Conceptualization – the last stand against competition from Asia?

Thomas Aakjær Jensen
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We lost the battle of manufacturing .........

Objections
• Who want these jobs anyway → someone does
• Not true for automation → not in the long run
but we will never lose the battle of innovation
How Westerns think about innovation in China

Autocratic directives fail to spark creativity

Innovation

Jamil Anderlini looks at obstacles to invention

Last year, Chinese military officials described the world’s fastest supercomputer—accomplished by great effort from state-owned enterprises, which had been a triumph of homogeneous growth.

But some top Chinese scientists were quick to dismiss the invention as nothing more than a propaganda stunt and it soon emerged that almost all the time used to build the machine, the Tianhe-1, was made by Intel and Nvidia, a US computer-graphics company. "I am not saying it is a utopian world," said one entrepreneur professor at the Chinese Academy of Sciences to the Financial Times in a frank interview with a Hong Kong associate editor.

China's innovation is widely recognized as the origin of some of humanity's greatest inventions, including papermaking, the compass and gunpowder. But today it is better known as a global source of cheap knock-offs and the main haven for intellectual property.

Modern China's competitive lack of inventiveness is a source of consternation for the ruling Communist party, which has made increasing innovation a priority under its new leadership. The country has "insufficient scientific and technological innovation capabilities," and "deficits in systems and mechanisms that hinder scientific development," Premier Wen Jiabao said in his latest state of the union speech this year. In order to address these deficiencies, Beijing has formulated ambitious targets and multi-decade development plans that aim to make China an "innovative nation" by 2020 and a "green innovative nation" by 2050. For many years, it has issued the annual Innovation report on research and development and has pledged to spend 2.5% of GDP on research and development by 2020, which is around 30% of the US level. But the country's innovation rate, measured by patent applications to the US Patent and Trademark Office, is less than 0.5% of the US level. But analysts say one of the main obstacles is the government's insistence on sparking creativity through autocratic directives, by ordering people to be inventive, and by throwing money at projects that often end up as white elephants.

Enormous corruption and rampant academic cheating are also seen as problems, as are restrictions on freedom of thought and expression.

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Comparative lack of inventiveness is a source of great consternation for the party

ột the west, China must address some serious problems in its innovation system," according to a report prepared earlier this year for the US-China Economic and Security Review Commission. The report said "Chinese scientists and scientific managers suffer serious problems of research creativity, fraud and dishonesty, weak accountability for research expenditures, troubled institutional arrangements for managing the nation's scientific efforts, and a serious under-supply of highly qualified scientists and engineers." Analysts note some cases in incremental innovations in areas such as clean-energy space technology, next-generation supercomputing, but none of these technologies was invented in China and the fact remains that "the intellectual property behind about 90% of all the country's high-tech exports is developed and owned by foreign companies."

One of the main elements of Beijing's technological development strategy is a continued focus on extracting advanced technology from foreign companies attracted by China's huge domestic market. "Technology transfer" is often a condition for any multinational company hoping to gain access to Chinese innovation, and, although they often complain bitterly in private, those companies usually end up agreeing to hand over previously developed technologies.

China's much-vaunted high-speed rail network is already the largest in the world, has been a big beneficiary of this policy, which has allowed companies to "giggle" foreign technology and then "re-invent" to produce indigenous products they hope eventually to sell abroad.

These plans have probably been doomed for now by a devastating crash on a high-speed line in the Sichuan province that killed at least 41 people and injured nearly 200. This came after the determination in February of China's former rail ministry amid allegations of colossal corruption. Together, these incidents have thrown into question the entire project, which until recently was advertised, like the Tianhe-1 supercomputer, as a shining symbol of technological prowess.

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Decadent

How Asians think about Western innovation processes
Are Asians already practicing what Westerns are preaching?
Creativity flourish from constraints

If so ..... how can we ever compete with frugal economies?
Will Westerns ever be the best on "how low can you go"?
I don’t think so!
"Necessity is the mother of all invention"

Who has the biggest need for clean energy?
Who has the biggest need for urban development?
Who has the biggest need for transportation?
You're holding a handbook for visionaries, game changers, and challengers striving to defy outmoded business models and design tomorrow's enterprises. It's a book for the...

