

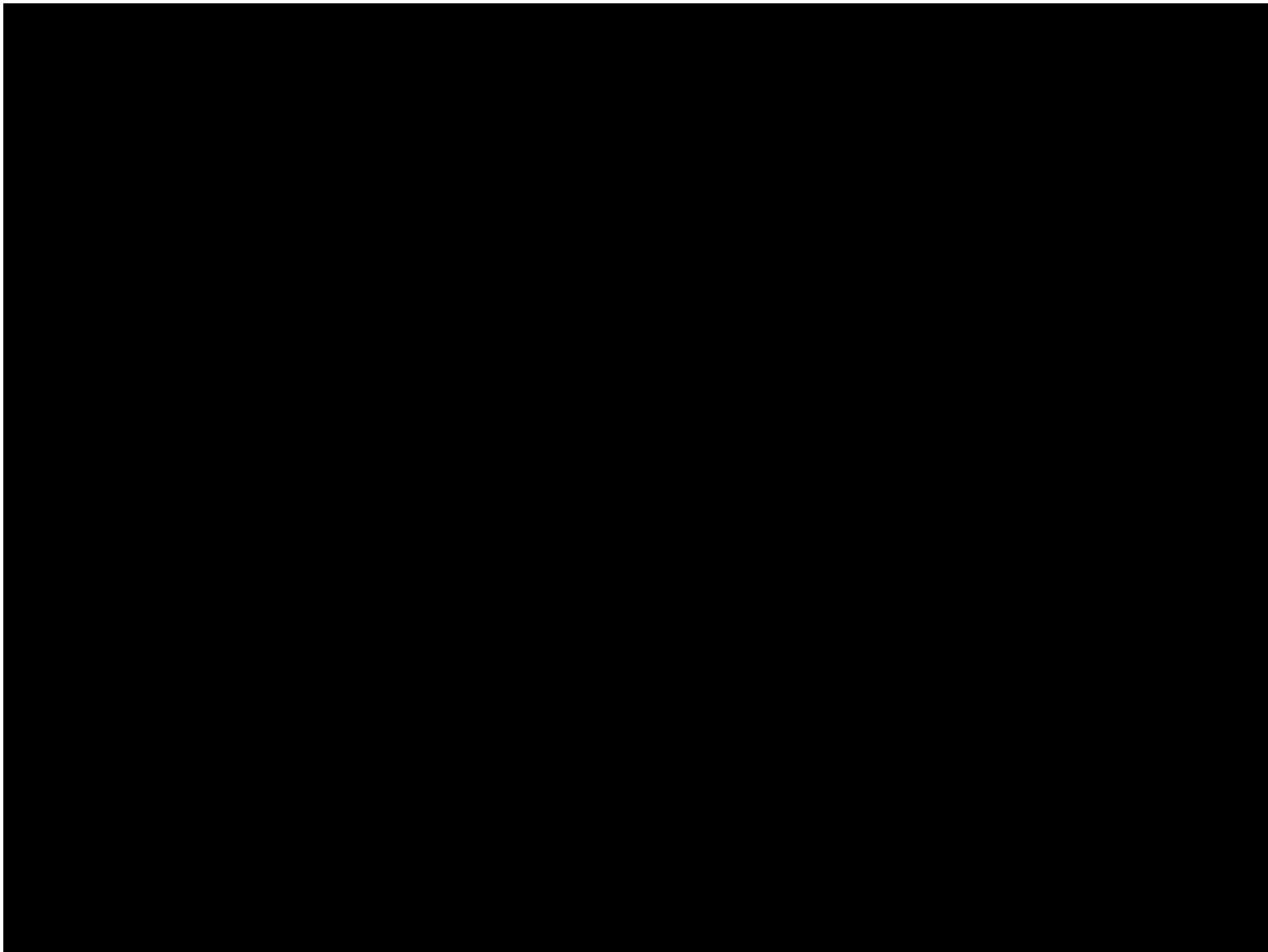
CEDA

Innovation Forum: Driving Economic Success

The game has changed!

Grant Kearney
Founding CEO
InnovationXchange

Hobart, 5th December 2008





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"I think there is a world market for about five computers"

Thomas J. Watson, 1943

Chairman of IBM

Predicting the future can be dangerous but... one
thing we can be certain about is...

