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Innovation and Entrepreneurship:  
*The Engines For Economic Success*

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THE FUTURE OF MANAGEMENT THINKING

## Introduction

- Share Some Perspectives On The Nature Of Innovation Required To Ignite And Renew B.C.'s Economy
- Build On Some Perspectives From A Variety Of Research And Regions
- Develop A Series Of Questions – Working Toward An Agenda – For B.C. To Consider As It Moves Forward Into The New Millennium



## Introduction

*Successful And Self-Renewing Economies are Distinguished By:*

**World Class  
Innovation:**  
Quantity, Quality  
And Variety



**World Class  
Entrepreneurial  
Activity:** Quantity,  
Quality And Variety

*These Create:*

- New Business
- Expanded Business
- Renewed Business

**T H E F U T U R E O F M A N A G E M E N T T H I N K I N G**

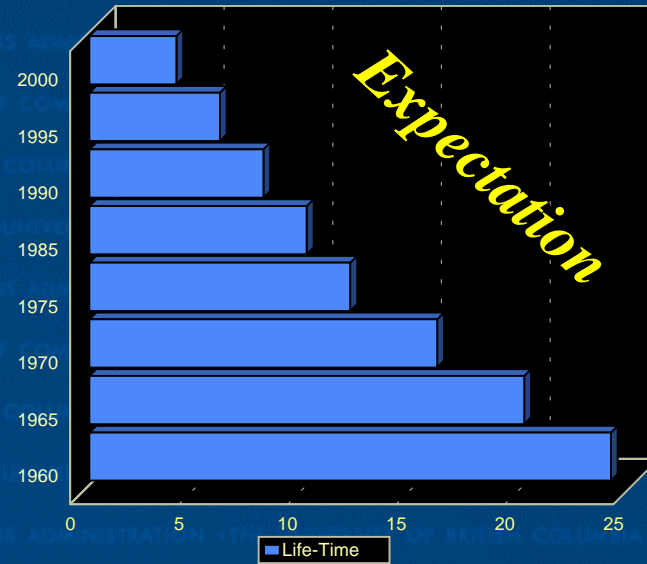
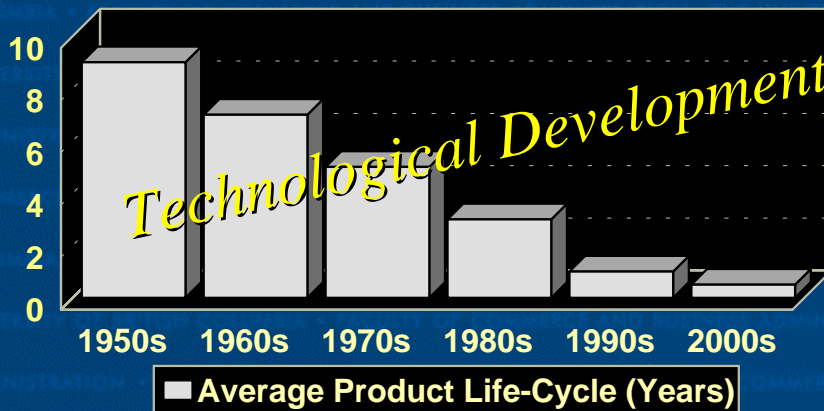
# Entrepreneurship

- Entrepreneurship Is A Process . . . .
  - That Causes Change . . . .
  - Through Innovation . . . .
  - Brought About By Individuals . . . .
- Who Generate Or Respond To Economic Opportunities
- That Create Value For Both Themselves And Society



