

Innovation should be a priority

The Montreal Gazette

By Kevin Lynch and David Mitchell March 28, 2012

To truly understand innovation, you have to go where it is happening. And in Canada, innovation happens in local centres and not – at least not immediately – on a national scale.

As we prepare for Thursday's 2012-13 federal budget, we can say that discussion about innovation and productivity in Canada has been going on for decades.

We have the macro analysis down pat: Not enough business investment in R&D, a weak commercialization record, too little focus on driving strengths and competing globally and high aversion to risk are the most significant reasons for our lack of performance.

But the question of what we can do about these shortcomings still remains.

The focus of the Public Policy Forum's [Leading Innovation](#) initiative has been to engage entrepreneurs, funders and connectors on the ground to better understand the efforts being made in locations across Canada to drive innovation. Taking a micro as opposed to macro approach has provided a first-hand opportunity to hear and address the challenges and opportunities that are faced by individuals and companies seeking to be successful on a global scale.

There is a growing sense of the importance of innovation, as seen by the many analytical and descriptive reports, government strategies and specific policy and program initiatives.

However, we have not been able to establish any discernible change in our innovation and productivity performance. In fact, when measured against our major trading partners and competitors, our performance is declining. By most significant indicators – business spending on R&D, business productivity, information and communication technology, and machinery/equipment intensity – Canada is actually falling behind. Set against a rapidly changing global economy, and rising economies in all parts of the world, we need to treat these issues with a new sense of urgency.

What is clear is that innovation will be driven in Canada by local leaders from business, government and higher education advancing new ideas and new enterprises. They will also be supported by connectors and funders who will be first engaged locally. While innovation and enterprise are ultimately global, their origins are intensely local.

For Canada to be a true "Innovation Nation," we must support and build strong local ecosystems, including encouraging more active collaboration across and within sectors and clear cluster strategies in every part of the country. Driving local innovation will inevitably establish national and global success.

What is most needed now is a dual sense of purpose and pace. Our purpose should be to drive Canada's economic performance against the increasing competitiveness of the global economy. The world is changing rapidly and we simply can't afford to be mediocre in our performance. Instilling innovation and enterprise, whether in business, public policy or social purpose, is critical if we want to address our productivity challenges and ensure

Canada's resilience for generations to come depends on embracing innovation at the organizational level. We equally need to treat this issue with a far greater sense of urgency. We have tended in Canada to be complacent about our national wealth and favourable trading situations. We need to pick up the pace as we not only tackle these issues, but also develop the new ideas and enterprises that will ensure Canada's long-term economic place in the world. This, too, is an organizational imperative.

To learn more about Leading Innovation: ppforum.ca

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