



Innovation @ Scale

The Imperative to
Think Big, Start Small, Scale Fast

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INVENT  INNOVATE

CHAIN → NETWORK

What is
government's role?

The American Research Landscape:
Leveraging the Academic/Industry Partnership



INVENT INNOVATE

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CHAIN → NETWORK

What is
government's role?

The American Research Landscape:
Leveraging the Academic/Industry Partnership

a) Zip, nada, no role...
stay out of the way.



CHAIN → NETWORK

What is
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The American Research Landscape:
Leveraging the Academic/Industry Partnership

b) Ship the \$\$\$....
and then stay out
of the way



CHAIN → NETWORK

What is
government's role?

The American Research Landscape:
Leveraging the Academic/Industry Partnership

c) Ship the \$\$\$... and
maybe, just maybe to
play a leadership and
catalyst role



KATHLEEN TURNER · SAUL KAPLAN · GEENA DAVIS

THE ACCIDENTAL BUREAUCRAT



BEST PICTURE
OF THE YEAR
NEW YORK TIMES BEST SELLING
ACADEMY AWARD® WINNER
GEENA DAVIS
BEST SUPPORTING ACTRESS

DVD
VIDEO

DVD
VIDEO



WARNER BROS. PICTURES
A TIME WARNER COMPANY
DVD VIDEO
WOLFGANG PETERZ
WARNER BROS. PICTURES
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INNOVATE

CHAIN

Market Drivers

The opportunity to position our economy for sustainable jobs and income growth is influenced by four key market drivers:

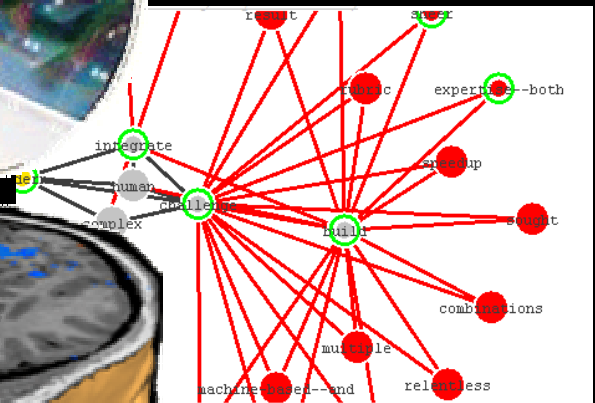
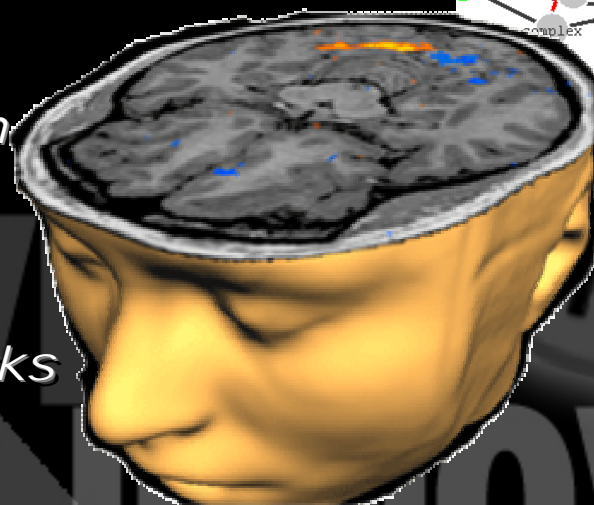
- * Globalization
- * Invention to Innovation
- * Chains to Networks
- * Intention Value Networks



The collage features four main elements: a CD/DVD with a colorful, iridescent surface; a globe showing the Americas; a 3D rendering of a human head with a brain scan overlay; and a network diagram with red lines connecting various nodes labeled with terms like 'integrate', 'human', 'complex', 'multiple', 'relevance', 'combinations', 'savvy', 'expert', 'both', 'root', 'seed', 'machine', 'deep', 'and', 'relax'. The background is dark with large, stylized text: 'CHAIN' at the top left, 'NETWORK' at the top right, 'INNOVATE' at the bottom right, and 'amazon.com' in the bottom right corner. A large, light blue arrow points from the 'CHAIN' text towards the 'INNOVATE' text.

