



# Future Center Initiatives in Japan

## Innovation Acceleration through “ba” (place)

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**Information and Knowledge for All:  
*Towards an Inclusive Innovation***

**The World Conference on Intellectual Capital for Communities**

**UNESCO, July 3&4 2017**



# About Future Center Alliance Japan(FCAJ)



FCAJ is an **alliance/platform** for corporations, government ministries/municipalities, universities, NPOs, etc. to generate and accelerate open innovation/pre-competitive collaboration, utilizing "ba"(place) for innovation: **Future Centers, the Innovation Centers, the Living Labs.**

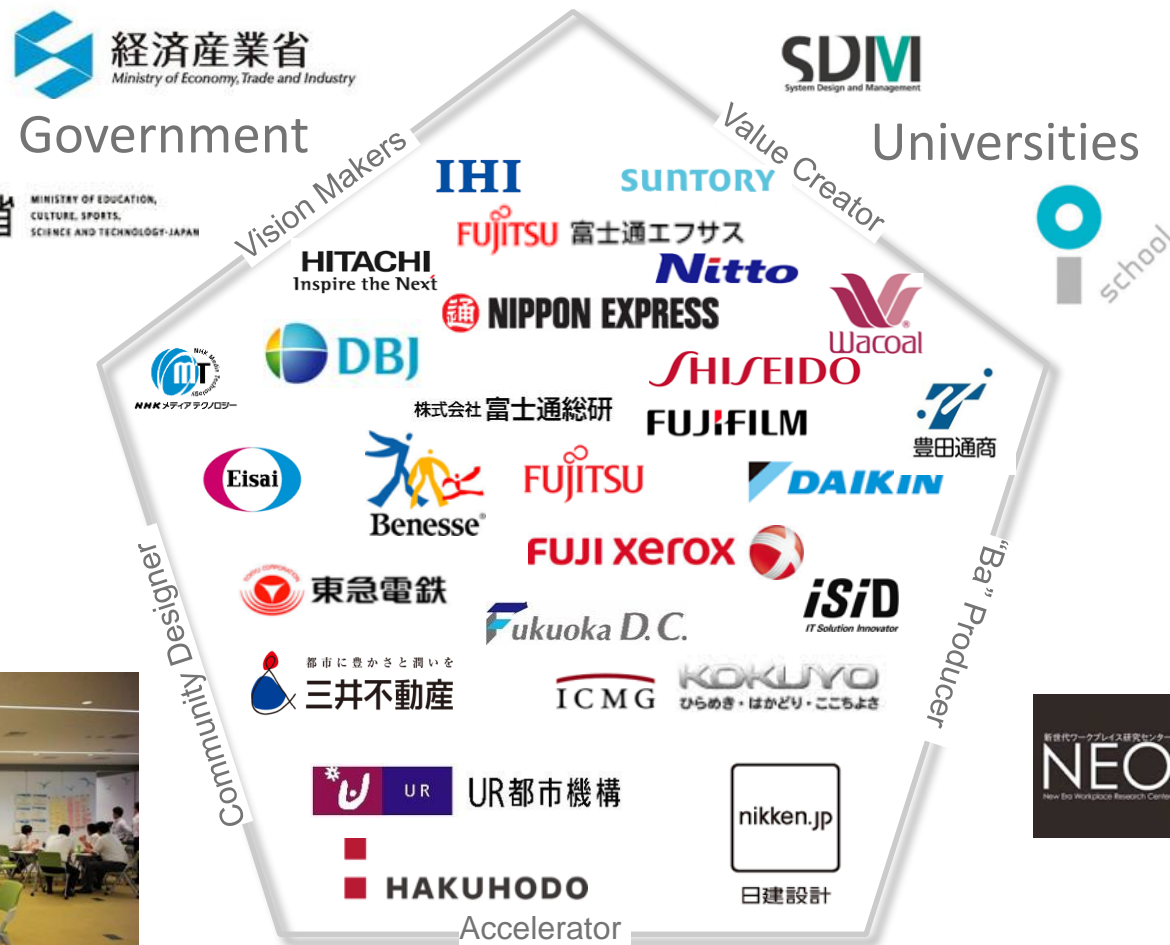
## Precompetitive Research Partnership



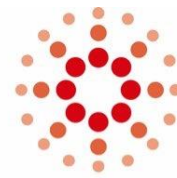
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FCAJ  
Future Center Alliance Japan

