



THE UNIVERSITY OF SYDNEY
BUSINESS SCHOOL



THE UNIVERSITY OF
SYDNEY

INNOVATION & ENTREPRENEURSHIP RESEARCH GROUP ANNUAL REPORT 2011

CONTENTS



02 WELCOME

03 MEMBERS

04 OVERVIEW OF ACTIVITIES

06 RESEARCH PROJECTS

07 RESEARCH SHOWCASING & ENGAGEMENTS

09 RESEARCH PUBLICATIONS & CANDIDATES

11 FINANCIAL REPORT

12 FUTURE PLANS

WELCOME

Established in 2006, the Innovation and Entrepreneurship Research Group (IERG) is a cross-disciplinary team of researchers focusing on business innovation and entrepreneurial ventures and people. Within this context, areas of particular focus include internationalisation pathways, strategic management, and business and social entrepreneurship.

Innovation, entrepreneurship and enterprise are critical components of a healthy and prosperous economy, and the process of identifying and exploiting new opportunities requires a number of participants, including creative individuals, entrepreneurs, businesses, investors and government bodies. These participants are supported by researchers and educators who provide new insights and dissemination of current knowledge. By acting as a conduit for this process, IERG members hope to engage the entrepreneurial community on both a local and an international level.

This report presents the IERG's activities in 2011. We also publish a separate annual report on our associated Innovation and Enterprise Ventures, which we encourage you to read.

For the IERG, 2011 was a year of consolidation and growth. We continued to develop and expand our research projects and networks, with the benefit of strong support from industry and from the University of Sydney Business School and the University as a whole.

Highlights of the year included the founding of the Entrepreneurship Development Network Asia (EDNA) with the Indian Institute of Management, Bangalore, and the University of Economics and Business at Vietnam National University in Hanoi. The goal of this project is to create a leading community of scholars, educators and practitioners in this field in the region, with universities in Indonesia, Cambodia, Laos and Myanmar targeted for future membership.

In a related initiative, the IERG supported a research symposium in Hanoi to better understand entrepreneurial women in the region.

Other highlights of the year included visits from leading scholars, members publishing in prestigious publications and presenting at international conferences, and progress with significant research projects including the Merck Foundation-funded Casebank of Innovative Globalisers.

For 2012, our objectives will be to continue our focus on:

- research projects and publications – facilitating research into innovation and entrepreneurship through the creation and support of a network of scholars and institutions, and publishing the results of this research
- research showcasing and engagement – disseminating research among scholars, students and the wider community
- research-led teaching and learning – supporting, through research, the teaching and outreach activities of the University across the region
- research resourcing – assisting in the securing of research grants and funding.

We are grateful for the ongoing support and inspiration received from alumni, students, donors and the broader entrepreneurial community, and we look forward to further enriching and deepening our networks and engagements in the coming year.

On behalf of all IERG members, thank you for your involvement and support.

**PROFESSOR SID GRAY AND
DR RICHARD SEYMOUR**
CO-DIRECTORS

MEMBERS



Above: Dr Richard Seymour; Right: Professor Sid Gray

FACULTY MEMBERS

Sid Gray, International Business

Richard Seymour, International Business

Donnel Briley, Marketing

Richard Dunford, International Business

Massimo Garbuio, International Business

Hans Hendrichske, Confucius Institute

Ron Johnson, Australian Centre for Innovation

Robyn McConchie, Agriculture

Jordi McKenzie, Economics

Bruce McKern, United States Studies Centre

Olivera Marjanovic, Business Information Systems

Leanne Piggott, Dean's Unit

Alan Randall, Agriculture

Jim Rooney, Accounting

Maria Rumyantseva, International Business

Ranjit Voola, Marketing

Nick Wailes, Work and Organisational Studies

Catherine Welch, International Business

Chris Wright, Work and Organisational Studies

Zhan Wu, International Business

Gracy (JY) Yang, International Business

ASSOCIATE MEMBERS

David Anstice, CSL Limited

Sandy Beard, CVC Limited

Lisa Kelaher, SIFE Faculty Advisor

Joe Seisdedos, Griffith Hack (adjunct teaching)

