



AIM PHILDEV LAUNCH 6/7/16
INNOVATION AND ENTREPRENEURSHIP

MY TALK TONIGHT ON INNOVATION AND ENTREPRENEURSHIP, IS THE RESULT OF MANY MEETINGS AND DISCUSSIONS WE'VE HAD AMONG ENTREPRENEURS, CLOSE FRIENDS FROM VENTURE CAPITAL AND ENTREPRENEUR COMMUNITY IN SILICON VALLEY, AND STAKEHOLDERS FROM INDUSTRY IN THE PHILIPPINES, THE ASIA INSTITUTE OF MANAGEMENT,

THINKING ABOUT THE NEED FOR INNOVATION AND ENTREPRENEURSHIP AS THE NEW FOUNDATION FOR ECONOMIC DEVELOPMENT.

THESE DISCUSSIONS PRESENTED THE OPPORTUNITY FOR US TO TAKE ON THE MISSION OF THINKING ABOUT OUR COUNTRY'S FUTURE FROM THE POSSIBILITIES THAT INNOVATION AND ENTREPRENEURSHIP CAN BRING.

INNOVATION CREATES THE PATH TO WHAT IS NEW AND NECESSARY TO BECOME BETTER INTEGRATED INTO A WORLD OF ACCELERATED CHANGES THAT IS COMPLEX, COMPETITIVE, AND OPEN.

OUR THOUGHTS AND VIEWS TOOK INTO ACCOUNT THE TRENDS EVOLVING FROM THROUGHOUT THE WORLD, BECAUSE SOONER OR LATER THESE TEND TO IMPOSE THEMSELVES EVERYWHERE AS MAJOR DISRUPTIONS.

WE WERE AWARE OF CERTAIN DYNAMICS THAT MAY RADICALLY CHANGE OUR LIVES, PARTICULARLY, AN EXPANDING GLOBALIZATION, POPULATION GROWTH, AND OUR GROWING DEMAND FOR GREATER PRODUCTIVITY AND QUALITY OF LIFE.

WE ASKED OURSELVES WHY WE ARE CONCERNED WITH INNOVATION, HOW IT OCCURS, HOW WE SUSTAIN IT, AND HOW IT BECOMES PART OF OUR DAILY LIVES.

IS IT JUST SCIENCE AND TECHNOLOGY? WHAT IS THE ROLE OF CREATIVITY? HOW MUCH DEPENDS ON CULTURE, HISTORY OR ATTITUDES OF VARIOUS INDIVIDUALS AND GROUPS OR COUNTRIES? ARE THERE PLACES THAT ARE MORE FAVORABLE TO INNOVATION?

WE WERE AWARE OF WHAT HAPPENED WITH DEVELOPED COUNTRIES IN THE LAST TWO HUNDRED YEARS.

COUNTRIES WITH SIGNIFICANT ENRICHMENT OVER THAT SPAN OF TIME, ACCOMPLISHED IT NOT BECAUSE OF INSTITUTIONAL ACCUMULATION OF WEALTH.

IT WAS ACCOMPLISHED THROUGH ACCUMULATION OF IDEAS BY COMMON PEOPLE, MOST OF THEM WITHOUT MEANS OR CAPITAL BUT WERE LIBERATED FROM CONSTRAINTS OF SOCIETY, GOVERNMENT, OR RULERS. ESSENTIALLY, IT IS THE CONCEPT OF LIBERTY THAT ENABLED THEM TO THINK FREELY.

IN PRESENT DAY LANGUAGE, THEY ARE ENTREPRENEURS WITHOUT CAPITAL BUT RICH IN IDEAS AND ARE FREE TO INNOVATE.

ANOTHER GREAT CONCEPT ADDED TO LIBERTY IS EQUALITY. BOTH RICH AND POOR WERE GIVEN EQUAL RIGHTS TO FREELY PURSUE DEVELOPMENT OF THEIR IDEAS.

EARLY ON, COUNTRIES FROM THE WEST INSTITUTED THE RULE OF LAW, PROTECTION OF INTELLECTUAL PROPERTY RIGHTS, AND THE AVAILABILITY OF CAPITAL ENABLED ENTREPRENEURS TO TAKE RISKS RESULTING IN ECONOMIC GROWTH THAT HAS NOT BEEN SEEN BEFORE.