## Future Centers in Japan



Tokyu Railway:Catalyst Ba



Fujitsu Learning Media:CO☆PIT



Fuji Xerox KDI Future Center



Nikken Sekkei NAD



Fujitsu FSAS Innovation&Future Center



Development Bank of Japan: iHub



Dai kin Technology Innovation Center



Kokuyo EcoLive Office

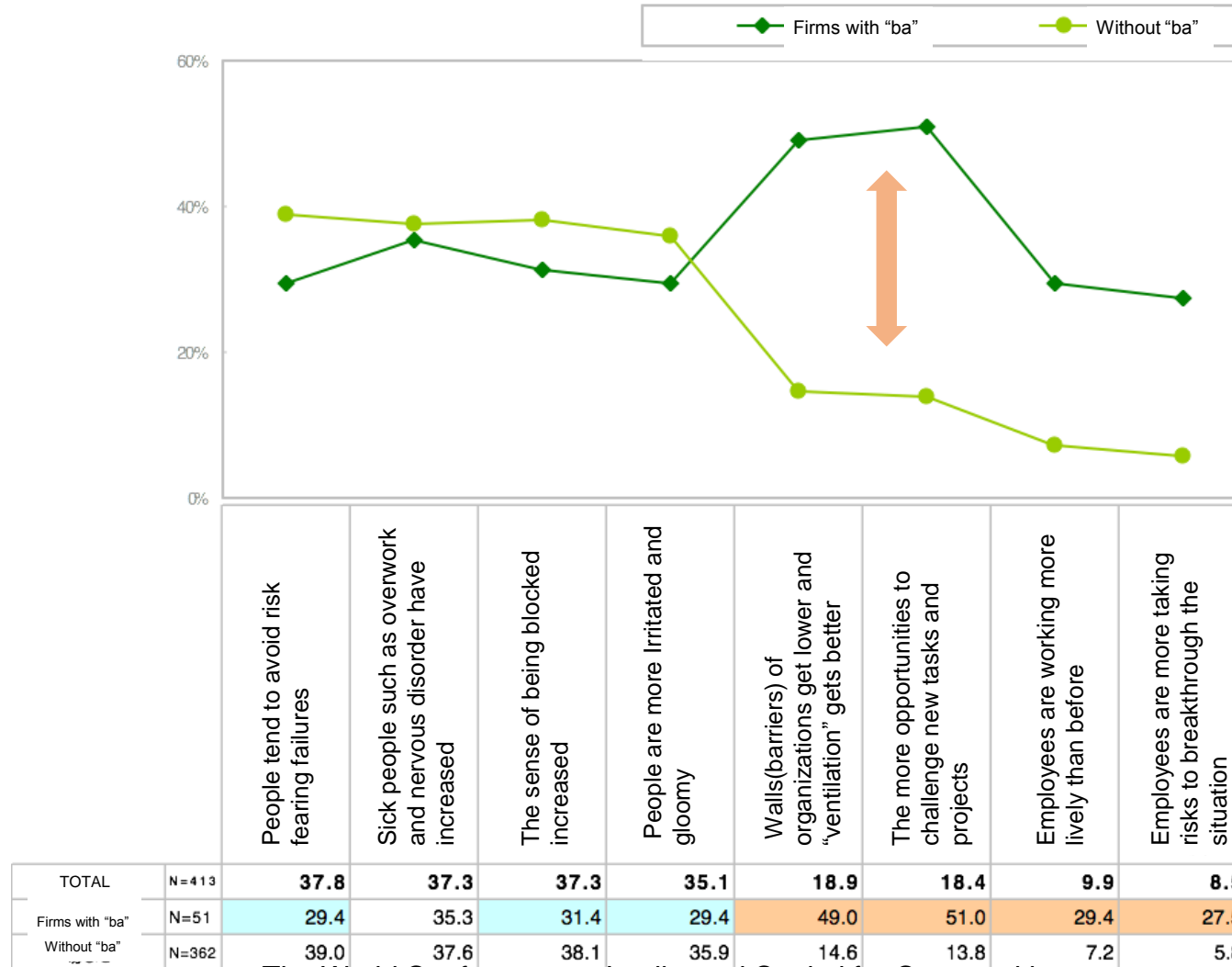
# Future Center<sup>®</sup> as Catalyst to Activate Social/Organizational Knowledge Assets