Andrew Stead, ATP Innovation (adjunct teaching)

Jeffrey Tobias, The Strategy Group (adjunct teaching)

Lorne Wood-Roe, Adams Pluck

RESEARCH CANDIDATES

Shanie Atkinson (adjunct teaching)

Michael Imstepf

Matthew Keast

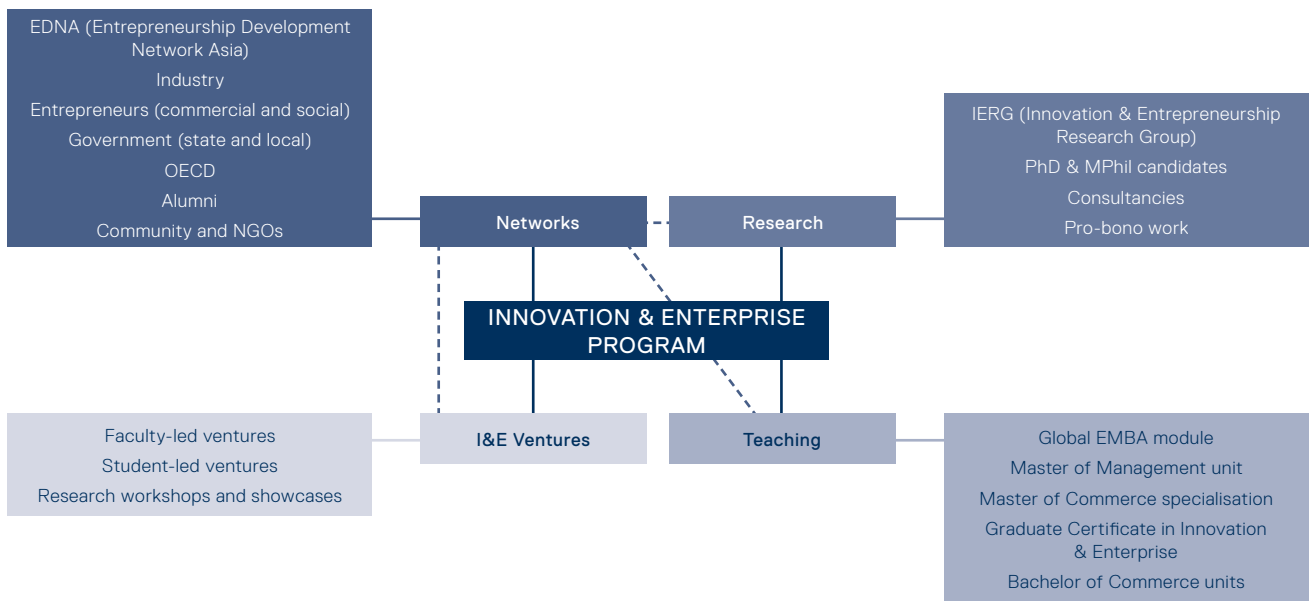
Linh Nguyen

Jarrold Ormiston

Fanny Salignac (adjunct teaching)

OVERVIEW OF ACTIVITIES

The Innovation and Enterprise (I&E) program at the University of Sydney Business School is grounded in three fundamental activities: teaching and learning; research; and engaging ventures. Its primary focus is on entrepreneurship, creativity, strategy and innovation, and their synergies. The following pages review the research activity organised under the IERG in 2011. This research activity is part of a broader set of initiatives, as illustrated below.

