CBS BIS/Competitiveness Platform
Report on Public Seminar, December 10, 2013:
The innovation activities of Danish MNCs in emerging markets: Are Danish MNCs moving innovation activities and what are the implications?

The public seminar was organized by associate professors, **Michael W. Hansen** and **Peter Wad** from Centre for Business and Development Studies, Department of Intercultural Communication and Management. It was a prelude to an academic workshop the following day. Both arrangements were facilitated by the Centre for Business and Development Studies and a grant with administrative support from the CBS Business-in-Society Competitiveness Platform.

The theme of the public seminar regarded the innovation activities of Danish MNCs in emerging markets with the key question if Danish MNCs are moving innovation activities and what are the implications?

Acknowledging that innovation is a core component of corporate competitiveness in a globalized market economy the background to the public seminar is the realization among many quarters of the Danish public that the Danish innovation system is challenged due to the internationalization of production and markets, the internationalization of innovation and the growing innovation strength of emerging markets. In sum: Is the Danish innovation model challenged?

Thus, the key questions for the seminar were: How can Danish MNCs tap into global innovation potentials of emerging markets? Are emerging market innovation activities in Danish MNCs complements or substitutes? When production and markets move, will innovation also move? How can we provide the right conditions for keeping innovation in Denmark?

The specific purpose of seminar was 1) identifying emerging trends and issues related to MNCs, innovation and emerging markets, and 2) inspire research agendas on innovation in Danish MNCs in emerging markets.

The seminar had invited three speakers from the Danish business community.

Lars Goldschmidt, Director, Danish Industry, spoke about 'Global innovation policies. Bundling and competitiveness.' Lars Goldschmidt is a prolific debater and has worked extensively with issues related to competence development, management, energy and environment and competitiveness. In his speech he focused on the necessity of maintaining production activities in Denmark if the high value added research and innovation activities are to remain in Denmark.

Lisbeth Bech, Organizational Development Director, Novozymes A/S, spoke 'Opportunities and challenges in having innovative activities in many countries.' Lisbeth Bech is currently preparing Novozymes' global research and development site strategy and in her speech she talked about the challenges and opportunities of creating a global R&D organization and how to turn global diversity into a competitive advantage.

Anders Nyborg, Director of Innovation Management, Vestas Technology and Service Solutions, Vestas A/S spoke about 'Rebuilding a global innovation culture in Vestas'. Anders Nyborg is heading Vestas' process of re-establishing an innovation management process rebuilding an

innovation culture after Vestas had to reduce their R&D efforts and Global R&D Footprint as a consequence of the financial crisis.

The **key messages** of the seminar were the following:

- Innovate or die: Industry concerns about loss of Danish competitiveness due to weak innovation performance and innovation re-location.

- Innovation and production bundled.

- Dilemma in global innovation: complementarity of Danish innovation activities versus substitution.

- From engineering driven toward customer driven global innovation.

- Cultural diversity a key resource in global innovation activities

- A globally integrated and coordinated R&D function creates opportunities and challenges

- Global R&D organization consolidation versus functionally embedded and modularized R&D.

- Distance matters: Co-location of R&D activities essential (to get external economies and/or scale). Stickiness of innovation activities remains strong.

(reported by MWH/PW)