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## UnReport

Sunday, June 14, 2009

Marriott Renaissance Center, Detroit, MI

*Next generation leaders from a variety of industries gathered to discuss the four disciplines being addressed at The National Summit – Technology, Energy, Environment and Manufacturing.*



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*It's time for the next generation to define America's Future in the Global Economy*

### Area of Vital Importance: Technology

**THEMATIC LEAD QUESTION:** *How do we, the next generation of Americans, leverage and advance technology and innovation to remain competitive in a global, fast paced economy?*

**Topic:** Technology Innovation

**Feeder Question:** How do you think today's business leaders define innovation? How do you think they should define innovation?

**In order to put innovation front and center it needs to be part of the CEO agenda. In addition, it needs to be legitimized as a process and institutionalized into the culture.**

Supporting Ideas:

- Innovation Model:
  - Stage 1 - Completely random. Like a start up company, but nothing behind it. No vernacular.
  - Stage 2 - One department, typically, Research / Marketing. Decent pipeline. But simple tools. This is typical to most companies.
  - Stage 3 - Full Company.
  - Stage 4 - Open. Working with suppliers and partners regarding innovation. Rewards for intellectual property. Ex. Procter & Gamble - 50% of their ideas come from external sources. Under 5 percent of companies are in Stage 4.
- Leadership is often unconcerned with innovation because they're busy with operational efficiency. Cost saving mode is the opposite of innovation.
- The separation of innovative product development projects from the mainstream business (Intel example) is important to avoid new projects getting bogged down in bureaucracy and organizational lag.

**The concept of innovation needs to move upstream into the education system starting in elementary.**

Supporting Ideas:

- Encourage youth to question - how do you get kids to ask why; to question process? Critical thinking is key to innovation. Promote competition in schools; and create programs that encourage youth to play games with ambiguous rules. Let youth learn how to compete in a world with ambiguous rules, and foster inquisitive nature.

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- Some people are uncomfortable with the unstructured environment companies like Google represent. We need to better prepare the generations to come including the concept of risk-taking.

**The government can help foster innovations through programs geared toward bringing together business, innovation leaders and education.**

Supporting Ideas:

- Facilitate the use of data where the willingness to share information with other professionals may not be natural; for example in health services.
- Government can help connect business with innovation; create channels that connect IT thinkers with corporate leadership. Create cross-sector collaboration opportunities through streamlined, transparent programs.

**Topic:** Entrepreneurialism & Technology Innovation Drive Competitiveness

**Feeder Question:** Do economies of scale still matter or has technology leveled the playing field? How will large companies be able to leverage technology to compete against their smaller, more nimble competitors? Conversely how will the small outfits be able to use technology to go up against the establishment?

**Ideas Generated:**

**Yes, economy of scale still matter but the means of achieving it are transforming. Opportunities to achieve scale still exist through collaboration and can help overcome the need for a traditional vertically integrated model.**

Supporting Ideas:

- Technology has leveled the field somewhat, but it's getting it to mindshare and to market that matters.
- Technology has enabled entrepreneurs to start businesses with lower fixed costs; there will be a difference between technology and manufacturing based companies. Easier to start tech/brain jobs, more difficult to start production/manufacturing jobs.
- Sourcing: companies need to look at a business model and do more with less. Identify the processes/jobs that can be done by anybody/anywhere; small companies need to do this. Large companies need to look to small companies to see how they compete more nimbly - sourcing can facilitate more nimble structure.

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- Competition: Look at competitors as collaborators; e.g. how can suppliers for a parent company look to collaborate to help the parent? How can big organizations offer services to small organizations and vice-versa?

## **Area of Vital Importance: Energy**

**Topic:** Environment & Legislative Crossroads

**Feeder Question:** How can the next generation of leaders get the government to focus on crafting a comprehensive energy policy?

### ***Ideas Generated:***

**On a national level, we need to create a balanced energy policy that leverages existing resources while promoting infrastructure for new energy technologies. On a local level, we need to develop a collaborative regional energy policy that includes more incentives for efficient energy use and better public education on conservation opportunities.**

Supporting Ideas:

- Develop an advisory group of both public and private stakeholders to develop creative regional energy policy and identify opportunities to fund energy projects.
- Identify cross-over opportunities (e.g., an energy company that converts waste into ethanol).
- Simplify energy conservation opportunities for the average person to understand, specifically, opportunities for geothermal, energy efficiency, etc. that are available through state incentives and the federal stimulus package.
- Provide incentives for long term planning; create a new incentive structure that rewards long term strategies that effectively manage limited energy resources.
- Encourage consumers and industries to create plug and play, intermodal energy solutions using multiple sources and similar components.