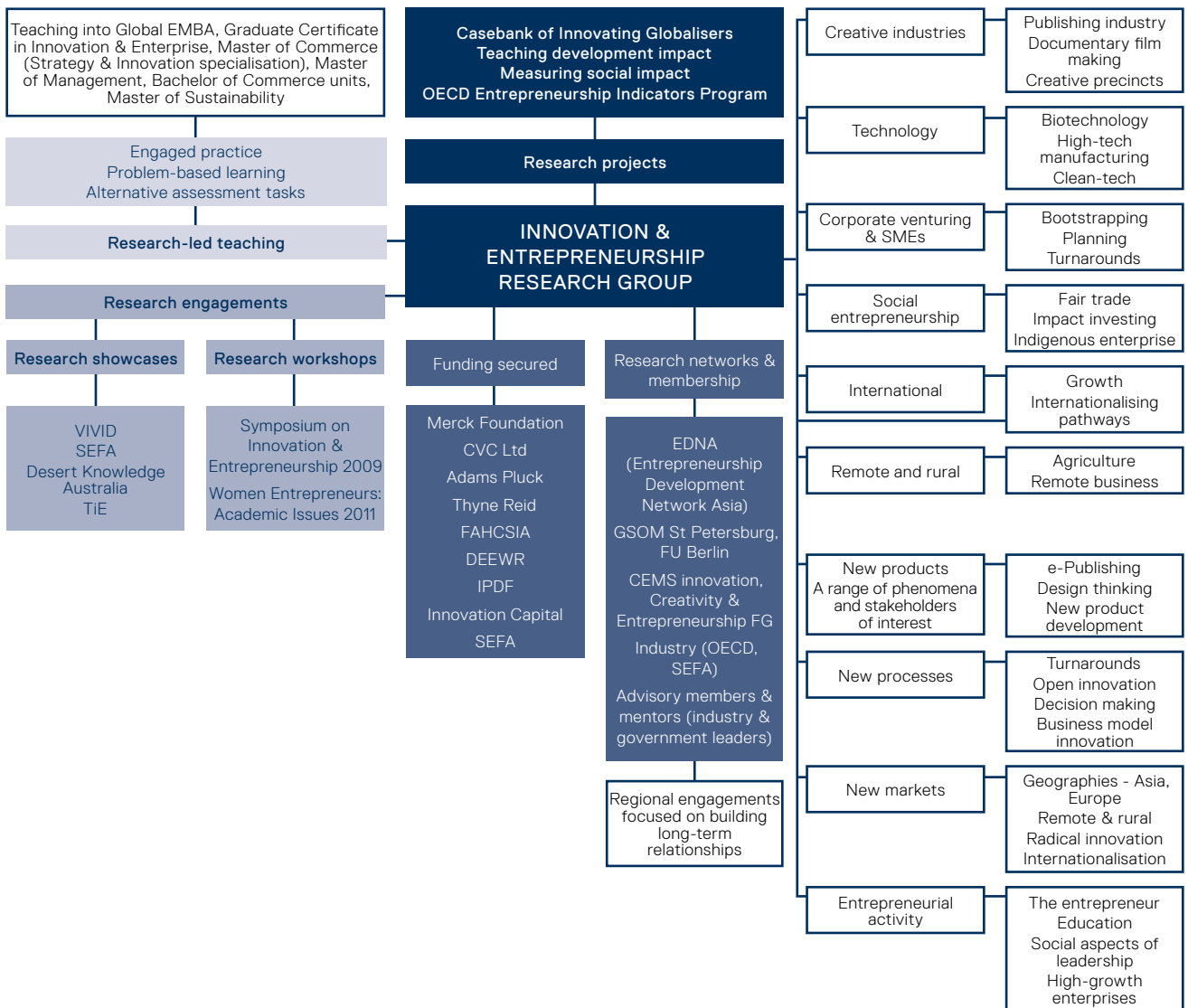


As a core element of this program, the IERG supports:

- I&E teaching and learning, through problem-based learning, action research, cross-faculty teaching, executive education and internationally delivered units as part of the Innovation, Creativity and Enterprise program

- I&E ventures, through community collaboration, corporate engagement and faculty-and student-led research and other activities aimed at community and student development through entrepreneurship.
- Local and international networks that collaboratively develop fresh approaches to teaching, research and engagement.

The IERG seeks to develop and share understanding of entrepreneurial and innovative activities within a variety of settings, as illustrated on the following page.



The IERG's focus includes new markets, new products and new business processes, as well as the entrepreneurs, innovators and leaders involved. It works with both existing and new businesses, and with both start-ups and corporate businesses.

