



PROMAT 2015

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Role of Education in Innovation

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Presented by:

**Erik Sander, Director
University of Florida**

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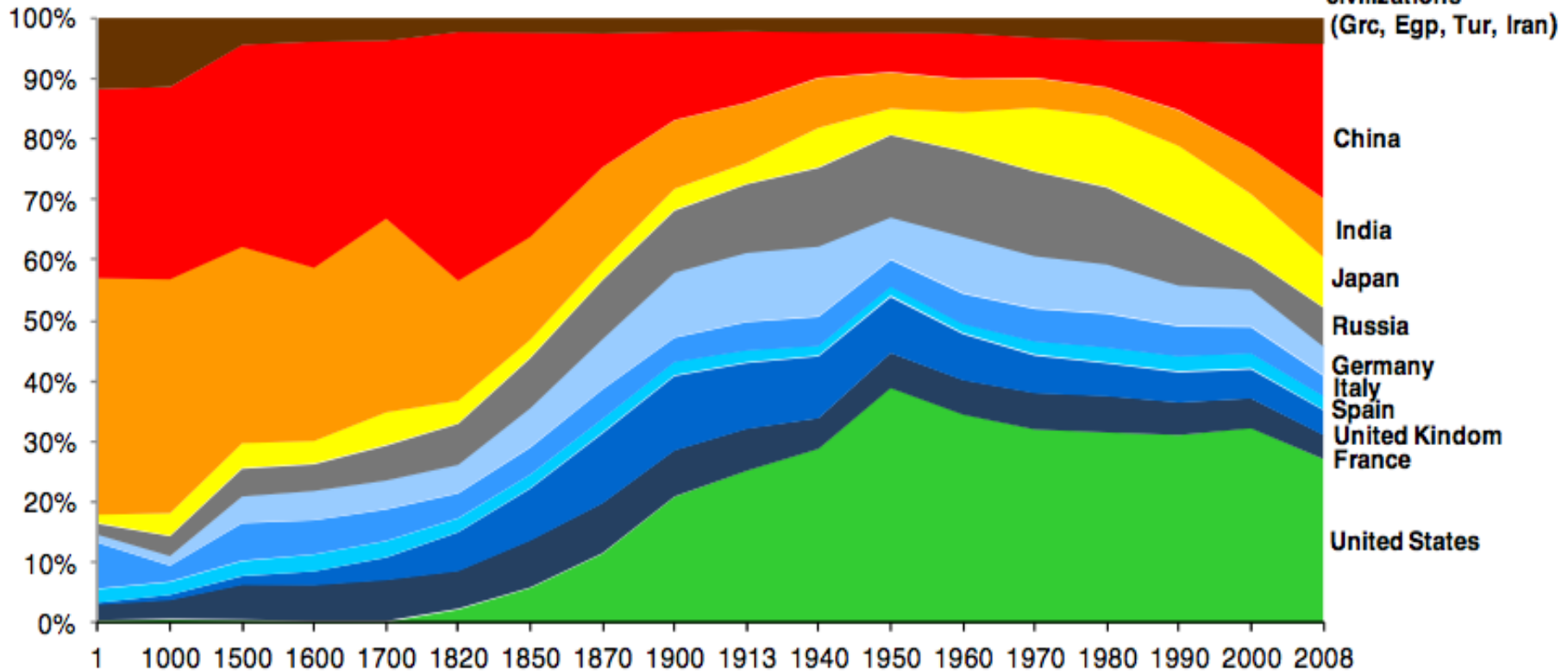
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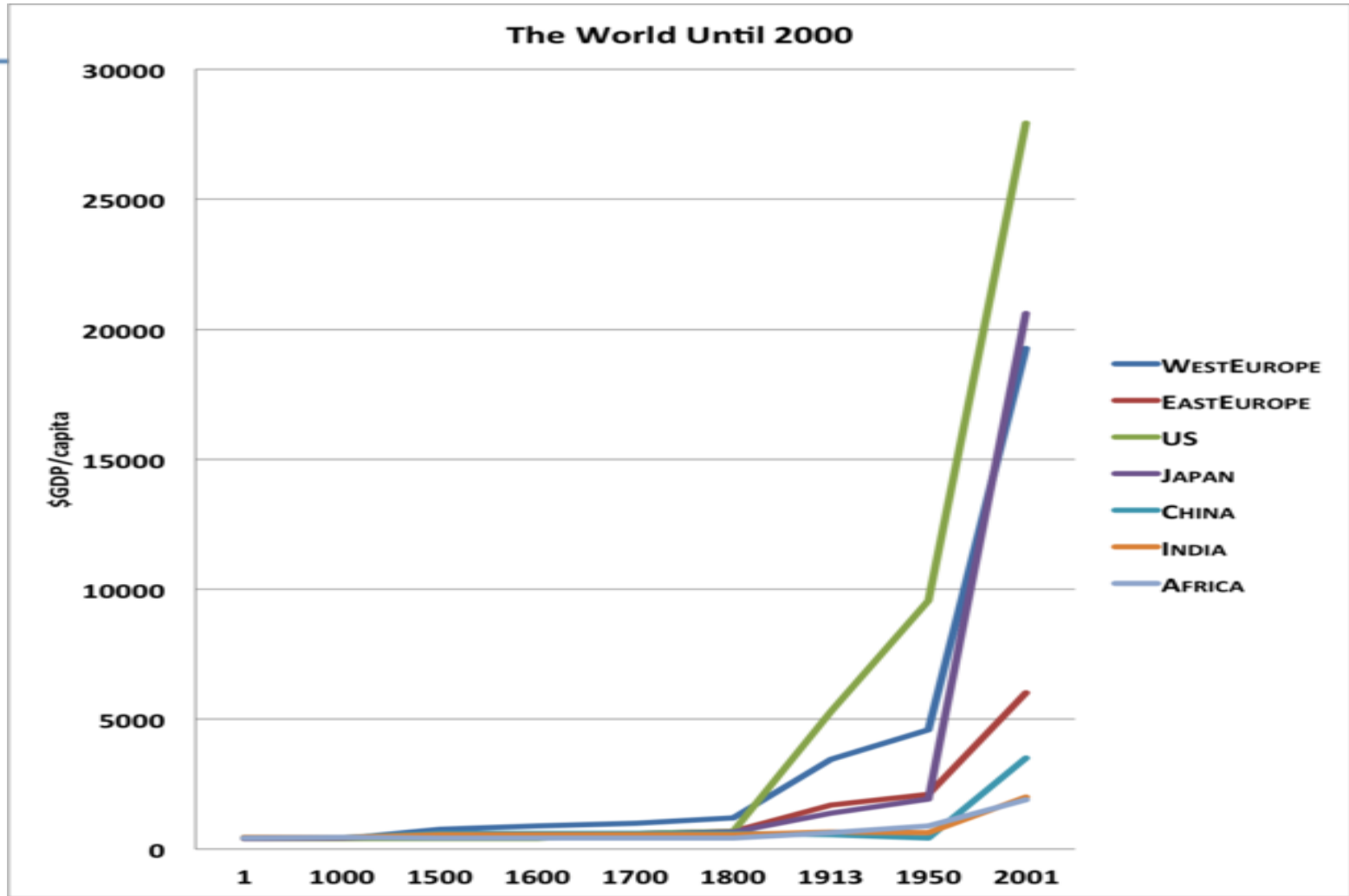
The Economic History of the World – The Impact of Innovation

