



27 April 2005
The Secretary
Standing Committee on Science and Innovation
House of Representatives, Parliament House, Canberra
Via email

Submission: Marketing our Innovations - can we do it better?

A successful Australian technological innovation is outlined in the attachment. The technology, called WAVE[®], measures and benchmarks the innovation capabilities of SME's and other organisations and assesses the impact of government incentives and grants for innovation. It is used by government agencies and business advisory services in the UK and Germany and is the subject of pilot projects in Belgium, Netherlands and Spain.

Success factors:

- The technology is backed by several years of research and development, which underpin its competitive strengths.
- The company has built a relationship with the largest and most respected centres of innovation policy and research in Europe. The centres are SPRU (Science Policy and Technology Research Unit) and CENTRIM (Centre for Research in Innovation Management), which are co-located at the University of Sussex. The company also has relations with universities elsewhere in the UK and in the Netherlands and Denmark.
- The technology is meeting a growing market demand.
- Market research and field testing were used to identify appropriate product positioning and to identify factors that would maximise user satisfaction.
- A patent and a registered trademark were obtained.
- Years of persistence and risk taking; and a willingness to travel overseas regularly to develop relations and to seek out, find and negotiate sales with leading edge customers

Barriers have included

- Low interest in effective evaluation of R&D, commercialisation and innovation programs by Australian public sector agencies
- The way in which government tendering processes are designed in Australia. These processes impose large commercial risks on companies with leading edge technologies and applications. The problems and possible solutions were outlined in a submission from Wave Global that was quoted in your Committee's 2003 enquiry report.

Yours sincerely

Darryl Bubner
CEO



“Science, technology and innovation are the main impetus for the social and economic development of societies. The knowledge society exerts an increasingly pressing demand on our ability to generate new knowledge and promote its use.”

Science, Technology and Innovation in the Netherlands
Joint publication of the Ministry of Economic Affairs and the Ministry of
Education on the occasion of the Dutch EU Presidency 1 July 2004

“...innovation lies at the root of productivity and economic growth.”

Alan Greenspan, Chairman of the US Federal Reserve



WAVE[®]

The Innovation PLATFORM



WAVE is endorsed by EOQ



WAVE® helps accelerate the process of building an innovative knowledge based economy.

WAVE is a unique platform for building and sustaining innovative businesses and organisations.

WAVE is unique because of its dual coverage of basic business capabilities and innovation capabilities. Firms find WAVE valuable even when innovation is not important to them. Yet at the same time WAVE leads firms to see innovation as normal part of their business.

Taking less than an hour to use, the SME version of WAVE helps managers think about why innovation is important, the resources it needs and the best way forward. It focuses managers' attention on innovation strategy and culture and helps them to lead and sustain successful innovation.

There are also versions of WAVE for R&D agencies, larger companies, government agencies and local government.

You can use WAVE to

- measure the innovation capabilities, culture and achievements of clients
- leverage and strengthen the value of existing programs
- engage with companies that are not yet
 - taking global competition seriously
 - using your programs
- match companies with your programs
- strengthen the management and commercialisation skills of R&D agencies
- map innovation activity and strengths and weaknesses, by industry sector or technology streams

You can also use WAVE to

- better track and quantify the outcomes of programs
- help design, improve and terminate programs

WAVE® changes the dynamics of service delivery from a one way process that is of value to each client or member company to a two way process that benefits both companies and industry agencies every time data is collected.



Introducing WAVE® SB

New ideas and technologies can be exciting and rewarding, but there are many hoops to jump through as you adopt, create and develop them. Some hoops are a natural part of the innovation process; but many come from the way organisations are led and managed. By using WAVE® firms can jump through these hoops and remove others with greater agility.

A fundamental business issue is managing innovation *through to commercial success*. Success requires the right mix of innovation and commercialisation capabilities. WAVE® helps direct managers' thinking towards the action required to develop innovation strategy and build the right capabilities.

WAVE® SB is the version of WAVE® for SMEs. It measures, assesses and benchmarks the capabilities of firms and guides their decision making. It has dual coverage across business capabilities and innovation. When firms use WAVE® SB they get a report and recommendations instantly on where their business stands and how best to move forward. WAVE® SB works best with companies with ten to a hundred employees.

