

## Effective Global R&D Focus Group

June 2011 – June 2012 - **First meeting: 27 June 2011, Paris**

### Summary

This one-year Focus Group aims to boost understanding of how to manage R&D and innovation as global, increasingly “Open” activities, specifically to address opportunities provided by an emerging economy like Brazil which is part of the group of BRIC countries (Brazil, Russia, India, China) enjoying significant economic growth rates.

The goal of the Focus Group is getting a better understanding of effective innovation practices in a changing world in which R&D is becoming more and more global and in which new and sizeable actors are emerging. As particularly new issues the Focus Group to Brazil will identify the portfolio of instruments to shape, structure, steer and manage global R&D and innovation in use at companies who are active in business R&D in Brazil. The role of the Government and its initiatives and programmes to enhance technology and innovation and the business expenditure on R&D (0,5% of GDP in 2008) in Brazil will be part of the group’s analysis. Another focal point will be human resources in science and technology, diversity and gender issues and the global acquisition of top talents in research for the firms.

The group will highlight the good practices and explore the situations and the types of company for which such practices are most relevant. The intention is not only to focus on classical multinational companies actively investing in R&D in Brazil but also looking at that country’s own multinational companies who are extending their R&D network into their respective international markets.

The Effective Global R&D Focus Group represents a new format within the EIRMA offerings to its membership with equivalent quality and value as the traditional Working Groups. A first and very successful round with this new format was completed in 2009 with India as the focal country and of which the Final Report “Achieving an Effective Global R&D Network” was completed and distributed.

The Focus Group will be responsible for formulating its concepts, then organising activities and studies which will test and refine these concepts. One learning expedition will be organised early 2012 to visit R&D and innovation centres in Brazil and share with people on the spot the lessons they have learned. The group will conclude by presenting its findings to senior membership at the 2013 EIRMA Representatives Round Table meeting.

### Who Should Participate?

This initiative is aimed at a small group of about 15 people. Most participants will be in their 30s – early 40s, work in the middle management levels of their companies, have the capacity to contribute well, and will benefit by developing their strategic understanding of effective R&D and innovation management.

Full-time support will be provided by the EIRMA office by a full-time member of staff, Rita Li, who is studying for her PhD and by Co-Chairman Dr. Dietmar Theis, Honorary Professor of Technical University of Munich and former Siemens. The academic expertise will be provided by Prof. Dr. Philippe Laredo, Ecole Nationale des Ponts et Chaussées.

The cycle is evolutionary and will be directed by its members. We seek participants who will be able to take part in the full package of events (i.e. around 6 complementary meetings in total and one learning trip), although it will be possible on an exceptional basis to take part only in some activities. To enrich the debate and for more effective sessions, participants may be involved in information gathering and specific studies between meetings.

Co-chairmen

Dietmar Theis (formerly Siemens, honorary professor at the Technical Univ. Munich)

To Register

Return the registration form by mail or fax by end of April 2011

## Overview

---

The Focus Groups aim to boost understanding of how to manage R&D and innovation as global, increasingly “Open” activities, specifically to address opportunities provided by emerging economies. The BRIC countries (Brazil, Russia, India, and China) have been in focus of the globalization of industrial R&D for several years already and having studied India in the precedent Focus Group the attention of this new Focus Group is now directed towards Brazil. The group will highlight the good practices and explore the situations and the types of company for which such practices are most relevant. It will establish how these practices can be implemented and identify the risks and types of failure and the points to be considered before embarking. The discussion will focus on medium-sized and larger companies whose intermediary position and specific characteristics make this question particularly interesting.

## Background

Globalisation of the value chain is with us for sometimes already: manufacturing activities have been set up at different organisational entities and across countries. The current tendency of opening R&D activities to the external world is a more recent and intensifying phenomenon. Although the large majority of R&D investments are still made in developed countries, developing countries- and in particular Asia - are increasingly considered as an interesting or even an inevitable future destination for multinational R&D investments.

