The Innovation and Entrepreneurship Research Group (IERG) is a cross-disciplinary team of researchers that focuses on business innovation and entrepreneurial ventures and people. Specific areas of focus include internationalisation pathways, strategic management and entrepreneurship (both business and social).

The IERG recognises that the process of identifying and exploiting new opportunities requires the involvement of a wide range of participants. By acting as a conduit for such involvement, it aims to engage members of the broader entrepreneurial community at both local and international levels.

This report summarises the IERG’s major achievements and activities in 2010. A particular highlight of the year was the significant progress made in developing our international collaborative relationships, most notably with the Indian Institute of Management in Bangalore and the University of Economics and Business (part of Vietnam National University) in Hanoi. The IERG is involved in research and education programs with each of these partners, as well as in fostering interaction between all members of our international network.

Following the admission of the University of Sydney Business School as Australia’s only member faculty of the CEMS global alliance of leading business schools and corporations, the IERG deepened its involvement in the activities of CEMS’s Innovation, Creativity and Entrepreneurship (ICE) group.

The IERG also attracted a large number of international visitors in 2010, including from the US, Canada, China and Europe, who presented seminars and engaged in collaborations with faculty members.
The IERG’s research program continued to grow throughout the year, with major developments in the Merck Foundation project Innovating to Globalise, Globalising to Innovate. IERG researchers investigated the life-cycle development of companies in four industries: biotechnology, advanced manufacturing, clean technologies and creative industries (specifically, digital media and e-publishing). A number of conference papers reporting on the work in progress were presented in Australia and Europe, with further publications to follow.

Members of the IERG were also engaged in research-based teaching activities during the year, contributing most importantly to the Strategy and Innovation specialisation of the Master of Commerce, and to the Graduate Certificate in Innovation and Enterprise. These courses engage practitioners as well as academics in implementing our commitment to experiential problem-based study of innovation and entrepreneurship.

On behalf of the IERG, we would like to thank all the academics, students, practitioners and supporters who continue to expand the IERG’s reach and impact.

PROFESSOR SID GRAY
PROFESSOR OF INTERNATIONAL BUSINESS
CO-DIRECTOR

DR RICHARD SEYMOUR
PROGRAM DIRECTOR, INNOVATION AND ENTERPRISE
CO-DIRECTOR
Researching, teaching and learning about innovation and entrepreneurship are very different from the same activities within a functional discipline such as accounting or finance. Functional disciplines are generally associated with a well defined set of skills and activities. This is not the case with entrepreneurship, which is as much a mindset as it is a set of skills or activities.

The identification, exploration and exploitation of opportunities all take place within a context; thus, research into entrepreneurship requires the researcher to be richly embedded within the context of the opportunity. The IERG attempts to address this need by ensuring that its members are involved in a rich set of complementary activities in outreach and teaching.

Specifically, the objectives of the IERG include:
– research – facilitating research into innovation and entrepreneurship through the creation and support of a network of scholars and institutions
– research resourcing – assisting in the securing of research grants and funding
– research outreach – 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.

*Due to the scale of these initiatives they are disclosed in a separate annual report titled Innovation and Enterprise Outreach Program.
Our members provide a rich flow of support, advice, research and enthusiasm, and engage with the wider entrepreneurial community on both local and international levels. The IERG is committed to increasing the diversity of its membership base, and to encouraging and facilitating collaboration between members.

A full list of all our faculty members, associate members and research candidates in 2010 is provided below.

The continuing challenge of the IERG is to increase its membership and encourage greater input from members of the Business School. We continue to invite involvement and hope to develop these relationships further in 2011.

As part of our membership and involvement drive we held regular meetings throughout 2010, where we discussed how best to supervise group projects, develop our activities, enlarge our membership base and further involve our associate members.

MEMBERS

FACULTY MEMBERS
Professor Sid Gray
International Business
Co-Director
Dr Richard Seymour
International Business
Co-Director
Professor Donnel Briley
Marketing
Professor Richard Dunford
International Business
Dr Massimo Garbuio
International Business
Professor Hans Hendrischke
Confucius Institute
Professor Ron Johnson
Australian Centre for Innovation
Dr Robyn McConchie
Faculty of Agriculture
Dr Jordi McKenzie
Economics
Professor Bruce McKern
United States Studies Centre
Dr Olivera Marjanovic
Business Information Systems
Dr Leanne Piggott
Centre for International Security Studies
Professor Alan Randall
Faculty of Agriculture
Mr Jim Rooney
Accounting
Dr Maria Rumyantseva
International Business
Professor Chris Styles
Marketing

Dr Ranjit Voola
Marketing
Dr Nick Wailes
Work and Organisational Studies
Dr Catherine Welch
International Business
Professor Chris Wright
Work and Organisational Studies
Dr Zhan Wu
International Business
Dr Gracy (JY) Yang
International Business