- “At the center is the “value creation space” where IC leadership faces the challenge of leveraging these longitudinal resources and to create economic value adding. This is the ***dialectic space or kinetics for knowledge entrepreneurship***. It might lead to growth of capital on the balance sheet as well as impairment of the balance sheet. In such a situation value destruction will occur. A critical question here will emerge : What is the knowledge navigation and leadership of today doing ***to avoid erosion and leverage the idle intellectual capital in waiting*** and how do we know about this from the reporting maps?”
- ***"Value, or intellectual capital is created in the interaction between people (human capital) and the organizational structural capital such as R&D processes. Nonaka (1994) is referring to this as knowledge creating dialectics or kinetics.*** He also referred to them as Ba, which literally is said to mean a space for appreciation in Japanese. In Skandia's case they were labelled ***Future Center***. The Skandia Future Centre, established in 1996, focused on the value creation by experiential knowledge exploration. It became an arena where employees could enter into the future and then return to the present with new insights and Aha's for a more intelligent dialogue and knowledge sharing. "

***Edvinsson,L.,2005, <http://kms.jpn.org/keynoteaddress4.pdf>***

# Firms with “ba” or Internal Ecosystem tend to experience tangible changes



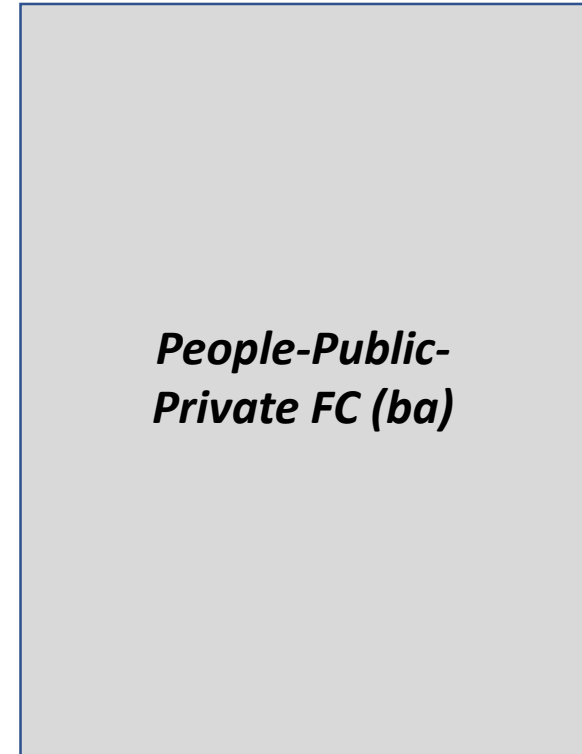
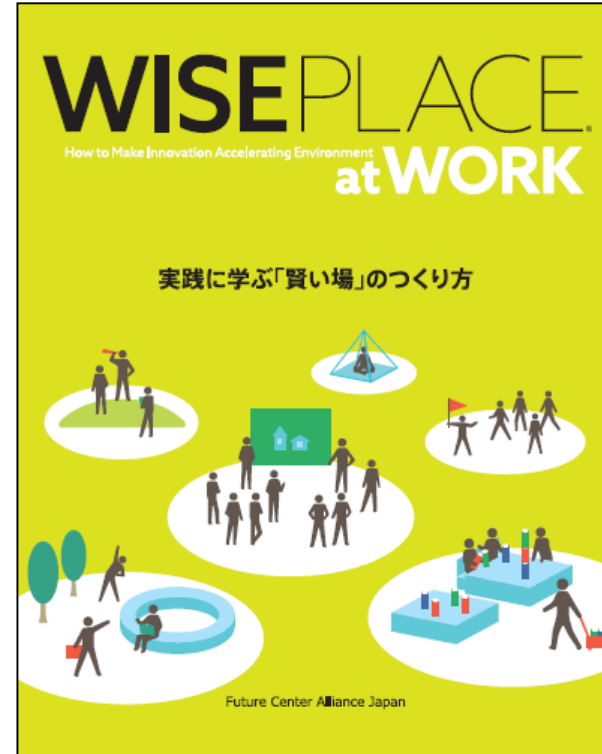
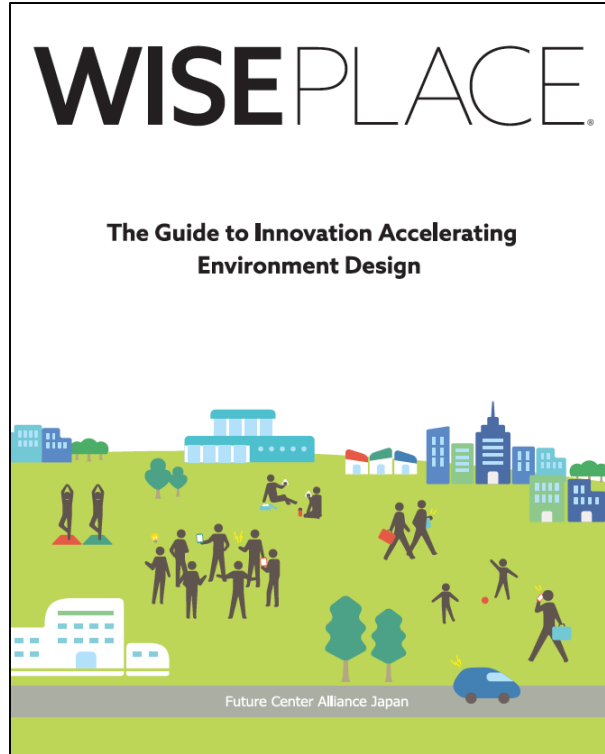
# “Wiseplace<sup>®</sup>” (Innovation Accelerating Environments) to Mobilize “Static” Knowledge Assets to “Dynamic”

