



Olympic Games of Innovation?

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China is pretty good at innovation and startups, even though many people in the US and other countries don't really know a lot about it. The US of course is the leader in this area. But China has some new approaches to innovation based on its own particular history and circumstances.

Can the two countries improve their relationship with each other by competing more constructively with each other, so that we both really are in a win-win situation? Could they leverage such an approach to other countries also? I think we can achieve this by creating a new form of competition- the Innovation Olympics.

The US has developed a unique model. We can call it the Silicon Valley model. That model is based on a mix of legal, tax and regulatory factors which make it easy to do a startup, unique types of funding arrangements based on venture capitalists, crowd-funding and angels using new and innovative financial models, unique fast-fail legal and tax mechanisms and a culture which actually celebrates failure as a means to success. In this way the US has developed a unique ecosystem for innovation and commercialization.

But the Chinese system has also resulted in some ultra-successful startups such as Alibaba and Xiaomi. It has been particularly innovative in the area of internet sales, lean product design and manufacturing and innovative partnering mechanisms between startups and large companies both in China and overseas. Is there a way for each side to coach the other, just like we would do in a sporting Olympics?

There would be some in the US who would balk at sharing what they regard as American secrets to building an innovation ecosystem. But it can only be in the US' interest to support China to develop such an ecosystem too. That would help increase China's growth which will help the US and the global economy in numerous ways, starting with the creation of new products and industries which in turn will lead to higher Chinese economic growth and increased trade not just between the US and China but also throughout the world.

Some of those new Chinese companies will go public in the US and Europe. Many US startups would like the opportunity to go public in China. Both of these are opportunities to strengthen the stock markets of both countries and help raise capital for future startups.

And what if this bilateral collaboration/competition could be extended to other countries so that these approaches to the creation of innovation ecosystems could spread to many other countries? If this were to occur, we would see a totally new approach to global development. It could spread prosperity and social progress to billions of people in many countries, especially developing economies in Africa, Latin America and the Middle East.

Traditional diplomacy between countries often revolves around the threat of the use of force, either military or economic. But if this type of mechanism were to be adopted between countries based on startups and innovation, in effect a new approach to global diplomacy and building constructive links between countries would emerge.

Of course this all sounds very idealistic, even utopian, or at the least quixotic. How could this be achieved?

China and the US set up a bilateral Innovation Olympics Association whose objective is to stimulate startups and innovation in and between the two countries

Each country sets up an Innovation Olympics Incubator (IOI) in its own country headed by startup and funding experts from the other country; China sets up an IOI in China with a majority of Americans on its board and the US sets up an IOI in the US with a majority of Chinese experts on its board. The startup founders can be any nationality.

The objective of each IOI is to start as many successful startups as possible within a limit of, say, five years

Each of the IOIs will compete against each other to see which one can create and spawn the highest number of successful startups within this time period.

There will be an award for the winner. The Award Committee will comprise well-known economists such as Nobel Laureate Thomas Piketty. It will award two prizes. One will be for winning based on traditional measures such as revenues and users. The other prize will be awarded based on achieving the best outcomes in reducing income inequality, addressing climate change, reducing air and water pollution and improving global public health.

After a period of two, once the operating model of the IOIs and the Innovation Olympics Association is established, other countries are invited to join the Association. Each of these sets up an IOI headed by experts from other countries and in turn heads up an IOI in at least one other country. They will then pursue the startup and social objectives which could win them the prize for the best global startup.

After a period of several years a large number of countries will have joined the Innovation Olympics Association and each will have at least one IOI with a majority of its board comprising experts from another country and in turn have its own experts on incubator boards in other countries.

This will lead to a Global Innovation Olympics Network. This network will be comprised of some of the most successful innovators, companies and finance experts in the world, as well as government representatives. This would be a new global force for social and economic growth and for helping and advancing international understanding, a key support and extension of traditional diplomacy.