

Global Innovation, Local Innovators



For several years now, A.T. Kearney has taken a somewhat distinct stance on innovation. Innovation, in our view, is the culmination of a strong global network that, when combined with local expertise, forges a deeper understanding of the needs and dynamics of markets—ultimately triggering an unconstrained flow of ideas.

For us at A.T. Kearney, this plays out annually at our Global Innovator Days, an innovation competition in which colleagues from our 59 offices in 40 countries form teams and submit their latest thinking on concepts that can add value for our clients. Team members are from a variety of practices, geographies, and ranks; they bring their local perspectives, expertise, and sheer enthusiasm to the table. Global Innovator Days is well known for regularly challenging our assumptions, frequently leveraging digital technologies, and always opening up new opportunities.

But executing a global innovation strategy and creating lasting value is a challenging task for any corporation. Our research, conducted as part of our work for the Global Innovation Index (GII), finds that the innovation activities of more than 7 out of 10 companies—regardless of their local or global footprints—are becoming more global. Companies expect their innovation network to grow. Within that network, the role of customer-driven innovation, start-ups, and suppliers, as well as research institutes and academia, is especially expected to grow. Success is to a large extent driven by the collaboration capabilities of all parties involved, and this trend is expected to continue.

This is an exciting development. Collaboration is essential for unlocking the innovation potential of large corporations as well as small and medium-sized innovators, who may have outstanding ideas but lack the market access to commercialize them successfully. Matching David and Goliath, however, is far from being trivial. Setting up and maintaining partnerships are processes that take skills that many organizations lack or overlook. Differences in corporate culture, a fear of sharing, and keeping the partnership relevant can all

become obstacles to successful innovation if these issues are not addressed. Our recent work as a Knowledge Partner of the World Economic Forum on collaborative innovation has shown that innovative approaches and a culture conducive to collaboration from all parties involved are needed to make global innovation work. These capabilities are the key to unlocking the leverage inherent in complementary resources.

Who will benefit most from these developments and how can others foster their innovation capabilities? A.T. Kearney, in collaboration with IMP³rove - European Innovation Management Academy (nonprofit), works with countries, regions, industries, sectors, and companies of all sizes and profiles to support innovation and digitization management capabilities. At the core of our approach and suite of services is a proprietary rapidly growing database of 7,000 company-specific innovation assessments. These allow us to support policy makers, intermediaries, and business leaders in profiling strengths and challenges in innovation management and to highlight areas in which action needs to be taken to accelerate profitable growth and wealth.

I would like to thank the GII team for their excellent work on the 2016 report, and especially for their timely and in-depth research on the theme ‘Winning with Global Innovation’. We are delighted to be partners in the effort to advance global innovation—with local innovators—as a strategic priority.

JOHAN AURIK
 Managing Partner and Chairman of the Board
 A.T. Kearney

Local Problems, Global Solutions: The Globalization of Innovation as a Win-Win Proposition



Gone are the days when the local could not drive the global. As nations in the developing world become ever more globalized, innovation linkages are quickly gaining prominence, leading to collaboration among nations involving academia and industry as a key driver of economic growth.

In today's competitive world, both developed and developing countries need to come up with joint innovative solutions to counter global challenges; simultaneously they need to address the pressing needs of their respective populations. These twin goals can be achieved by empowering global citizens to think independently and to risk transforming their ideas into value propositions.

Innovation is now a critical factor in the growth of dynamic clusters of nations that support policies that empower people beyond national boundaries with the ability to solve problems at all levels—individual, societal, regional, and global. This growing trend of increasing global connectivity necessitates a standardized way of measuring and analysing innovation data through key indicators.