WP1

WP1E

WP2

WP3



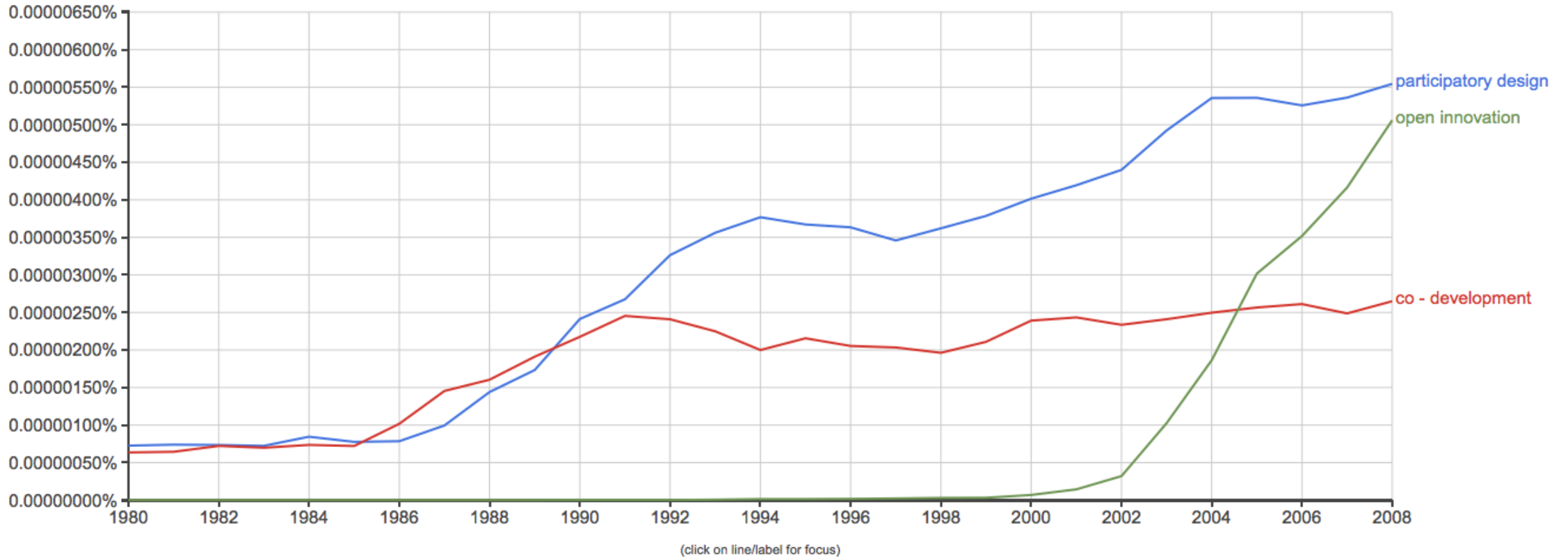
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# The Open/Participatory Policy/Strategy Design