The IERG also ensures that research activities inform the Business School's teaching in this field at undergraduate, postgraduate and executive education levels. IERG members are responsible

for delivering each of the key innovation and enterprise units of study offered by the Business School, whether at the level of business innovation or opportunity recognition. While not a core activity of IERG members, research-led teaching inspires the I&E program. IERG members also supervise an increasing number of PhD and MPhil research students, with several new candidates commencing in 2011.

RESEARCH PROJECTS

The IERG focuses on innovation and entrepreneurship and how they manifest as new markets, new products and new business processes.

RESEARCH THEMES

In 2011, we concentrated on understanding and developing knowledge of:

- business innovation and its ecosystems, for example, alternative business models for high-value Australian exporters
- innovation and entrepreneurship in the creative industries, specifically the implications of value creation and exchange in the creative industries (such as publishing, film and design)
- how entrepreneurial activity can be identified and measured; this project includes the OECD and Eurostat
- social entrepreneurship, in particular the geographical, cultural and structural issues confronting business in remote and Indigenous Australia; this project includes the support of Social Enterprise Finance Australia
- how entrepreneurial activity manifests in developing economies, specifically ASEAN countries, India and China
- how corporate entrepreneurial activity is managed and encouraged in mature Australian corporations, particularly within the context of seeking new international markets
- the internationalising and innovative behaviour over time of ventures with highly valued intellectual property
- case studies of entrepreneurial women in the ASEAN region.

MERCK RESEARCH PROJECT

The MERCK Foundation granted the IERG \$350,000 to research the lifecycle development of Australian firms that are rich with Intellectual Property (IP) as they innovate, globalise and grow.

The project's objective is to understand the process of innovation and globalisation relevant to IP-rich companies, and examine how these processes intersect and evolve over time. We consider every stage of the lifecycle and how they inter-relate and impact each other, from identifying an invention or idea, recognising commercial opportunities, quests for financing, growth management, to possible exit strategies such as trade sales. This long-term perspective is imperative as researchers - and, indeed, companies themselves - are often involved only in a particular time period, rather than the entire process.

We investigate four industries:

- biotechnology
- advanced manufacturing
- clean technologies
- creative industries (digital media and e-publishing).

We have selected companies within these industries and tracked their progress from the very start of their lifecycle - typically, from the initial idea that sparked the innovation - over the course of their commercialisation efforts to their global expansion.

RESEARCH SHOWCASING & ENGAGEMENTS

The IERG has been supporting a number of research showcases and engagements with the region.

RESEARCH SEMINARS

In December 2011 the Vietnam National University's University of Economics and Business in conjunction with the IERG held an international research workshop "Innovation, Entrepreneurship and Women in Business".

The workshop is an important research activity of the UEB, which is within the bilateral cooperation between the VNU University of Economics and Business and the University of Sydney Business School. Attending to the workshop were 16 specialists from international universities and institutes including those from Australia, India, Japan, China, Cambodia, Myanmar and Germany and 10 VNU - UEB researchers.

The workshop discussed topics such as:

- Analyzing women's roles in business start-up from the perspectives of Vietnam (presented by Dr Nham Phong Tuan), Australia (presented by Professor Marian Baird), and China (presented by Dr Minglu Chen)
- The models and methods to start up and develop small and medium enterprises, assisting women in business from Japan's experience (presented by Professor Takemi), India (presented by Professor Ganesh Prabhu and Professor Kumar Kothandaraman)
- The project Building Female Entrepreneurial Skills for SMEs in ASEAN Countries jointly implemented by VNU University of Economics and Business, University of Sydney and University of Battambang.

Dr Nguyen Thi Thanh Thu and Do Tien Long, UEB staff, presented the detailed content and curriculum of the tentative training courses of the project. The researchers from University of Battambang have shared their experience in implementing the project in Cambodia

- Proposals on technological models and innovations (presented by Dr Hoang Dinh Phi) and productivity, quality and operation effectiveness according to Kaizen (presented by Dr Nguyen Dang Minh)
- Proposals on research serving the entrepreneurial teaching for students of international standard programs in Business Administration (presented by Dr Pham Thi Lien).

NETWORKS AND ENGAGEMENTS

Our networks facilitate close engagement with the entrepreneurial communities of Australia, the region and the world. They include existing Business School networks (such as the CEMS Global Alliance in Management Education) as well as stand-alone initiatives (such as the Entrepreneurship Development Network Asia).

