

ERIK ACTION and INTERREGIONAL COOPERATION – Upgrading the Innovation Capacity of Enterprises through Interregional Transfer

Tuesday 11 May 2010 – Palazzo degli Affari, Florence, Italy

Good Practices from the USA

Richard A. Bendis
President & CEO
Innovation America
May 11, 2010
Palazzo degli Affari
Florence, Italy



The World has Changed

- Convergence of Complex Challenges
- Loss of Jobs
- Growing US Trade Deficit
- Greater International Competition in manufacturing and service industries
- Competitive advantages are increasingly tied to human capital and innovation
- Economic growth is closely related to education/workforce, energy, climate change, environmental, natural resource and geopolitical issues



Europe's Future is Determined By the Present

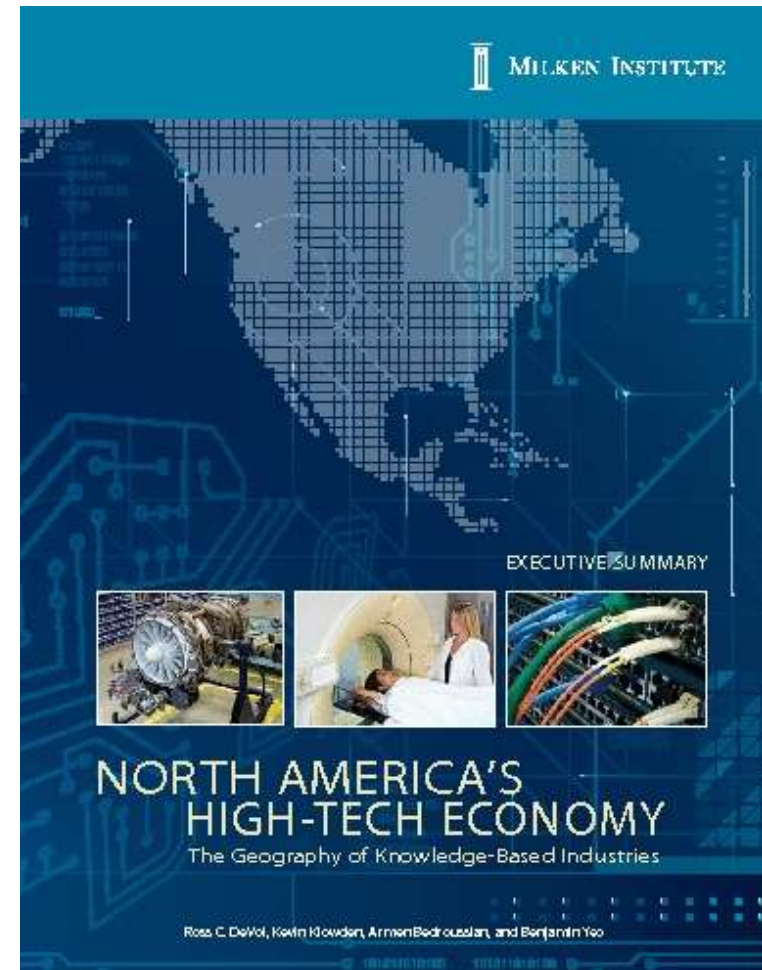


What Is Technology-Based Economic Development?

- Approaches designed to encourage the creation and growth of technology companies
- Instilling technology in existing non-tech companies
- Emphasis is “growing your own” rather than recruitment, although recruitment can play a role, particularly the recruitment of talent
- Goal: create an environment in which tech firms will be created and thrive without government action
 - “Organic rather than synthetic”– Don Smith

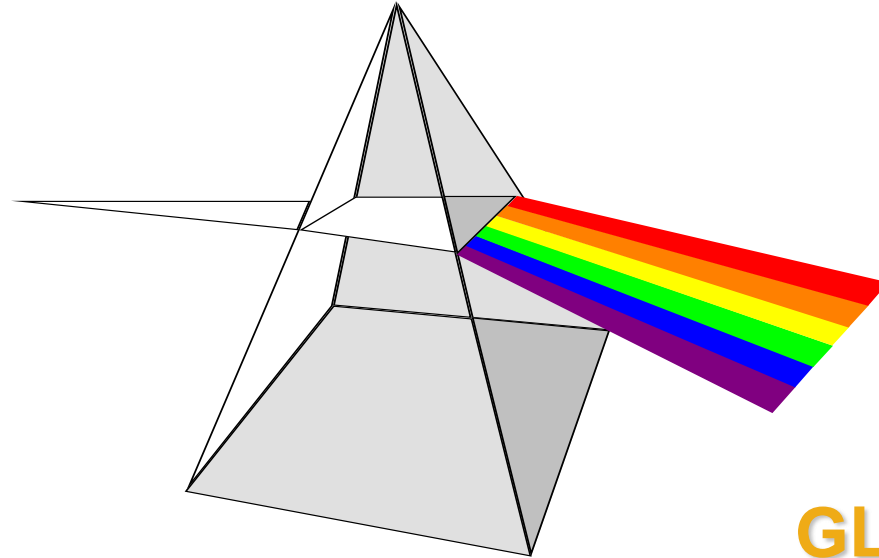
Elements for a Tech-Based Economy

- Intellectual infrastructure
- Spillovers of knowledge
 - from universities
 - from informal networks
- Physical infrastructure
- Technically skilled workforce
- Capital
- Entrepreneurial culture
- Quality of life



Innovation Economy

KNOWLEDGE



INNOVATION

**GLOBAL
COMPETITIVENESS**

“If a man empties his purse into his head, no man can take it away from him. An investment in knowledge always pays the best interest.”