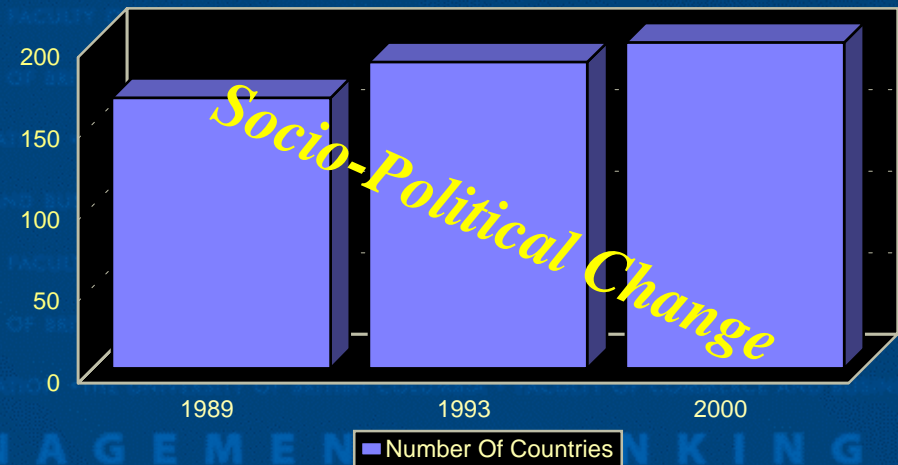
# Introduction: Why Now? Why More?

Decreasing Product-Life Cycles  
Example: Computer Industry



*Population*

- Aiding And Abetting:
- ① Free Trade
  - ① Open Financial System
  - ① Integrated Communications
  - ① Unrestricted Air Travel

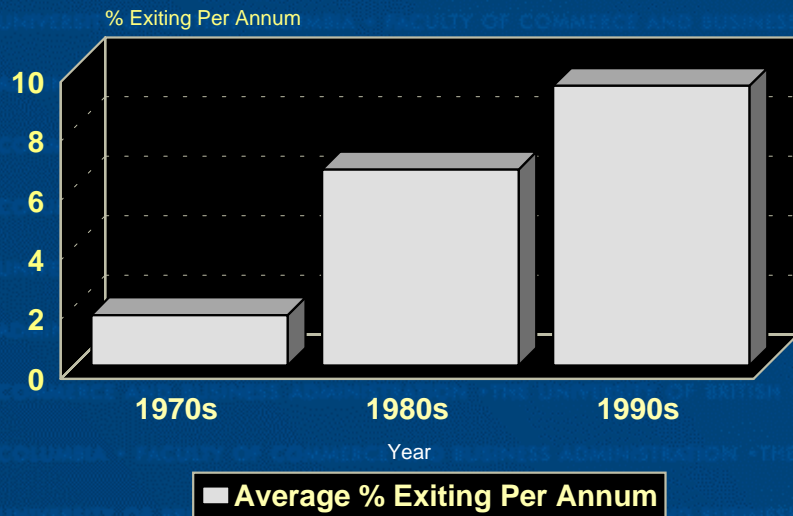




# Introduction: Impact On Business Environment

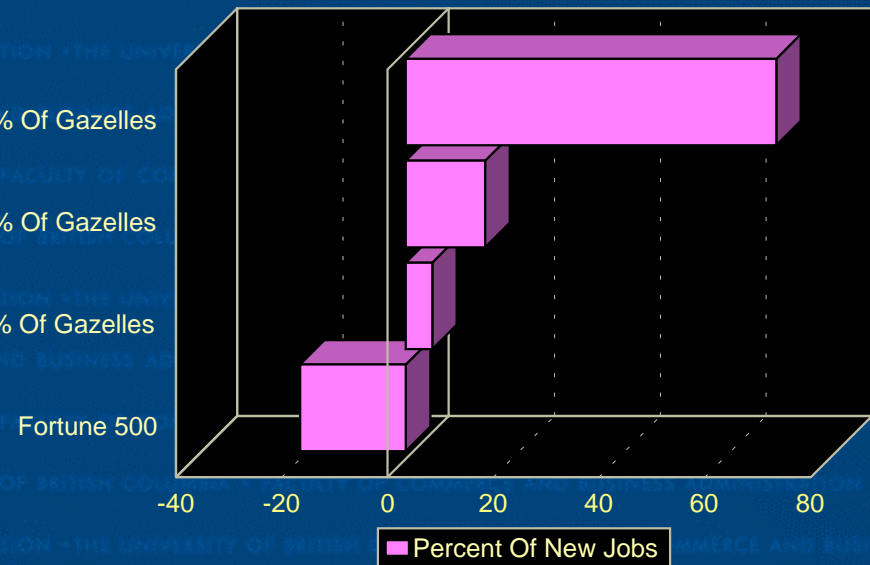
## How Long Can You Remain At The Top?