We work closely with a number of leading institutions, including the Australian Agency for International Development AusAID, the Federal Government's Department of Industry, Innovation, Science, Research and Tertiary Education, Eurostat and the Organisation for Economic Co-operation and Development (OECD), as well as with organisations such as the Australian Institute of Export, Australian Technology Park Innovations and the Australian Trade Commission (Austrade).

Two of our significant international networks are the Entrepreneurship Development Network Asia and the International Entrepreneurship Research and Education Program.

Entrepreneurship Development Network Asia

Founded in 2011, the Entrepreneurship Development Network Asia (EDNA) currently comprises the IERG at the University of Sydney Business School; the Indian Institute of Management, Bangalore; and the University of Economics and Business at Vietnam National University in Hanoi.

The goal is for these founding members to be complemented by other appropriate universities in the region, creating a community of leading scholars, educators and practitioners in this field. The regional focus will include all countries in the Asian region, with universities in Indonesia, Cambodia, Laos and Myanmar already targeted for future membership.

Members will share a strong focus on teaching entrepreneurship, innovation and enterprise; an interest in significant outreach activity such as enterprise incubators, train-the-trainer programs and student competitions; recognition as leading institutions in their country; and the desire and ability to become leading research institutions.

As part of this network, our IERG initiatives achieve a regional stage and better engage with our regional partners. Two important examples of this include the 2011 research symposium in Hanoi: Developing Women's Entrepreneurship.

Activities planned for 2012 include a follow-up to the 2011 research symposium; exchanges of faculty members from Vietnam to India; and visits from Indian scholars to Sydney.

International Entrepreneurship Research and Education Program

The IERG and the Global Entrepreneurship Research Center at Zhejiang University, China, have jointly established a program of research, education and outreach activities in international entrepreneurship that will complement and strengthen their respective activities in this field.

The program falls under a memorandum of understanding signed between both institutions at university level in 2008, and focuses on research and postgraduate student education.

Currently a bilateral activity, the intention is to increase membership to include the top entrepreneurship-focused universities globally.



VISITING SCHOLARS

A number of research scholars visited the Business School. Those with a focus on entrepreneurial studies included the following:

Dr Phan Chi Anh, University of Economics & Business, Vietnam National University, Vietnam

Professor Wernet Antweiler, University of British Columbia, Canada

Professor Jonathan Doh, Villanova School of Business, Villanova University, US

Professor Ole-Kristian Hope, Rotman School of Management, University of Toronto, Canada

Dr Tony Kang, Oklahoma State University, US

Associate Professor Haiyang Li, Associate Professor of Innovation and Strategic Management, Jones Graduate School of Business, Rice University, US

Dr Pham Thi Lien, University of Economics & Business, Vietnam National University, Vietnam

Do Tien Long, University of Economics & Business, Vietnam National University, Vietnam

Professor Ram Mudambi, Temple University, US

Professor Susan Mudambi, Temple University, US

Dr Quoc Viet Nguyen, University of Economics & Business, Vietnam National University, Vietnam

Professor Elizabeth Rose, School of Economics, Aalto University, Helsinki, Finland

Associate Professor Galina Shirokova, Graduate School of Management, St Petersburg University, Russia

Professor Ngyen Hong Son, Rector, University of Economics & Business, Vietnam National University, Vietnam

Professor Anand Swaminathan, Chair, Goizueta Business School, Emory University, US

Dr Jingan Tang, University of Queensland, Australia

Dr Tu Thi Than Tran, University of Economics & Business, Vietnam National University, Vietnam

Dr Sunil Venaik, University of Queensland Business School, Australia

Associate Professor Anthea Zhang, Professor of Strategic Management, Jones Graduate School of Business, Rice University, US

RESEARCH PUBLICATIONS AND CANDIDATES

RESEARCH PUBLICATIONS

Journal Articles

Banerjee, B, Gray, SJ & Verma, S 2011, 'Accounting change in India since independence: the influence of culture and the social environment with special reference to the regulation of cash flow statements', *Indian Accounting Review*, vol. 15:2, pp. 1-20.

