

New Tools to Map and Manage Innovation Networks

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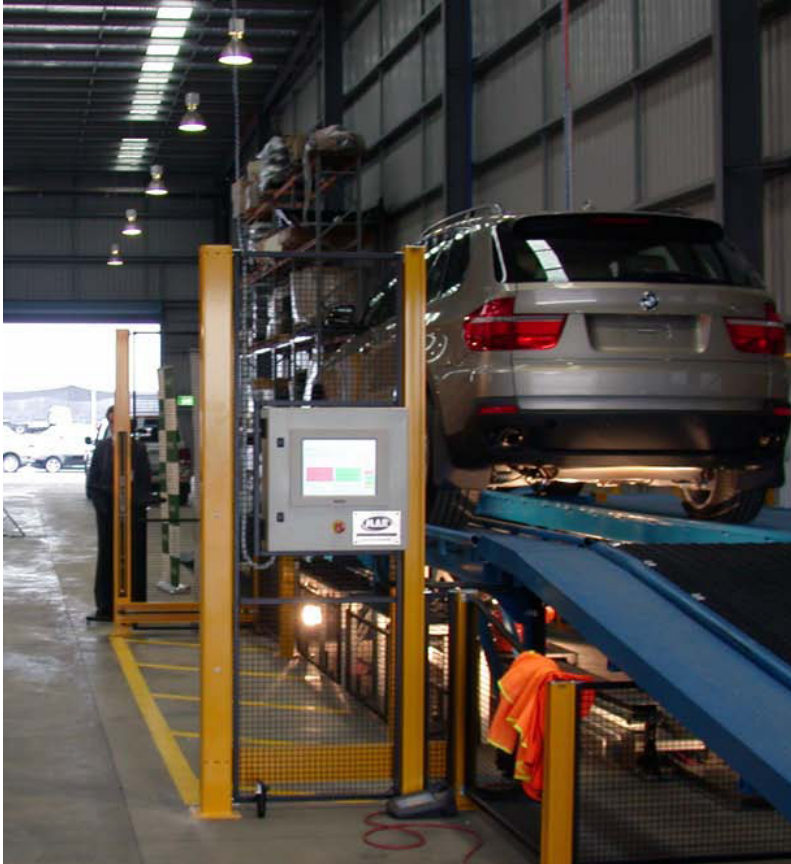
Innovation management mindset stuck in the 1960s

- Linear model of innovation. More science at the front end results in more productive innovation, which then gets commercialised.
- The market for innovation “fails” so government must try to pick winners like biotech or ICT.
- Focus on trying to bridge the gap where the linear process of commercialisation breaks down

Rethinking the relationship between innovation and value creation

- “Value is... nothing inherent in goods, no property of them, but merely the importance that we attribute to the satisfaction of our needs” Menger (1871) *Principals of Economics*
- Even the most ‘linear’ innovation stories are all about connections!

Linear or Open Innovation?



New innovation models and competitive strategy

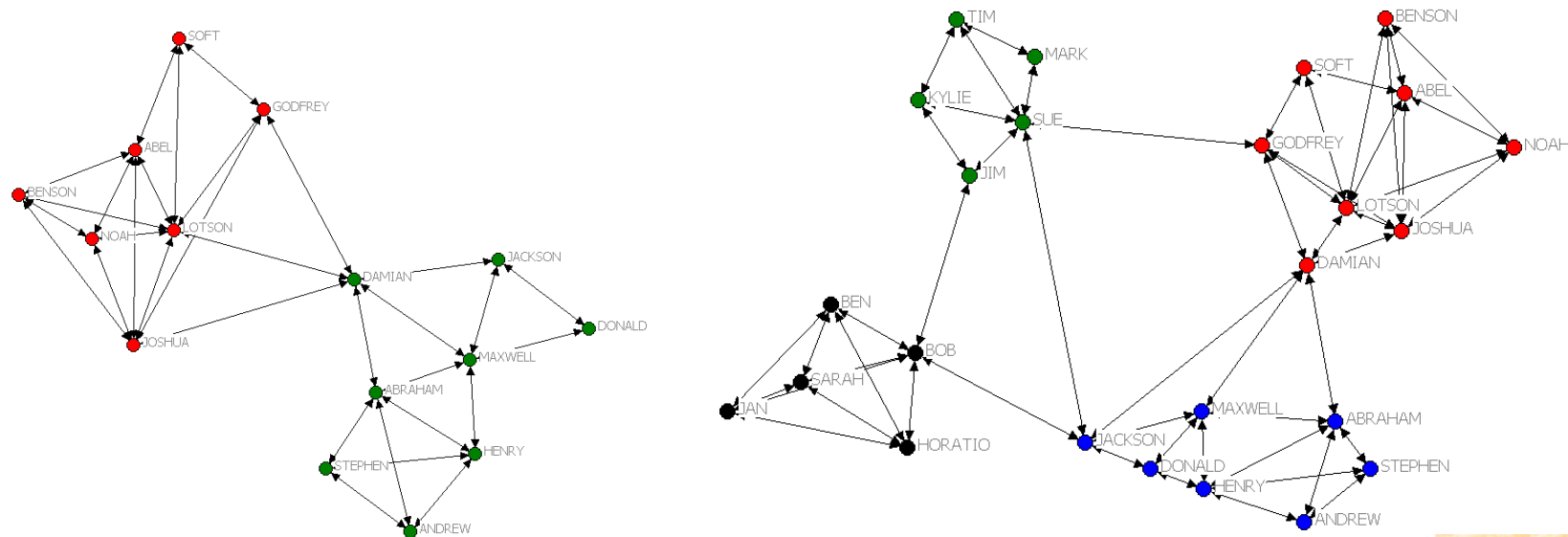
- The shift towards open innovation
- Changing of mindset about ‘innovative’ and ‘non-innovative’ industries (e.g. CSL vs. Rio Tinto).
- What’s the value of SNA for developing leading indicators for open innovation?