Economic history of China and other major powers

Share of world GDP



Source: "Statistics on World Population, GDP and Per Capita GDP, 1-2008 AD", Angus Maddison, University of Groningen.



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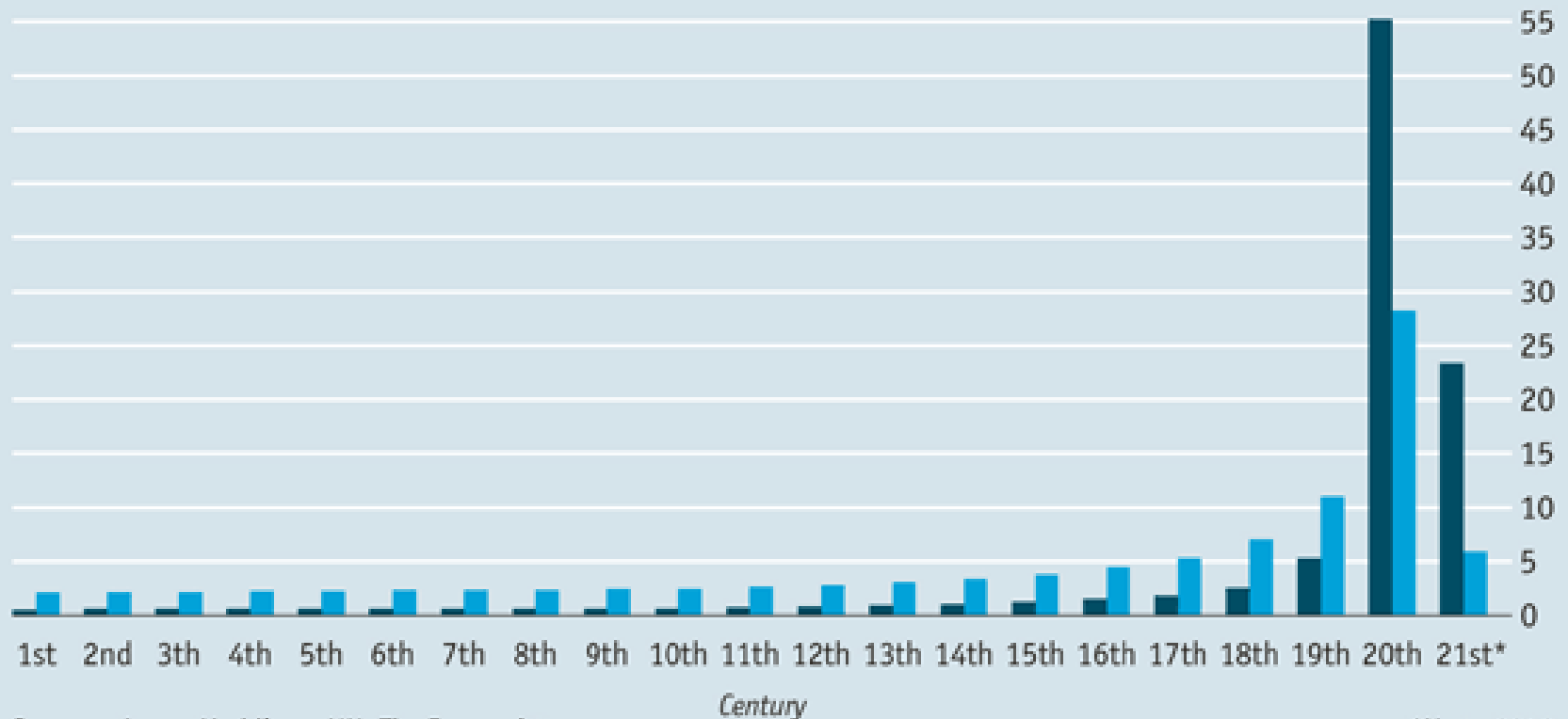
The Economic History of the World – The Impact of Innovation