--Ben Franklin

Why Is Innovation Essential?

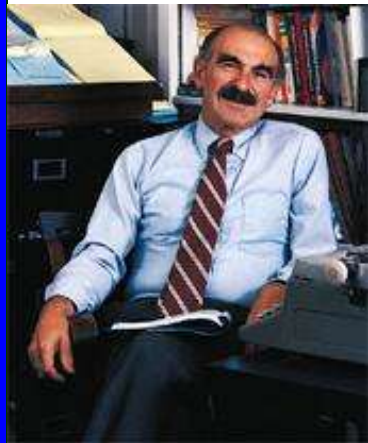


“INNOVATION IS THE SPECIFIC INSTRUMENT OF ENTREPRENEURSHIP. THE ACT THAT ENDOWS RESOURCES WITH A NEW CAPACITY TO CREATE WEALTH.”

-PETER F. DRUCKER

“INNOVATION DISTINGUISHES BETWEEN A LEADER AND A FOLLOWER.”

-STEVE JOBS



“JUST AS ENERGY IS THE BASIS OF LIFE ITSELF, AND IDEAS THE SOURCE OF INNOVATION, SO IS INNOVATION THE VITAL SPARK OF ALL HUMAN CHANGE, IMPROVEMENT AND PROGRESS!”

-TED LEVITT

Goals of Innovation-Based Economic Development

Intervene at the margins of private sector investment flows of capital (financial and intellectual) to:

- Address economic transition
- Capture the benefit of investments in research and development, higher education
- Build entrepreneurial cultures
- Help existing industries modernize
- Diversify both rural and urban economies
- Develop global innovation network

Implementing a New Innovation Paradigm

- Willingness to deviate from traditional and parochial perspectives
- Encourage public investment and risk taking
- Developing trust through collaboration
- Ensuring the paradigm is responsive to partners' missions
- Building consensus of all constituents through education, participation, and positive outcomes
- Move from technology-based economic development to **Innovation-Based Economic Development**



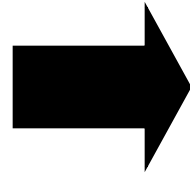
Government's Role in S&T

- Long term vision and planning
- Identify gaps and trends in science, technology and innovation
- Be a catalyst through strategic investments and partnering
- Develop a balanced and flexible innovation capital investment portfolio
- Encourage private sector innovation
- Establish performance-oriented innovation-based economic development strategy and implementation plan

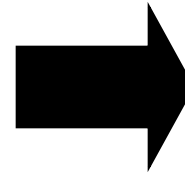
The Role of Academia

Knowledge Integration

Resource
Investment



Education
Research



Continuous
Learning and
Innovation

Knowledge Creation

Knowledge Transfer

The Role of Industry: Wealth Creation

Capitalism is a Process of Creative Transformation

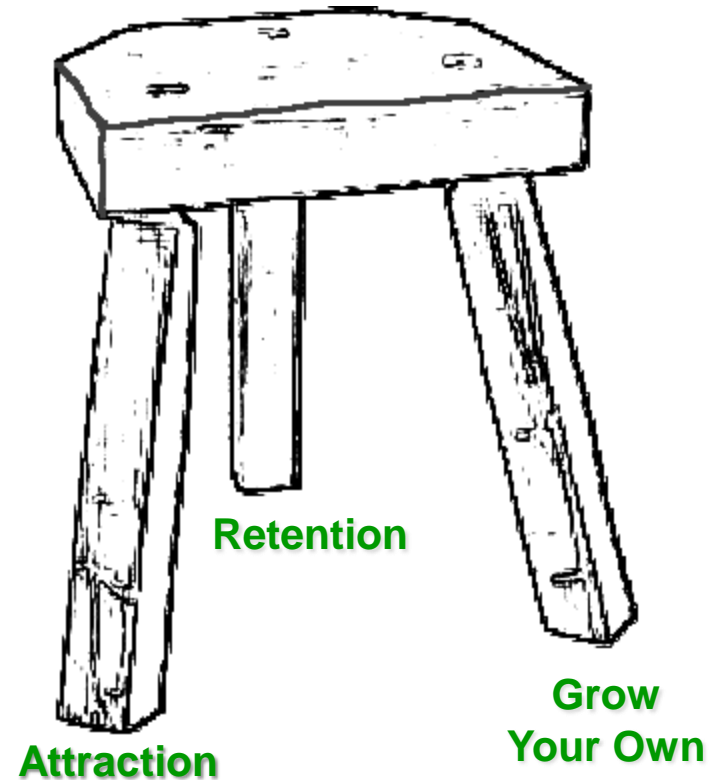
“The interaction of technological innovation with the competitive marketplace is the fundamental driving force in capitalist industrial progress.”



