

Hamilton Spectator

Innovation is key to survival, firms told

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BURLINGTON Manufacturers and entrepreneurs have been given a lesson in physics they're not liable to forget.

It goes like this: current economic forecasting and standard manufacturing procedure is based on the Newtonian physics model -- Isaac Newton's 300-year-old rule that assumes the world is basically a stable, predictable place. What worked before will work in the future.

It isn't. What worked yesterday will not work tomorrow without a commitment to strategic research and development and a corporate climate of innovation. And that, the overflow crowd attending a market innovation seminar in Burlington was told yesterday morning, is based on quantum physics, the 90-year-old science that says at its most basic level, the world is an unpredictable place.

The seminar by the Ontario Centres of Excellence was dubbed Change by Design: How Innovation is Reshaping Manufacturing, and led by Tim Glover, chief strategy officer and co-founder of the Value Profit Group, and Brian Maragno, operations manager of the Siemens Fossil Power Generation plant in Hamilton.

The seminar reassured manufacturers by telling them they already have many of the skills needed to cope with the downturn and run strategic, forward-looking research and development alongside their current day-to-day business.

And it was also a warning that, because change is constant, unless they are armed with information gained from developing a culture of strategic innovation, they are liable to make the wrong decisions about their business's survival.

That, said Maragno, is how Siemens' Hamilton operations -- which began in the city air brake division of Westinghouse in 1896 -- went from focusing on daily operations to using tactical innovation to plot future steps in the course of five years, and developed a turbine product that is now its top seller.

Neither Maragno nor Glover suggested ignoring day-to-day business. But both stressed that a culture of forward-looking innovation will ensure a new product for new markets is available down the road.

And both told the entrepreneurs they've been through this before -- getting an idea, commercializing it, getting it to market and keeping it there. That, in a nutshell, is the skill set required, but only about 23 per cent of companies have a strategy to deal with a

slower economy.

Maragno and Glover stressed the need for a corporate commitment to putting money into research that may not pay a return quickly, and said the Ontario Centres of Excellence can connect innovation to financing and other assistance.

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