% Companies Exiting Fortune 500



## Where Do New Jobs Come From?

Source Of New Jobs



# Introduction: So What Does It Take?

## A Cautionary Note

This is the course in **advanced physics**. That means the instructor finds the subject confusing. If he didn't, the course would be called elementary physics.

*Luis Alvarez, Nobel Laureate  
(Inventor Of The Basic Instrument  
Landing Radar System )*

## Introduction: What Has Provided Only Mixed Results

- Broad-Based Government Subsidy Programmes
- Subsidized Industrial Zones In Depressed Areas
- Entrepreneurship Without Public Consensus
- Entrepreneurship In A Hostile Environment
- Entrepreneurship Without Multi-Dimensional Change

## Introduction: Some **Red** Herrings

- Resources And Wealth
- Subsidy Levels
- Relative Wage Rates (?)
- Legislated Change
- Large-Scale Government Projects

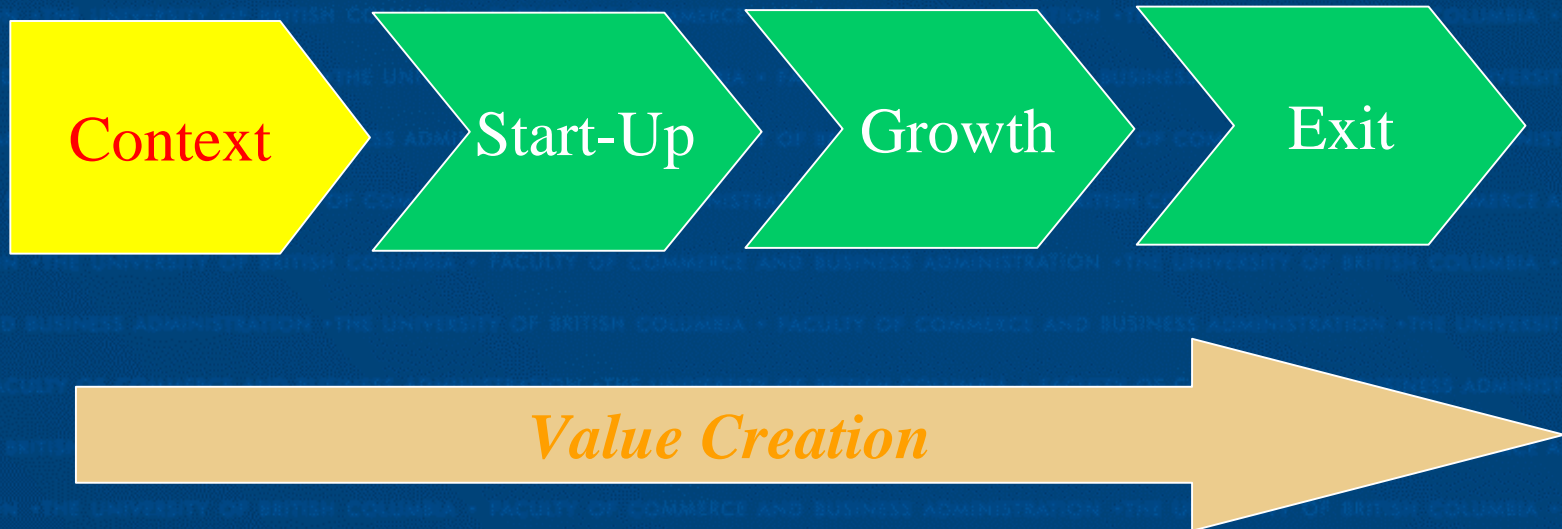


## Introduction: Critical Ingredients

- ***Technology:*** Distinct and Shared
- ***People:*** Skilled Professionals and Management
- ***Resources:*** Money and Other Assets
- ***Infrastructure:*** Networking and Transportation
- ***Education:*** Technical and Business