When history was made

Percentage of total:

■ economic output (1990 \$)

■ years lived



Sources: Angus Maddison; UN; *The Economist*

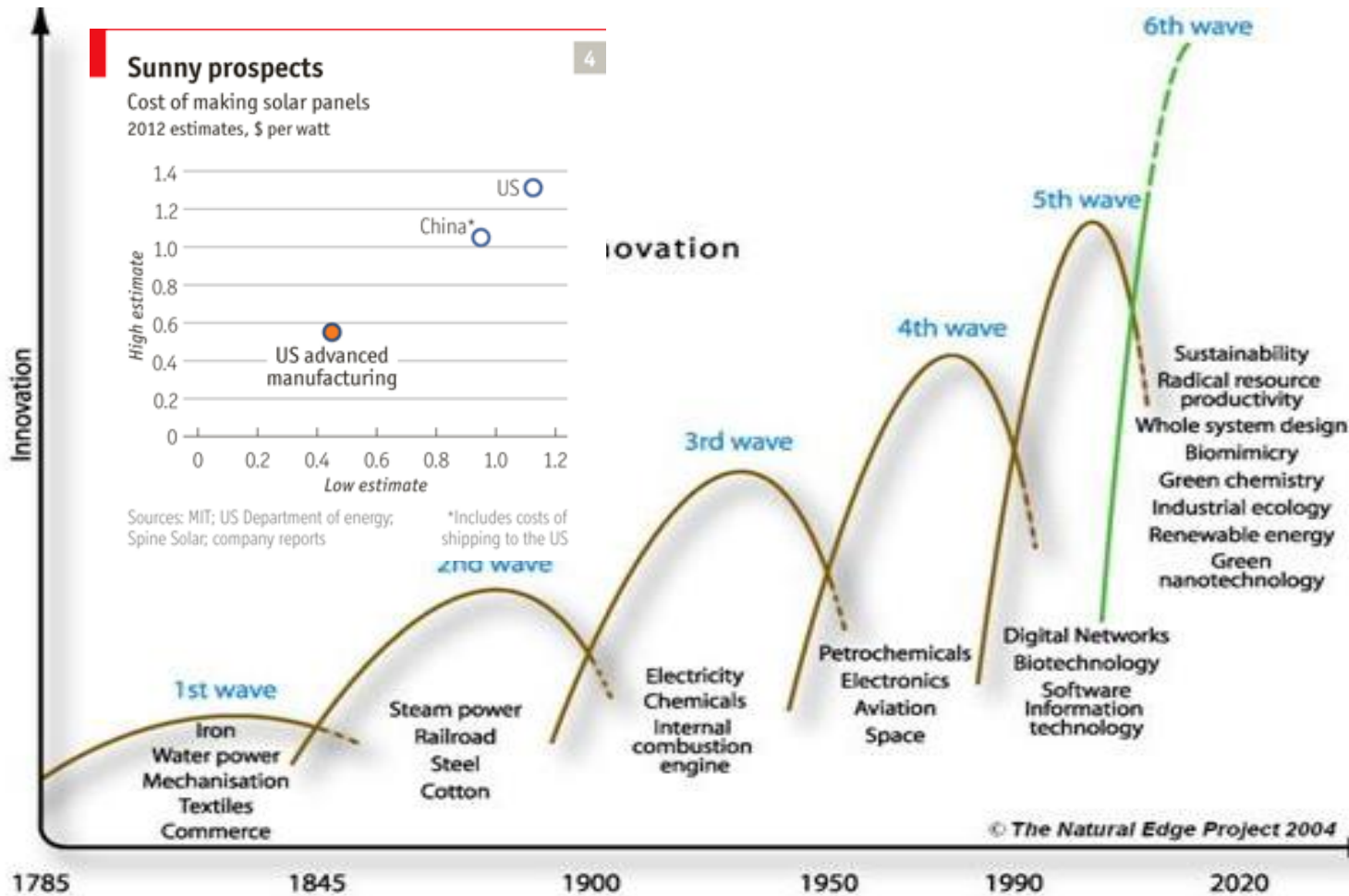
*Up to 2010

Innovation Matters



Source: Time Magazine, February 25, 2014

What is the next wave??



Large developing economies are moving up in global manufacturing

Top 15 manufacturers by share of global nominal manufacturing gross value added

Rank	1980	1990	2000	2010
1	United States	United States	United States	United States
2	Germany	Japan	Japan	China
3	Japan	Germany	Germany	Japan
4	United Kingdom	Italy	China	Germany
5	France	United Kingdom	United Kingdom	Italy
6	Italy	France	Italy	Brazil
7	China	China	France	South Korea
8	Brazil	Brazil	South Korea	France
9	Spain	Spain	Canada	United Kingdom
10	Canada	Canada	Mexico	India
11	Mexico	South Korea ¹	Spain	Russia²
12	Australia	Mexico	Brazil	Mexico
13	Netherlands	Turkey	Taiwan	Indonesia²
14	Argentina	India	India	Spain
15	India	Taiwan	Turkey	Canada