THESE WELL PROVEN SIMPLE CONCEPTS CONTINUE TO THRIVE IN DEVELOPED COUNTRIES TODAY. IN FULL IMPLEMENTATION, IT WILL ERADICATE POVERTY.

CONCLUSIVELY, ENRICHMENT OF THE POOR DID NOT COME FROM CHARITY, AND INSTEAD, FROM A PROGRESSIVE THRIVING ECONOMY.

THE BETTERMENT OF THE NEXT GENERATION WILL BE ENABLED NOT BY POLITICIANS BUT FROM ENGINEERS AND ENTREPRENEURS RICH IN IDEAS FOR INNOVATION AND BUSINESSMEN WHO KNOW THE DYNAMICS OF WEALTH ACCUMULATION.

THIS IS THE REASON WHY AIM AND PHILDEV ARE PARTNERING IN THE CREATION OF A UNIQUE INCUBATOR. NEW IDEAS AND BUSINESS PRACTICES WILL BE DEVELOPED TO ENHANCE THE PROBABILITY OF ENRICHMENT SUCCESS.

IN OUR STRATEGIC PLANNING AT PHILDEV, WE DISCUSSED METHODS AND MODELS OF HOW WE USUALLY THINK OF INNOVATION AND ENTREPRENEURSHIP. IT TOOK US A WHILE, MULTIPLE STRATEGIC PLANNING SESSIONS, TO FINALLY BRING OUR CONCLUSIONS TO THIS LEVEL.

WE PERSEVERED, BECAUSE OUR COUNTRY DESERVES THE COMMITMENT OF TAKING RESPONSIBILITY TO WHAT IS ESSENTIAL TO OUR FUTURE, AND THAT IT SHOULD BE DONE AT AN APPROPRIATE PACE, AND NOT LIMITED BY SHORT TERM ISSUES, AND INSTEAD INSPIRED BY BROAD FOUNDATIONAL PRINCIPLES.

IN THIS CONTEXT, NO DEVELOPING COUNTRY'S FUTURE IS ASSURED. THE SUCCESSFUL ONES WILL BE THOSE ABLE TO DERIVE METHODS AND MODELS FROM SUCCESSFUL DEVELOPED COUNTRIES, HUMBLE AND REALISTIC ABOUT ITS CURRENT STATUS AND ABLE TO RALLY THE COLLECTIVE STRENGTH OF ITS GOVERNMENT, ACADEME, INDUSTRY

AND POPULATION TO DEAL WITH THE TRANSFORMATION THAT INNOVATION AND ENTREPRENEURSHIP BRING.

FROM THE BEGINNING, WE OBSERVED THAT IN SPITE OF ALL OUR EFFORT IN EXPOSING THE NEED USING EXAMPLES FROM DEVELOPED COUNTRIES, INNOVATION CONTINUES TO BE ABSENT FROM MAJOR DISCUSSIONS AND PLANNING ABOUT OUR COUNTRY'S FUTURE. FOR MOST FILIPINOS, IT STILL APPEARS TO BE THE DISTANT DISCOURSE OF THE POLITICAL AND ECONOMIC ELITE, AND NOT A RESPONSE TO THEIR URGENT NEEDS.

ONCE AND FOR ALL, WE NEED TO DEAL WITH THIS INDIFFERENCE AND INACTION.

THIS IS WHY WE MUST EXPAND OUR COMPREHENSION OF THE INNOVATION AND ENTREPRENEURSHIP PHENOMENON, SPANNING BOTH THE HUMAN AND SOCIAL, AND OF COURSE, THE SCIENTIFIC-TECHNOLOGICAL AND ECONOMIC-ENTREPRENEURIAL SPACE.

ALSO, AND AS IMPORTANT, WE CONCLUDED THAT INNOVATION AND ENTREPRENEURSHIP ARE INSEPARABLE FROM AN ECONOMIC GROWTH POINT OF VIEW.

WE MOVED AWAY FROM THE CLASSIC VIEW OF INNOVATION AS "SCIENCE + TECHNOLOGY + CREATIVITY = INNOVATION". INNOVATION IS NOT A MERE EQUATION. INNOVATION IS NOT INVENTION.

INNOVATION IMPLIES INDUSTRY RISK TAKING AND ITS POSITIVE IMPACT ON ECONOMIC GROWTH.