Lessons learned from the Focus Group to India are – among others – that more and more companies tend to manage their external RDI collaboration activities in geographical proximity networks, i.e. they establish own R&D subsidiaries in emerging economy countries. At the same time they are moving steadily from “internationalization” (the spread of R&D centres in different countries) to “globalization” (optimization and managing the worldwide internal R&D network). Another significant observation is that the creation and deployment of new R&D centres exhibits very fast dynamics (“the reason why you create a centre are often not those that explain its growth”). In return these dynamic processes have strong effects on the overall internal innovation networks of the firms.

Methodologically the first Focus Group has clearly shown that combining scientific and academic inputs – secured by the EIRMA staff member working on her PhD in this field - with the pragmatic approach of experienced younger managers provide a very vital platform to thoroughly discuss the new trends. Furthermore it turned out that the field trip to a specific country and spending a week's time together without intervening routine duties constitutes the “spinal column” of the Focus Group, paving the way for a comprehensive, sustainable learning process.

As Henry Chesbrough has written in 2003: “Open innovation is the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and expand the markets for external use of innovation, respectively. [This paradigm] assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market, as they look to advance their technology”.

The questions and challenges linked to the globalization of R&D activities generate new issues for companies. Many questions on coordination of activities, systematisation of identification of new partners – including SMEs - and integration of external knowledge or intellectual property are already in abeyance. A company has to position itself, taking into account the possible opportunities and constraints of such tendencies.

## Programme

---

The Focus Group will be responsible for formulating and refining its views on these new issues with a particular reference to Brazil, and organising activities and studies to test its beliefs. A learning expedition to Brazil will be organised to visit R&D and innovation centres there and share with people on the spot the lessons they have learned. New questions and hypotheses will emerge, which will be discussed and explored through concrete case studies on actual firms, supported by academic reflexions.

The group of people who will participate in the “Effective Global R&D” focus group will meet several times during periodic EIRMA meetings, with the possibility to interact with all parts of the EIRMA's programme, including Special Interest Groups.

The kick-off meeting is scheduled for 27 June 2011.

This first meeting is aimed at putting on the agenda the issues, problems and challenges that members want to discuss and solve in the Focus Group. A review of academic and business literature as well as a comprehensive introduction into history, geography and economy of Brazil will give new and original perspectives on the topic. The objective is to identify the main issues and challenges to be discussed during the Focus Group.

Two further meetings are planned in fall and early winter after the kick-off meeting to configure the structured dialogue with the partners in Brazil and adjust the strategic goals for the trip.

### Learning trip to Brazil

The learning trip to Brazil will take place in early 2012 where the group will visit R&D centres, institutes and universities. It aims at highlighting specificities of globalised R&D environments and in particular exploring issues such as partnerships, intellectual property, management of the decentralised R&D facilities, connections between centres, etc. To make

the learning trip a useful experience, the group will meet people on the spot and share the lessons they have learnt in their current situation. Each evening a special session to evaluate the observations of the day is scheduled.

During two or three additional meetings after the trip in spring and early summer 2012 , members will revert to the conclusions and hypotheses formulated during the trip and test them against the findings in the literature as well as the experience of companies having R&D centres abroad. The objective is to validate conclusions working on specific case studies and to identify models and critical paths. Conclusions and hypotheses formulated by the group will be formalised by the EIRMA PhD student and put together in a final report in the second half of 2012 for a final presentation at the Representative Round Table in January 2013.

## Practical Arrangements

---

Registration	Please return the enclosed registration form to the EIRMA secretariat as soon as possible but certainly before end of April 2011
Costs	The participation fee is € 3000, payable to EIRMA by all participants. This includes participation in all activities (meetings and learning trips), excluding travel and night's accommodations. Exceptionally, a surcharged per event participation is also available for people who would not take part to all events.
Commitment	The cycle is evolutionary and will be directed by its members. We seek participants who will be able to take part in the full package of events (i.e. around 3 complementary (one or two-day) meetings in the second half of 2011, one learning trip to Brazil in early 2012 and a maximum of three additional meetings in the first half of 2012), although it will be possible on an exceptional basis to take part in only some activities. To enrich the debate and for more effective sessions, participants may be involved in information gathering and specific studies between meetings.