1 South Korea ranked 25 in 1980.

2 In 2000, Indonesia ranked 20 and Russia ranked 21.

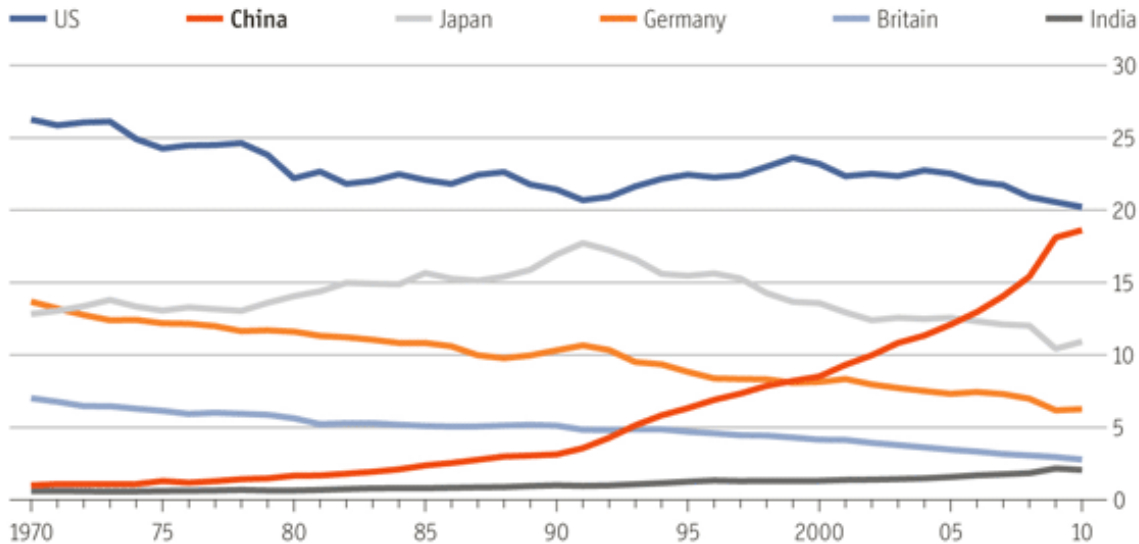
NOTE: Based on IHS Global Insight database sample of 75 economies, of which 28 are developed and 47 are developing.

Manufacturing here is calculated top down from the IHS Global Insight aggregate; there might be discrepancy with bottom-up calculations elsewhere.

SOURCE: IHS Global Insight; McKinsey Global Institute analysis

The new world order

Manufacturing, 2005 prices, % of world output



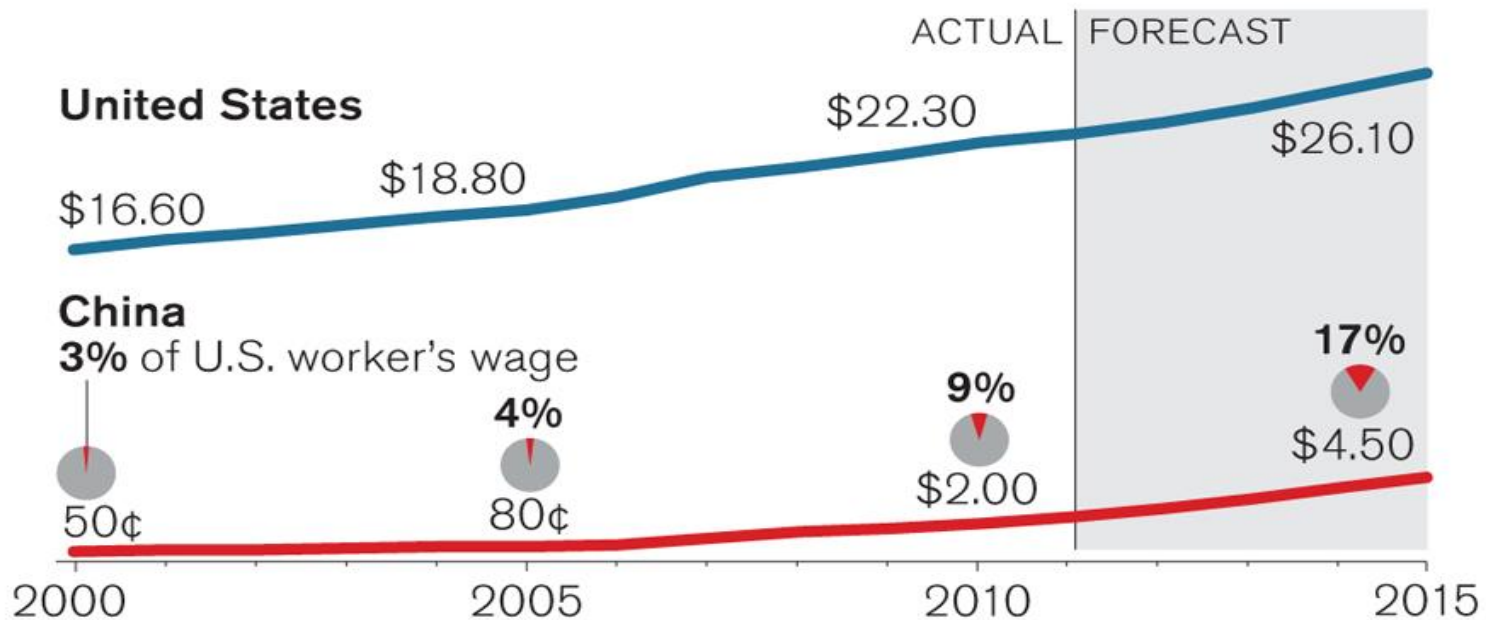
Source: UNCTAD

Taken from "The Third Industrial Revolution",
The Economist, April 21, 2012

1
US technology infusion
and innovation
displaces labor –
Equivalent
manufacturing GDP
output to China with
1/10th the
manufacturing labor
force

Differences in labor costs between China and the U.S. are shrinking, forcing some to rethink where to locate production.

