

Innovation Challenges and Opportunities

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Dr. James Cunningham
Director
Centre for Innovation & Structural Change



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Overview

Some Fundamental Structural Changes

Core Elements of Innovation

Innovation in a Smart Economy

Challenges and Opportunities

Some Practical Steps



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The Death Watch Challenge

INVEST IN MACEDONIA

New Business Heaven in Europe

- ✓ LOWEST FLAT TAX ON PROFIT 10%*
- ✓ LOWEST FLAT TAX ON INCOME 10%*
- ✓ TAX ON REINVESTED PROFIT 0%
- ✓ FAST COMPANY REGISTRATION 3 days
- ✓ ABUNDANT & COMPETITIVE LABOR €370/mo average gross salary
- ✓ FREE ACCESS TO LARGE MARKET 650 million customers**
- ✓ MACROECONOMIC STABILITY 3.1% inflation
- ✓ EXCELLENT INFRASTRUCTURE Wi-Fi country
- ✓ EU & NATO CANDIDATE COUNTRY



INCENTIVES IN FREE ECONOMIC ZONES AND TECHNOLOGY PARKS:

- 10 year tax holiday
- 50% reduction on personal income tax
- 10% and customer duty exempt
- Infrastructure benefits
- Special incentives for global brands

*Based on 2008. **EU has 500 million. **EU has 27 EU and 13 other European countries.

For more information visit: www.investinmacedonia.com or contact us at: +389 2 31 50 1 11; fax: +389 2 31 50 1 10; e-mail: info@investinmacedonia.com

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What is our sustainable and distinctive competitive advantage - nationally, regionally, at firm and individual levels

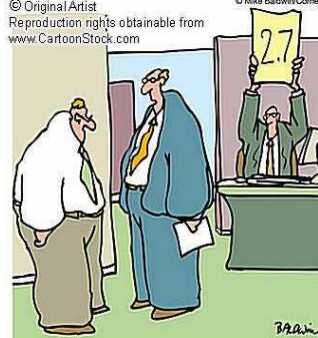


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Structural and Fundamental Change

- Significant changes in how *organisations and management manage for exploration (RDI) and exploitation purposes* – Google, Facebook
- *Rapid advances in science* - convergent technology product, service and market opportunities – Intel
- *Structural changes in capital markets* with growing influences of Asian central banks & oil producing countries
- *Rapid global scaling of companies* – Bebo, Skype, Twitter,
- *Collaborative exploration and exploitation of intellectual property*- Blu-Ray, blade.org

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Source: Cunningham, J (2008) Management 2.0 in Irish Management 2.0, Blackhall, Dublin

Being Innovative Not Always Enough !



Das Auto.



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Core Elements of Innovation



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Core Elements of Innovation

- **Business Strategy**
 - Core purpose, fit and long term direction
- **Differentiation**
 - Sustainable and real across firm offer
- **Competitiveness**
 - Bottom line impacts - economic and social



TESCO plc

Involves

- **Change**
- **Collaboration with Multiple Actors**
- **Experimentation and Learning**
- **Experiential Understanding of Context**

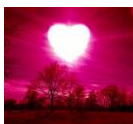


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Innovation Discourse: Temporal Context Challenge of Innovation

Grounding your innovation metaphor
in a journey rather than a destination



'I don't know how many years it's going to take us, but I want Toyota to come up with the dream car – a vehicle that makes the air cleaner than it is, a vehicle that cannot injure people, a vehicle that prevents accidents from happening, a vehicle that can make people healthier the longer they drive it, a vehicle that can excite, entertain, and evoke the emotions of its occupants, a vehicle that can drive around the world on just on tank of gas. That is what I dream about.'

Katsuke Watanabe CEO Toyota



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Implications for Managers From Doing to Enabling

Figure 4.1: Management 2.0 Managers – From Doing to Enabling



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Source: Cunningham, J (2008) Management 2.0 in Irish Management 2.0, Blackhall, Dublin

Innovation in a Smart Economy

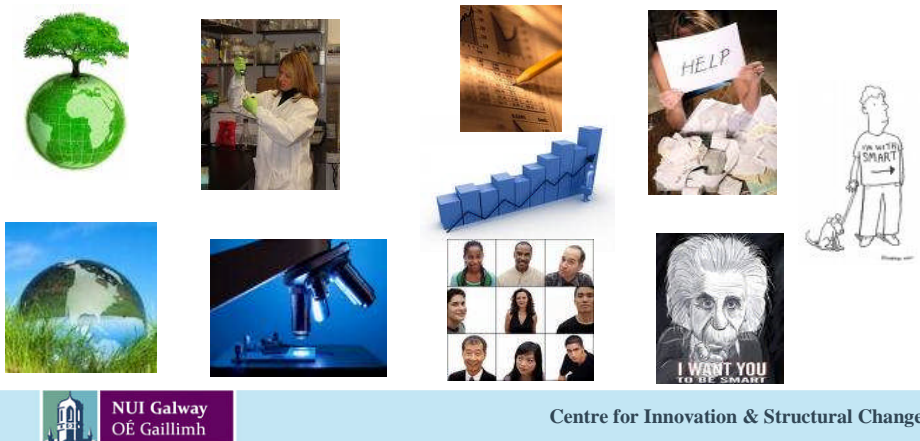


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Innovation in a Smart Economy