# Entrepreneurial Process





## Context

- Positive Attitude Toward Business:
  - Positive View Of Business
  - Positive View Of Initiative Over Conformity
  - Role Models Reinforced
- Constructive Social Dynamic:
  - Central Focus On Sharing In A Growing Pie
  - *Not* Seizing And Dividing The Pie
- Positive Attitudes Toward Success And Failure:
  - Permit And Promote Success
  - Don't Punish Well-Intended Failure
- Good Demographics

## Context: An Example

*The old Right-wing elite regarded entrepreneurs as beneath them. The Left regarded them as anti-social. When we should have been hugely proud of our entrepreneurs, we tended simply to wait until they fell flat on their faces and, if possible, helped them to do it.*

Tony Blair,  
U.K. Prime Minister



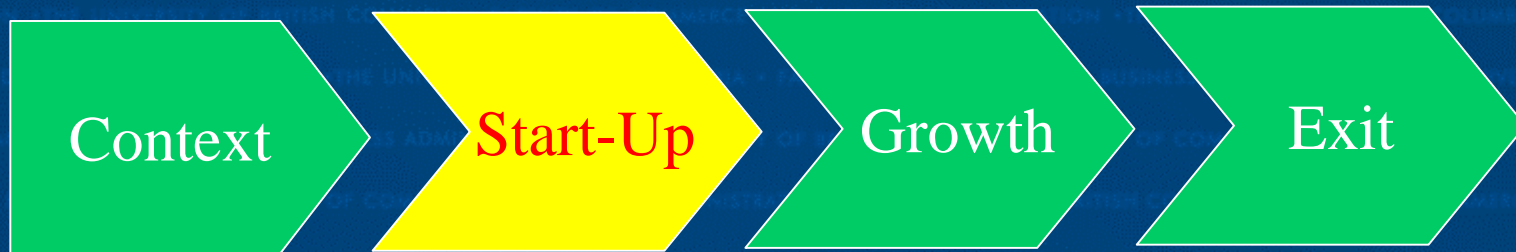
## Context

- Prized Focus On Growth And Opportunity:
  - Growth Imperative
  - Opportunity Focus
  - Resource Utilization
- Strong And Balanced Educational System And Performance:
  - Skills
  - Content
  - Attitudes
  - Perspectives
  - Science
  - Engineering
  - Business
  - Education, etc.
- Effective Knowledge Dissemination And Access



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# Entrepreneurial Process



THE FUTURE OF MANAGEMENT THINKING



## Start-Up

- Easy Access To Customer And Market: Ability To Develop Primary Demand
- Effective And Timely Access To Innovations
  - Inventiveness/Creativity
  - Strong Investment In Innovation
  - Effective Knowledge Dissemination
- Investment In Business Infrastructure
- Easy Access To Plentiful Venture Funding
  - Availability
  - Mechanisms

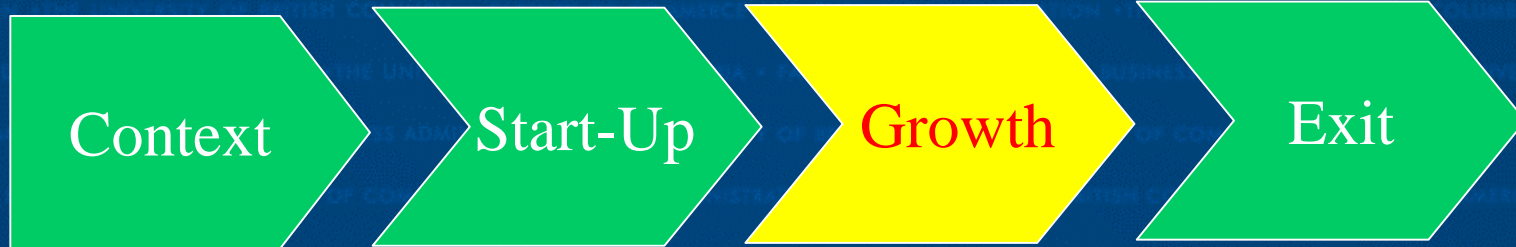
## Start-Up

- Easy Company And Team Formation
  - Knowledge
  - Cost/Time
- Effective Start-Up Incubation
  - Process Knowledge
  - Incubators
- Flexible And Fluid Pool Of Labour
  - Good Labour Mobility
  - Flexible Labour Arrangements



