Are we ready for the innovation economy?

WITH all the talk about the innovation economy lately, three questions come to my mind: what do we mean by innovation economy, where are we now, and how do we get there?

According to Dr Curtis Carlson of SHI International, 'Innovation is the process of creating and delivering new customer value in the marketplace and providing sustainable return to the enterprise. Therefore innovation has now been seen as the critical driver for growth, prosperity, and a better quality of life'.

When we talk about creating and delivering customer value, we cannot deny the role of information and technology. However, our ICT capabilities are still in the stages of infancy and if we remain at this level, we will not be able to use information and technology to quantum leap into the innovation economy.

I recently went to London and found out I was not allowed to use my Visa card. Apparently, I have to call my bank and inform them when I am going overseas in order to be able to use my Visa while I'm abroad. I was told this was for my own protection.

For a businesswoman who travels abroad frequently and has a busy schedule, it is a hassle to keep calling the banks every time she has to travel. This is an example of the weaknesses in our e-commerce infrastructure and how it hinders our ability to provide customer satisfaction. In the innovation economy, we must be able to create customer value, but how can we do that when we can't even solve basic problems like this?

This is also an issue of IT security, which we have yet to address seriously. Everybody talks about the need for more software programmers and engineers, but at Unirazak we understand that as long as there is IT, the need for security will be infinite. I've received e-mails from major banks complete with their logo, asking me to check my account balance. And these e-mails were most certainly not sent by the banks. So, who is looking into this issue?

When we talk about IT, it's also about making use of data and information to our advantage and benefit. Take the national census for example, the information we obtain from the census will tell us how to plan economically and develop businesses and opportunities that will fulfil the needs of the future generation. For example, if the majority of the population are single females, then there will be less demand for items like diapers, baby clothes, and wedding accessories in the future. And if these women choose to live on their own, perhaps this will spark a trend for single female apartment complexes.

This is also what you would call analytics. According to Dr Davenport of Babson College, analytics is 'the extensive use of data - statistical and quantitative analysis and explanatory and predictive models and fact based management - to make decisions and actions'.

Innovation is about using analytics to get ahead of others. So moving ahead, Malaysian industries must be creative and innovative in terms of identifying new business opportunities for growth and prosperity by exploiting analytics and making use of business intelligence in business development processes and actions.

The government has already announced that we are in the innovation economy. So what are we waiting for... the next wahyu (revelation)?

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