

New ways of looking at an old world

One of my many professions is as a practicing futurist. About 15 years ago, I made a pretty good living facilitating Board Retreats and speaking at conferences. For anyone who is a trend watcher, which is something all innovators should be, it gets in your blood. Not only do you begin to casually predict the future but you also look at new things and ask why no one figured it out a long time ago. Today, I am writing from a Mini dealership in my home town. Over the weekend, a branch fell from a truck with an unsecured load and I had nowhere to go but over it. As I came to a stop light and the engine began to idle, it started to make a terrible sound, and that's what got me to where I am today.

You may be asking yourself what getting a car repair has to do with innovation. Well, in typical fashion, I will take several examples and try to make a case.

Before I get too deep into the specifics of the car repair, let me add to the color of the discussion with two other recent events. The first happened two weeks ago when I arrived for a flight at an airport 6 h early. My meetings ended early and I had no place else to go. So I arrived at the airport, pointed out to the agent that there were two other flights leaving before mine and politely asked if she could book me on one of them. She informed me that the flights did indeed have open seats and, for a mere US\$376 more, I could take one of those flights. (That was more than I paid for the original flight.) I need to point out at this time that the airline is considered one of the more innovative carriers in the world and supposedly empowers its employees to make snap decisions to keep customers happy. In this case, apparently, the employee did not have the option of moving me to an earlier flight without a fare increase.

At this point, being the people person I am, I decided to try to give this agent an economics lesson and very politely informed her that an airline seat is a perishable commodity. Once a plane takes off with an empty seat, it can never be sold. Moving people from later flights to earlier flights allows at least a few hours to try to resell that seat. Maybe someone would need a seat later and buy the seat I gave up for an earlier flight. Even if not, there is still a chance that the empty seat on the earlier flight could be sold by shifting it (virtually) to later in the day. Well, she didn't get it and ever so delicately let me know that the airline's management knew more about running a business than I did, so I gave up on her.

The second event of the last couple of weeks was my opportunity to be a mentor and judge for "Aggies Invent" at the Engineering Innovation Center at Texas A&M University. This program brings together college kids from all over the world to be offered a challenge and try to solve it in 48 hours. The venue acts as a giant makerspace and includes 3D printers, laser cutters, Raspberry Pi computers, wires, strings and just about anything you would need to create a functional prototype of just about anything. The challenges were all healthcare related during this particular session. Needless to say, the ideas were amazing and came from many who had absolutely no healthcare experience. I would describe the winning inventions, but the teams are probably all going to start companies.

Getting back to the car dealership. In the days when I was more heavily invested in professional trend watching, I pitched to several in the automotive industry that car



servicing by the dealer was an untapped goldmine. In those days, minor servicing such as an oil change, wheel alignment or new tires was generally at least twice as expensive at the dealer than it would be at one of the many lube, tire, transmission or brake specialists that peppered the country. My argument to the industry was essentially this:

If you lowered the price of service at the dealership, your customers would come to you first. (They already trust you.) You would no longer make exorbitant profits from the service department, but by seeing your product every 3,000 miles, you would learn things about the wear and tear on your product that would make your product better and lead to higher quality and profits.

Now, I cannot prove that anyone listened to my arguments, even though I gave the speech at several conferences, but that isn't the point. The point is that eventually they figured it out.

The innovation teams at Texas A&M took problems that have existed for various amounts of time and were not necessarily difficult. My learning was that they were unencumbered by management that was smarter than them and, in fact, were awarded cash prizes for the best ideas. They were not encumbered by the idea that management had to socialize the idea before it could change.

In the airline industry, we probably have veteran operation personnel that have been doing things the way car dealers had for many years. An organization can tell employees that they value their input and are tasked with coming up with new ideas. But if the corporate culture says that management is too smart to challenge, then I fear change will be a long time coming. Flattening of organizations and creating innovation programs are just the beginning. Until the invisible caste system of management versus everyone else is wiped away and until management allows their employees to believe they are the smartest people in the company, innovation is difficult. While you can find exceptions to this, it is generally a fact that many companies will need to overcome to become truly innovative.

In this quarter's edition, we once again have five well-written papers that I would like to briefly showcase:

- (1) "Innovation Strategies for Successful Commercialization in Public Universities" by Abdul Razak and Murray: This paper is an exciting look at the role of the university in the development of a knowledge society and its role in acting as a bridge between science (or exploration) and the "market". As universities struggle to find their way in the modern economy, this paper offers suggestions on how this might be done.
- (2) "Barriers to Innovation Activities as Determinants of Ongoing Activities or Abandoned" by Duarte, Madiera, Moura, Carvalho and Moreira: This paper is a study of Portuguese firms and the factors effecting ongoing or abandoned innovation projects. The authors specifically focus on the factors that contributed to the discontinuance and/or abandonment of a project. Generally speaking, these are lack of funding and the costs of the innovation being too high. While these may seem like the same thing, the authors expand on the explanation.
- (3) "Innovation and the Development of Exportable Supply in Non-Traditional Goods: A Longitudinal Study in a Latin American Economy" by Pulgarin-Molina, Castro, Ballesteros and Barrera: This paper presents a different perspective on innovation than what is normally seen in mainstream

publications. Specifically, the paper asks questions about non-traditional exports, but more importantly, the paper offers insights into the structure of emergent economies that are often not regarded by traditional innovation and export theories.

- (4) “Insights into Kenya’s Public Sector Innovation: The Case of Managers” by Agola and Van Lill: The paper is another examination of the role of a traditional government entity in the delivery of innovation to the public. As mentioned in the paper on commercialization in public universities, the government cannot act in the same way as a private sector company. This paper specifically deals with innovation in Kenya.
- (5) “A Coordinative Mechanism of Career Coaching Practice in Innovativeness and Creativity Training Programs in Higher Education – A Case Study” by Chen and Huang: This paper is a case study on the establishment of a career coaching function for innovation and creativity at Wenzhou University. The case study evaluates the effectiveness of the program and what others can learn from it.

As always, we are soliciting papers and thank our authors and reviewers for their work.

Sincerely,
Brett



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