



Innovation is transformation of knowledge into money

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What is innovation?

Innovation is the transformation of knowledge into money. In reality, this means turning products, services, processes, systems, structures, brands, IP etc into anything that customers are willing to pay for or that reduces the cost of serving the customer. Innovation is not the same as research. Research is the transformation of money into new knowledge of products, processes, markets, industries and so on. This means that innovation is not equal to research, and investments in research do not automatically result in innovation. We sometimes tend to forget this distinction when allocating research funding or drawing up new innovation policies.

Why is innovation a must?

As much as we starve for it people cannot eat knowledge. Research to develop new knowledge is a necessary but not sufficient condition for economic development and growth. Innovation is required to take knowledge and create the value that is seen as valuable and useful in the eyes of people, organizations and societies. In managerial terms, organizations and governments need to have a research as well as an innovations strategy and system. They are not the same.

How can we integrate innovation and education?

I previously distinguished between research and innovation but it is equally critical to understand the relationship between education

and innovation. The 'golden triangular' of societal development is really made up of research, education and innovation. If research is the development of new knowledge, education is the diffusion of that knowledge to those who may innovate and develop the fruits of innovations. Education and innovation can always be better integrated in the educational system. In kindergarten we can be better at acknowledging and encouraging children's imagination. In primary education we can do an even better job at stimulating children to convert their imaginations into things, useful or not. In secondary education we

can begin linking children even more with real-life examples of the transformation of research-based knowledge into something and what this means for individuals, organizations and societies. In universities we can always create a better context for entrepreneurship of different kinds, commercial and social.

What are the hindrances to become innovative?

I assume you mean innovative within the education sector.

Our educational system is based on the assumption that the professor knows more and has the right answer. While this may still hold in kindergarten it is not always true in higher education. Just like many of us have checked out what is available on the internet before we visit a medical doctor with our health problem many students are perhaps as knowledgeable as the teacher, and have real-time access to the latest views about a topic. To innovate education, it is vital that professors both understand and appreciate the new realities. This