“ its not what it used to be! ”

The game has changed

- Innovation has always been about connecting the right ideas to the right resources and capabilities at the right time
- But now the rules of the game have changed
- The only future competitive advantage is innovation
- The compelling global shift from closed to open innovation means that today no one can do it alone
- Collaborate or die

Today no one can do it alone

Compelling global shift from closed industrial silos to reliance on external resources and capabilities

Driven by the movement of ideas, skills and capital.

Brings with it a 'need for speed' compounded by mind changing advances in pervasive technology...

The only future competitive advantage is innovation

“Constant reinvention is the central necessity at GE...we’re all just a moment away from commodity hell”

“The company wants to take advantage of as much good science as is available, inside or outside Merck’s laboratories.”

“P&G employs about 7,000 people in its R&D units but globally there are 1.5 million scientists....with expertise in P&G’s areas of interest.”

Global shift to ‘open’ innovation

- “Closed” model built on internal ‘virtuous cycle’ and complacency: we employ the best people, know everything and can do it ourselves.
- “Open” model is built on creating and capturing value from wherever we can.
- Connection to the right resources and capabilities is now a key driver of growth.

Collaborate or die

- The market demand for collaboration has crept up on many managers
- Collaboration and partnering is easy in theory but hard in practice
- It is a discipline that must be built into the business model... “a few beers or a coffee is not collaboration”
- Collaborating across corporate and country boundaries requires serious intent

In a future where the only competitive advantage is innovation, CEOs must focus on ...

Business model

- Organisational change & strategic partnerships
 - Reduced costs, strategic flexibility & focus

Operational

- Customer response & new technology in processes
 - Cost reductions and improved efficiencies

Product & market

- Distribution channels & product improvements
 - New markets & growth (survival)

How to innovate

- Build confidence and trust ...
but reward courage; it is easier to be strong than it is to be courageous
- Build internal networks...
use technology and people to unlock the power of difference
- Build collaborative teams across the organisation
but reward 'clever' people

How to innovate

- Connect internal networks and teams to outside networks...
no one can do it alone
- Focus on strategic intent when partnering...
as well as technology, know how and other capabilities
- Partner across the “innovation mix” ...
including business model changes, as well as operational and market or product innovation

How to innovate

- Look beyond incremental change ...
and include bold opportunities
- Finally, manage the risk...
put innovation on your Board's agenda but allow people to stub their toes
- Because remember, after all...
" we don't know what we don't know "



Finding and exploiting connections between legally separate firms and institutes is often inefficient, risky and slow...

So, how do we find new technologies, expertise or international research and business partners without tipping our hand?

IXC Intermediaries® - deployed as a commercially neutral, trusted resource for innovation, business development, technology, research and/or commercialisation teams to search for and create business or research connections.



IXC Intermediaries®

- Creative, articulate and highly skilled Ph.D. qualified scientists and technologists operating within multiple clients under a strict ethical and confidentiality framework.
- Using the unique IXC methodology they develop and maintain an intimate knowledge of clients' strategic intent, their technologies, their capabilities and gaps.

IXC Intermediaries[®]

- Collaborate with each other sharing information, researching and analysing technologies, gathering market intelligence and searching for opportunities or solutions to problems.
- When an opportunity is found, IXC Intermediaries then help the parties to engage directly through **a step-wise disclosure process.**
- Guaranteed confidentiality and non-use of IP.

Eco-Systems

IXC is focused on innovation eco-systems with greatest potential for converging opportunities:

- Life & Health Sciences
 - Food & Agriculture
- Advanced Manufacturing & Materials
 - Resources & Energy
- Transport & Infrastructure
 - Social Innovation



INNOVATIONXCHANGE
IXC Australia Limited

“It’s no longer individuals toiling in a laboratory, coming up with some great invention. It’s not an individual. It’s individuals. It’s multidisciplinary. It’s global. It’s collaborative.”

Sam Palmisano,
Chair, President and CEO, IBM



INNOVATIONXCHANGE
IXC Australia Limited

Thank you

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Founding CEO
InnovationXchange