**Topic:** New Energy Focus: At the intersection of economic growth and sustainability

**Feeder Question:** Does this generation acknowledge that we will require coal, nuclear, oil to move us forward, and if so, how do we mitigate the environmental costs? Do we believe solar, wind and other renewable sources are the foundation of a new, prosperous and green U.S., and if so, how do we mitigate the production costs to remain economically competitive and viable during a transition to renewable sources?

### ***Ideas Generated:***

**Energy policy should be crafted with an understanding that our power grid must be fueled by a number of sources. The main driver behind the policy should be a**

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***cost/benefit analysis of individual technologies and the ability of these technologies to fuel our economic growth. There is also a need to educate the populous with regards to these technologies so that rationale decisions can be made.***

Supporting Ideas:

- We should let technology and economic cost and benefits drive the resource decisions on energy policy.
- We need to create a valuation framework that accounts for all the priorities.
- Being "green" is expensive. Sustainability needs to cost less. Standardized, plug and play/intermodal approaches to various sources of energy can drive cost lower and lower. Use technology to encourage diversification of energy sources.
- We can be more efficient in our use of the grid, the architecture behind the grid, traffic flow technology, etc.
- The image of nuclear has changed:
  - People are more willing today to compromise on nuclear power.
  - 10 years for federal approval of a nuclear approval. It is efficient, clean, and cheap. Streamline the permitting at the federal level.
  - Look at energy consumption from a global perspective. Nuclear is not a solution from a global security perspective, as we do not want by products in the hands of the wrong people. The technology for clean, nuclear energy is there and should be used appropriately in the United States; but we need solutions for global energy consumption.
- The transition between current processes and those that will use more energy efficient ways has to be followed:
  - Companies have to facilitate a review to show what it would take to transition from their current way to a more energy efficient way, be able to strategically review and look at what it effects.
  - Require all corporations to have a transition plan - strategically investigate what it will take to convert to renewables.

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## Area of Vital Importance: Environment

**Topic:** Smart Infrastructure & Sustainable Business Solutions: For companies and their customers.

**Feeder Question:** How do we promote sustainable design and practices to the business world? What tools/incentives would be most attractive to the business community?

### ***Ideas Generated:***

**Educate and support sustainable designs and applications using a ground-up approach, as informing consumers, lawmakers and shareholders will promote support and demand for these practices in the business community. Utilizing grants, tax incentives and policies to standardize green policies will prove attractive when businesses are debating the implementation of smart infrastructure practices.**

- Amplified versions of what's currently available via tax cuts, etc., access to grants. We have to sell the customer on the idea that their investment in technology is an investment in the future of sustainable energy, as well as inform shareholders so they will put pressure on companies to be more sustainable.
- We have policymakers who show us the large infrastructure picture. The price tags are high and scary, and our debt is through the roof. Nonetheless, we need an honest national picture of where we stand and where it's possible to go with smart infrastructure. We can't be immobilized by the hugeness of this problem.
- How do we identify what is green and how to substantiate green claims - branding as green is hard to do, backing it up is harder. Need a green standardization process.

**Topic:** Clean Transportation

**Feeder Question:** Where do the opportunities lie to reduce the environmental impact of transportation through new technologies?

### ***Ideas Generated:***

**Two main topics emerged regarding transportation and its environmental impact. The first is that transportation solutions must be consumer driven; top-down mandates will not be effective. The second is that the environmental impact of transportation needs to be addressed from a holistic perspective that expands beyond building the most fuel efficient cars. Solutions must also encompass urban planning and the understanding of how such things as zoning and tax policies can impact behavior.**

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## Supporting Ideas:

- Compressed air and plug in cars are not the solution for the US - there needs to be a renewed interest in driving people back to the city. Business needs to lead this effort and locate in urban areas to create density in our country.
- Government and business need to collaborate and decide on one best solution for alternative energy vehicles due to the infrastructure demands.
- Investment in public transit is about choice - where and how our residents live, work, learn and play.
- Our generation of consumers wants and the future generation will increasingly demand sustainability.
- Government needs to craft policies that drive down cost of living in the city to encourage people to move back.

## **Area of Vital Importance: Manufacturing**

**Topic:** Innovation & Talent Management

**Feeder Question:** Given the strategic importance of a sound manufacturing base, how do we ensure that American manufacturers can stay competitive in a global environment? This is not just an economic but a national security issue.

