To better compete, we need to get back to radical innovation

When we discuss entrepreneurship, we often refer to small business startups and new business growth. However, just as every small business is not entrepreneurial, neither is every large business over covered with red tape. In fact, many business leaders, politicians and scientists came to realize that entrepreneurship is a way of doing things, a philosophy and, yes, even a way of life. Specifically the American way of life, which appears to be disappearing to places like China and India.

Although this is an emotional issue for many people, the truth is that there will always be a Mexico, China, India or another country that is yet to rise up. That did not change, we did.

A partial answer is found in the field of entrepreneurship — and specifically the field of innovation, a dimension of entrepreneurship. America, for the longest of time, was one of the most innovative countries in the world. We were untouched. Although many countries innovate, our secret was the nature of the innovation we engaged in.

To understand what I mean, note that not every innovation is the same. Innovation can be plotted from “radical” on one side of the spectrum to “incremental” on the other. Radical innovation is the “big thinking,” “visionary” creation that is difficult to copy, makes previous technology obsolete and carries significant risk. This type of innovation includes laser surgery, space-based materials, noninvasive medical technologies and so on. Here in Fort Wayne, we have a number of claims to the radical innovation “hall of fame” — including the invention of the calculator.

As Americans, until recently we were known as the country (and the people) that had the courage and vision to engage in radical innovation. Because radical innovation is a game changer, making previous technologies obsolete, it cannot be easily copied. Because radical innovation requires high human capital skill, it cannot be easily exported overseas. In fact, many credit our innovativeness (rather than military strength) as the reason why the United States rose to the forefront of world industrial dominance.

Something happened to us. We started looking at the stock market reports and boardroom practices. We started being cautious and careful. Today, many Americans engage in incremental innovation (for example, attaching a glove to an ice scraper), which generally improves — not replaces — existing technology. This type of innovation is easily copied and is more price sensitive. As a result, we are not as competitive with these activities as other countries with lower labor and infrastructure costs. As a result, China and India have become greater threats to us in recent times.

The question that needs to be asked is, why did we change from radical innovation (where we were the best) to compete with other countries in the incremental arena? To restate the question: Why did we stop being the visionary leaders we once were?

The answer comes from the field of entrepreneurship. Entrepreneurial activity is described as innovative, proactive activity that carries some risk. As a professor, I believe that our schools and institutions of higher learning, by and large, have to take some of the blame. Instead of teaching our students how to think, be passionate and believe in themselves, we teach them how to fill in the numbers and follow a recipe. Instead of encouraging innovative thinking, we encourage following the rules. Instead of thinking outside of box, we encourage protocols.

Perhaps the time has come for Americans to listen to the voice of entrepreneurs. Before we start pointing at Mexico, China, India or another country as our economic foe, we need to ask ourselves, why did we abandon our strength to go and compete with them? Instead of blaming the competitor for running his or her best, we need to ask why we are not running as well as we used to.

The answer, we may conclude, is in who we are. We are vision-driven, individualistic people who are able to see beyond the next hill. We need to champion, promote and encourage entrepreneurial thinking, creativity and, yes, even noncompliance, for we are a nation of entrepreneurs.

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10 a.m. to 11 a.m. or 2 p.m. to 3 p.m.