STRATEGIES: Innovation

Innovation refers to activities that encourage the development of innovative ideas, entrepreneurialism, provide collaboration opportunities to develop or enhance innovative ideas, assist with the commercialisation of innovative products, and identify potential transition targets. These activities may include providing members with information about diversification opportunities, holding networking events, workshops, and seminars, providing access to commercialisation experts, working with government and researchers to identify new opportunities, and collaborating with other industries and regions.

Seventy two percent of participants responded that their industry associations implement innovation strategies.

Participants from those industry associations were asked how important innovation activities are for achieving each of the association’s industrial development goals:

- **Firm improvement**: Most participants regarded innovation activities to be very important for developing a firm’s capabilities to improve its current activities.
- **Firm value adding**: Most participants regarded innovation activities to be very important for developing a firm’s capabilities to undertake new, higher value activities.
- **Firm diversification**: Most participants regarded innovation activities to be moderately or very important for developing a firm’s capabilities to enter new industry sectors.
- **Industry development**: Most participants regarded innovation activities to be very important for developing the industry’s collective capabilities to improve its current activities.
Industry value-adding: Most participants regarded innovation activities to be very important for developing the industry’s collective capabilities to undertake new higher value activities.

Institutional development: Most participants regarded innovation activities to be important for improving establishing a more favourable economic, political and/or social operating environment for individual firms and the industry.

Participants were asked which of five innovation activities the industry association undertakes:

![Bar Chart]

Summary of innovation

Recent research shows that industries in which industry associations have clear centralised leadership and decision-making processes, take a leading role in encouraging innovation, entrepreneurialism, collaboration, the adoption of new technology and facilitate collaboration with research organisations, government, other regions, and industries are likely to enhance the industry’s innovative capabilities.

In this survey, innovation activities were regarded as key for achieving all industrial development goals. Between 80% and 90% of industry associations reported conducting each of the five activities in the survey.

The importance placed on each of these of these activities may depend upon factors related to:

- **Type of industry:** Advanced manufacturing industries in which developing innovative products and ideas is critical to the success of individual firms and the industry may be more invested in innovation than other industries. Industries that use hi-tech equipment in their production processes may prioritise innovation of equipment to increase production and efficiency. Industries that rely on gaining access to
export markets and global supply chains may prioritise innovation more than industries that import products.

- **Level of representation – peak, national, state, regional.** In some industries, peak associations represent members that include industry associations who, in turn, represent members at state or regional levels. In such cases, the regional and/or state associations may focus on innovation in the industry while the peak organisation focusses on broader aspects of industry development and institutional development.

- **Number of IA staff & resources:** Small industry associations run by a couple of volunteers who also run their own businesses may lack the time and resources to spend on encouraging innovation.