### ***Ideas Generated:***

**Changing the workforce culture within American manufacturing is essential to future success. We must shift our culture toward one that rewards innovation and one that promotes partnership between management and labor.**

## Supporting Ideas:

- High-skilled manufacturing should be viewed differently than simple manufacturing. Knowledge jobs may be the new "blue collar" job in the US.
- In order to maintain competitiveness, manufacturing companies need to leverage innovation from their number one asset...their people.
- Employment law is a major impediment for growth in US manufacturing. Employment law needs to be reformed to provide more flexibility and promote partnerships between management and labor.
- We need to create a process that captures/solicits innovation in the manufacturing world. We need to be open to ideas and listen to the creativity of front line workers, customers, and suppliers.

**We need to revise our approach to globalization on two fronts: 1) we need to outsource more strategically, i.e. outsource commodities for long term strategic success, and retain high technology manufacturing in the U.S.; 2) Create global**

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**health, safety and consumer protection standards to which all countries must adhere.**

Supporting Ideas:

- Once you commoditize manufacturing, it may be outsourced. For newer, more complicated manufacturing, the US still is at the forefront. The US needs to be the leader in developing new business models (major IP markets like Amazon and Kindle, Apple, etc).
- Trade enforcement and intellectual property protection on a global level. Attacking undo foreign subsidies with higher tariffs and aggressive quotas.
- Splintering and segmentation make it possible to create profitable, lower volume businesses with shops in a variety of countries. The key is to require more specialized labor and have a society that supplies it.
- Are tax incentives the only solution for keeping manufacturing based on fact that other countries have cheaper labor and lower environmental regulations. Need organization that verifies that health, safety and consumer protection standards are verifiable.

**The American attitude toward U.S. manufacturing needs attention. Upcoming generations steer away from manufacturing jobs because of the stigma they now have among the college educated and creative class. We must create an education system that promotes innovation and relates innovation to manufacturing jobs.**

Supporting Ideas:

- Address stigma associated with some manufacturing and skilled trade jobs especially among college educated and creative class. A strong PR campaign is needed to support the manufacturing industry.
- Create a process to capture/solicit innovation in the manufacturing world. Being open to ideas and listening to the creativity of front line workers, customers, and suppliers.
- We need to provide education increase awareness and develop incentives to drive consumers toward supporting manufacturing and domestic purchases.
- Made in USA still holds intrinsic value. Transplant autos seem to make manufacturing work.



**Topic:** Competitiveness and Creativity in Manufacturing

**Feeder Question:** How does the "rise of the creative class" impact manufacturing? Can these individuals play an important role in shaping policy?

**Ideas Generated:**

**The creative class needs to create a new innovative culture in manufacturing that embraces leadership, idea generation and promotes two-way communication to support the work environment desired by Gen X and Gen Y.**

Supporting Ideas:

- As we're developing younger generations, they're going to be graduating with bigger brains, not totally compliant to "the man." They're not trained to think in a certain way. This could be our advantage over India and China.
- Needs to be a shift in corporate culture that embraces leadership styles and communication styles of Gen X, Gen Y. The creative class can help build bridges between the generations and enable corporate leadership to foster Gen X, Gen Y ideas in manufacturing.
- Creative class and elected leadership needs to be bold; they need to work together to make effective and efficient decision making. We need to make bold assertions as to our competitive advantages. Creative class' role is to identify and advocate for bold solutions. Bio-tech is an example.
- The American Creative Class could distinguish itself in its ability to think completely outside the box; to question the box; to trash the box entirely at any moment in exchange for a better option. That is talent #1.
- Creative class will transform culture of manufacturing; problem solving, management, etc. will become more virtual, hours will be more flexible, systems will be more modular.
- Every company should have a place where people could go to sell their ideas, share them, and make connections with other people—leveraging technology, like online blogs, to share conversation and ideas which may help people find others that would be able to help reach the idea.

**The approach to employee training in manufacturing must be revised to support constant improvement and help employees to the next phase of their job/career. Employees should be treated as developing assets, not commodity products.**

Supporting Ideas:

- It's not fun to tell experienced people that their job as they know it has become obsolete. It's not fun to tell them that they have to sink or swim. It's like a marriage dissolving for them. They were married to a process that doesn't make sense in the context of organizational dynamism.
- If the focus of our jobs was reallocation of talented labor resources, we would be much more successful. Companies come up with automation innovation to increase revenue, and cut people out of the process. They'll invest in the automation, but retraining is an investment they never make. Why?

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- Starbucks realizes the benefits of training employees to add to their image of innovation.
- Sometimes retraining is harder than hiring new innovative minds. Companies could organize retraining in phases so it wouldn't happen all at once. It could roll out more smoothly and promote measured growth.
- Employees training others empowers them to feel like they hold knowledge. Companies have always treated employees like children. Treating them like adults involves access to information.