Mapping and measuring connections: social network analysis

- What is SNA?
 - Actors and ties
 - name-generator approach
- Personal vs. firm (or regional) networks
- e.g. IDEO

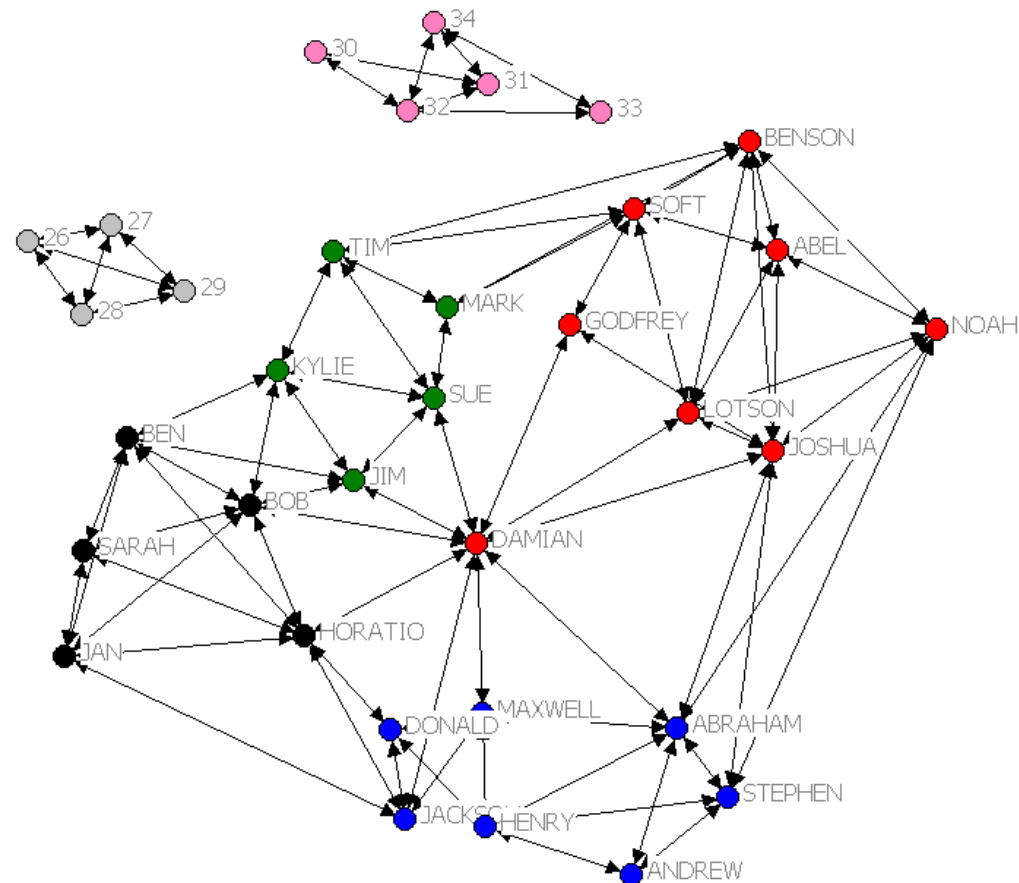
Networks as leading indicators of innovation performance

- Firm networks
 - gatekeepers and boundary spanners = origins of radical innovation
 - specialisation and integration = firm performance