A sophisticated theory and model lie behind WAVE® SB, but the features that impress small business users are its ease of use and practical, down-to-earth advice.

The leading user of WAVE® SB is Invest NI, the Northern Ireland industry development agency. InvestNI uses WAVE® SB along with the EFQM (European Foundation for Quality Management) assessment and financial benchmarking to review the performance of several hundred firms. Invest NI uses the reviews to decide how much and what type of support it will provide to the firms.

WAVE® is endorsed by the European Organisation for Quality (EOQ) and is regularly rated "high value" by users. Paul Mizzi, owner of Topform, a company that makes kitchen benches, said, "The results were an accurate reflection of our business. They helped me to get above the paperwork and think strategically about my firm". Trevor Berth, owner of a company that makes specialty blankets from alpaca wool, commented that WAVE® SB helped him to set priorities with more confidence. Chris Bishop, MD of the industrial design firm Intellidesign, said, "I found WAVE® SB far more valuable than advice from management consultants".

WAVE® SB helps managers to:

- see their business strengths and weaknesses in a fresh, practical way
- see how their company stacks up against others in the data base
- optimise the allocation of funds across their business
- separate short and long term priorities
- decide how much to spend on research and innovation
- get better results from "today's business" and to grow "tomorrow's business"
- track and maintain capabilities over time

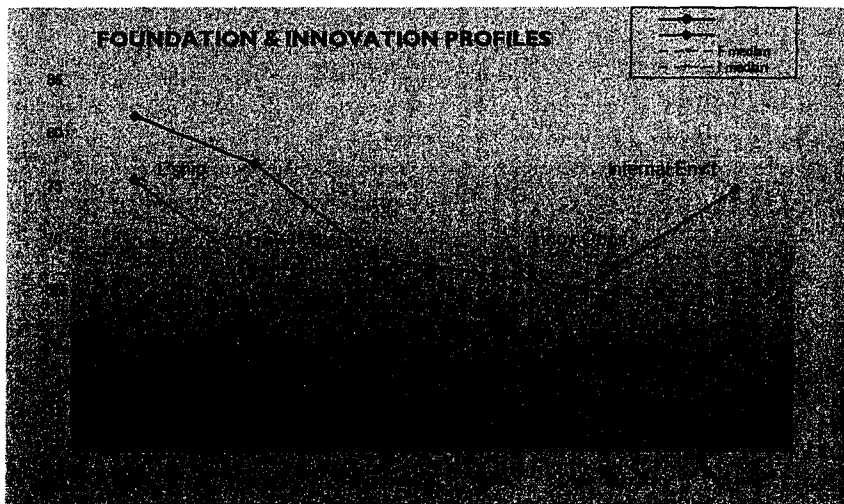


The WAVE® model

WAVE is a validated instrument based on a dynamic open systems theory and model of competitive performance. As the table shows, six capabilities are familiar organisational functions and the other six are functionally parallel innovation capabilities. The two sets of capabilities are called 'Foundation' and 'Innovation'. While there is overlap, Foundation capabilities are more important for the transaction system behind 'today's business' and Innovation capabilities are more important for the transformation system behind 'tomorrow's business'.

| FOUNDATION | INNOVATION |
|--|---|
| MANAGEMENT | LEADERSHIP |
| STRATEGY | STRATEGY |
| OPPORTUNITY SCANNING <small>Trends and Competitive Intelligence</small> | OPPORTUNITY SCANNING <small>Discontinuities and Networks</small> |
| MARKETING | INTERNAL "MARKETING" |
| PRODUCTION | CREATE, CAPTURE, ASSESS, APPLY - The core innovation processes |
| ADMINISTRATION | MEASURE AND MAINTAIN |

WAVE® SB is the fastest and easiest version of WAVE to use. Other versions have two questionnaires, for surveying managers and other employees, and much more detailed reports. In all versions responses are fed through algorithms to calculate scores for the twelve capabilities. The chart below shows how these scores are displayed to show relative strengths and weaknesses and benchmarks (dotted lines) for a firm. Capabilities are arrayed left to right from the highest to the lowest scoring Foundation capability.



A chart with two near horizontal profiles with all scores over 80 would show virtually optimised performance for the short term and optimal capabilities for future growth.