The opportunity to position our economy for sustainable jobs and income growth is influenced by four key market drivers:

- 
- * *Globalization*
 - * *Invention to Innovation*
 - * *Chains to Networks*
 - * *Intention Value Networks*



CHAIN → NETWORK



Globalization
has diminished the relative
importance of community
on the business agenda



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→ INNOVATE

CHAIN → NETWORK

Invention to
Innovation:
technology is no
longer a limiting
factor for business
innovation



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Business Innovation

Product Innovation

Massive/
Breakthrough

Significant/
Immediate

Marginal/
Incremental

Qualitative/
Perceptual

Better Mouse Trap

New Paradigm
for Controlling
Mice

Tweaks

Better Way to Create
Make, and Sell Today's
Mouse Trap

Additive/
Complementary

Displacing/
Substitute

Systemic/
Wide Ranging

Disruptive/
New System

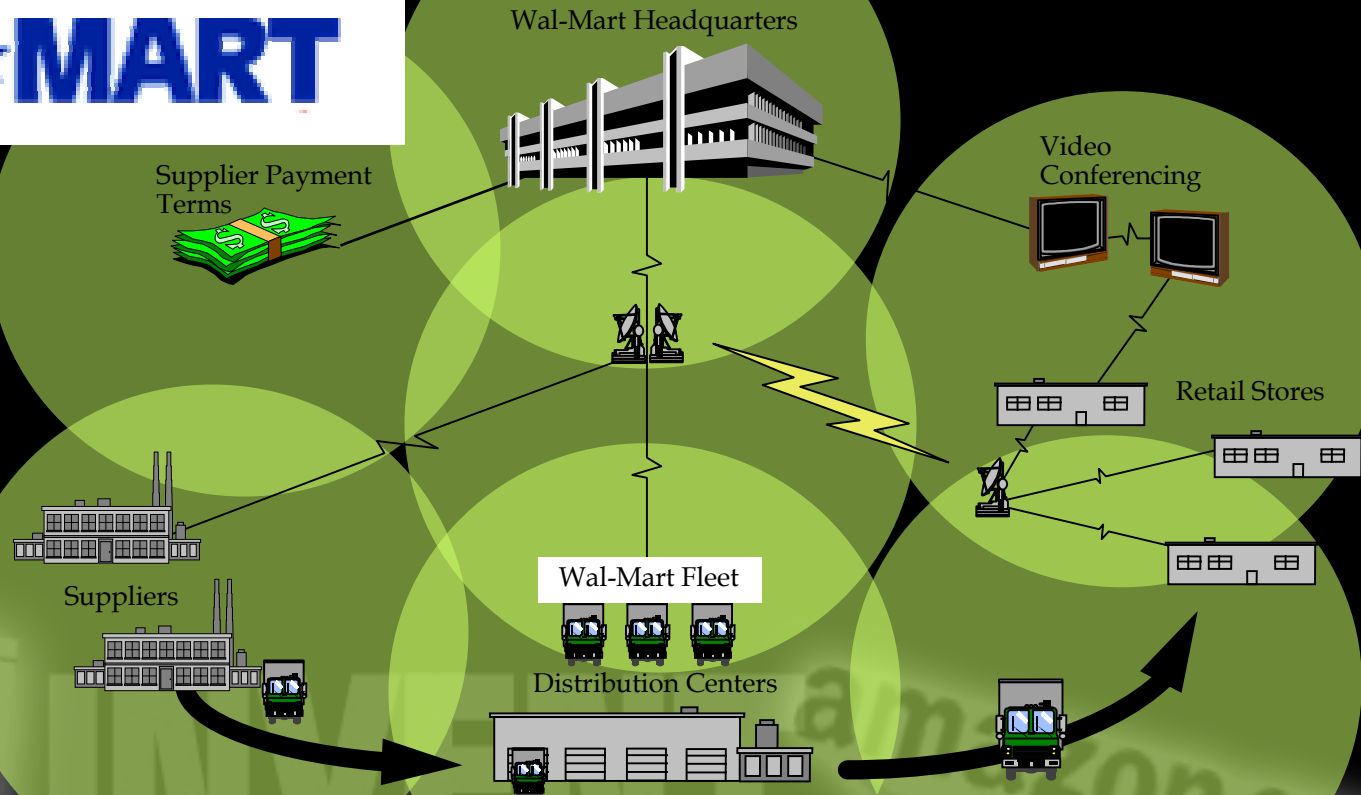
Business Model Innovation

From Invention to Innovation



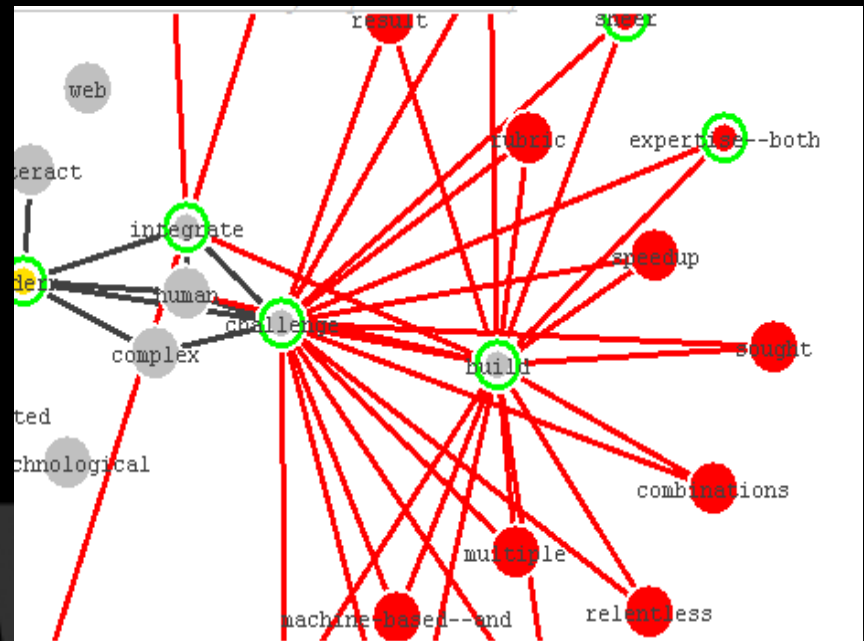
Business Model Innovation: A Strategic Weapon

WAL★MART



CHAIN → NETWORK

Chains to Networks:
value creation is as
much a function of a
knowledge network
as a function of a
physical supply
chain



INVENT → INNOVATE

CHAIN → NETWORK

Shifting Economies of Scale

from...

to ...

Size



Flexible Capabilities

Functional Silos and Empires



Cross Functional Work Teams

Physical Assets



Knowledge Assets

Share Taking



Market Making

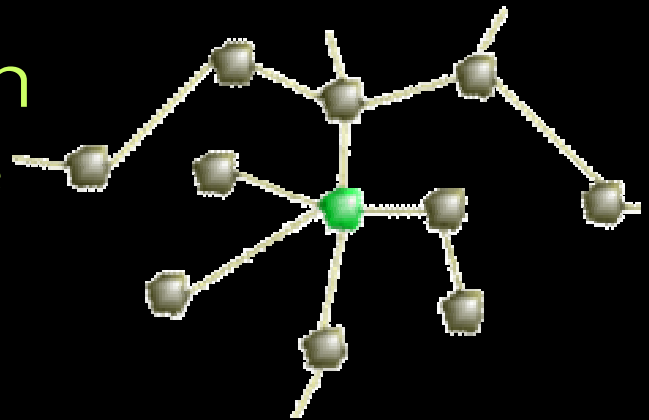
Command and Control



Distributed Management

CHAIN → NETWORK

Intention Value Networks
are possible which realign
interests to provide value
to the individual