Kang, H & Gray, SJ 2011, 'The content of voluntary intangible asset disclosures: evidence from emerging market companies', *Journal of International Accounting Research*, vol. 10:1, pp. 109–125.

Morris, RD, Pham, T & Gray, SJ 2011, 'The value relevance of transparency and corporate governance in Malaysia before and after the Asian financial crisis', *Abacus*, vol. 47:2, pp. 205–233.

Ormiston, J & Seymour, RG 2011, 'Understanding value creation in social entrepreneurship: the importance of aligning mission, strategy and impact measurement', *Journal of Social Entrepreneurship*, vol. 2:2, pp. 125–150.

Wright, C, Sturdy, A & Wylie, N 2011, 'Management innovation through standardization: consultants as standardizers of organizational practice', *Research Policy*.

Book Chapters

Fiechter, CA, Marjanovic, O, Boppert, JF & Kern, E 2011, 'Knowledge management can be lean: improving knowledge intensive business processes' in Robert J Howlett (ed.) *Innovation through knowledge transfer* 2010, vol. 9, Springer-Verlag, Berlin, Germany, pp. 31–40.

Welch, C 2011, 'aussieBum' (Chapter 1 closing case) in Charles WL Hill, Thomas Cronk & Rumintha Wickramasekera (eds), *Global business today: Asia-Pacific edition*, McGraw-Hill Australia, pp. 54–56.

Conference Presentations

Gray, SJ & Fee, A 2011, 'Developing global managers: creativity gains from the expatriate experience', *Academy of International Business AIB 2011 Annual Meeting: International Business for Sustainable World Development*, Nagoya, Japan, 28 June.

Keerthipala, C, Kriz, A & Voola, R 2011, 'Social responsibility and competitive advantage: an emerging country B2B case study', *Australian & New Zealand Marketing Academy Conference ANZMAC 2011*, Perth, Australia, 30 November.

Kriz, A, Voola, R & Yuksel, U 2011, 'The role of ambidexterous innovation in hypercompetitive contexts', *Australian & New Zealand Marketing Academy Conference ANZMAC 2011*, Perth, Australia, 30 November.

Rumyantseva, M, Seymour, RG & Ormiston, J 2011, 'Reorganising energy markets: green technologies and commercialisation in Australia', *27th European Group for Organizational Studies EGOS Colloquium 2011: Reassembling Organizations*, Gothenburg, Sweden, 9 July.

Seymour, RG & Salignac, F 2011, 'Fairtrade and its farmers: insights from social exchange theory', *27th European Group for Organizational Studies EGOS Colloquium 2011: Reassembling Organizations*, Gothenburg, Sweden, 9 July.

Voola, R 2011, 'Gandhian values and sustainable marketing strategies', *International Conference on Gandhian Values: Sustainability and Corporate Governance*, Bangalore, India, 9 October.

Yang, JY & Lu, J 2011, 'Caution or causation: how earlier entrant failures influence new entry decisions', *Academy of International Business AIB 2011 Annual Meeting: International Business for Sustainable World Development*, Nagoya, Japan, 28 June 2011.

Conference Proceedings

Sharma, N & Gray, SJ 2011, 'When can sole ventures work well in an emerging market? Australian service MNEs in India', *Proceedings of the Australia and New Zealand International Business Academy ANZIBA Conference 2011: Challenges for International Business in a Turbulent Global Environment*, Melbourne, Australia, 30 April.

Welch, C & Robson, H 2011, 'Internationalisation and the domestic policy environment: a case study of renewable energy firms', *Proceedings of the Australia and New Zealand International Business Academy ANZIBA Conference 2011: Challenges for International Business in a Turbulent Global Environment*, Melbourne, Australia, 30 April.

Reports

Seymour, RG, Ormiston, J & Rumyantseva, M 2011, 'Chapter 2: Australia', Final Report, 38th Session of the Working Party on SMEs and Entrepreneurship: SME Innovation and Intellectual Asset Management in Creative and Selected Manufacturing and Services Industries, Paris, France, 18–19 April.