ASSOCIATE MEMBERS
Mr David Anstice
CSL Limited
Mr Sandy Beard
CVC Limited
Ms Lisa Kelaher
SIFE Faculty Advisor
Mr Joe Seisdedos
Griffith Hack (Adjunct)
Mr Andrew Stead
ATP Innovation (Adjunct)
Mr Jeffrey Tobias
The Strategy Group (Adjunct)
Mr Lorne Wood-Roe
Adams Pluck

RESEARCH CANDIDATES
Ms Shanie Atkinson
Mr Michael Imstefp
Mr Matthew Keast
Mr Jarrod Ormiston
Ms Fanny Salignac
The IERG actively engages with international networks of institutions and academics in fostering our teaching, research and outreach activities. In 2010 these activities included carrying out collaborative research and education programs with partner institutions in Cambodia, China, India and Vietnam and across Europe, as well as welcoming a number of international academics to collaborate with and present to our members.

**PARTNER INSTITUTIONS**

Our international partners in teaching, research and outreach activities in 2010 are listed here. Information about each of these partners is provided below.

As suggested in our mission, our activities are focussed on supporting and integrating our research, research resources, research outreach and research-led teaching and learning. To do this we have focussed our efforts initially on two regions: Europe and Asia. Our partners based in Europe include the CEMS and the OECD, those in Asia include Zhejiang University in China, the Indian Institute of Management in Bangalore, and the Vietnam National University in Hanoi. We are continually seeking to strengthen and deepen these and similar partnerships.

Note that the activities associated with Innovation and Enterprise Outreach are now presented in a separate annual report*.

**CEMS**

CEMS is a global alliance of academic and corporate institutions dedicated to educating and preparing future generations of international business leaders. CEMS members work collectively to develop knowledge and provide education that is essential in today’s multilingual, multicultural and interconnected business world.

Common to all activities is the aim of promoting global citizenship, with particular emphasis on the following values:

– the pursuit of excellence, with high standards of performance and ethical conduct
– understanding of and drawing on cultural diversity with respect and empathy
– professional responsibility and accountability in relation to society as a whole.

The Innovation, Creativity and Entrepreneurship (ICE) Faculty Group constitutes an opportunity for academics from CEMS schools to work with peers on the issues on which their personal research focuses.

**OECD LOCAL ECONOMIC AND EMPLOYMENT DEVELOPMENT PROGRAM**

In 2009 the IERG was formally recognised as a Local Economic and Employment Development (LEED) Knowledge Partner. The LEED program is an OECD initiative that aims to identify, analyse and disseminate innovative ideas for local development, governance and the social economy. Governments from OECD member and non-member economies look to and work through LEED to generate innovative guidance on developing policies to support employment creation and economic development through locally based initiatives.

**ZHEJIANG UNIVERSITY, CHINA**

The Global Entrepreneurship Research Center at China’s Zhejiang University (ZJU-GERC) and the IERG have jointly established a program of research, education and outreach initiatives in international entrepreneurship to complement and strengthen their respective activities. The program was included in the Memorandum of Understanding signed by both institutions at university level in 2008. The program focuses on research and postgraduate education. It was initially developed as a bilateral activity, with the intention of broadening its membership to include the top entrepreneurship-focused universities.
globally. It received initial funding from the University of Sydney Business School.

The ZJU-GERC integrates global multidisciplinary research expertise with academic staff from the Centre for Human Resources and Strategic Development at Zhejiang University.

It focuses on the three areas of:
– talent development
– entrepreneurship research
– global strategy.

Its research concentrates on the three areas of:
– innovative talent and global leadership
– venturing resources and enterprise growth
– innovation policy and regional competitiveness.

To enhance frontier disciplines and develop innovation focusing on innovation and entrepreneurship, the ZJU-GERC is dedicated to multidisciplinary research on entrepreneurship theory building, strategy development, integrative innovation of university–industry–government, and regional and national innovation systems development.

It cultivates high-level academic research teams and entrepreneurship programs at undergraduate, master’s and PhD level with an international vision, an innovative mindset, a sense of social responsibility and global leadership competence.

INDIAN INSTITUTE OF MANAGEMENT, BANGALORE, INDIA

The Indian Institute of Management, Bangalore (IIMB), consistently figures among the top business schools in India in domestic and international surveys. In October 2010, a survey by Eduniversal, a unit of Paris-based SMBG, ranked the IIMB as the number-one business school in central and south Asia for the third consecutive year.

The Nadathur S Raghavan Center for Entrepreneurial Learning (NSRCEL) was established in 2002 to synergise with the IIMB’s focus on entrepreneurial studies. The NSRCEL facilitates business growth by combining academic research with practical experience. Entrepreneurial energy is fostered by the IIMB’s academic community and industry interfaces, thus channelling the growth of small business ideas to implementation.