The Global Innovation Index (GII) has been ranking world economies since 2007 according to their innovation capabilities and results using approximately 80 indicators that include measures of human capital development and research, development funding, university performance, and international dimensions of patent applications, among a host of other important parameters. Over the years, the GII has demonstrated that the innovation capacity of any nation is measured not only by what it does locally, but also by how it impacts the entire globe. Issues such as poverty, health, urbanization, access to water, and climate change are of a global nature but, at the same time, both the challenges and their solutions have local consequences. Therefore innovative breakthroughs that provide local solutions in the developing world can have a global impact and can provide an opportunity for sharing among other emerging nations for mutual benefit.

Over the course of its nine-year journey, the GII has become a well-known and credible reference on innovation policy. This year the GII has attempted to understand the globalization of innovation in its various permutations and combinations to analyse the ways in which this is a positive-sum game where all stakeholders stand to gain. In addition, the present edition of the GII seeks to present the case for an extension of policy approaches that goes beyond national priorities towards global innovation cooperation, especially South–South cooperation.

The GII 2016 includes chapters containing powerful insights from some of the most influential policy makers, academics, and industrialists in the world. These chapters expand the knowledge base on global innovation, and they demonstrate how national policies for innovation should be aligned with tackling global needs and geared towards solving global challenges.

I would like to congratulate the GII team for their passionate stewardship of the promotion of global innovation. We, at CII, are delighted to be a Knowledge Partner and contributor to the current volume, which aims to positively influence all its readers.

CHANDRAJIT BANERJEE
Director General
Confederation of Indian Industry

Global Innovation: An Accelerated Path for Growth



In today's economic climate, innovation—technological innovation in particular—is considered to be a major force for economic growth. The convergence of data analytics, commerce, and technological progress is seen as a key driver of innovation in the global economy. Moreover, entrepreneurship, evolving business models, and technological progress are at the heart of innovation.

Over the past year, we have witnessed incredible growth in technology on a global scale. More and more entities are working together to innovate and create an impact, not only nationally but globally—in what is commonly referred to as the 'sharing economy'. What started off with participants at an individual level is materializing into participation at enterprise and government levels.

The United Arab Emirates (UAE) has always been a keen supporter of innovation. Last year the country took a collaborative approach to smart city transformation, acknowledging the joint efforts of the public and private sector in accomplishing its objectives. Dubai, in particular, is looking towards technological innovation to meet its goal of becoming the smartest city in the world by 2017. With happiness as the ultimate measure of success, the city is investing in an array of smart service initiatives—including smart parking meters, smart energy meters, and smart waste management—all meant to bring about a greater degree of convenience and satisfaction, and ultimately happiness, for its residents.

To achieve its goal of making Dubai the smartest city, the UAE government continues to encourage collaboration among public and private stakeholders to drive the move towards diversification and encourage the entrepreneurial aspirations of both individual players and small, medium, and large businesses, which can play an increasing role in the national and global economy. In addition, the government has anticipated the positive impact of innovation; hence the UAE Vision 2021 national agenda takes on a global strategy to ensure that the country becomes a major contributor to innovation at an international level.

The theme of this year's Global Innovation Index (GII), 'Winning with Global Innovation', particularly emphasizes the ways in which globalized innovation strategy is a win-win prospect for all: it inspires greater investment into industries previously not linked with innovation, and allows for cross-border investments that create benefits for the larger economy.

At du, we have long been advocates of collaboration. Today we are proud to be the official Smart City Partner for the UAE government. As part of our collaboration, we have recently entered into a strategic partnership with Smart Dubai to develop and implement the Smart Dubai Platform, a digital backbone that will power the city in the near future. The Smart Dubai Platform will be the central operating system for the city, providing access to city services and data for all individuals and businesses in the private sector as well as public sector entities. We have long been advocates of change, and rethinking the way that we are communicating on a national level meshes well with our regional strategy.

We are very proud to have been associated with the Global Innovation Index for the past four years. The GII report is a useful barometer on an economy's innovation performance, and it provides valuable tools that we, and every economy wanting to enhance its innovation capacity, can use.

OSMAN SULTAN
Chief Executive Officer
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