

FROM THE EDITOR

The rustling of leaves

Earlier this month I watched Scott Kelly and Mikhail Kornienko touch down after nearly a year in space, 340 days to be precise. During their stay they managed to tweet the most spectacular photos of the earth to their followers. Who would have thought it possible to document and share their experience in this way even a few years ago? We are no longer strangers to scientific or technological innovation. While innovation is now ubiquitous, its evolution has been gradual. As Peter Drucker once observed, “Innovation opportunities do not come with the tempest but with the rustling of the breeze.”

Nevertheless, few among us, with perhaps the exception of chief innovation officers and innovation units, have considered the social ramifications of innovation on business, geopolitics and the law. In this edition of *Asian Management Insights*, we explore this further.

In their article on ‘Brand Breakout’, authors Nirmalya Kumar and Jan-Benedict Steenkamp discuss how emerging economies are creating national brands and harnessing the country’s state-owned enterprises to develop ‘national champions’. Of particular interest are their insights on the acquisition of some of the world’s luxury brands by Asian companies, ranging from leading couturiers and hotels, to some of the world’s most fabled motoring brands. As Victor Hugo once wrote, “There is only one thing stronger than all the armies of the world: and that is an idea whose time has come.” The migration eastward is clearly one of those.

Meanwhile, rumbles continue to be heard from our northern neighbour, with economists, analysts and business leaders asking whether or not China is in the throes of bracing itself for a hard landing. Our contributors think otherwise. George Hylden, for example, considers Made in China to be the new face of business model innovation. Sarita Mathur sees China’s economy poised for a new normal. Its supply of unskilled labour may be diminishing, but it has a rapidly expanding educated and skilled workforce. China currently leads the world in its annual cohort of science and engineering PhDs, 30,000 in 2015. It may have declined membership in the Trans-Pacific Partnership, at least for now, but it is reinvigorating the Silk Road by continuing to develop multilateral relationships that go beyond trade in goods and services.

Today, innovation is intrinsically related to digital, web-based technologies that are driving the *new economy*—whose features include rapid change, hyper-competition and information sharing. As contributor Tim Jones points out in his article, these features are pushing us to re-imagine an intellectual property regime more suitable for the needs of the 21st century. Intellectual property is a significant stumbling block for Asian economies. In the case of Vietnam, its climb up the economic liberalisation ladder will not be easy, say contributors Duong Nhu Hung and Tran Quang Dang, citing industry compliance issues that include intellectual property concerns.

Suraya Sulaiman takes a deeper look at how the digital world and the ever present mobile-app have permeated our lives in more ways than we would like to admit, and queries: Will the digital advantage be solely the domain of the start-ups? No. She explains how large organisations can also leverage digital advantage for innovation. And a strategy is only as good as its implementation—says Robin Speculand as he takes us through some uncommon practices to achieve excellence in execution.

At the national level, Singapore’s Smart Nation Initiative represents innovation in action. Contributors Foo See Liang and Gary Pan observe that smart city initiatives are a means to address denser, more diverse and growing urban populations. At the other end, serial entrepreneur Krating Poonpol illustrates how Thailand needs to develop an ecosystem, which, along with education, will be a springboard for successful start-ups there.

The march of innovation continues at the most basic level—and is becoming social. Charles Leadbeater analyses innovation’s social function. Frugal innovation systems mobilise communities and create value through empowerment and efficiency. The lean, simple, clean and social characteristics of frugal innovation also offer a solution for the socio-economic challenges of our time, he says. Meanwhile, Ravi Chidambaram explores how one firm in Laos was able to provide affordable, off-grid renewable energy to underdeveloped rural communities through evolving business models that shy away from charity by sustainably balancing profit and social impact.

The bottom of the pyramid is now clearly on the radar screen of policymakers. This month we spoke to the former president of Nigeria, Olusegun Obasanjo, on economic and social developments in his country. The relationship between education and leadership is paramount, he says. “If you have education, but poor leadership, you won’t get far. And similarly, if you have good leadership, but the people are not educated and armed with skills, you won’t get far either.”



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