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Guest Editor: Narelle Kennedy, Chief Executive of the Australian Business Foundation

In this edition of 'In the Loop', let me share with you 'a day in the life' of the Australian Business Foundation.

Just some of the highlights engaging the attention of the Foundation right now are:

- The Federal Government's review of the national innovation system, to which I have been appointed by Senator Kim Carr, the Minister for Innovation, Industry, Science and Research.
- Participation in the Australia 2020 Summit convened by Prime Minister Kevin Rudd and how the insights there can be used to assist the Foundation's Research Advisory Committee frame our next generation of research topics.
- The successful hunt for a new Research Manager – welcome Phillip Allen.
- The imminent release of the Foundation's latest research collection *Inside the Innovation Matrix: finding the hidden human dimensions*.

These and other thought-provoking events and pieces of research from the Foundation are presented in this edition of In the Loop. As always, your feedback, brainwaves and comments are welcome.

National Innovation System Review

The Federal Government's National Innovation System Review, chaired by Dr Terry Cutler, is scheduled to produce its Green Paper by the end of July. Almost 700 submissions to the Review have been received – 47% from industry, 28% from research and public sector research bodies, 9% from government, 14% from individuals and 2% confidential submissions.

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As a crucial part of the process, the Review Panel has conducted consultations around Australia and convened invitation-only expert roundtables on issues including human capital and workplace innovation, research funding models, public sector innovation, government procurement and innovation measurement. These information gathering activities have also had the benefit of input from international experts such as Professors Alan Hughes, Richard Lester and Keith Smith (all well known to the Foundation).

The Australian Business Foundation lodged a submission with the Review, based on our own research findings in this area. Indeed, the Foundation's body of research work has had much to contribute to the Review Panel's deliberations, especially on the realities of market-driven business innovation.

New Research Manager Appointed



The Foundation takes great pleasure in welcoming Mr Phillip Allen, our new Research Manager who commenced in July. Before joining the Foundation, Phillip was a Research Manager running industry sector research at the International Data Corporation (IDC).

Phillip brings to our work broad research experience across a range of industry sectors in Australia, coupled with experience in research encompassing business issues, forecasting and future trends. He is currently completing his PhD at the University of NSW on the changing role of the Chief Information Officer (CIO). Phillip also holds a Masters in e-Commerce from Deakin University and a Bachelor of Economics from Newcastle University. Phillip can be contacted by email at phillip.allen@abfoundation.com.au or by telephone on (02) 9458 7342.

The Australia 2020 Summit

With its catch cry of 'Thinking Big', the Australia 2020 Summit certainly had the sense of being an historic occasion when viewed from Foundation CEO Narelle Kennedy's perspective as one of the thousand participants.

Narelle was included in the group considering 'Future Directions for the Australian Economy'. After the event, Narelle reported:

"Working side by side and sharing the task, there was a sense of collegiality, passionate and robust questioning and distilling the essence of the new ideas that emerged and testing them. Not always harmoniously, and with many questions still left unanswered. The tone of the event was about wider dialogue and fresh ideas – not through oratory and speechmaking, but by getting down to business with new solutions to the big issues affecting Australia. The potent themes emerging for me were:

- More support and finance for the education and skills of Australians at every level – a national education curriculum and accreditation system, lifelong learning opportunities, mobility of workers, higher teacher salaries, investment in an education and training system that is excellent and inclusive.
- Fixing Federalism – rethinking State/Commonwealth responsibilities, taxes and regulations as a seamless national modern market with a global outlook.

- Australia being a leader in the world as an ingenious, creative and compassionate global citizen, engaged in helping to solve the big challenges we share with the world whether in security, food shortages, poverty, or climate change.
- The centrality of social, cultural, health and community development issues to Australia's economic success – not the other way around as it is usually portrayed. So, a balanced scorecard for the nation – not just GDP measures – was welcomed.
- A new lens on how we view indigenous Australians as the oldest living civilisation on the planet and therefore how to approach both the contributions and challenges affecting the first Australians.

In the Australian Economy stream, while we addressed significant and long overdue issues like the overhaul of the tax system and streamlining regulation, my view is that these just go to the efficiency of the Australian economy.

I would suggest we also need actions to boost the dynamism, agility and responsiveness of the Australian economy in the face of current and future challenges. This means a greater focus on innovation-led prosperity, where Australian ingenuity and creativity can be focused on addressing tomorrow's problems and opportunities.

