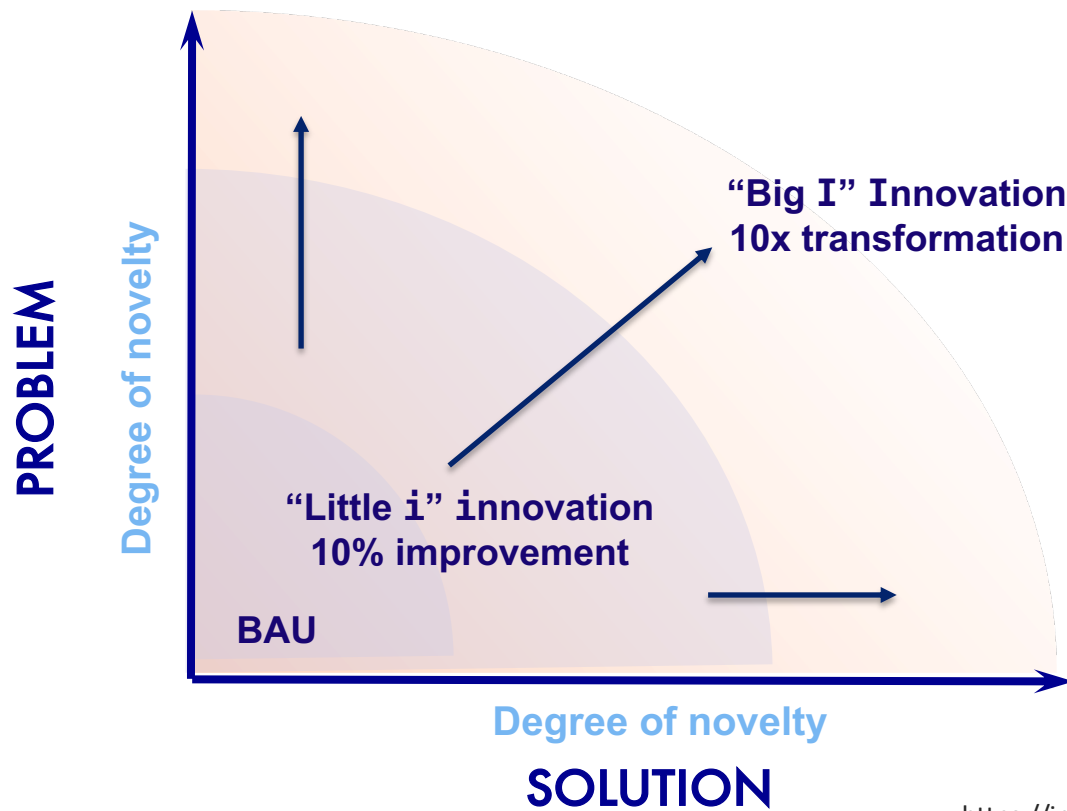# Innovation

[in-*uh*-vey-sh*uh* n]

noun

1. At MIT, innovation is the '**process of taking ideas from inception to impact**'

2. We emphasize that an '**idea**' is the match between a **problem** and a **solution**

3. We are interested in **impact** which is broader than simply profit

4. We focus on the **process** (not products / services) to highlight the <u>entire</u> journey

5. We recognize that the journey engages many parties – startups, corporations, nonprofits, governments & universities

https://innovation.mit.edu/assets/BuddenMurray_An-MIT-Approach-to-Innovation2.pdf

Large Corporates tend to be better at '10%' innovation, and so engage ecosystems to tap others' '10x' Innovation.

PROBLEM

Degree of novelty

**"Big I" Innovation
10x transformation**

**"Little i" innovation
10% improvement**

BAU

Degree of novelty

SOLUTION

Corporates need to be strategic in engaging the ecosystem Stakeholders

https://sloanreview.mit.edu/article/strategically-engaging-with-innovation-ecosystems/

