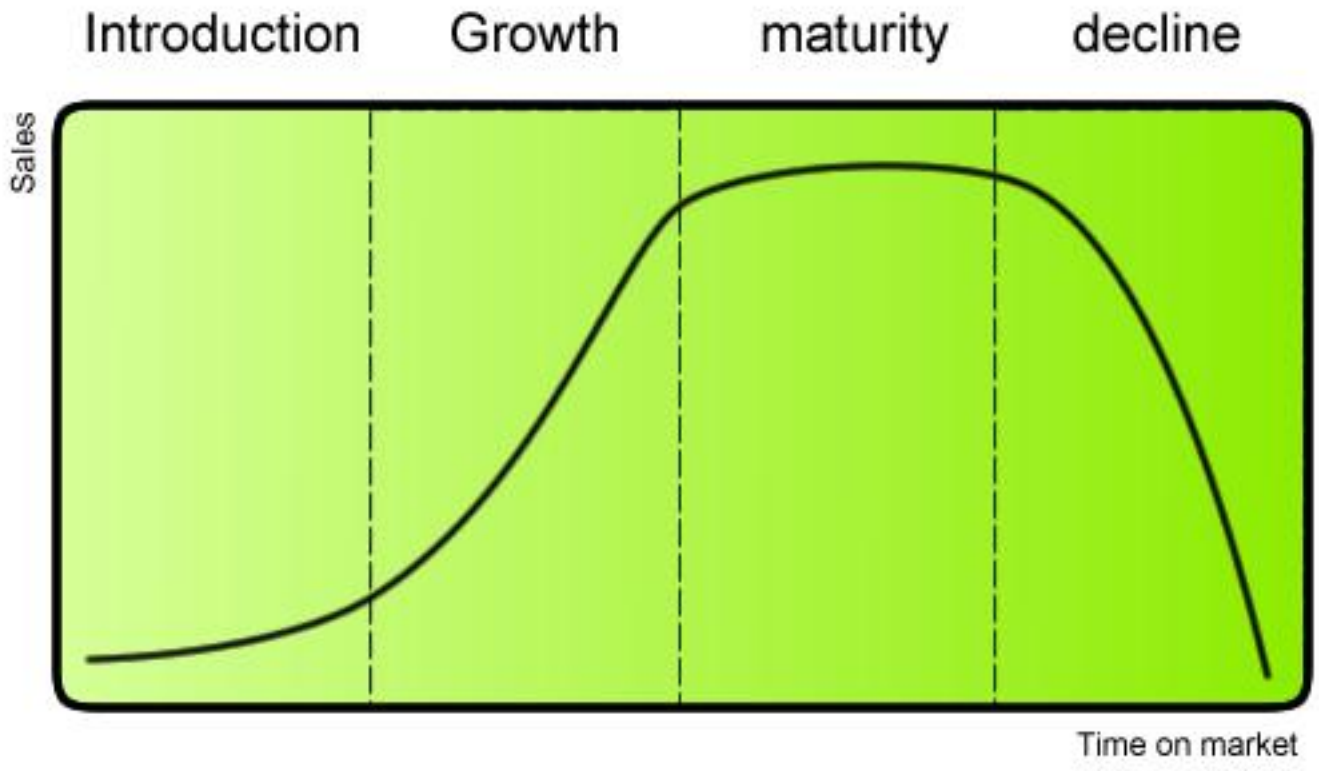
Product Life Cycle Curves



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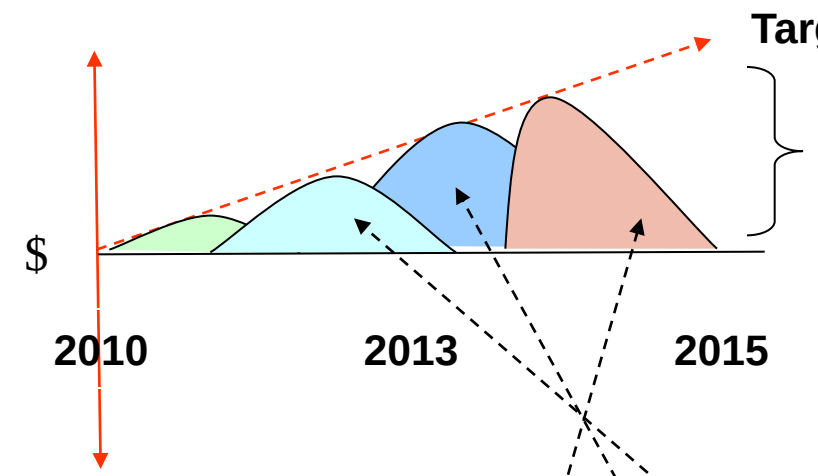
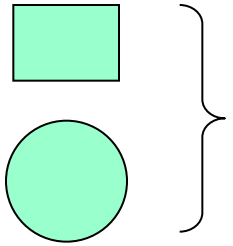
Growth Aligned Pipeline



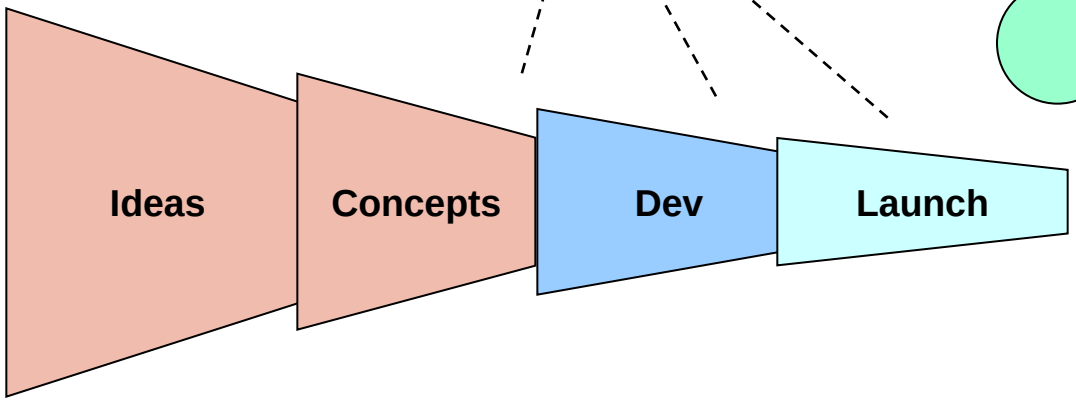
Cash streams to support the projected growth

Where will they come from ?

What role will innovation play ?



Existing products supplying existing cash streams



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Innovation and strategy

- What business a company is in? (market rather than industry view)
- What markets are to be served?
- Who are the important customers in those markets?
- How are they to be served?
- What role will innovation play?

- **Synopsis**
- *How do we create value*
- *How do we capture it*
- *How do we organise to deliver it*

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Working together

- Innovation is a social activity
- There is always a spatial dimension

- Regional or industry-based collaboration can be important

- National Systems of innovation thinking gives us a basis for improving innovation performance in Ireland

- *Collaboration is now a key issue because we face stiffer competition than ever in the race to be effective innovators*

