



Innovation: The Lifeblood of a Free Society

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I was recently asked what the role of innovation is in the maintenance of a free society. This is not a trivial question and I did not give it a quick response. Upon reflection three things came to mind and I then thought of these in relation to Colombia.

First, healthy innovation provides individuals with financial opportunity. The fundamental purpose of innovation is to come up with new things (technologies, services, business models, etc.) that generate value. When this value is developed in a free society it is distributed among the owners, shareholders, workers and associated companies and communities.

Second, a healthy flow of innovation provides individuals with job options. A flow of new ideas provides a diversity of jobs which in turn necessitates more variety in education, fluidity of location, and heightened market awareness. "Choice" becomes a beacon that attracts an innovative population to challenge the status quo and explore new areas of opportunity.

Third, healthy innovation fulfills a fundamental human need; the need to create. Whether we are being creative at our job, in our hobby, or at home, every one of us finds an outlet for the creativity that resides within us. When these creative outlets are constrained in the business world, bureaucracy takes over and citizens become cynical. When such a cynicism forms over time it becomes increasingly difficult to change.

My recent relationship with companies and individuals in Colombia has excited me. In my discussions with mature companies, I was exposed to their understanding that to grow and maintain corporate independence these companies must develop new ideas. With Colombian entrepreneurs I feel an excitement for "the possibilities" and great energy about getting started. With the Colombian students I have taught I see their great pride in Colombia and their understanding of Colombia's potential in the Global Marketplace. A foundation exists for great innovations to develop in Colombia.

The skills and capabilities of Colombian students and entrepreneurs match those of any nation. Many of my Colombian students have studied in foreign institutions, including Europe, Africa, Australasia, and North America. They have a deep understanding of other cultures, including needs and market opportunities. The perspective and insights developed from the foreign experiences of these students must be considered as the Colombian Government considers where to invest its growth support; as these students know, global opportunities exist.

On the other hand, these same discussions give me concern; I see companies that understand their need for new ideas but they are constrained by bureaucracy that, like concrete, has hardened over time. I see entrepreneurs with great ideas but little support for developing those ideas. I see students with great pride in Colombia but an equally powerful need to create and succeed, and a global job market that will provide them with this opportunity if Colombia does not.

Making strong connections between Colombian businesses, entrepreneurs and students should be a primary objective of the Colombian Government. Alternative business models that confront the current bureaucratic business models must be demonstrated. First, businesses need to be committed to this change. This change will be easier when these companies see alternate market opportunities; most of these opportunities will be outside the current markets these companies serve, so support to "sense" new markets around the world should be provided by the government.

Second, when new opportunities are identified, resources must be available to "create" new offerings. Combining the scale of existing businesses with the energy of designers, entrepreneurs and the insights of the students will be a strong basis for the "creation" of new technologies, products, services and business models. But on this point I have a warning; the seduction of "Free Trade Agreements" will open new markets to companies, but often the opportunities in these agreements are low value orders to be fulfilled constraining work forces from innovating. Colombia must invest new wealth from open trade arrangements into innovation.

Colombian businesses must commit to the conduct of innovation work in their organizations. Best Practice innovation companies have innovation as a core process in their businesses, with individuals accountable for a portfolio of novel business ideas and a process to develop and commercialize these new ideas. A great example of such is BMW's Global Innovation Process, with an innovation facility and organization in Munich with "trend scouts" and Innovation Satellite Offices around the world identify both unique customer needs and unique differentiating technologies.

Reflection on my experience in both developed and developing economies indicates that this is a critical time for Colombia; it is a time that requires choice, commitment, and action. The first choice is about Colombia's ambition to be a national, regional or global player (with the later requiring significant change). Once the first choice is made, the second choice is about which industries and capabilities to position in which markets. Please understand these choices will be made for Colombia over time through the whim and dynamics of the marketplace or the choices can be influenced by the insightful review and analysis of Colombian business development agencies.

With the choices made, a commitment to support companies and entrepreneurs must be made. This commitment must include investment in international business relationships (the Irish Development Agency is a great example of this), support of scientific and technology development, and the establishment of "incubators of innovation" such as innovation centers, business and technology development parks, etc. All this will require funding, but the most important commitment is the commitment to change, and this will never be easy without examples of new models of incubation and entrepreneurship.

Finally, action must be taken. With the "incubators of innovation" in place new ideas must be developed and commercialized. These ideas need to be recognized by national awards (Singapore's National Innovation Awards are a great example of this) and taken to international trade shows to showcase Colombia's role in the global market. All action should be aligned with a shared vision of a future Colombia that provides individuals with financial opportunities, job options and the chance to create.

In future analysis the success of Colombia's entry into the global market place as a serious economic force will depend on the actions described above be taken in the next three years. The world economy is moving forward aggressively. Colombia must carefully choose the actions it takes.