Maximising Economic and Social Outcomes



Core Purpose of Innovation in a Smart Economy



Sustainability of Competitiveness



*Creating Economic & Social Resilience
and Capability*



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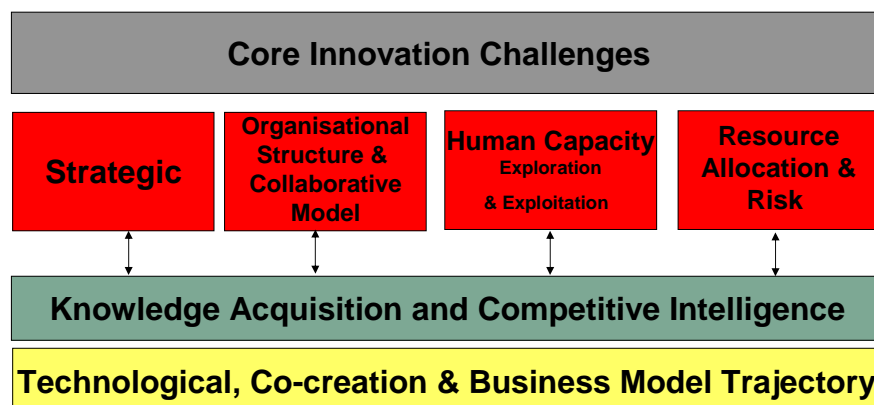
Challenges and Opportunities



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Innovation: Some Core Challenges



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Innovation Opportunities: Convergence and Collaboration Forms

Convergence Opportunities

- Creating new Markets;
 Technology; Service & Products

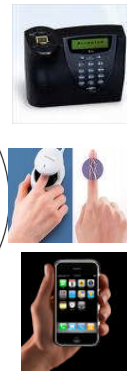
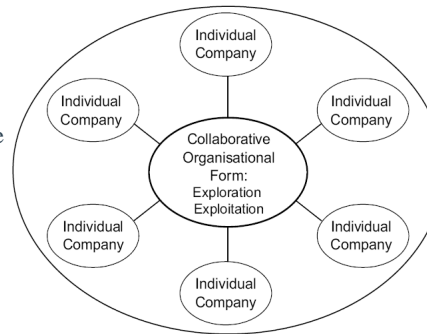
Convergent Platforms

- Industry, Sector, Need and Value
 Spanning

Collaboration with

- Across industry sectors
- With knowledge actors
- Leveraging state assets

Figure 4.2: Management 2.0 Organisations



Source: James Cunningham (2008) Management 2.0: Challenges and Implications in James Cunningham and Denis Harrington Irish Management 2.0, Blackhall Publishers



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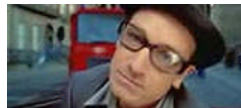


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Our Ultimate Competitive Challenge: Market Making Based on Innovation

Innovation

Setting the competitive agenda
Building communities not organisations



'You can only win the 'war' with ideas, not spending cuts.'
 Klaus Kleinfeld, President and CEO, Siemens AG



'We will fight our battles not on the low road to commoditization, but on the high road of innovation.'
 Howard Stringer, Chairman and CEO, Sony



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Some Practical Steps



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Some Practical Steps

- *Set a clear unambiguous strategic direction*
- *Focus on how you can enable the creative capacity of each individual in your organisational context*
- *Seek ways of tapping into the ideas and creative capacity beyond your organisational boundaries*
- *Make innovation a lived reality through organisational structures, enabling mechanisms, experimenting and learning*
- *Maximise the state assets and public infrastructure supports.*



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Innovation is about Consistent and Relentless Action

'I have been convinced since I was very young that you have to make your own future – otherwise you're condemned to accept whatever comes your way. It's no secret that I don't miss childhood. I was impatient to become an adult and to become free. The desire for independence made me determined to live the present with the energy of someone who knows that the promise of the future does not come automatically'

President Sarkozy (2007) Testimony (xxvii)



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Innovation is about Ambition

'Without ambition, no conquests are made, no lands discovered no businesses created. Ambition is the root of all achievement. Ambition is the spirit of success, of striving for something worth achieving'

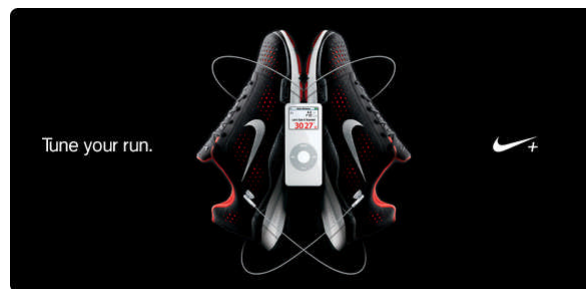
(Champhy and Nohria, 2000).



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Innovation is about Just doing it



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Thank you



james.cunningham@nuigalway.ie



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