Factory-worker wages (dollars per hour)

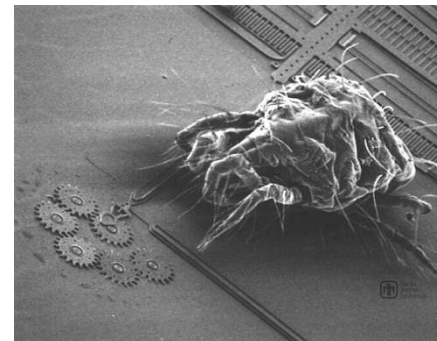
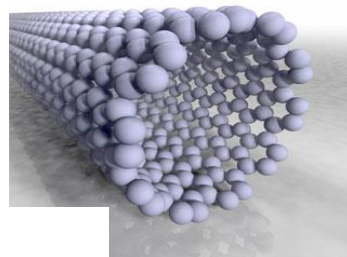
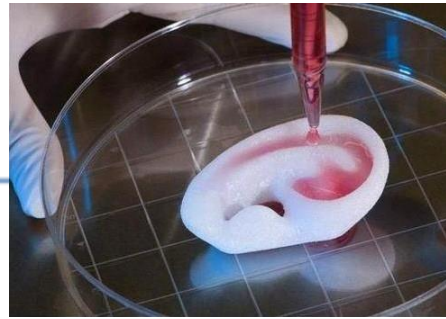


Sources: Economist Intelligence Unit; U.S. Bureau of Labor Statistics; selected company data; BCG analysis

Taken from "Manufacturing in the Balance", MIT Technology Review, January 2013

The Future

- 3D Printing – Bioprinting
- Digital Design and Manufacturing
- Advanced Materials
- Intelligent Sensing Systems
- “Smart” Robotics
- Big Data
- Nanomedicine – therapeutics and devices
- Biological Production



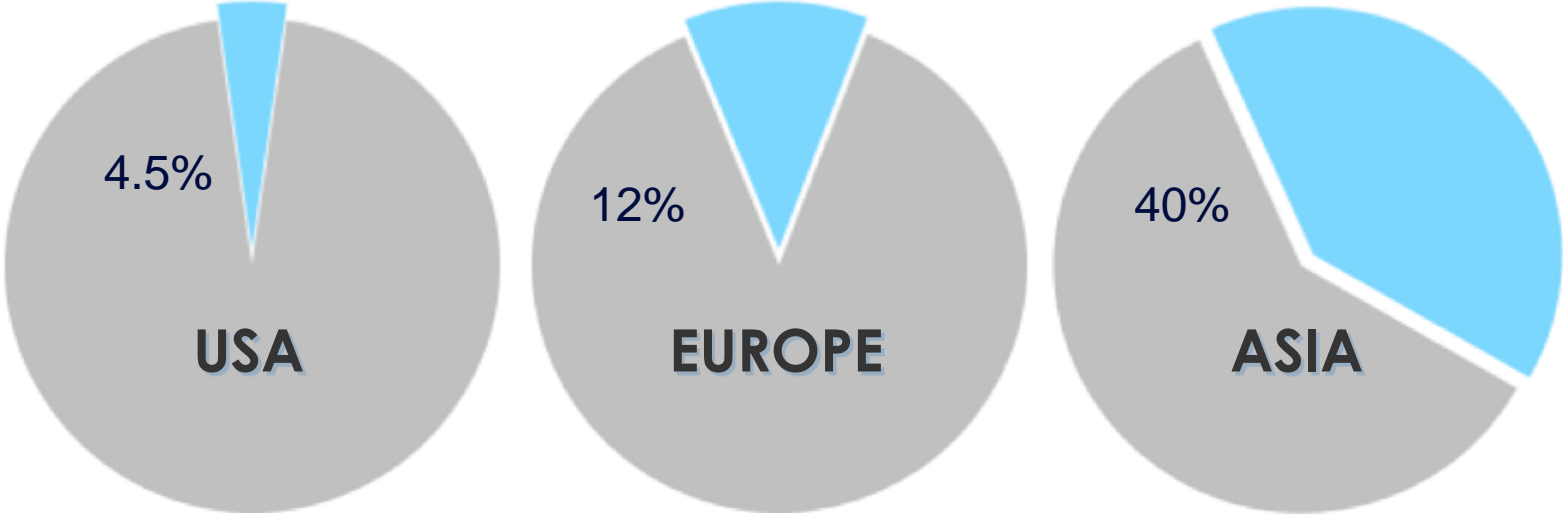
So Let's Look Forward
to the Next Generation

Can Innovation be Taught?

Is innovation over? Yes, several times.

