

# Preface

Modern economies today have undergone a dramatic change, thanks to the upsurge of computer and communication technology. Technology frontier today is driven by the information frontier and innovation provides the key catalytic driving force. Schumpeter views innovation as challenges: challenge to the Walrasian competitive equilibrium, challenge to the modern entrepreneurs, and challenge to management. Managing innovations in many forms and adopting forward-looking business strategies are important today for success in modern business enterprise. This new paradigm of industry growth and the impact of endogenous innovation provide the central focus of this volume. Technology diffusion, human capital deepening, dynamic efficiency, and market growth provide the key components of the modern theory of innovation. This theory has several basic features: (1) to explore a comprehensive theory of innovation extending the Schumpeterian perspective, (2) to develop a new theory of management that has been called the corporate lattice model, (3) to explore the need for collaborative ventures in R&D investment, (4) to discuss the many profound impacts of the Internet and associated technology, and (5) to explore the dynamic efficiency generated by the innovation frontier and its impact on economic growth under rivalrous competition.

Today's business leaders are aware that in this knowledge economy the quality of their workforce drives the value of their shares. According to a Brookings Institution study nearly 85 % of a company's assets are related to knowledge and talent. Because talent works at every level of the business corporation, the changes necessary to develop that talent extend to nearly every aspect of the company's activities. The shortage of critical talent now and in the near future is one big challenge for the managers today. The US Department of Education estimates that 60 % of all new jobs in the early twenty-first century will require skills that only 20 % of the current US workforce possess. Skill development and emphasis on innovative growth provide the key elements of successful management today. Need for effective collaboration is all the greater in this framework. Given the ever increasing pace of global business working together collaboratively becomes critical to keeping pace with innovation-intensive competition. Rather than focusing on defending a few key ideas or stocks of knowledge, companies must use the flows

of knowledge generated by innovation to continuously accelerate newer and better ideas. This volume seeks to explore a comprehensive view of innovations in all its aspects. Schumpeterian models of innovation are extended in terms of modern theory and various challenges before modern management are discussed in some detail.

I would like to take this opportunity to express my deep appreciation to my wife who provided constant support and to my Guru for his encouragement. Both told me to remember that if even one student gets benefit from reading my book, I should continue to write it. My grandchildren—Jayen, Shiven, Aria, and Myra—helped me by always asking me what I am writing about. I had a hard time explaining to them, hoping that one day they would understand when they are grown up. May they lead an innovative life.

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<http://www.springer.com/978-3-319-02182-9>

Theory of Innovation

A New Paradigm of Growth

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2014, X, 154 p., Hardcover

ISBN: 978-3-319-02182-9