INNOVATION IS CREATING AN IDEA, A PRODUCT OR SERVICE THAT HAS NEVER BEEN DONE BEFORE. WE BELIEVE IN THE DEFINITION OF INNOVATION IN THE CONTEXT OF ENTREPRENEURSHIP AS THE “UNION OF TECHNOLOGY AND MARKET NEEDS RESULTING IN THE CREATION OF HIGH VALUE ADD PRODUCTS AND SERVICES”.

ENTREPRENEURSHIP IS GENERALLY UNDERSTOOD AS THE CREATION OF ENTERPRISES FROM THE GROUND UP AND IN MANY CASES, WHEN SUCCESSFUL, ENTREPRENEURIAL EQUITY ACCOMPLISHES ITS ROLE AS THE FASTEST DIFFUSION OF WEALTH TO THE POPULATION.

HOW DOES THIS HAPPEN?

IT HAPPENS WHEN IT IS DEFINED AS: “ENTREPRENEURIAL EQUITY IS THE PROPORTIONATE AND FAIR DISTRIBUTION OF OWNERSHIP OF THE ENTERPRISE TO ALL EMPLOYEES AND INVESTORS”. WHEN SUCCESSFUL, IT IS ONE OF THE BEST KNOWN DRIVERS FOR INDIVIDUAL WEALTH.

IN THIS PRACTICE OF ENTREPRENEURIAL EQUITY, THERE IS NO BETTER EXAMPLE THAN SILICON VALLEY.

INNOVATION AND ENTREPRENEURSHIP, IS SUCH A POWERFUL UNION ENABLED BY LEVERAGING THE TECHNICAL CAPABILITY OF HUMAN CAPITAL IN ALL ITS FORM OF KNOWLEDGE AND EXPERTISE IN TECHNOLOGY DEVELOPMENT, PRODUCT CREATION AND WEALTH CREATION.

IT IS THEREFORE THE BEST TOOL FOR INCLUSIVE INNOVATION WHERE TECHNICAL KNOWLEDGE, CREATIVITY, AND DESIGN ARE VALUED MORE THAN MONEY.

AS WE CONFRONT THE CHALLENGES OF THIS TRANSFORMATION TO ENRICHMENT, OUR COHESIVENESS, CREATIVITY, AND MORE IMPORTANTLY OUR POLICIES, ENERGY AND FORCEFULNESS IN THE IMPLEMENTATION OF MODELS AND METHOD WILL HAVE DIRECT IMPACT IN THE SUCCESS OR FAILURE OF THESE TRANSFORMATIONS.

THERE ARE MANY ASPECTS TO THIS TRANSFORMATION THAT WE ARE TO ACHIEVE. IN MY OWN OPINION, THE TOUGHEST ONE WE MUST DEAL WITH IN THIS CHANGE IS CULTURAL.

WE WILL BE CHALLENGED BY EXISTING ATTITUDES AND PRACTICES AROUND RISK TAKING.

WE NEED TO LEARN NEW PRACTICES IN STRATEGIC LONG RANGE PLANNING, AND IN THE FACE OF UNCERTAINTY, ALWAYS BELIEVING THAT INNOVATION AND ENTREPRENEURSHIP MUST BE THE FOUNDATION OF OUR COUNTRY'S SUSTAINABLE ECONOMIC GROWTH TO FULL DEVELOPMENT.

AS WE BEGIN TO FACE THESE CHALLENGES, OUR ABILITY TO CONTINUOUSLY CHALLENGE OURSELVES, OUR ACTIONS AND BELIEFS, FULFILLING COMMITMENTS, OUR TRUST IN EACH OTHER, AND ABOVE ALL OUR IMAGINATION AND CREATIVITY IN INNOVATING UNDER COMPETITIVE PRESSURES AND CONSTANT CHANGES WILL PLAY SIGNIFICANT ROLES.

IF WE AIM TO ACHIEVE A BETTER QUALITY OF LIFE AND GROWTH BASED ON THE CREATION OF NEW WEALTH,

IF WE WISH TO MOVE BEYOND THE EXPLOITATION OF NATURAL RESOURCES, COMBINING INTELLECTUAL WORK WITH SCIENTIFIC AND TECHNOLOGICAL TRAINING,

IT IS NECESSARY, NOT SUFFICIENT, AND QUITE ESSENTIAL TO BUILD A FASTER AND SHORTER PATH TO ECONOMIC DEVELOPMENT, A PATH THAT REQUIRES COMMITMENT AND ABILITY TO IMPROVE OUR CONVERSATIONS AND TRANSFORMATIONS BASED ON INNOVATION AND ENTREPRENEURSHIP.

