

December 2008

Vol. 24



## Narelle's Notes

Turbulence. Volatility. Uncertainty. These words are the catch cries as 2008 draws to a close. The unprecedented scope and speed of the global financial crisis and its impact on the real economy has illustrated how thin the line is between success and failure.

It has caused the Australian Business Foundation to reflect on the concept of "edges", of what it means to cross boundaries, borderlines and new frontiers. John Seely Brown, Director of Xerox's research lab for almost two decades and a prolific author and teacher on innovation and knowledge management, now has the intriguing role of Co-Chairman of the Deloitte Center for Edge Innovation.

Interviewed recently by Harvard Business Publishing, John Seely Brown was asked about his writings on the importance of the edge, the fresh ideas and capabilities that form at the boundary between companies, disciplines and even generations. Yet, most people avoid edges and like clear boundaries in their lives, such as between work and home. In fact, we are counselled from an early age to stay away from edges—you fall over them or they cut you. Edges are dangerous.

Seely Brown replied that safety is in the eye of the beholder. He said that embracing change is the key disposition of success in the 21st century. Going to the edge means embracing the unknown, constructing new possibilities, learning fresh paths and assembling or creating different and more imaginative solutions from opposing or divergent perspectives. For this, you need to construct safety nets, but not in the traditional sense of nets

## Quick Links

[Honorary Life Members](#)

[New Research Chairman](#)

[Research News](#)

[Connect to Innovate!](#)

[Hidden Realities of Innovation](#)

[Responding to Australia's Innovation Review](#)

[The QUEST™ for Sustainability](#)

[Our Sponsors](#)

[The Last Word](#)

that break your fall. Rather, Seely Brown called for a set of social nets, connections and collaborations that enhance your peripheral awareness, add to your knowledge and capabilities and most importantly, allow you to learn and to respond with agility in the face of the unknown and surprising.

The power of pushing the edge and crossing boundaries in this way resonates with the Australian Business Foundation's experiences, some of which we share with you in this edition of *In the Loop*— the cross-disciplinary insights between technology, engineering and design from Professor David Gann of Imperial College London in his presentation on "*Connect to Innovate*"; our commentary on the report into Australia's Innovation System; and the new horizons set in the Foundation's research priorities for 2009.

So, on behalf of all of us at the Australian Business Foundation, the very best wishes for a joyous and safe festive season. See you all again for an exciting 2009. Narelle Kennedy  
Chief Executive

## Honorary Life Members



At the Annual General Meeting held on 19 November 2008, Foundation Chairman Stephen Mills awarded honorary life memberships to six individuals who were instrumental in the development of the Foundation over its first decade. In making the Awards, he said: "It is a great pleasure to publicly pay tribute and acknowledge those who have played an enormously valuable role in the Foundation's pioneering first decade. These Honorary Life Memberships are awarded to those individuals who have, through their vision and expertise, helped craft the Foundation into the research and thought leader it is today."

Those awarded honorary life memberships are: Dr Bob Frater AO, Mr Oliver Freeman, Mr Peter Janssen, Ms Catherine Livingstone AO, Dr Ian Pollard and Dr Marilyn Sleigh.

Pictured left to right above are: Dr Sleigh, Mr Janssen, Mr Freeman, Foundation Chief Executive Narelle Kennedy, Ms Livingstone and Dr Pollard.

More detail available from: [http://www.abfoundation.com.au/news/media\\_releases/49](http://www.abfoundation.com.au/news/media_releases/49)

## New Research Chairman



With Dr Bob Frater AO completing his outstanding service as the inaugural Chairman of the Foundation's Research Advisory Committee, it is with a great deal of pride that we announce that Emeritus Professor Mary O'Kane has agreed to serve as Chair of the Research Advisory Committee for a five year term.

As Chairman of the Research Advisory Committee, Professor O'Kane has also become a member of the Board of the Australian Business Foundation: [more details](#).

Professor O'Kane was [recently appointed](#) as the first Chief Scientist and Scientific Engineer for NSW and earlier this year she led a Review of the Cooperative Research Centres Program as part of the wider review of Australia's Innovation System.

Following her distinguished academic career, Mary O'Kane is a company director and Executive Chairman of Mary O'Kane & Associates Pty Ltd ( a company that advises governments, universities and the private sector on innovation, research, education and development) and is a Fellow of the Academy of Technological Sciences and Engineering and a Fellow of the Institution of Engineers, Australia.

## Research News

With several landmark pieces of [current research](#) coming to fruition early in 2009, the Foundation's Board and Research Advisory Committee have reviewed research priorities and set the following strategic directions for research for 2009 and beyond.

The Australian Business Foundation's strategic research priorities seek to transform Australia's future competitiveness by substantiating ideas, informing policy and fostering the capabilities, skills and culture underpinning enduring innovation-led prosperity.

The key rationale for the Foundation's strategic research priorities is to frame the game-changing questions and to investigate those issues that set a new agenda for business and the community at large.

There are three overarching questions underpinning the Foundation's priority research topics. These are:

- How can Australia turn its big problems (eg. climate change, health, ageing population, skills and education, carbon-constrained and energy-efficient production, sustainability, social inclusion etc.) into opportunities delivering both social and economic benefits?
- How can responses to these problems be turned into capability-building projects for Australia and its businesses?
- How can Australian businesses thrive in turbulent times and respond with agility and skill to opportunities or threats?