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# Entrepreneurial Process



THE FUTURE OF MANAGEMENT THINKING



## Growth

- Value Retention And Reinvestment (Sustainable Growth)
- Efficient And Timely Access To People
  - Availability
  - Flexibility
  - Interaction
- Environment Conducive To Effective Employee Motivation
  - Physical Environment
  - Relative Cost
  - Relative Personal Value Retention

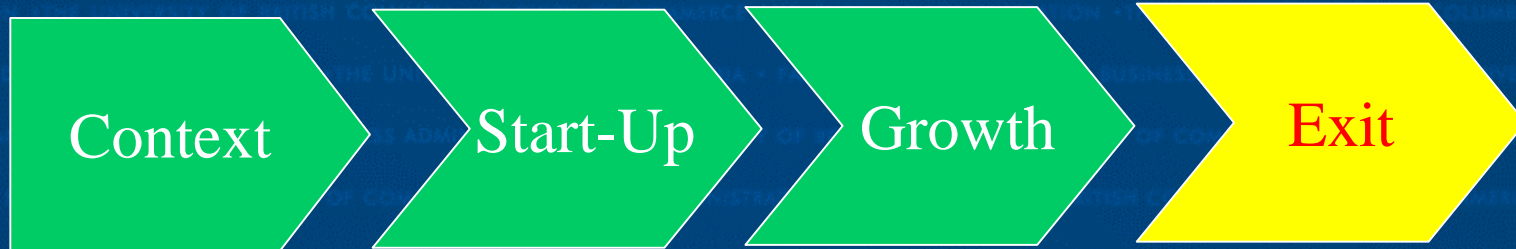
*Professionals Are Mobile:  
Relative Taxation and  
Cost Of Living DO Matter*



## Growth

- Natural And Efficient Reporting And Regulation
  - Focused Government
- Creative And Dynamic Educational Support
  - Knowledge Development And Testing
  - Re-Education/Re-Training
  - Process Development
  - Management Development
- Effective And Available Supporting Business Services

# Entrepreneurial Process





## Exit

- Reasonable Capital Gains Rates
  - Share In The Value
- Effective Exit Markets
  - Trade Sales
  - IPO
- Forgiving And Efficient Bankruptcy Treatment

## Entrepreneurial Process

### The Construction Of A Dynamic Entrepreneurial Economy Requires:

- Concerted Effort
- Abandonment Of Old Principles
- Relatively* Competitive Environment
- New Decision Rules
- Time

# Entrepreneurial Process: Universities

- Educator
- Innovator
- Instigator
- Initiator
- Consolidator

## Assessment of Vancouver

- Many Natural Strengths To Begin With
- Many Assets Which Function Well In Support Of Entrepreneurial Activity
- A Few More Assets Which Could Use Some Investment And “Tune-Up”
- Some Strategic Areas That Require Serious Attention

***But I Believe A Future With The Benefits  
From Increased Entrepreneurial Activity Is Achievable***



## Assessment of Vancouver

The Ability To Create An Environment And The Economic Mechanisms Conducive To A Dynamic Entrepreneurial Environment In B.C. Must Be Central In The Political And Economic Debate Ahead.

The Consequences Of Not Further Improving The Environment For Growth Entrepreneurship Are Clear: The Resources To Create A Better Future And To Deal With Key Elements Of The Social Agenda Will Not Be Forthcoming. This Has Been The Experience Of Many Nations And Regions. These Consequences Have Been Especially Visible In The European Social Democracies.