Preface

This book gives us cause to fundamentally re-evaluate the processes of innovation and entrepreneurship, and to rethink how they might best be stimulated and fostered within our organisations and communities. The fundamental thesis of the book is that the entrepreneurial process is not a linear progression from novel idea to successful innovation, but is an iterative series of experiments, where progress depends on the persistence and resilience of the individuals involved, and their ability and to learn from failure as well as success. From this, the authors argue that the ideal environment for new venture creation is a form of ‘experimental laboratory’, a community of innovators where ideas are generated, shared and refined, experiments are encouraged, and which in itself serves as a test environment for those ideas and experiments. This environment is quite different from the traditional ‘incubator’, which may impose the disciplines of the established firm too early in the development of the new venture.

Innovation and entrepreneurship are much discussed by those involved in education, enterprise and the development of public policy, driven by the assertion that the comparative advantage of nations no longer depends merely on their means of production, but on their capacity to create and assimilate knowledge, their ability to envision new ways of doing things, the speed with which they adopt and adapt to these innovations, and the rate at which they generate new and enhanced artefacts, services, goods and products that are sought after by others. While there is an extensive descriptive literature of the processes involved in innovation and entrepreneurship, it does not seem to be fully appreciated just how complex, extraordinary and vulnerable these processes are, especially when full consideration is given to cognitive and social processes underpinning innovation, and the institutional and cultural contexts in which they occur.

The process of innovation is all the more extraordinary when we consider just how much of what we do is habitual: we are quite literally creatures of habit. We normally respond to stimuli and problems with habitual learned responses. This is not surprising. These responses have proved effective, to us or to others, in the past, so we use or adapt these learned responses as any new challenge unfolds. Nor is it inappropriate, as these learned responses are often the optimum solutions within current knowledge, technology and social structures. Moreover, the stability of society depends on some level of predictability in social interaction, so that
such learned responses are expressed as norms of behaviour. It is an important function of learning and culture to transmit such tried and tested responses and solutions from generation to generation, maintaining complex social structures and relieving us of the need to reinvent the wheel.

Given the centrality of habitual action and learned responses in our behaviour, what is remarkable is that individuals and groups actually do question established norms, envision new approaches, act to change the way things are done, and to drive others to adopt these ways of doing and being. It is all the more remarkable when we consider the extent and strength of social and cultural forces that tend to suppress innovation. Nonetheless, innovation occurs, on a considerable scale, and it is worth considering the social and cultural conditions which foster innovation. These include free access to knowledge, openness to questioning, protection for the questioner and the contrary view, tolerance of difference and dissent, high levels of autonomy and capacity for independent action, and acceptance of risk.

These characteristics can be said to be present to a greater or lesser extent in any social group or culture, and it can be argued that where they are present, the capacity for innovation is greatest. However, these are not fixed characteristics of a social group, they can vary with context, so that in different contexts, the same social group can be more or less tolerant of difference, allow greater or lesser autonomy, or be more or less accepting of risk.

There are two particular contexts where the social characteristics of innovation are very strongly expressed: play and experimentation. These are contexts where questioning, difference, autonomy, action, imagination and innovation are strongly reinforced, in a context where the risks associated with these behaviours are accepted or controlled. Play and experimentation are inter-related: play involves exploratory and experimental activities, there are distinguished scientists who argue that experimentation has playful characteristics, and distinguished educators who argue that play and experimentation are intrinsic to learning.

Against this backdrop, the idea that a new form of ‘experimental laboratory’ is the optimum environment for new ventures to germinate and blossom is timely and compelling. This volume explores the experimental nature of new venture creation, develops the idea of formally structuring and supporting such experimentation in a ‘new venture laboratory’ setting, considers the role of universities and other knowledge organisations in establishing an ‘ecosystem’ in which such experimental approaches can thrive, and draws on the experience of students and practitioners to describe such ‘experimental laboratories’ in action.

This book is a clarion call to those in academia, enterprise and government who seek to work together to promote innovation and entrepreneurship, with a stark message for academic institutions: engage or be left behind. Higher education institutions, and in particular universities, have emphasised the generation, dissemination and conservation of knowledge over its exploitation and application. Furthermore, research universities no longer have a monopoly on generating knowledge or educating people, and a wide variety of enterprises, economic and social, can be seen as knowledge enterprises, discovering, applying and teaching.
The university of the future will not be an isolated institution, but a vital node in a fluid network of interdependent knowledge organisations which together create an innovation system. This requires universities to rethink their structures and processes, enterprise to re-evaluate their conceptions of value, risk and return, and governments, through regulation and funding, to promote an intimate and mutually beneficial interaction between public universities and private knowledge enterprises. This book is an essential reading for those willing and able to think anew about these critical relationships.

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