Against this backdrop, priority will be given in 2009 to the following research topics:

- Responding to Globalisation
- New Models of Innovation and Sustainability
- The Geography of Competitiveness and Economic Development
- Learning from the Future.

For more details on the Foundation's strategic research priorities, [click here](#).

## Connect to Innovate!



In his keynote address at the Foundation's Annual Forum following our AGM on 19 November 2008, [Professor David Gann](#) (Head of Innovation and Entrepreneurship at the Innovation Studies Centre of Imperial College, London) treated the members and colleagues present to some sharp insights into future innovation pathways.

Titled 'Connect to Innovate', David Gann reinforced the success to be had from crossing disciplines. The secret ingredient is combining knowledge and expertise from diverse perspectives to solve problems for customers and communities.

David Gann himself and his work at Imperial College provide a case study in 'connecting to innovate'. David Gann's Chair in Technology and Innovation Management is a joint appointment between Imperial College's Business School and the Department of Civil Engineering, and David combines his academic research and writing with his work as a business strategist and adviser to companies in a wide range of industries including design, construction, manufacturing, ICT and healthcare.

His presentation showcased some mind-boggling innovation technologies like advanced visualisation and computer simulations in e-medicine, rapid prototyping for manufacturing and holographic immersion studios, where you can operate on a heart or reconfigure the components of the concept car you are designing or experiment with different building designs that minimise harm from fire or other disaster events.

But, David Gann's starting point was that technology is the easy bit of innovation, its physical manifestation. What is difficult to understand and master are the innovations in business models that make the technology useful to paying customers because it provides an exceptionally good solution to a need or problem they have.

Professor [David Gann's presentation](#) is available for download.

## Hidden Realities of Innovation



The latest book from the Australian Business Foundation was launched by the Hon Dr Craig Emerson MP, Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation on 9 October 2008.

*Inside the Innovation Matrix* is a collection of 14 papers from 26 eminent business people and academics which explores the hidden human dimensions of innovation, beyond scientific discovery, entrepreneurial flair or just plain creativity.

Acknowledging that innovation is deeply rooted in collaboration, networks and knowledge sharing, the papers canvass issues as diverse as:

- mapping social networks inside firms;
- capitalising on the diaspora of Australia's talent worldwide;
- creating cities and regions that are innovation hubs and people magnets.

[Order a copy of the book.](#)

## Responding to Australia's Innovation Review

In responding to the release in September of the report of the Review of the National Innovation System chaired by Dr Terry Cutler, Stephen Mills, Chairman of the Australian Business Foundation welcomed the report's recognition of the need to re-set Australia's innovation policy to reflect modern patterns of innovation and productivity.

In particular, he endorsed recommendations for improved support for making business enterprises and workplaces more innovative. Innovation is more than increasing the supply of science and research; it is importantly about building capabilities, skills and opportunities for innovation as businesses respond to the needs of customers and markets more imaginatively than their global competitors.

The Australian Business Foundation also urges early attention to improved governance of innovation research and scholarship. There is an urgent need to investigate and build an evidence base about the realities of innovation that is market-led, about the drivers and dynamics of innovation and their causal relationships to improved productivity.

A summary of the [Australian Business Foundation's response](#) to the Cutler Review can be read online here.

## The QUEST™ for Sustainability

Australia's leading scenario planners, systems thinkers and friends of the Australian Business Foundation – Oliver Freeman and Richard Bawden – team up again to tackle the key issue of our age, the QUEST for sustainability, at upcoming three-day workshops in Sydney and Melbourne.

They will present a highly informative and stimulating workshop, to assist organisations and their managers to become better prepared for the future by embracing the sustainability challenge issued by the world-changing events of the new millennium.

All the details of the event, plus how to register, can be found [online](#).

## Our Sponsors

The Australian Business Foundation is principally sponsored by its founder, the NSW Business Chamber, and supported by corporate members Deloitte Australia; IBM Australia; Standards Australia; the Department of Innovation, Industry, Science and Research; the Department of Education, Employment and Workplace Relations; the Department of State and Regional Development (NSW); and the Department of Innovation, Industry and Regional Development (Victoria).

## The Last Word

If you or your organisation is working on a product, service, research project or event that furthers new thinking on Australia's business competitiveness, innovative capacity and opportunities from a knowledge-based economy, please contact us and we will spread the word! If you have comments, questions, suggestions, please contact us:

Australian Business Foundation

Locked Bag 938

North Sydney NSW 2060

Ph: (02) 9458 7016

Fax: (02) 9929 0193

[clint.mcgilvray@abfoundation.com.au](mailto:clint.mcgilvray@abfoundation.com.au)

[www.abfoundation.com.au](http://www.abfoundation.com.au)

### **Opt me out**

*In The Loop* is an e-newsletter for the information and benefit of members and stakeholders of the Australian Business Foundation. If you no longer wish to receive *In The Loop*, go to the opt out from *In The Loop* form, or send us an email at the above address.

### **Disclaimer**

This publication is intended to provide general information for the benefit of members of Australian Business Foundation Limited (ABN 56 067 381 999) and should not be relied upon in place of specific legal or professional advice. While all care has been taken to ensure that the information contained in this publication is true and accurate no responsibility or liability is accepted by Australian Business Foundation Limited or its staff for any claim which may arise from any person acting in reliance on the information set out in this publication.