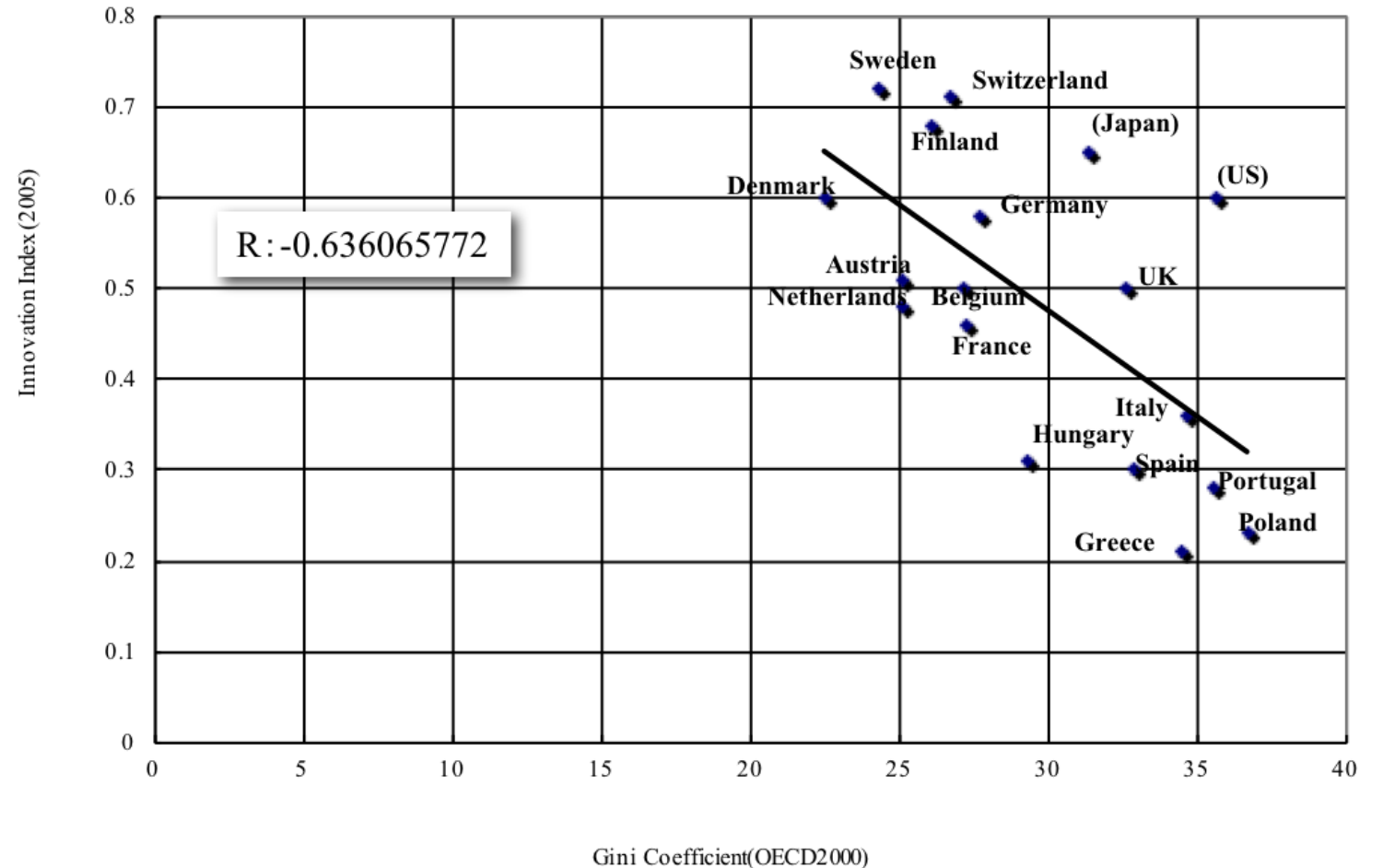


# The More Equal Society, the Higher Innovation Potential

**Social Innovation is the engine  
of the society and economy:**

Lower Gini Coefficient  
→ social equality/social capital.

