

## **Entrepreneurial Innovation is the Solution**

As the leader of a technology and design company whose products are used around the world, I've had the opportunity to meet many students, educators, and business people. I am increasingly convinced that the solution to many communities' economic challenges can be summed up in one word: entrepreneurship. And, a specific aspect of entrepreneurship that can form the foundation for economic success on a broader level is technological innovation.

The tech industry is in big trouble! Or is it? With the dot com bust in 2000 and the subsequent crash of the financial markets, many people think that the tech industry is on life support, with an uncertain future. This view is inaccurate, to say the least. Technology is everywhere. The Internet is everywhere. And this increasing pervasiveness is not slowing down.

In fact, some experts maintain that eventually every business will be a technology business, because in order for an organization to be successful it must apply technology well, otherwise it will be inefficient and uncompetitive. There are many examples.

Wal-Mart, often thought of as a great retailer, is in fact a great technology company. By managing its inventory with streamlined efficiency, it reduces costs and delivers to customers what they want, when they want it. Wal-Mart has mastered the use of technology in the retail industry, and as a result has become the market gorilla, unseating many other established retailers.

Amazon.com, arguably the number one brand on the Internet, was not the first online bookstore, nor the first online electronics store, nor the first online retailer. But Amazon utilizes technology to serve the needs of online consumers better than its many competitors, and continues to set the benchmarks by which others are measured.

Consider this: if you were to compare a business from today with one 20 years ago, the changes would be astonishing: the use of computers, sophisticated telephone systems, electronic databases, instant messaging, ecommerce, and overnight shipping to anywhere in the world.

Indeed, the technology industry is alive, well, and thriving in business, and soon in education. It took many years, but schools now have computers, access to the Internet, and educators are exploring new methods of learning. Perhaps more importantly, nearly half of all teachers in North America will retire within the next 10 years. This means that younger teachers, who have never lived in a world without technology, will soon be driving education. The result: technology adoption will be fast and furious, and the changes dramatic.

It is sometimes said that society overestimates how quickly change will occur in the short term, yet underestimates how quickly change will occur in the longer term. And we saw this starting in the late 90s with the fanatical drive to create dot com companies during the commercialization of the Internet. Too much, too fast. Then everyone pulled back to the point of being over-conservative. And, of course, several tragic world events proved to accelerate and expand this downturn.

Yet big changes have and continue to happen. Combined with the prospect that people are becoming more comfortable living in a world of uncertainty, there are likely fewer broad economic events that can derail this revolution. In fact, the financial markets have already begun a strong recovery, showing significant gains in 2003.

So where do technology, innovation, and your community fit into all of this? Technology is changing the way we work, learn, live, and play. It should never be a question of if we should embrace technology, but rather, what do we need to do to become leaders in harnessing the power of technology to increase our knowledge, skills, productivity, and ability to innovate.

Innovation is the act of introducing something new. In business, this usually means a better way of doing something, perhaps faster, of better quality, or less costly. Innovation is important because it moves us away from "commodity" thinking, which has often been the way in many communities. A product that is commoditized is often thought of as having little differentiation in the marketplace, and its only competitive advantage comes from a lower price.

Fostering local entrepreneurship and innovation will introduce new products for export that are of high value, carry a higher margin, and are uniquely competitive. Innovation creates wealth for the entrepreneur and the community, providing citizens with new knowledge, skills, employment, and more new businesses to do it again. And this is true, sustainable, economic development.

Mathew Georghiou  
CEO, MediaSpark Inc.

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