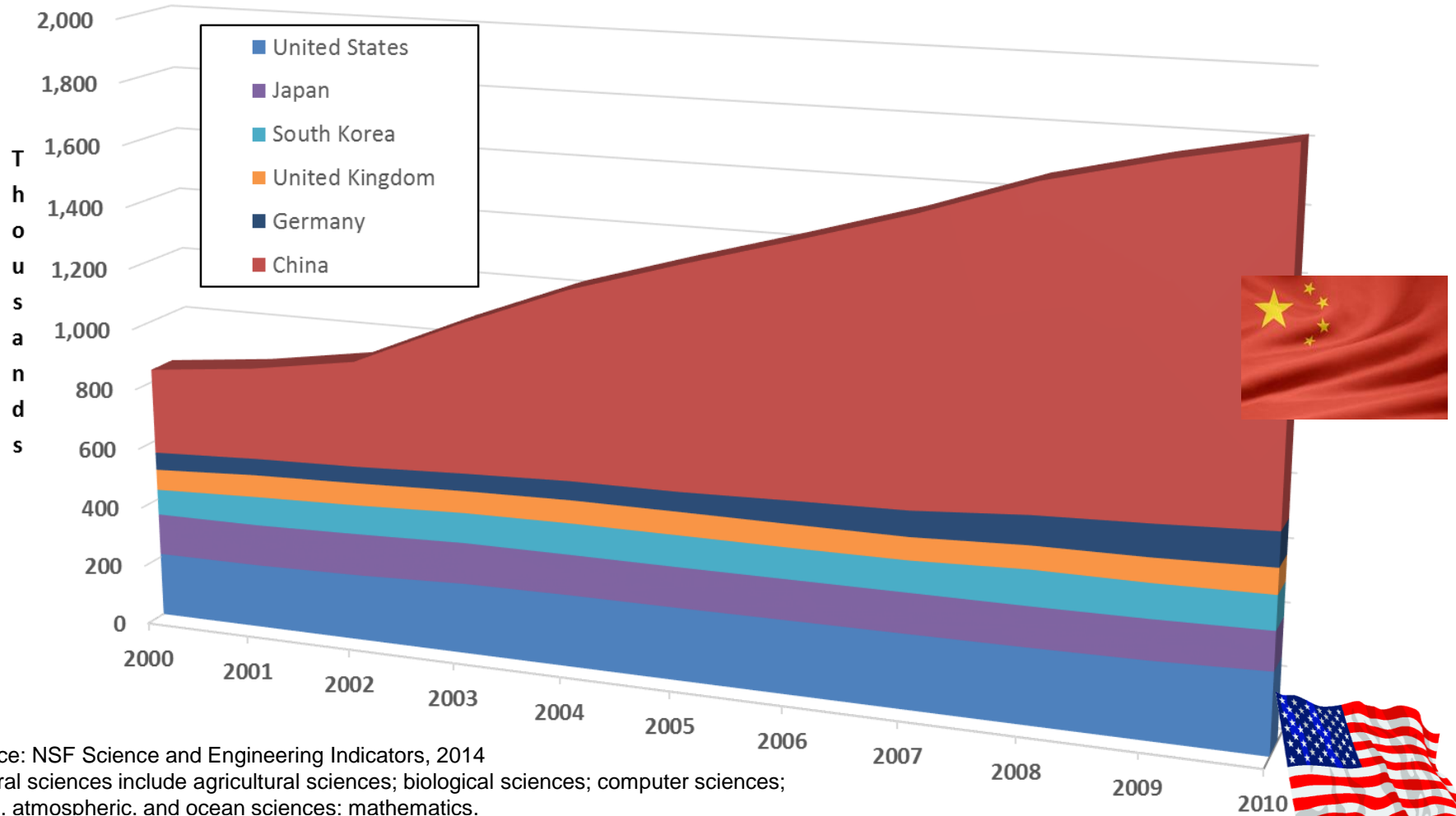
- No one will need more than 637 kb of memory for a personal computer. – Bill Gates, Founder and CEO Microsoft (1981)
- Television won't be able to hang on to any market it captures after the first six months. People will soon get tired of staring at a plywood box every night. – Darryl Zanuck, Founder 20th Century Pictures & United Artists (1946)
- I think there is a world market for maybe five computers. – Tom Watson, Chairman IBM (1943)
- Who the hell wants to hear actors talk? – HM Warner, CEO Warner Brothers (1927)
- Everything that can be invented has already been invented. - Charles Duell, Commissioner US Patent Office (1899)
- Inventions have long since reached their limit, and I see no hope for further developments. – Julius Frontinus, Roman Engineer (~10 A.D.)

Who Will Lead the Next Generation?



Source: National Academy of Engineering Press: Rising Above the Gathering Storm

First University Degrees in Natural Sciences & Engineering (000's)

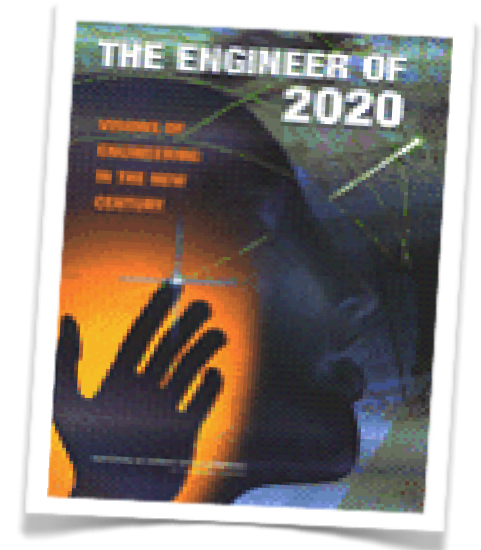


Source: NSF Science and Engineering Indicators, 2014
 Natural sciences include agricultural sciences; biological sciences; computer sciences; earth, atmospheric, and ocean sciences; mathematics.