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CHAIN NETWORK

Intention Value Networks



Health



Security



Wealth



Quality of Life

Disease understanding

Disease recognition

Diagnosis

Treatment

Personalized medicine

Fitness and nutrition

National defense

Homeland security

Community security

Safe workplace

Information security

Home security

Cash management

Investments

Capital access

Insurance

Financial planning

Tax planning

Food

Shelter

Clothing

Education

Media and entertainment

Travel and transportation

CHAIN → NETWORK

Business Building That Works

A key unmet need for business executives is to make business building more predictable and easier to manage:

- * *Underestimated Importance*
- * *Underestimated the Difficulty*
- * *Key Lessons Learned*
- * *Imperative for Innovation at Scale*



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INVENT → INNOVATE



Importance
of business innovation as a
source of competitive advantage
has been underestimated by
business executives



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Difficulty
of business building and
innovation has also been
underestimated by business
executives...death by 1000
initiatives



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Lessons Learned:
executives now realize business
innovation will have to be done a
different way



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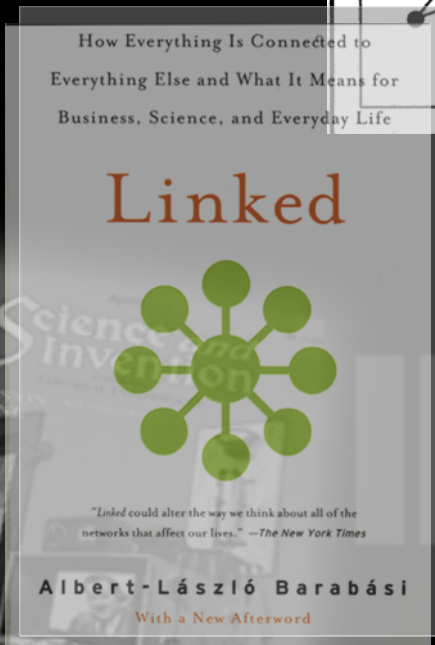
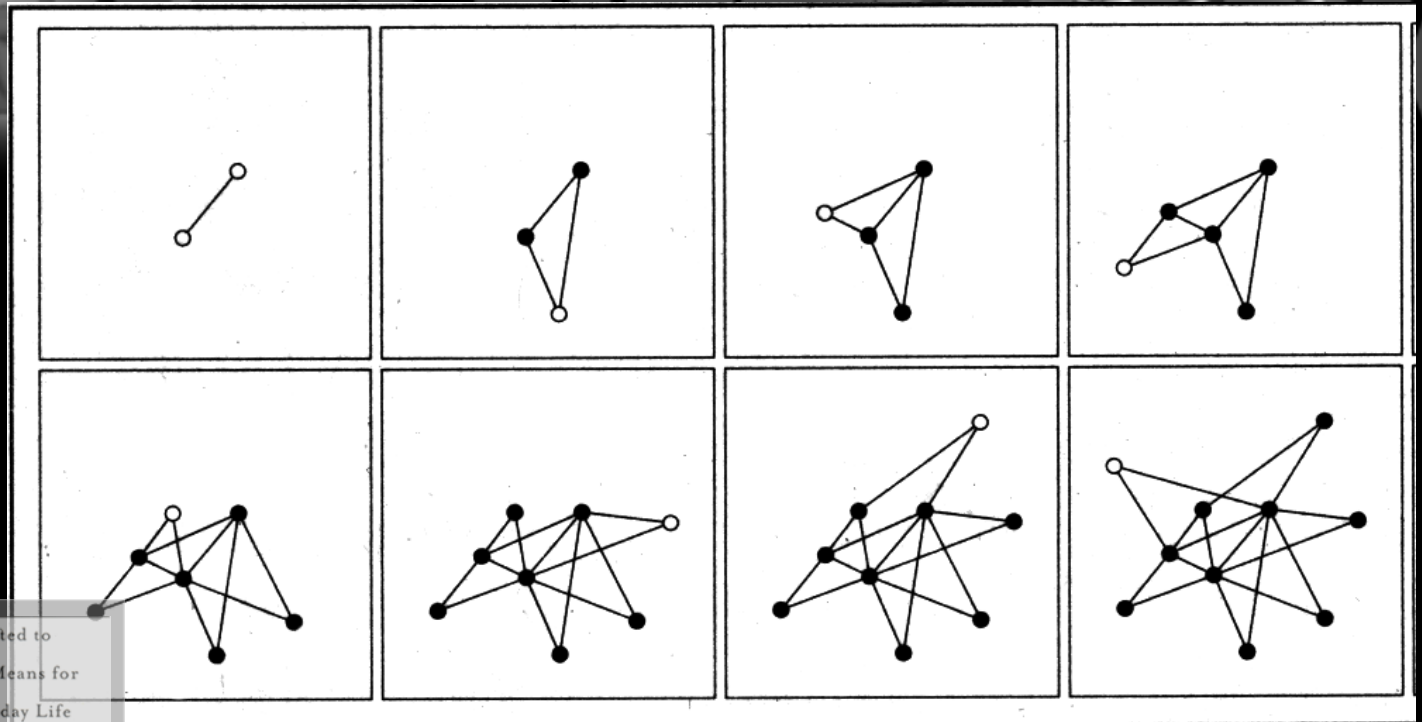
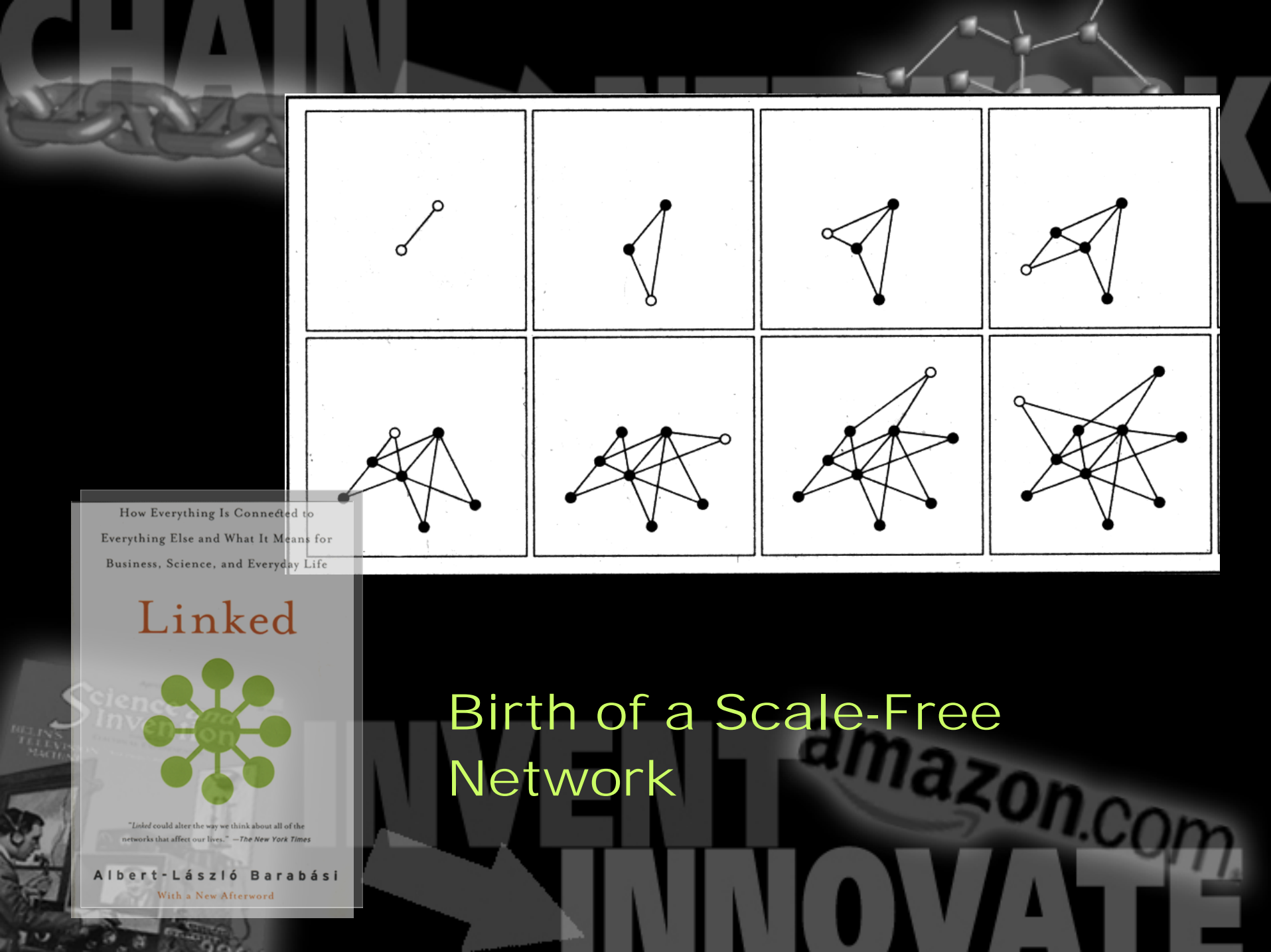