The NSRCEL not only trains and promotes entrepreneurship but also acts as an incubator for start-up companies. It has a rich faculty of mentors with diverse experience in working with various industries and building a range of enterprises, who guide future business leaders in establishing and developing businesses. Many of these are leading professors who have helped some of the top Indian companies to reach their current status.

UNIVERSITY OF ECONOMICS AND BUSINESS (PART OF VIETNAM NATIONAL UNIVERSITY), VIETNAM

Vietnam National University (VNU) in Hanoi, Vietnam, was the first modern university established in Vietnam and is now one of its two national universities. VNU holds a special position in Vietnam’s higher education system and is considered to be one of the top two universities in Vietnam. It enjoys a high level of autonomy and reports directly to the prime minister. VNU is also the country’s key scientific research centre, and its system of research institutes and centres plays a key role in the research into important fields carried out under various national development strategies.

The University of Business and Economics is a constituent university of VNU and the premier business school in Vietnam. It is also a member of the Association of Asia–Pacific Business Schools.

VISITORS

In 2010 our international guests and their activities included the following.
– Dr Tony Kang, Oklahoma State University, US, collaborative research
– Dr Betina Szkudlareck, Rotterdam School of Management, Erasmus University, the Netherlands, collaborative research and PhD support
– Professor Rosalie L Tung, Simon Fraser University, Canada, ANZIBA conference presentation, seminar presentation
– Professor Ravi Sarathy, Northeastern University, Boston, US, collaborative research, seminar presentation
– Professor Preetmohinder S Aulakh, Schulich School of Business, York University, Canada, collaborative research, seminar presentation
– Dr Erika Paavilainen-Mantymaki, Turku University School of Economics, Finland, collaborative research, seminar presentation
– Professor James R Lincoln, University of California, Berkeley, US, collaborative research, seminar presentation
– Professor Gary Bruton, Texas Christian University, US, collaborative research
In 2010 the IERG supported its members by securing research funding, providing a focal point for industry participation in University scholarship and learning, and facilitating collaboration with international and local partners. Below is a summary of its activities in these areas.

**CURRENT RESEARCH GRANTS**

<table>
<thead>
<tr>
<th>RESEARCHER</th>
<th>FUNDING BODY</th>
<th>PROJECT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard Seymour</td>
<td>International Program Development Fund (IPDF), Discipline of International Business</td>
<td>Entrepreneurship faculty exchanges with Indian Institute of Management Bangalore, University of Illinois at Urbana-Champaign, University of Leeds and Zhejiang University, China</td>
<td>$27,850</td>
</tr>
<tr>
<td>Richard Seymour</td>
<td>Discipline of International Business</td>
<td>Entrepreneurship exchanges with leading international universities</td>
<td>$40,000</td>
</tr>
<tr>
<td>Richard Seymour, Catherine Welch</td>
<td>MERCK Foundation</td>
<td>Innovating to Globalise, Globalising to Innovate</td>
<td>$350,000</td>
</tr>
<tr>
<td>Chris Styles</td>
<td>Discipline of Marketing, US Studies Centre</td>
<td>Understanding the behaviours, intentions and perceptions of businesses in the Australia–US trade relationship</td>
<td>$210,000 (provided by NSW Department of State and Regional Development)</td>
</tr>
<tr>
<td>Chris Styles, Ranjit Voola</td>
<td>Discipline of Marketing</td>
<td>The influence of international entrepreneurial culture on the extent of e-business adoption and international competitive advantage; an exploratory investigation</td>
<td>$10,000</td>
</tr>
</tbody>
</table>
RESEARCH PROJECTS
The IERG’s research focuses on how innovation and entrepreneurship manifest in the contexts of new markets, new products and new business processes. In 2010 it concentrated on understanding and developing the following key areas of knowledge:
– business innovation and its ecosystems, for example, alternative business models for high-value Australian exports
– 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 Eurostat program
– social entrepreneurship, in particular, the geographical, cultural and structural issues confronting business in remote and Indigenous Australia
– how entrepreneurial activity manifests in developing economies, specifically, in India and China
– how corporate entrepreneurial activity is managed/encouraged in mature Australian corporations, particularly in the context of seeking new international markets
– the internationalising and innovative behaviours over time of ventures with highly valued intellectual property.

The major projects undertaken in 2010 are now reviewed.

MERCK Foundation research project
The MERCK Foundation provided the IERG with US$350,000 in funding for 2010–2012 to support research into the life-cycle development of IP-rich Australian firms as they innovate, globalise and grow.

The IERG’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 life cycle and how they interrelate and affect each other – from identifying an invention or idea to recognising commercial opportunities, securing financing, managing growth and determining possible exit strategies such as trade sales. This long-term perspective is imperative in order to understand the entire process.