Next Generation Engineering Leadership Skills

National Academy of Engineering

- Engineer of 2020; Rising Above the Gathering Storm
 - Strong analytical skills
 - Practical ingenuity, creativity, dynamism, agility, flexibility
 - Excellent communication skills
 - Understanding of business and management concepts
 - Leadership, high ethical standards, professionalism
 - Background in strategic and crisis decision-making

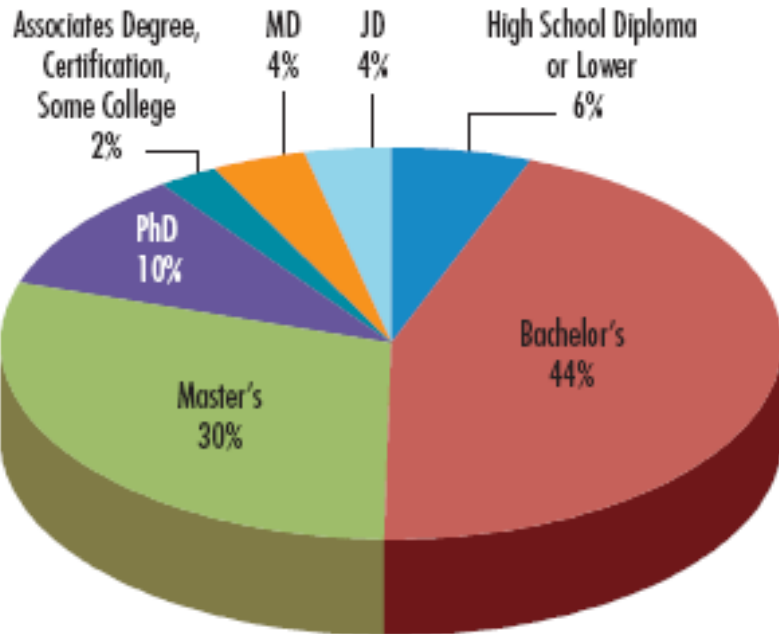


Can Innovation be Taught?

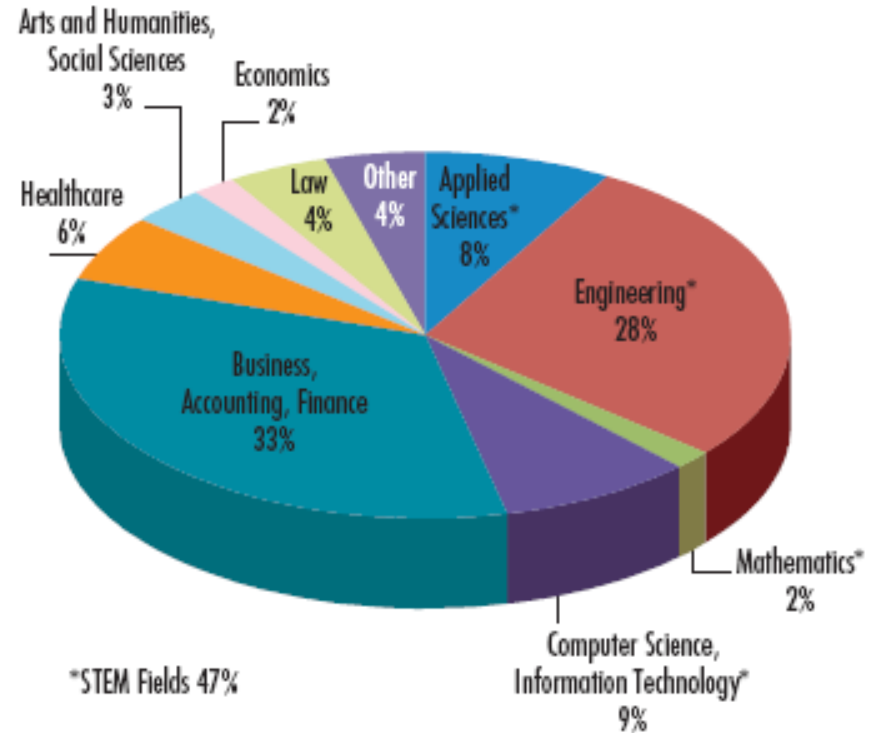
Technical Innovation Foundational Skills		
Change Management	Team Building/Dynamics	Basic Finance
Project Management	Persuasive Communications	Technology Vetting
Organizational Structure/Behavior	Ethics & Values	Marketing, Sales & Distribution
Basic Business Principles	Visioning/Value Proposition	Market Research
Project Risk Assessment	Working Across Cultures	Intellectual Property Management
Global & Historical Awareness	Negotiation & Advocating	Business Planning
Sustainability	Risk & Crisis Management	Entrepreneurial Fundraising
Innovation & Creativity	Network Building	Competitive Analysis
Understanding Core Values	Critical Thinking/Problem Solving	Excellence In Execution