Unmet Need:
innovation @ scale...
an environment to
think big, start small,
scale fast



INVENT  amazon.com
INNOVATE

A large, grey arrow points from the word "INVENT" towards the word "INNOVATE". The Amazon logo is positioned between the two words, with the text "amazon.com" written below it.

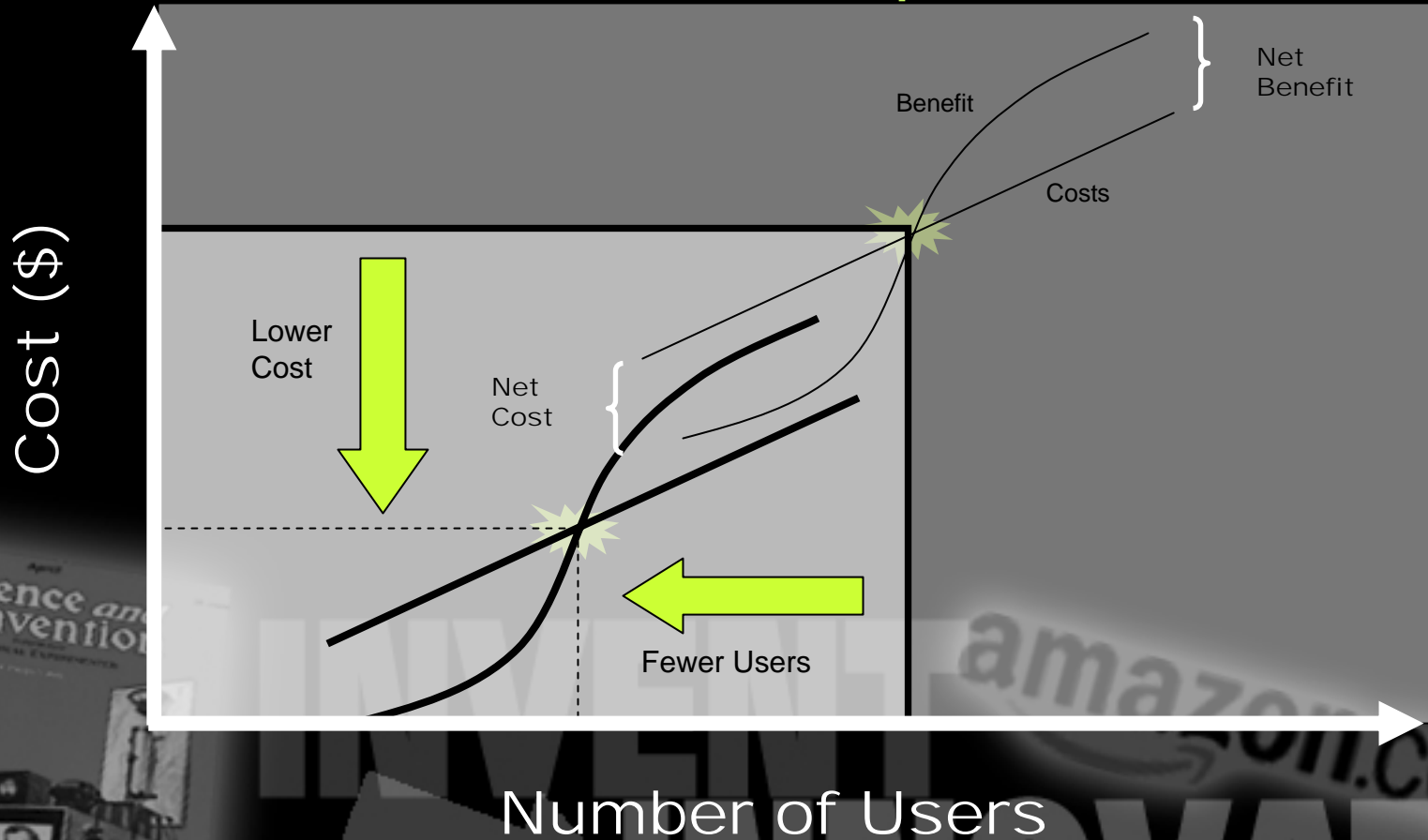


Birth of a Scale-Free Network

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Proof of Concept demonstrating the network effect faster and cheaper



CHAIN → NETWORK

Rhode Island:
a unique place to innovate @ scale



- Compact geography...1000 square miles
- Diverse and reachable population: 400,000 households/1,000,000 people
- Access to both physical and idea supply chains
- Limited number of key stakeholders
- Accessible government



