Budget 2014: Re-balancing Innovation Support Programs
The 13th Annual RE$EARCH MONEY Conference
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Closing Remarks

Jeffrey Crelinsten, Publisher, RE$EARCH MONEY

Crelinsten wrapped up the proceedings by recalling David Watters' observation that the current budget created openings for clear input into next year's budget. "It's evident from the presentations and the panel discussions that a lot of good things are going on," said Crelinsten. "How do we scale these excellent initiatives into a national vision focused on improving the economy and the quality of life of Canadians through innovation? What can we take away from our deliberations that will provide useful input into next year's budget?"

The first takeaway is that much of Canadian policy - and practice - is based on misconceptions about R&D and innovation. Crelinsten noted how often speakers at the conference indicated that there is more innovation happening in Canada than there is R&D and that government policies are focusing too much on R&D. "Innovation is about creating value competitively for customers and society," he said. "And yet you have a whole policy conversation taking place about how Canadian companies don't do enough R&D. John Baker told us he'd love to do more R&D, but it's an expense. Entrepreneurs try to limit their R&D to what is essential for creating value competitively for their customers." Crelinsten noted the irony in having people who have never run a company using data to tell entrepreneurs who are running companies to do something which is not necessarily the right thing to do.

And this leads to the second takeaway: there is a big difference between analysis and experience. "Analysis is essential for intellectual understanding. Experience is the source of wisdom. Successful entrepreneurs learn from experience." Crelinsten shared his personal experience in learning the Japanese martial art of Aikido, where an intellectual understanding of the principles carried him only so far, and though it was important, it became an impediment for years until he learned to let go. "You cannot be thinking when you're being attacked," he said. "You can't analyze or measure. Your mind must be still and your body will move." Similarly, Crelinsten insisted that the same struggle occurs with business and innovation, where it is crucial to allow these enterprises just to get on with their work. "When you're running a company, you don't always have time to analyze what you're doing. Yes, it's good to know about P&L and balance sheets and markets, but business is really about relationships and human interactions with customers, suppliers, employees, competitors, partners, investors, and so on. You engage with them, and you learn what works or you fail." He noted that several speakers contrasted the U.S. culture of risk taking and tolerance of failure with Canada's more careful, analytical approach to business and entrepreneurship. "Our policy makers should take heed of this message," he said, "by being more experimental in their approach to policy, trying new things and being ready to change as they learn from experience what works and what doesn't. And they should engage entrepreneurs more intimately in the policy-making process around innovation - not token consultations, but meaningful collaboration."

Crelinsten's third takeaway was the importance of the humanities and social sciences in successful innovation. He recalled Vicky Saunders' reference to the transition from STEM to STEAM,

including the arts among the traditional disciplines of science, technology, engineering and math. He noted that her remark was made during the industry panel, which was the only panel that raised the topic of sales, the life blood of any enterprise and intimately connected to understanding human nature, psychology and cultures. “In our post-secondary learning environment we have to hear more about sales,” he said. “When I was a kid, I used to think 'sales' was a dirty word. Now I know from experience that sales people are not only the highest paid people in companies, they’re really smart, insightful people. We need our learning environment to provide opportunities for young people to learn these skills.” Government policies that recognize the importance of these skills can validate and support those in the trenches who are trying to improve our innovative capacity.

Looking forward, Crelinsten concluded that the greatest challenge is federal government leadership. “If you look at a company, the leader sets the vision,” he said, referring to the common vision shared by employees at Desire2Learn. “Unfortunately, our government leadership doesn’t do this about innovation and its role in improving the economy and quality of life of Canadians. One of the things you can do is talk to your MPs and MPPs about how important innovation and entrepreneurship are to their grandchildren and Canada's future. In Singapore they do that; in Finland they do that; the leaders are behind it.”

Crelinsten concluded by thanking our partners and announcing the date of the 14th annual RESEARCH MONEY conference: 31 March and 1 April 2015.