**Business Model Generation**

**Written by**
Alexander Osterwalder & Yves Pigneur

**Co-created by**
An amazing crowd of 470 practitioners from 45 countries

**Designed by**
Alan Smith, The Movement
A winning business model is more than product innovation.
Service concept

- Buy one - we repair if it breaks
- Buy 10, get 11 - and fix it yourselves when it breaks
FOSS

Automatic

Manual

Manual

½ price = buy 2 instead of 1
Who was the sponsor for the Olympic Games in Beijing 2008? Adidas
How much did they pay for it? $200 million
How is this guy? Li Ning
Better many small steps than one big
I will rather back an ‘A’ entrepreneur with a ‘B’ idea than a ‘B’ entrepreneur with an ‘A’ idea

Georges Doriot
No shame in imitation
iPod Touch + Peel = iPhone
Bigger than Apple and Samsung in China in only 4 years
Involve your customer
At Haier, we heard a story that bordered on incredibility. In 1996, a farmer in Sichuan Province wrote Haier to complain that the water-hose of his washing machine had often been clogged. When servicing the machine, the Haier repairman found that the farmer had been using the machine to wash sweet potatoes. A little shocked by the customer’s “innovative” use of the machine, the repairman installed a larger hose for him, anyway. Apologetically, the farmer said that if there had been washing machines for sweet potatoes, he wouldn’t have used the Haier machine for that purpose. This incident alerted Haier, and inquiry revealed that there were quite a lot of people in Sichuan Province who had been using washing machines to wash sweet potatoes in the winter and clothes in the summer.

Zhang, the CEO, made the decision to create a special kind of washing machine that, in addition to normal clothes-washing functions, could also wash sweet potatoes, fruits and even shells. The first ten thousand such machines were sold out almost overnight. Of course, the demand for such machines was not very high, but the decision to meet the special needs of some customers shows Haier’s willingness and ability to adapt to change.
Engage your employees
If ambitious employees spot an opportunity, they are free to propose an idea for a new product or service. A vote, which can include not just employees but suppliers and customers, decides which project goes ahead.

The winner also becomes the project’s leader. He forms his team by recruiting from across the company; employees are free to join or leave ZZJYTIs. Mr Zhang says the goal is “a free market in talent, so the cream rises.”

He explains why such disruption is necessary: “If we don’t challenge ourselves, someone else will”
Are Asians already practicing what Westerns are preaching?

- Creativity flourish from constraints
- Necessity is the mother of all invention
- A winning business model is more than product innovation
- Better many small steps than one big
- People before ideas
- No shame in imitation
- Involve your customers
- Engage your employees
Yes
Yes
—and it’s in their culture
Der er noget galt i Danmark
Dybbøl Mølle maler helt ad helvede til

John Mogensen
English: Only the best is good enough
Can you mention a Danish company who wouldn’t fit with the motto ”Only the best is good enough”?
English: Only the best is good enough
English: Good enough is the best
A concept has two dimensions

- Idea in Technical solution
- Idea with Raison d’être (utility and market)

A difference that matters

Good concept

Bad concept
A concept has two dimensions

Idea in Technical solution

Emerging markets

Idea with Raison d’être (utility and market)
A concept has two dimensions

Growing emerging markets

Idea in Technical solution

Idea with Raison d’etre (utility and market)
A concept has two dimensions

Idea in Technical solution

Declining mature markets

Idea with Raison d’etre (utility and market)
Motivation for Disruptive Conceptualization Day

Disruptive conceptualisation can be achieved by goal-oriented mapping of user context and utilisation of knowledge about radically different solution principles. The conceptualisation day offers new input from companies that identifies with new product opportunities, which have been identified through an active dialogue with users together with case stories of disruptive development, where new products and technologies have been developed through inspiration from nature.
GUD BEVARE DANMARK