IN RECENT YEARS, WE HAVE SEEN CONSTANT GDP GROWTH IN THE PHILIPPINES OF 6% AND ABOVE. WE HAVE ALSO SEEN INFLUX OF FOREIGN DIRECT INVESTMENTS AND A COUNTRY ACHIEVING INVESTMENT GRADE STATUS.

HOW DID THIS HAPPEN? CAN THE GOVERNMENT AND INDUSTRY SUSTAIN THIS GROWTH AND STATUS?

RESEARCH HAS SHOWN THAT IN ANY ECONOMY, SUSTAINED HIGH GROWTH HAPPENS DUE TO A NUMBER OF COMMON ATTRIBUTES SUCH AS: A FUNCTIONING MARKET SYSTEM, HIGH LEVELS OF SAVING, PUBLIC AND PRIVATE SECTOR INVESTMENT, RESOURCE MOBILITY, INNOVATION, AND POLITICAL LEADERSHIP AND ITS ABILITY TO DEPLOY THE RIGHT INFRASTRUCTURE AND BUSINESS POLICIES.

SUCCESSFUL CASES OF LEADERSHIP AND EFFECTIVE GOVERNMENT SHARE A FURTHER CHARACTERISTIC, AND THAT IS: AN INCREASINGLY CAPABLE, CREDIBLE AND EFFECTIVE GOVERNMENT.

IT REQUIRES A STRONG COMMITMENT PURSUED WITH PATIENCE, PERSEVERANCE, HARD WORK AND PRAGMATISM.

HOWEVER, GOVERNMENT IS NOT NECESSARILY THE CAUSE OF GROWTH. THAT ROLE FALLS TO THE PRIVATE SECTOR AND ITS ABILITY TO INNOVATE, INVEST, AND ENTREPRENEURSHIP RESPONDING NOT ONLY TO LOCAL BUT MORE IMPORTANTLY, GLOBAL MARKET NEEDS.

WE TAKE THE VIEW THAT ECONOMIC GROWTH IS A NECESSITY, IF NOT SUFFICIENT, CONDITION FOR BROADER DEVELOPMENT, ENLARGING THE ABILITY OF INDIVIDUALS TO BE PRODUCTIVE AND CREATIVE.

WHILE GROWTH IS NOT AN END BY ITSELF, IT MAKES IT POSSIBLE TO ACHIEVE OTHER IMPORTANT OBJECTIVES OF INDIVIDUALS AND SOCIETIES. IT CAN SPARE AN ENTIRE POPULATION FROM POVERTY AND DRUDGERY. IT ALSO CREATES RESOURCES TO SUPPORT EDUCATION, HEALTH CARE, INFRASTRUCTURE BUILDING AND OVERALL QUALITY OF LIFE.

IN ALL OF THESE POSSIBILITIES, I BELIEVE AND SUGGEST THAT THE ROLES OF MOST VALUE FOR ECONOMIC DEVELOPMENT ARE INNOVATION AND ENTREPRENEURSHIP.

IT IS IMPORTANT TO NOTE THAT ECONOMIC GROWTH RESULTING IN WEALTH CREATION WITHOUT ENTREPRENEURSHIP HAS BEEN KNOWN TO WIDEN THE GAP BETWEEN THE RICH AND THE POOR. THIS SITUATION HAPPENS SINCE MOST INVESTMENTS ARE FINANCIAL IN NATURE. THE CREATION OF VALUE THROUGH CREATIVITY AND INTELLECT ARE INSIGNIFICANT TO NONE. HENCE THE RICH GET RICHER AND THE POOR ARE STILL POOR.

TO SUMMARIZE, FOR THE PHILIPPINES TO BECOME AN ENRICHED COUNTRY, IT MUST PROTECT INTELLECTUAL PROPERTY USED FOR INNOVATION, RIGHTS OF INDIVIDUALS TO BE FREE TO PURSUE IDEAS FOR ENRICHMENT, PROMOTE AVAILABILITY OF CAPITAL TO INVEST IN INNOVATIVE IDEAS, AND PROTECT EQUAL RIGHTS FOR ALL SEGMENTS OF SOCIETY.