

Wanted: Enterprising innovators

Australia and New Zealand are considered an international brains trust combining an intellectual capacity with an innate resourcefulness that is the result of geographic isolation and a culture of raw hard work.

In fact, Australia ranks in the top 10 OECD countries in 12 of the 18 indicators for R&D innovation but only accounts for 0.3% of the world's population.

Yet, while we create many wonderful ideas our track record in bringing these to the market is less than compelling. Why is this so? Part of the issue has been the relative immaturity of our financial infrastructure—our seed capital, angel investor, and venture capital markets appear more risk averse and have low deal flow compared to foreign markets. We also need to accept that the capital pool due to small populations will never compete with our western peers in Europe and the United States.

Yet perhaps a bigger, more readily addressable issue is that while innovation is often at the core of discovery, those same entrepreneurial qualities are lacking in many of our commercialisation ventures, and as a result inhibit the innovation process through to market.

Intellectual Asset Management is a discipline which Australian and New Zealand entrepreneurs and managers under utilise compared to their European and American peers. Intellectual Property (IP) is a strategic asset, yet all too often the IP management function is delegated away from the board of directors to technical managers or financial controllers - its apparent value diminished through its lack of attention at the highest management level.

In contrast, in other parts of the world, IP is considered the most valuable asset within the organisation and as a result an important consideration at board level. In the United States for example, it is common for companies to employ dedicated IP professionals whose sole role is to ensure the realisation of the strategic function of IP within the organisation – where titles such as Vice-President of Intellectual Property have become as common as that of CFO or Company Secretary. While Australasian organisations are beginning to recruit dedicated IP managers, their job description usually emphasises managing the IP spend and portfolio, rather than involvement and direction in the strategic planning process.

To realise sustainable commercialisation success in a global context, a shift in mindset is required. Businesses need to fully integrate their IP strategies with their business strategies, and nurture a culture where intellectual assets are seen as defining the future of the business and the technology future of their industry. This requires that participants of the innovation process in Australasia adopt a more entrepreneurial approach. Whilst the fallout of the Bond—era eighties and the dotcom nineties may have tainted views of 'entrepreneurship', skilled entrepreneurs who have a fundamental understanding of intellectual asset management are critical to the innovation process.

It often surprises people to learn that it wasn't Microsoft that first came up with the windows interface, but another organisation which had the idea but not the entrepreneurial culture to support its rapid development. Successful entrepreneurs have an uncanny, often innate ability to stay ahead of competition, identifying new opportunities well

in advance of the norm. More than just creating ideas, they are skilled in taking calculated risks to turn an idea into a market. Understanding that high risks can equate to high rewards, they analyse them nonetheless and develop strategies to mitigate them. They are aware of their own personal value added to innovation, yet acknowledge when it is required to recruit the right talent to take the innovation to the next level. True entrepreneurs understand their own limits from the outset and are similarly aware of an exit point from the get go – an understanding which must be mirrored by innovators themselves if they are to excel beyond the standards of our global counterparts in the US and Europe. Successful entrepreneurs also develop and implement strategies

to sell their compelling ideas to others, thus ensuring their vision becomes reality. It is this sales mentality which our local innovators must learn to adopt.

The role of entrepreneurship in commercialising innovation will be explored at the annual LESANZ conference in Melbourne from 17 – 19 April 2008, titled *Entrepreneurship and Innovation – not such Risky Business!*

The conference program features international speakers from the United States, Canada, China and Germany, who will share their innovation commercialisation case studies and experiences from much less risk averse business environments than our own.

LESANZ is the Australia and New Zealand chapter of the Licensing Executives Society, an international non-profit professional body whose members, as individuals worldwide, are actively involved in professional and business activities concerned with commercialising innovation, intellectual asset management, and transfer of technology and intellectual property rights. The organisation's objectives include providing a forum in which members can be educated in relevant professional and business issues, providing opportunities for members to meet and share experiences and learnings, and to inform the public, governmental bodies and international bodies on the economic significance of intellectual property commercialisation.

As large organisations around the world across many industries look to more nimble and creative smaller businesses as a source of new innovation, it becomes increasingly important for Australasian businesses to acquire skills in the field of licensing and technology transfer.

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