Tech Rock Stars - Education

Terminal Degree Completed by U.S.-Born Tech Founders



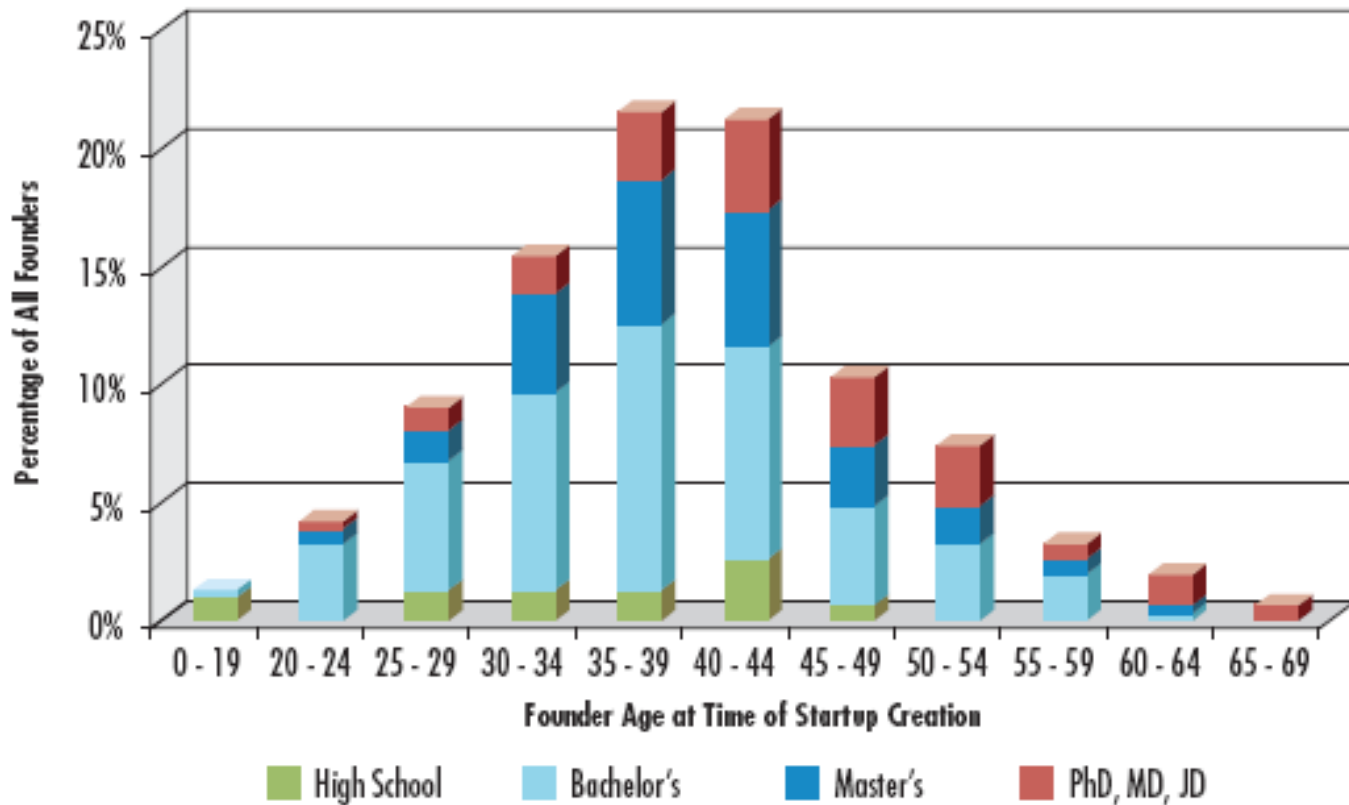
Fields of Terminal Degrees Completed by U.S.-Born Tech Founders



Source: Education and Tech Entrepreneurship: Kauffman Foundation; May 2008

Tech Rock Stars - Age

U.S. Tech Founder Age at the Time of Startup Establishment and Terminal Degree



Source: Education and Tech Entrepreneurship: Kauffman Foundation; May 2008

Stanford Economic Impact Study

- ~39,900 active companies can trace their roots to Stanford creating an estimated 5.4 million jobs and \$2.7T revenue.
- 29% of respondents reported being entrepreneurs who founded an organization (for-profit or nonprofit)
- 32% of alumni described themselves as an investor, early employee or a board member in a startup at some point in their careers.
- 25% of faculty respondents reported founding or incorporating a firm at some point in their careers.
- Among survey respondents who became entrepreneurs in the past decade, 55% reported choosing to study at Stanford because of its entrepreneurial environment.

Source: www.epicenter.stanford.edu

Lasting Impact

Since the 1930s, 39,900 active companies can trace their roots to Stanford. These companies have created an estimated 5.4 millions jobs and generate annual world revenues of 2.7 trillion.



Source: www.epicenter.stanford.edu

Global Scale

All alumni founded
companies put together
would represent the
**10th largest
economy in the
WORLD**

Gross Domestic Product (Trillion)

1. United States	\$15.2
2. China	\$7.2
3. Japan	\$5.6
4. Germany	\$3.6
5. France	\$2.7
6. Brazil	\$2.5
7. United Kingdom	\$2.3
8. Italy	\$2.2
9. India	\$1.9
▶ 10. Stanford Founders	\$1.8

*\$2.7 trillion in revenue related to Stanford alumni
has been converted to \$1.8 trillion in GDP. Data
from the World Bank, 2010.*

Source: www.epicenter.stanford.edu

Building a Culture of Innovation

- Rethink the way your organization thinks (Divergent vs. Convergent; Linear vs. Entrepreneurially)
- Enable and empower the inner child on an institutional basis
- Tie invention to innovation in how you measure success (Outcome vs. Activity Based)
- Understand that innovation comes from different models (Filament vs. Scotchguard®)
- Take a leap, but mitigate the risks

**FIND WHAT'S
NEXT.**



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For More Information:

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Website: www.eng.ufl.edu/innovation