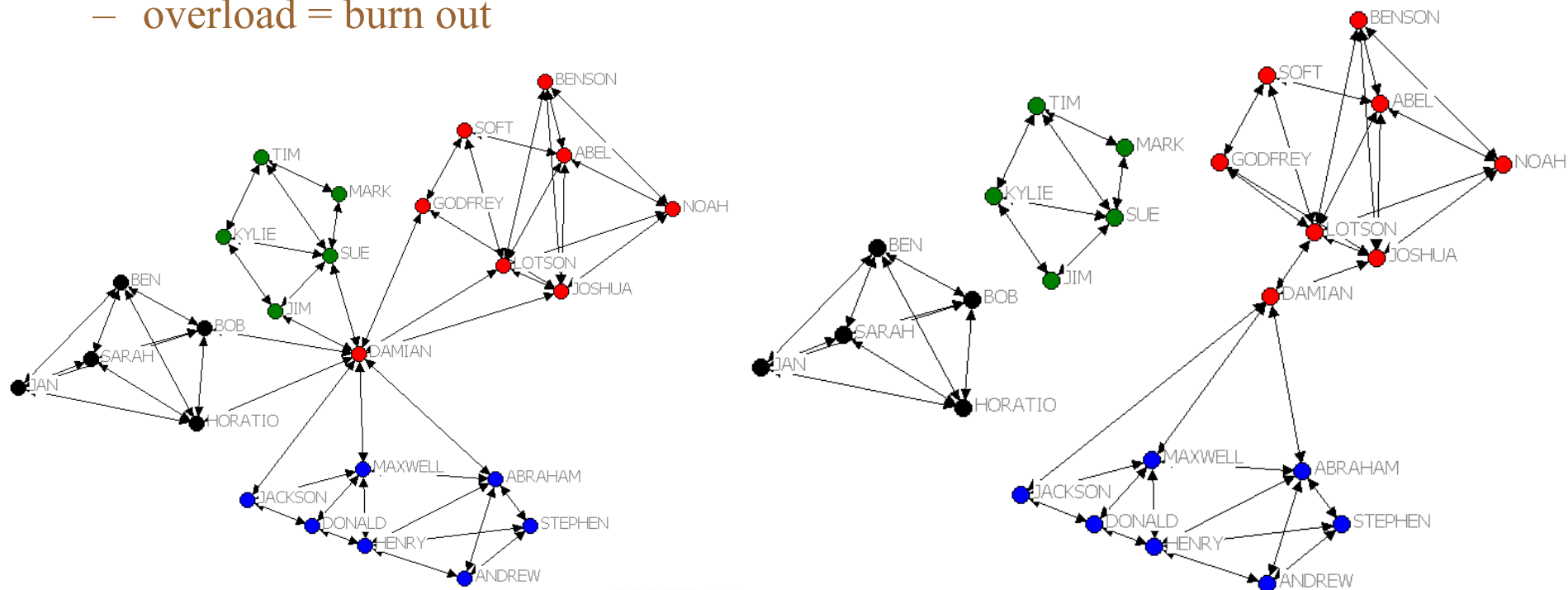
Diagnosing unhealthy innovation networks

- Personal networks
 - redundancy = NIH; group think!
 - isolation = slack resources



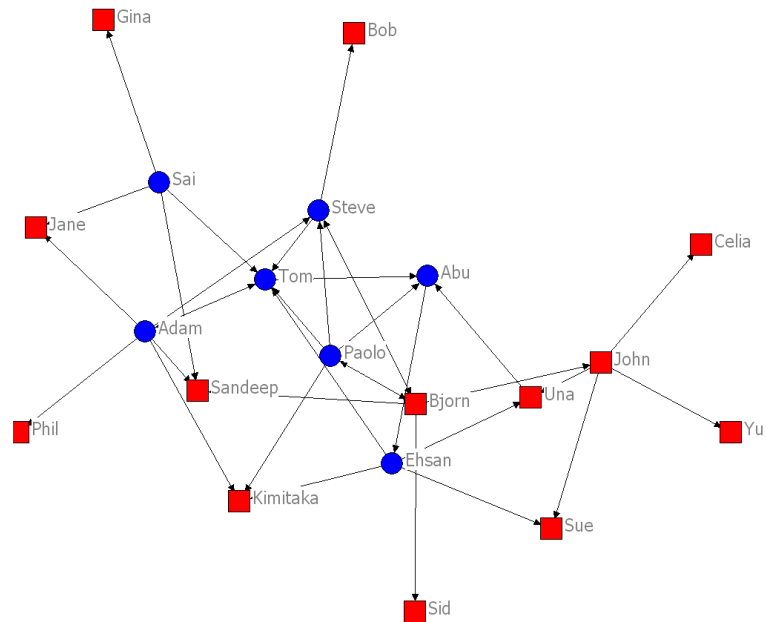
Diagnosing unhealthy innovation networks

- Firm networks
 - segregation = failure to leverage synergy
 - overload = burn out



Tracking search, problem-solving and connections

- Rio: problem-solving
- Vestas: Search
- Hatch: collaboration and recombinant innovation



Takeaway messages

- Value is created through rearranging and connecting knowledge, people, processes and technologies.
- Measurement is essential for management and effective policy
- SNA is a robust and flexible tool.
- Can be used by managers and policy makers
- If you would like further information about SNA or our work please feel free to write us an email:

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