…and this usually means engaging startup Entrepreneurs, especially those coming out of key Universities.
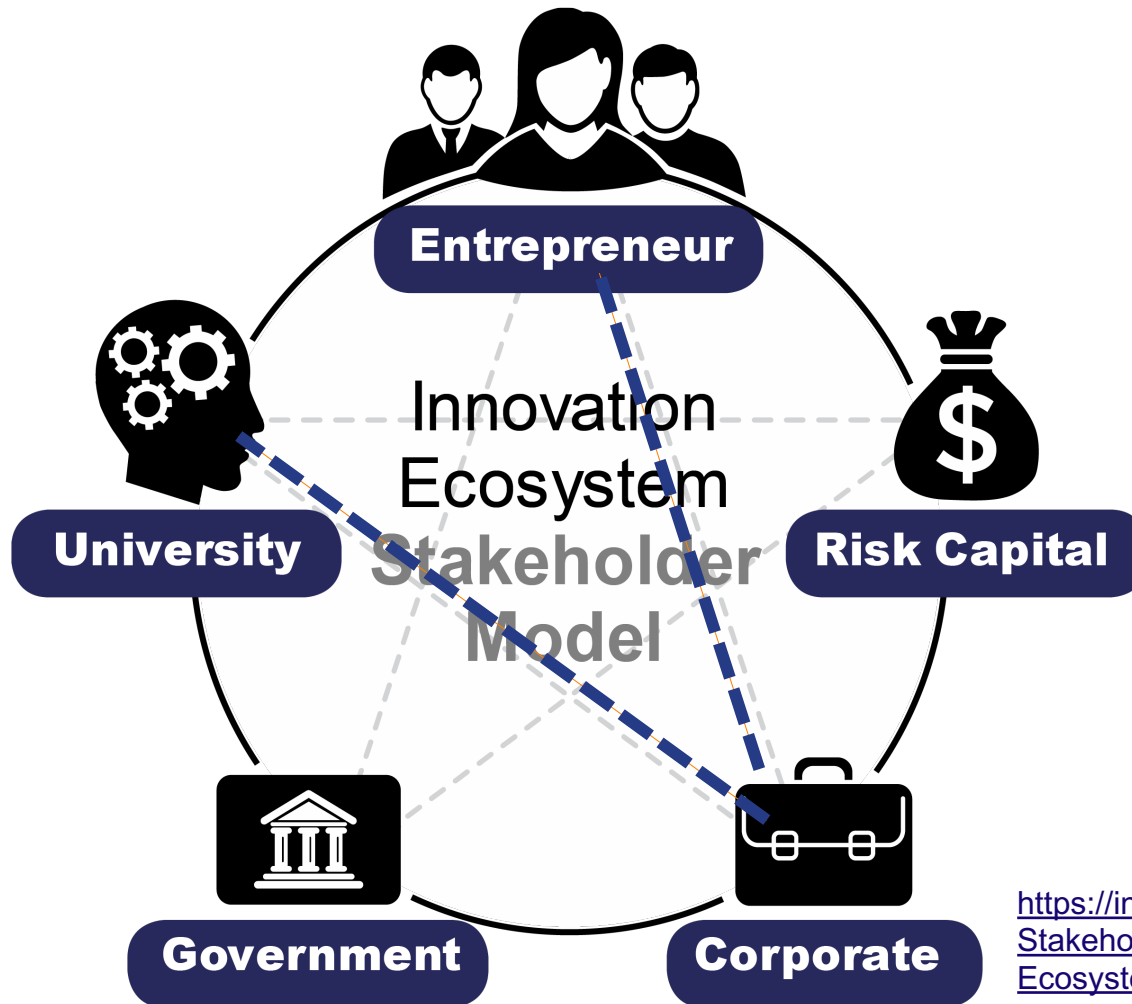
Innovation Ecosystem Stakeholder Model

- Entrepreneur
- University
- Risk Capital
- Government
- Corporate

Any Plan for innovation is hard for large organizations, for all the usual reasons…

Strategic Design	Political System	Cultural System
• Organizations are *machines*	• Organizations are *contests*	• Organizations are *institutions*
• *Mechanical* systems crafted to achieve <u>defined goals</u>	• *Social* systems encompassing <u>contradictory interests</u>	• *Symbolic* systems of meanings, artifacts, values and routines
• Parts must *fit* well together to match environmental demands	• *Competition* for power, influence and resources is to be expected as influencing behaviour	• *Informal norms and traditions* exert a strong influence on behavior
• Action comes through <u>planning</u>	• Action comes through <u>power</u>	• Action comes through <u>habit</u>

https://innovation.mit.edu/assets/BuddenMurray_MIT-3-lenses-and-innovation.pdf