

INNOVATION LEADERS



intangible capital: five things you should know

- 1 Innovation is a strategic imperative of the knowledge era** – The growing interest in innovation is not a fad—it is the direct result of the shift to a knowledge era. Growth in the knowledge economy comes from learning and re-applying knowledge to new situations.
- 2 Innovation occurs on the intangible side of business** – Knowledge is embedded in corporate “intangibles” that include people, external networks (including customers and partners) and shared knowledge (including systems, processes, data and IP). Each organization has a unique combination of these intangibles.
- 3 Innovation can be understood as a process—but must also be seen as an ecosystem** – There are two ways of understanding how innovation happens. The first is as a process that can and should be managed. But having a process is not enough. Even a great process will fail to deliver innovation if there is a problem in the intangible capital ecosystem.
- 4 Managing innovation is about managing intangible capital** – The importance of the intangible capital ecosystem means that managing innovation, of necessity, requires good intangibles management.
- 5 Innovation requires open flows of knowledge and collaboration** – One of the lessons of the knowledge era that is especially relevant to innovation professionals is that knowledge flows and collaboration demand different approaches to management. The job of any manager today is about balancing top-down initiatives with bottom-up flows of learning and innovation.

Of Special Interest: Ch 6 (innovation is the new strategy), Part 1 (identifying and modeling IC and the innovation ecosystem)