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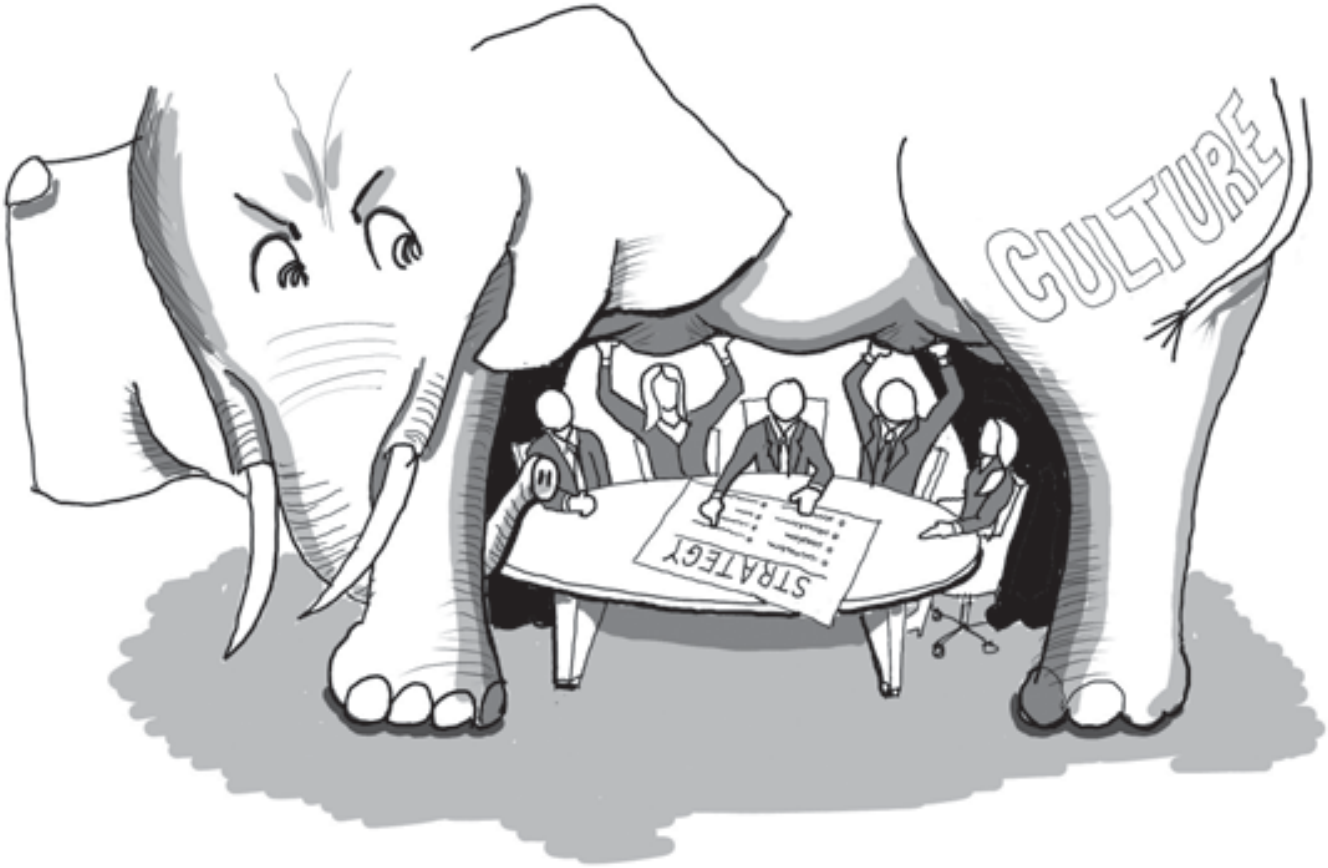
The elephant in the room