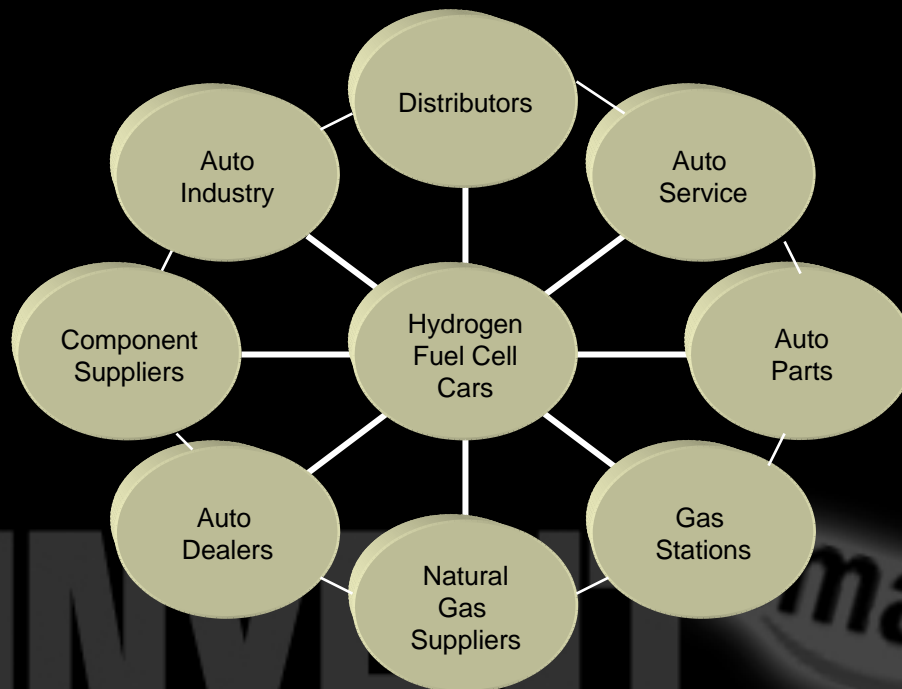
CHAIN → NETWORK

Hydrogen Fuel Cell Cars

Public Policy
Objective

Value for
Rhode Islanders

Environmental
Protection



Affordable
Environment
Friendly Cars

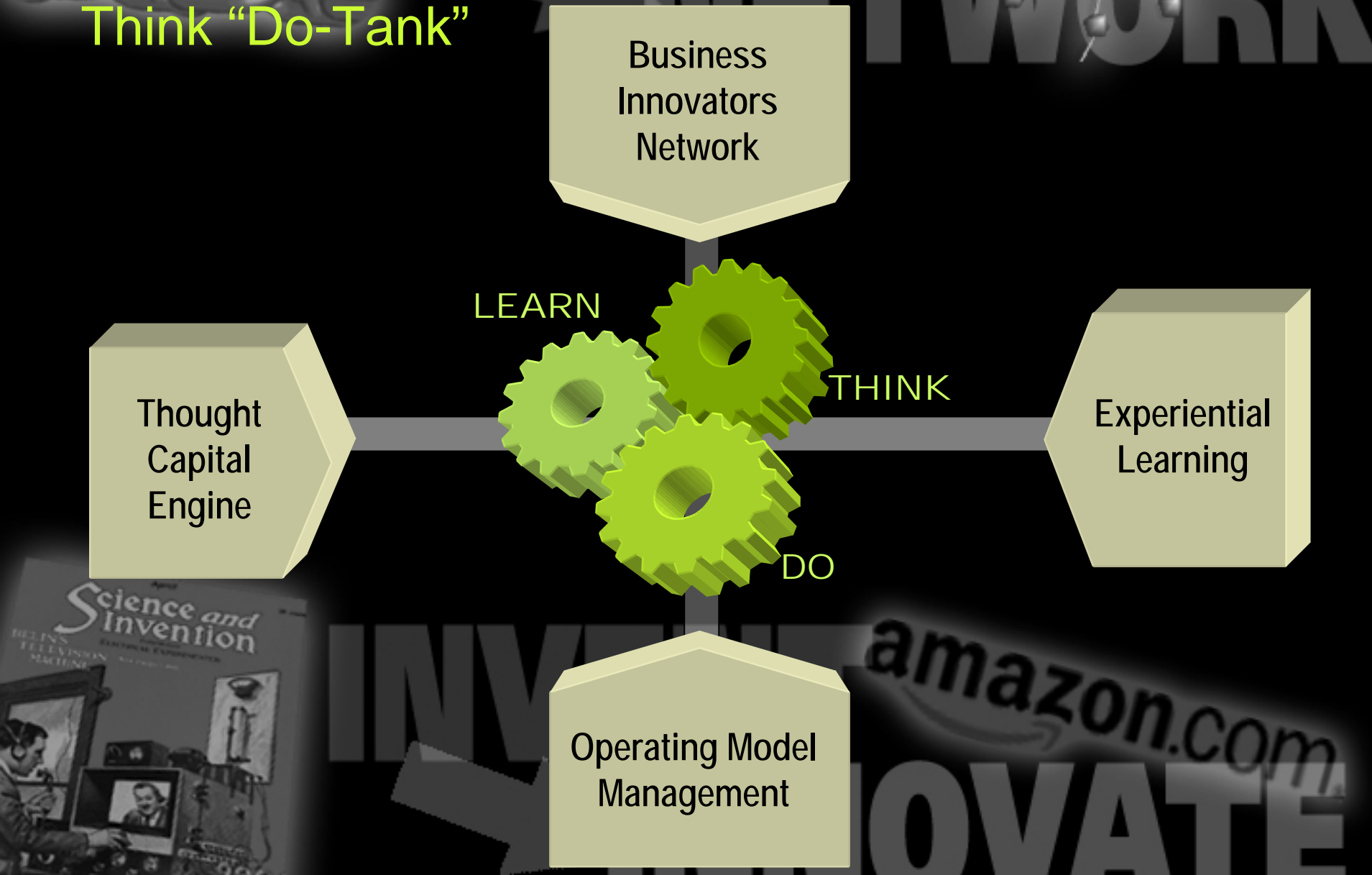
New Business
Investment
and Jobs



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Business Innovation Factory

Think "Do-Tank"



CHAIN

NETWORK

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Government



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INNOVATION



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