Joseph A. Schumpeter, 1942

Economic Development

- Economic Development is like a three-legged stool:
 - **Attraction**
 - **Retention**
 - **Grow Your Own**
- IBED requires patience and persistence, continuity and consistency.
- Working with early-stage companies takes time.
- Balanced portfolio economic development strategy is best!



Public/Private Partnership

- Progress is promoted by strong industry, government and university leadership
- Sustained by dynamic public/private partnerships
- These leaders create new, responsive models of governance



Traditional ED vs. Innovation-Based ED

	<u>Traditional ED</u>		<u>Innovation-based ED</u>
• Competitive Basis	Natural resources Highways / Rail Proximity Costs	➔	Specialized talent Networks, information University research / professors Market understanding
	i.e. PHYSICAL		i.e. KNOWLEDGE
• Key values / offerings	Business parks Incentives	➔	Access to research Workforce competencies Lifestyle
• Lead Organization	Chambers / EDCs	➔	Innovation intermediaries, Economic developers

Innovation Paradigm Shift

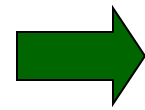
**PROOF OF CONCEPT
(Technological Feasibility)**

“It Works!”



**PROOF OF RELEVANCE
(Market Pull)**

“I’ll Buy It!”



innovationDAILY

Get a FREE subscription to
Innovation America's
innovationDAILY
newsletter.

Subscribe to:

www.innovationamerica.us

You're receiving this newsletter because of your interest in [Innovation America](#).
Subscribe at [Innovation America](#). Having trouble viewing this email? [View this e-mail in your browser.](#)



The Daily pulse of Global Innovation!

Thu Dec 03 16:09:16 -0500 2009

Innovation vs. "Awesomeness"

This "Awesomeness Manifesto" by Umair Haque hinges on a rather narrow definition for "Innovation" so as to draw a contrast, but lets undermine the whole thing by highlighting the most glaring weakness."

Obsolescence is what's obsolete* means what? For nothing to ever be made obsolete, nothing new and better may be created. Haque appears to dislike the concept of creative destruction becomes some peoples' wealth is destroyed in the process of making new people wealthy... but what's the alternative? Those who are presently rich and powerful must be allowed to stay that way? Societal calcification. Stagnation. Creative destruction isn't perfect, but generally, over time, what is destroyed is less valuable than what is created. That's not a waste of our seed-corn, that's how it's supposed to be used. Seeds are consumed when you plant them, but the resulting crops are worth more than the seed. Then you collect more seed and start the next round. peoples

[back to top *](#)

Can an 'Innovation Economy' Save the U.S.?

We need more political leaders like John F. Kennedy. He envisioned going to the moon and inspired the innovation to make it manifest.

I have got to be honest. I didn't have any idea of what an "innovation economy" had to do with me until yesterday. True, I don't cover business issues normally, sticking to what I know best, which is politics, with the primary focus of foreign policy. But when I was offered the opportunity to attend the Innovation Economy Conference held in Washington, D.C. yesterday, I jumped at the chance. (I tweeted the conference as well.) Because if ever there was a time we need some out of the box thinking on our economy this is it. The event, hosted by The Aspen Institute, Intel, Democracy (a journal of ideas), and The News Hour with Jim Lehrer, I went to check out, expecting to stay for a couple of hours, but ended up staying all day. I by no means caught every speech or break-out session, but what I did witness proved one thing to me. If the U.S. doesn't get moving we're going to be in even more serious trouble.

THE HUFFINGTON POST

In this issue

- Innovation vs. "Awesomeness"
- Can an "Innovation Economy" Save the U.S.?
- Get a Life: Universities Must Support Scientists Who Ward Families and Dynamic Careers
- 50 First-To-Market Products That Last
- Common Anger: Geschwiler talks of angel investor's future
- Choosing an innovation team
- Dams: Ballrooms
- Dare to Be Different: Focus on Innovation
- Global Innovation Matches on ECIC's plans take from Peter to Bey Paul
- Ireland Launches \$40 Million Seed Fund
- U.S. Share of World Research Community Declines
- 5 Steps to Creating Your 'Glas Vlog'
- Top 10 Social Entrepreneurship Blogs

ADVERTISE HERE FOR MORE INFORMATION. [CLICK HERE](#)

About Innovation America
Our Mission: To accelerate the growth of the entrepreneurial innovation economy in America.

InnovationDAILY is a service of Innovation America and Richard Berda.

For more information visit us at [InnovationAmerica.us](#).

Forward
Know someone who might be interested in this email? Forward it.

Subscribe or Unsubscribe
To subscribe or unsubscribe to this mailing, please visit [innovationDAILY](#).

innovation DAILY distribution is a service provided by:

DMVG
DELTA VEGA GROUP, LLC



Richard A. Bendis
President and CEO
Innovation America
2600 Centre Square West
1500 Market Street
Philadelphia, PA 19102
(215) 496-8102
rbendis@bendisig.com
www.innovationamerica.us