

Editorial:

Managing Innovation for Tangible Performance

Chris McPhee, Editor-in-Chief

Sorin Cohn, Guest Editor

From the Editor-in-Chief

Welcome to the September 2013 issue of the *Technology Innovation Management Review*. For this issue and the one that follows it in October, the editorial theme is Managing Innovation for Tangible Performance, and I am pleased to introduce our guest editor, **Sorin Cohn**, President of BD *Cohnsulting* Inc. in Ottawa, Canada.

In November, we welcome back **Seppo Leminen**, Principal Lecturer at the Laurea University of Applied Sciences, Finland, and **Mika Westerlund**, Assistant Professor at Carleton University's Sprott School of Business, as guest editors to reprise the theme of Living Labs. Leminen and Westerlund were the guest editors when we covered this theme in our September 2012 issue (timreview.ca/issue/2012/september), and we are looking forward to exploring this theme in even greater depth.

Also note that we are continuing our annual tradition of focusing our January issue on the theme of Open Source Business. Please get in touch if you are interested in contributing an article on this topic.

We hope you enjoy this issue of the TIM Review and share your comments online. Please contact us (timreview.ca/contact) with article topics and submissions, suggestions for future themes, and any other feedback.

Chris McPhee
Editor-in-Chief

From the Guest Editor

Can one *innovate* innovation? Our answer is an unqualified "yes". Firms of all sizes and in all sectors can use the knowledge of innovation management. Firms can benefit from the most up-to-date techniques and tools to direct and drive their innovation activities to where and how the greatest value can be reaped in support of their own business goals and innovation strategies.

Although innovation in firms has been the key contributor to enhanced competitiveness and economic growth, lately it has become a buzzword. Its indiscriminate use has created a fog that hides confusion and inaction behind all the talk about innovation. Too many people still think of innovation narrowly in terms of R&D or have not yet grasped the fact that services represent now a large part of industry revenues, including within manufacturing companies.

Firms face the relentless stream of disruptions in their operational environment because of evolving technologies, new customer demands, shorter product life-cycles, geopolitical instabilities, and competitive threats. They must develop their innovative capabilities and exploit them to maintain their competitive positions. Some companies reach the top of their industries thanks to innovation, but few stay there year after year due to their incapacity to sustain innovation at the level required.

Innovation should not be considered and treated as a goal in itself, but as the *means* to the organization's goals of relevance, competitiveness, and financial success. Sound decision making is critical because resources are limited and opportunities for innovation may be numerous. First, it is necessary for managers to decide *where* to innovate and then to select *what* to innovate. Then, they need to decide *who* will pursue the innovation and *how*. There is also the necessity to evaluate the progress of innovation, which implies a further decision regarding *what* to measure and *how* to measure it. There are also decisions on *who* and *how* to reward, as well as *where* and *when* to go next.

Editorial: Managing Innovation for Tangible Performance

Chris McPhee and Sorin Cohn

This issue of the *Technology Innovation Management Review* deals with the technology of firm-level innovation management – the practices, methodologies, and tools for managing innovation activities to enhance competitive performance in the market.

In the first article, **Harold Schroeder**, President of Schroeder & Schroeder Inc., describes the "art and science of transformation" approach, which is designed to help companies improve their innovation performance through effective organizational change. Science includes the key factors of strategy and systems, while art plays a complementary and inter-related role through the key factors of organizational culture and collaboration. Schroeder focuses on these four key factors of the approach, highlights examples that illustrate the benefits to organizations, and provides recommendations to help organizations implement the approach.

Next, **Robert Crawhall**, Principal Consultant at Innocex Innovation Executive Services, reflects upon the importance of time management for innovation managers. He considers the corporate implications of innovation, including the development process, supply management, and manufacturing considerations, to show how they may affect the time required to commercialize an innovation. The article concludes with practical recommendations to help innovation managers better manage the indeterminate time factors associated with innovation.

Claude Legrand and **Rob LaJoie**, Managing Partners of Staples Innovation, argue that service innovation holds great potential for increasing the competitiveness and growth of individual businesses and for boosting overall productivity in Canada. They provide recommendations to help public and private sector leaders take advantage of this "under-valued, high-potential innovation opportunity", and they call for the creation of a national service innovation resource to support enterprises of all sizes as a means to improve Canadian productivity.

Stephen Hurwitz, a partner at the Boston-based law firm of Choate, Hall & Stewart LLP, examines the current shortage of venture capital in Canada and its role in creating a "commercialization crisis". In particular, Hurwitz examines the federal government's 2013 Venture Capital Action Plan, which is designed to address this shortage of venture capital in Canada. Although Hurwitz applauds the innovativeness of this plan, he highlights key problems that must be addressed for it to stand a chance of delivering on its potential of regenerating Canada's venture capital industry.

Frédéric Brousseau-Gauthier, a student at Université du Québec à Montréal, and **Yvon Brousseau**, CEO of the Centre of Excellence in Energy Efficiency, explore the ramifications of a paradigm shift from managing capital to managing heritage. They underline the need to create a series of pioneering business models for enterprises to adapt and profit from a new, heritage economy. In support of this need, their article introduces the Hub for Business Model Innovation (Hub-BMI), a research centre that is being developed in Montréal, Canada, to enable the development, testing, and validation of pioneering business models for a heritage economy.

Finally, **David Watters**, President and CEO of the Global Advantage Consulting Group, answers the question: "What are the components of Canada's innovation ecosystem and how well is it performing?" Watters describes types of organizations in the public sector, the private sector, and academia that assist firms in developing innovative products or services to sell in domestic and global markets. Although he highlights Canada's recent poor performance on innovation report cards, he argues that the country's commercialization capability would be enhanced if the supporting organizations within the innovation ecosystem were better able to "segment the marketplace of firms", which would allow them to tailor their services to match the key characteristics of the firms they serve.

We hope that you will benefit from the insights the authors have shared in this issue of the TIM Review. We consider the dissemination of up-to-date information on advanced methods and technologies for more effective firm-level innovation management to be a mission of importance. This information serves you, your colleagues, and your organizations with the knowledge and tools required to raise the performance of your companies where it counts: in the market.

Sorin Cohn
Guest Editor

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About the Editors

Chris McPhee is Editor-in-Chief of the *Technology Innovation Management Review*. Chris holds an MASc degree in Technology Innovation Management from Carleton University in Ottawa and BScH and MSc degrees in Biology from Queen's University in Kingston. He has over 15 years of management, design, and content-development experience in Canada and Scotland, primarily in the science, health, and education sectors. As an advisor and editor, he helps entrepreneurs, executives, and researchers develop and express their ideas.

Sorin Cohn has 35 years of international business and technology experience, having been involved in most facets of innovation development: from idea to research and lab prototype, from technology to product, and then to market success on the global stage. He has developed new technologies, created R&D laboratories, started new product lines, and initiated and managed new business units. Sorin has several essential patents in web services, wireless, and digital signal processing, as well as over 70 publications and presentations. He has also been Adjunct Professor at the University of Ottawa. He is a Killam Scholar, and he holds a PhD in Electrical Engineering, an MSc in Physics, and an MEng in Engineering Physics. Sorin is President of BD *Cohnsulting* Inc. As well, he acts as Leader of Innovation Metrics at The Conference Board of Canada and as Chief Program Officer of i-CANADA. He is also Member of the Board of Startup Canada as well as the Board of the Centre for Energy Efficiency.

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