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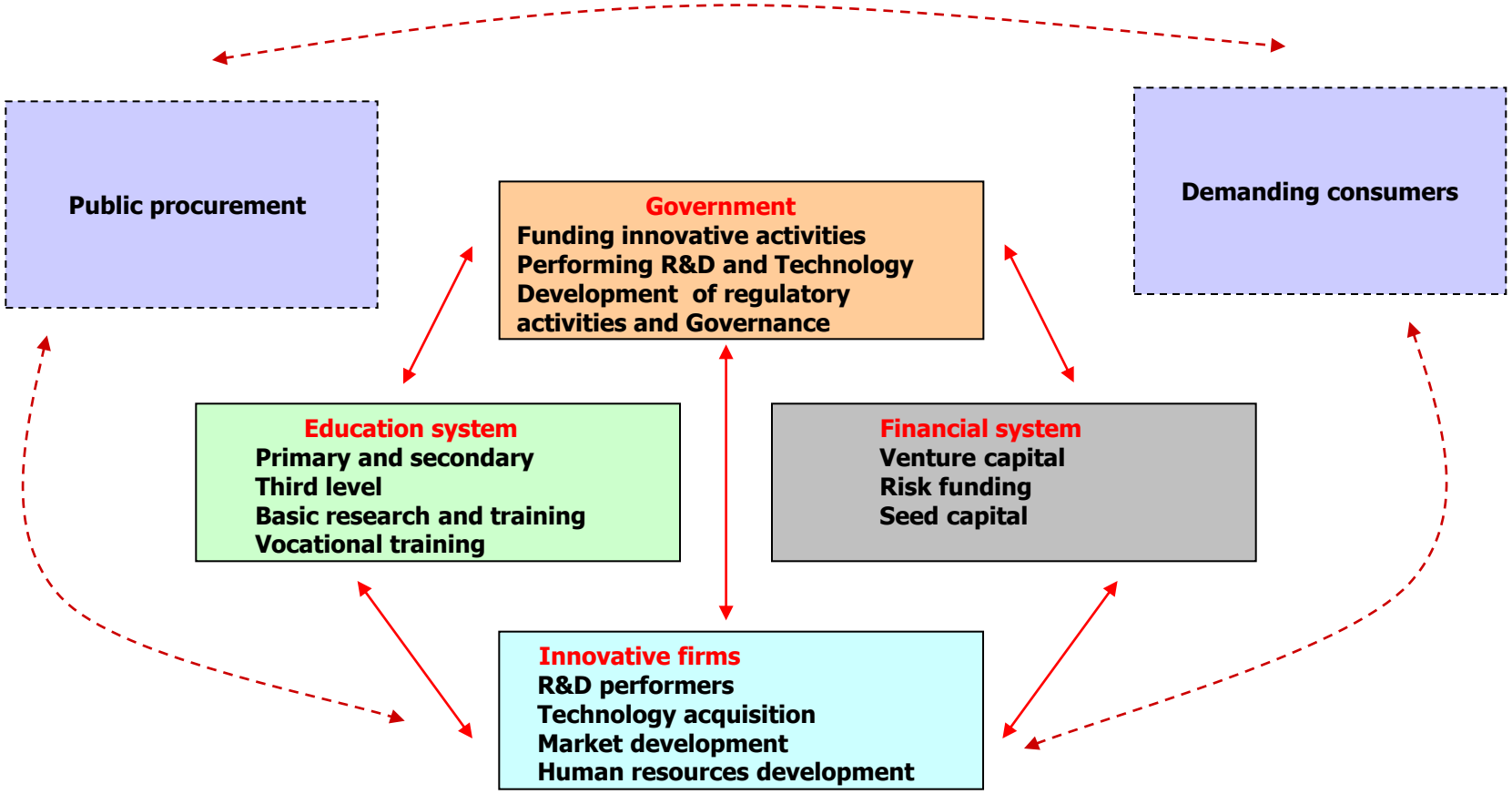
McGuire JB, Rhodes G, Palus CJ, LIA • VOLUME 27, NUMBER 6 • JANUARY/FEBRUARY 2008

A National Innovation System



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Defects in NIS

- There can be many defects in NIS, related to networking, the regulatory environment, finance and so on
- *An important area of our NIS we must get right is the capability of ambitious and innovative companies, and how they collaborate with others companies and other actors within the NIS*
- *Of crucial importance is the colaboration with state agencies, colleges and public bodies*
- *The important role of public procurement and demanding consumers*

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Building NIS Capability

- A well functioning NIS needs much improved interaction between colleges, enterprises and development agencies
- Graduates need to be educated in the thinking, practices and tools of innovation (not just at PhD level) to enable them to play their full role in the NIS
- Companies need to have the capability to play their full role
- Some work towards achieving this is being done now by various agencies and educational institutions, but a much bigger and more coordinated effort is needed
- *As the ITF report stated, it must be the focus of national effort*

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Case study – Engineering

- Engineering company – 100 employees
- Became profitable for the first time, 3 years following the Applied Innovation programme
- Increased exports from 44% of business to 85% of business
- Significant culture change
- Significant reduction in rework
- Significant reduction in waste
- Big improvement in the quality of new ideas from work force
- Innovation opportunities are sought right across the business
- There is now a srtucture in place – while important, creativity is not seen as enough

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