While there were blind spots in the Australia 2020 Summit and a sense of a conversation with much more to be said, my observation is that it was unquestionably a success in engaging the imagination both of the participants and of the popular debate."

The final report on the Australia 2020 Summit is now available on www.australia2020.gov.au

The Australian Business Foundation in the news

Making news in recent times is the question of how Australia defines innovation, which has implications for policy making and business alike. For example, in *The Australian* newspaper of 4 April 2008, an article entitled '[Leaders must show they can inspire](#)':

"Narelle Kennedy, chief executive, Australian Business Foundation: Don't make the mistake of equating innovation only with high-tech products. The key to achieving innovation is the smart application of knowledge for novel and imaginative problem-solving, for customers and communities."

The theme was picked up by Dr James Bradfield Moody on 3 June 2008, in his presentation for the Foundation entitled ***Innovation beyond New Inventions***. At an event conducted with Foundation corporate member Deloitte, the Foundation's community of interest and corporate clients of Deloitte had the opportunity to hear Dr Moody (General Manager, International Development at CSIRO) draw on his background as an engineer, environmentalist and international business executive. He shared his highly engaging insights into how innovation works to create value from chaos. (For information about corporate membership and corporate support for events, please contact clint.mcgilvray@abfoundation.com.au.)

The highlights of the discussion at the event were incorporated into a [podcast](#) of Gerhard Vorster (Managing Partner of Deloitte Consulting) talking with Dr Moody and Narelle Kennedy shortly after the event. The podcast concludes with Narelle's summary that: "Innovation is about the smart application of knowledge to solve problems more imaginatively than we have in the past," and a tip from Dr Moody: "That in the next 30 years waste is opportune. If you can find waste anywhere, whether it is a waste of people's time, or a waste of resources, therein lies a huge business opportunity. The next wave of innovation will be about eliminating waste from the system."

Research News

Research currently on foot includes a collaboration with international competitiveness and business strategy expert Professor Michael Enright, the University of Hong Kong Sun Hung Kai Professor of Business Administration and Principal of Enright, Scott and Associates. This research is designed to provide insights and a reality check on **what differentiates Sydney for multinationals compared to other competing locations in the Asia-Pacific region**. The team will use a survey to examine the decision making processes

that multinationals are using to locate and operate their activities and to manage their business strategies from Sydney. If your company would like the opportunity to be involved, please contact Phillip Allen at the Foundation without delay, by email: phillip.allen@abfoundation.com.au.

The [next project](#) reaching conclusion will be our book: ***Inside the Innovation Matrix- Finding the hidden human dimensions***. A compendium of 15 papers from authors around the world, the book uncovers the pivotal role of people as innovation carriers. In this research, we rediscover innovation itself as a powerful competitive force, particularly important for achieving the sustained innovation-led productivity growth required for a sound economy over the longer term. Enquiries and pre-orders to carolyn.evans@abfoundation.com.au

At an event on 2 April 2008, [Dr John Steen](#) and [Sam MacAuley](#) (University of Queensland Business School) presented their paper from the book (co-authored with [Tim Kestelle](#)). The paper is entitled ***New Tools to Map and Manage Innovation Networks*** and generated fascinating discussion amongst a sizable crowd of business people, policy makers and academics.

A recently published research item is the paper by Professor Ian Marsh (ANZSOG Chair of Public Management, University of Sydney) and Dr Lindy Edwards (Post Doctoral Research Fellow, Research School of Social Sciences, Australian National University), entitled ***The Development of Australia's Innovation Strategy: Can the public sector system assess new policy frameworks?*** This paper ([available online](#)) is an excellent and provocative retrospective analysis of the 2000 innovation Summit with lessons for today's innovation policy and for the Cutler Review.

ANU Seminar - 30 July 2008

The Australian National University is hosting a seminar by Dr. Matthias Weber, Head of Technology Policy Department, Austrian Research Centres (ARC) in Vienna, Austria.

The seminar is entitled "*Success factors for the upgrading of a national research and innovation system: Policy learning, institutional reform and innovation performance in Austria*". The seminar will be held 11:00 AM – 1:00 PM on Wednesday 30 July 2008, in the NGSM Lecture Theatre, Sir Roland Wilson Building, Australian National University, Canberra.

Further information is available from [Don Scott-Kemmis](#) at the ANU.

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