

## INNOVATION WORKSHOP – KEY FINDINGS

# CHRISTCHURCH ECONOMIC DEVELOPMENT STRATEGY (CEDs)

May/June 2016

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### PURPOSE

Canterbury Development Corporation is undertaking a review of the Christchurch Economic Development Strategy, 2013.

The CEDs Innovation workshop was one of four thematic workshops<sup>1</sup>, the others are as follows:

- CEDs Labour Market workshop
- CEDs Attractive City workshop
- CEDs Business Environment workshop

The purpose of the CEDs Innovation workshop was to consider what is needed to help improve the rate and return from innovation by Christchurch businesses and the wider regional innovation system. The workshop involved representatives of Christchurch's business community, local government, tertiary and other stakeholders.

This document presents the key findings from the discussion. It may be useful to read this along-side the workshop brief<sup>1</sup>, which provided context for the discussion. The summary points from the workshop brief are included in Appendix 1.

### NEXT STEPS IN THE REVIEW OF CEDs

During June and July 2016, CDC will use the workshop findings and other research to review the CEDs strategic framework and identify potential initiatives with delivery partners. This will be circulated to all workshop participants.

During July and August 2016, CDC will draft the revised strategy.

The strategy will be presented to the Christchurch City Council in late 2016 for endorsement.

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<sup>1</sup> All the workshop key findings papers and the workshop briefs can be found at the [web page](#).

## KEY WORKSHOP FINDINGS

For the purposes of CEDS, the definition of innovation as “new ways of doing things that deliver economic benefit” was generally accepted.

It was generally accepted that our challenge is not delivering more innovation inputs / outputs but extracting more economic value from innovation outputs.

### CONSTRAINTS ON ACHIEVING GREATER ECONOMIC RETURNS FROM INNOVATION

The main constraints on achieving greater economic returns from innovation are:

- A lack of market development capability and knowledge:
  - A lack of sales and marketing capability and investment
  - Naivety about market competition and a lack of market knowledge and expertise and, foreign connections and language skills
- Capital market challenges:
  - Supply:
    - Particularly early stage capital
    - Risk aversion among New Zealand investors
    - Lack of local supply – Auckland centric market – both national and international capital
    - How to get the right capital at the right time and the right investment structures for growth?
  - Need to improve “capital readiness” of businesses
- A lack of scale – both small businesses and a small domestic market.
- A lack of governance and management capability, depth and diversity:
  - General capability issues
  - Reluctance to lose control
  - “DIY mentality” – within business and parochial naivety in Christchurch and New Zealand
- A lack of ambition and urgency:
  - Earthquakes may have diverted people from growth focus and affected confidence
  - “DIY mentality” – within business and parochial naivety in Christchurch and New Zealand
- Too much emphasis on lifestyle and work/life balance within city profile – need to be attractive for careers and business not just lifestyle; attractive for young people.

Other constraints included difficulties converting research into commercial outcomes due to a lack of commercial partners, misaligned research incentives and slow research process.

Solutions to address constraints to realising more economic returns include:

- Bringing in more international expertise through leveraging existing MNC / kiwi overseas relationships and encouraging migrants
- Improving connections locally and nationally:
  - Working with other New Zealand cities to build scale and solve problems / realise opportunities
  - Making it easier to understand what's going on in Christchurch and making it easier to access existing networks
  - Improving connections across sectors
  - Collaborating to pool resources
- There is potential for government to work more constructively together to provide a more innovation friendly environment and remove barriers to being innovative. Ideas included:
  - “Red hat” – problem solving focus to enable development
  - Greater clarity and clearer communication of roles and responsibilities within the local ecosystem
- Building on existing business / tertiary engagement with a particular focus on internships and linking business with international students.

## **INNOVATION CAPABILITY THAT COULD BE LEVERAGED FOR SIGNIFICANT ECONOMIC IMPACT**

Specific opportunities for Christchurch to leverage innovative capability include:

- Health – globally recognised system
- Agribusiness – may not be agritech; potential to partner with Hamilton
- Antarctica – leverage the flow of scientists through Christchurch

Other ways to achieve more through innovation include:

- Looking at the opportunity for innovation in strongly growing service sectors like tourism and education
- Recognise that it is as much about business model innovation as product innovation
- Look at the intersection between technology and other sectors. Strong tech sector may not be a differentiator on its own, but can be a platform for other sectors
- Focus on “integrity” as a point of difference
- Christchurch as a testbed or environment for innovation
- Social innovation
- Post-quake – capabilities and profile

The key way to leverage these opportunities is to connect across sectors/silos; with other regions / cities in New Zealand; and undertaking joint strategic planning across institutions / government.

Other ways included profiling Christchurch through leveraging big events such as Singularity University and having a collective approach to marketing; focusing on Asia; ensuring we are encouraging diversity of ideas / cultures in Christchurch.

## **IMPROVING OUR ABILITY TO ANTICIPATE AND ADAPT TO CHANGE**

Change the conversation:

- Focus on commercialisation rather than innovation
- Communicate what we want to be known for
- Use exemplars / case studies
- Focus on business model innovation not just technology or product
- Measure innovation differently

For businesses, need to:

- Improve understanding of global trends and that change is no longer linear
- Encourage businesses to spend more time “on the business”
- Improve the ability to adapt to practices developed overseas
- Improve strategic planning

The adaptability and innovative capability of young people is critical to Christchurch’s future.

Ways to improve the ability to anticipate and respond to change include:

- Encouraging the flow of people and ideas into Christchurch and build international connections – particularly “thought leaders”. Immigration can help improve connections and provide a different world view.
- Facilitating connections and sharing of ideas / case studies within Christchurch, including making it easier to understand what’s going on
- Building international connections

## **APPENDIX 1 – INNOVATION WORKSHOP BRIEF SUMMARY**

- Innovation is defined as “new ways of doing things that deliver economic benefit”.
- Innovation is a key driver of economic growth – the successful adoption, development and commercialisation of new ideas maintains competitiveness, improves productivity and builds new businesses and export opportunities.
- Canterbury’s regional innovation system already has several strong attributes and a developing innovation support system.
- Canterbury’s innovation system is not realising its full economic value in terms of higher productivity/output.
- Building critical mass and scale may be important to realise greater economic returns from innovation.