OECD (2011), *Entrepreneurship at a Glance 2011*, OECD Publishing, Paris.



In 2011 IERG members supervised a number of research students with a focus on innovation and entrepreneurship.

RESEARCH CANDIDATES

Continuing Research Students

Michael Imstepf, 'Institutional entrepreneurship in emerging fields: launching innovative Web 2.0 applications', supervised by Professor Richard Dunford and Dr Richard Seymour

Matthew Keast, 'Entrepreneurs, credit and the business cycle', supervised by Professor Richard Dunford and Dr Richard Seymour

Research Students Completing in 2011

Fanny Salignac, 'Reconciling ethical and profit-seeking behaviour: a discourse analysis of the Fair Trade movement', supervised by Dr Richard Seymour and Professor Sid Gray

Timo Thoennissen, 'Internationalisation and the Australian clean-tech industry', supervised by Dr Richard Seymour and Dr Maria Romyantseva

Susan Wong, 'Development and utilisation of international networks for knowledge transfer and value creation', supervised by Professor Sid Gray

Zara Wong, 'Digitisation in the book publishing industry: entrepreneurial opportunities and creative destruction in Australia', supervised by Dr Richard Seymour and Dr Maria Romyantseva

FINANCIAL REPORT

FINANCIAL SUMMARY FOR THE PERIOD ENDING 31 DECEMBER 2011

PROJECT	EXCHANGES	MERCK	GENERAL	TOTAL
OPENING BALANCE	27,570	107,983	33,472	169,026
INCOME				
Faculty/University funds	2,513	0	1,790	4,303
External income	0	89,440	0	89,440
TOTAL INCOME	2,513	89,440	1,790	93,743
EXPENDITURE				
Salaries and wages	0	122,446	20,951	143,397
Travel and related costs	6,184	3,743	6,787	16,714
Other costs	1,027	7,975	4,111	13,113
TOTAL EXPENDITURE	7,211	134,164	31,850	173,225
CLOSING BALANCE	22,872	63,259	3,413	89,544

IERG is well supported by its stakeholders.

The financial health of the IERG continues to be strong with significant balances carried forward and the strong likelihood of further external funds to ensure research activities are well resourced and well communicated. The major current funding has been secured from the Merck Foundation, with associated expenditures committed through to December 2012. It can be noted in the

2011 financial statements below that minimal internal funding was required by the IERG. Work continues to better segregate the activities of IERG within the accounts, including outreach activities not included below, (refer to the separate Innovation & Enterprise Ventures Annual Report 2011 for more information) and regular reviews to a transactional level are carried out in conjunction with Financial Services.

FUTURE PLANS



Since its establishment in 2006 the IERG has built a strong platform of engagement and activity.

The challenge for the next three years will be to grow the profile and output of the IERG and its members, in particular to build a strong and collaborative research community within the Business School and to engage these scholars with appropriate colleagues across the University and the region.

To this end, the following activities are planned:

- **Annual research workshops**

IERG members will organise a series of annual research workshops. The intention is to attract scholars working in the field in Australia and overseas to share ideas and foster collaboration. World-leading international scholars from the US, Europe and Asia will be invited to make keynote addresses.

- **Annual research showcases**

Annual research showcases are also being planned for the coming years. These events will aim to engage with the general public and with industry experts. Three core themes have been identified: enterprise in the creative industries; social entrepreneurship and its impact; and technology innovation.

- **Case Book of Entrepreneurial Women in Asia**

In 2012 we will research a number of case studies of entrepreneurial Asian women and their businesses. This will address a gap in the literature by providing rich and thick descriptions of the undertakings of selected micro-and small-businesses in the region. We aim to develop our understanding of regional business run and controlled by women. These cases will be of interest to policy-makers, academics and students. Our initial research and publication will cover 4 cases in each of the following countries: Vietnam, Myanmar, Cambodia India, Laos, Indonesia and China.

- **Growth of EDNA membership**

In 2012 we plan to complement the current membership of EDNA with a number of new member universities in ASEAN countries, including Cambodia, Indonesia, Laos and Myanmar.

MORE INFORMATION

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