The IERG is currently investigating the following four important 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 beginning of their life cycle – typically, from the initial idea that sparked the innovation – over the course of their commercialisation efforts to their global expansion. The project will be completed in 2012.

PROJECT SPONSOR
David Anstice, MERCK

SENIOR ACADEMIC ADVISOR
Professor Sid Gray

LEAD RESEARCHERS
– Dr Richard Seymour
– Dr Catherine Welch

RESEARCHERS
The project has involved both fully funded and part-time research assistants, including:
– Dr Maria Rumyantseva
– Dr Tatiana Anisimova
– Dr Lisa Hewerdine
– Mr Jarrod Ormiston.
Research students completing in 2010 included the following.

– James Middleton, ‘Microcredit and poverty alleviation: advancing understanding of institutions and complementary activity’, supervised by Dr Richard Seymour

– Jarrod Ormiston, ‘Understanding the value created by social entrepreneurs: exploring social mission, impact and entrepreneurial adjustment’, supervised by Dr Richard Seymour

Continuing research students in 2010 were as follows.

– Shanie Atkinson, ‘Merger and acquisition integration: A study of the causal dynamics underlying value creation in the merger and acquisition process’, supervised by Professor Richard Dunford and Dr Richard Seymour

– 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

– Fanny Salignac, ‘Reconciling ethical and profit-seeking behaviour: a discourse analysis of the fair trade movement’, supervised by Dr Catherine Welch and Dr Richard Seymour

– Susan Wong, ‘Development and utilisation of international networks for knowledge transfer and value creation’, supervised by Professor Sid Gray and Professor Chris Styles.
RESEARCH PUBLICATIONS

The IERG's research publication output in 2010 included the following.

BOOKS

BOOK CHAPTEARS

JOURNAL ARTICLES

CONFERENCE PROCEEDINGS


OTHER PRESENTATIONS AND WORKING PAPERS


Business schools have traditionally provided programs centred on core functional skills such as accounting, marketing, finance and organisational studies. These days, however, it is expected that more than core functional skills be developed in students. With firms increasingly challenged by global demands, regional competition and local constraints, they are stretched to mature their existing businesses while growing their presence in new markets, developing new offerings and refining their business models.

Firms recognise that creating new businesses, growing young businesses and turning around mature businesses require people and teams with rich analytical, entrepreneurial and leadership abilities. Business leaders are expected to be skilled in the science, art and crafts of management.

To meet these complex demands, the Innovation and Enterprise Program at the University of Sydney Business School focuses on strategy, creativity and entrepreneurship as the key domains to develop appropriate knowledge, skills and abilities. The IERG is actively engaged in the development and delivery of this program. As well as assembling a team of top academics and practitioners to lead the program, we have considered what and how we teach: courses are structured around experiential and problem-based learning and incorporate close engagement with business and entrepreneurial ventures. For more information on our teaching and outreach activities, visit sydney.edu.au/business/research/ierg
In 2011 the IERG will focus on increasing its membership base and encouraging greater input from members of the Business School. We continue to invite the involvement of faculty members with an interest in the field, and to increase our support for research proposals and funding. Equally important is to see that outreach activities ‘spin off’ from research carried out by the IERG.

The next step for the IERG is to explore the possibility of a University-wide research platform. This will be most useful in promoting a program of sustained research from a network of researchers across the University.
# FINANCIAL SUMMARY

**FINANCIAL REPORT FOR THE PERIOD ENDING 31 DECEMBER 2010**

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>ACADEMEX</th>
<th>MERCK</th>
<th>GENERAL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>30,532</td>
<td>82,619</td>
<td>48,993</td>
<td>162,144</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faculty/USYD Funds</td>
<td>0</td>
<td>0</td>
<td>9,000</td>
<td>9,000</td>
</tr>
<tr>
<td>External Income</td>
<td>0</td>
<td>138,797</td>
<td>0</td>
<td>138,797</td>
</tr>
<tr>
<td>Total Income</td>
<td>0</td>
<td>138,797</td>
<td>9,000</td>
<td>147,797</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>0</td>
<td>101,344</td>
<td>17,712</td>
<td>119,056</td>
</tr>
<tr>
<td>Travel &amp; related costs</td>
<td>2,962</td>
<td>5,992</td>
<td>3,658</td>
<td>12,612</td>
</tr>
<tr>
<td>Other costs</td>
<td>0</td>
<td>6,097</td>
<td>3,151</td>
<td>9,248</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>2,962</td>
<td>113,433</td>
<td>24,520</td>
<td>140,915</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>27,570</td>
<td>107,983</td>
<td>33,472</td>
<td>169,026</td>
</tr>
</tbody>
</table>