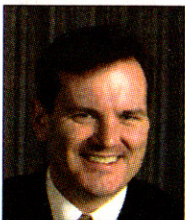


The drive for 'the Prize'



Innovation

Eric Cook

Effective innovation is a critical element of our economic prosperity, and has become an integral component of federal, provincial and even municipal economic development strategies. In the absence of original ideas and differentiating products and services, we are relegated to competing solely on price, which is a daunting challenge in today's global economy.

Emerging technologies, inventors and entrepreneurs are receiving much-deserved celebration including recognition awards, media stories, dignitary visits and funding. These entrepreneurs and inventors should be recognized for their ingenuity, inventiveness and resourcefulness. However, their efforts are often described as "innovation" which has much deeper connotations.

The Conference Board of Canada defines innovation as "a process through which economic value is extracted from knowledge through the generation, development, and implementation of ideas to produce new or improved products, processes and services." As emphasized by this definition, there are two key elements to effective innovation:

- 1) The idea (or creativity), and;
- 2) Economic value (or commercialization).

As this definition suggests, 'innovation' without commercialization is merely creativity. While creativity is intriguing, impressive and inspiring, on its own it is not innovation. We must be selective with

our references to innovation to ensure both the creativity and the commercialization elements are prominent, lest we risk being distracted from the drive for the prize.

In late March, I attended the Rice Alliance business case competition, held at Rice University's Jones Graduate School of Management. This event is billed as the world's largest and richest open-invitation university business plan competition and, as you would expect, it attracts some of the top talent and ideas from around the globe including teams from India, China and Canada. The presentations were impressive, well-researched and well-rehearsed. During the numerous networking events, I had ample opportunity to interact with the teams; and if you did not find them, they would find you. They were enthusiastic, passionate, energetic and intelligent but most of all, they were driven.

I assumed these teams would be focused on the international media attention, the prestige of competing in the world's top business plan competition or the impressive \$350K prize purse; however, in conversation with the teams, it became obvious these elements were viewed as small victories en route to the ultimate prize - an economically sustainable business.

Through all the distractions of the event, the teams were intently focused on the impressive judging panel of 150 business leaders, including some of the world's wealthiest venture capitalists. In the drive for commercialization, the teams were prepared to entertain input and direction, adjust their plans, relinquish partial ownership of their business, and accommodate the hiring of top talent in their companies. The plans were strategically developed to make use of established resources hence

there was no mention of building factories or creating jobs. The drive was for commercialization, generating wealth and returning value to the stakeholders. Wealth creation and returning value to stakeholders is 'the prize.'

The New Brunswick Innovation Foundation hosts the Student Entrepreneurship Prize, an annual business plan competition that recognizes and supports entrepreneurial students who are driven to establish and operate an innovative business venture. Graduating students compete for an impressive prize purse of over \$70,000. The prizes provide the students with recognition, publicity, encouragement, mentoring and support, all essential ingredients for entrepreneurship. Since its inception in 2003, the Student Entrepreneurship Prize has led to the creation of 15 companies in New Brunswick. I recently attended the 2007 awards ceremony in Fredericton and was impressed with the potential of these emerging entrepreneurs.

In commercializing technology, there are many successes along the way; a patent, an award, a grant, angel financing, publicity. All are great achievements that should be appreciated and celebrated, but these accomplishments are only steps towards the end goal.

Much is written about the barriers to innovation in NB; perhaps our greatest potential for increasing effective innovation is to encourage our entrepreneurs and inventors to remain focused on the drive for the true prize - a commercially viable business.

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