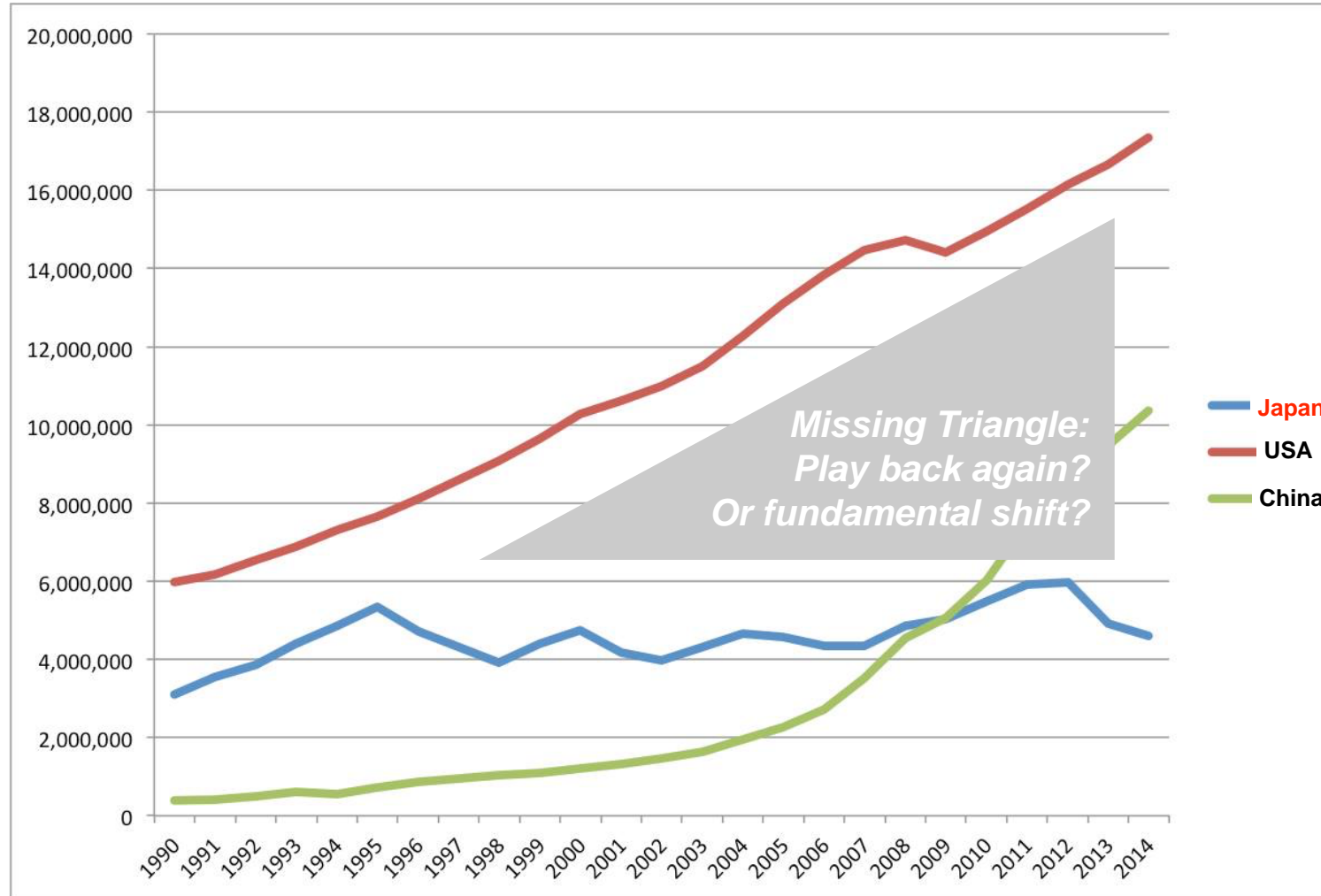
Social capital nurtures societal  
innovation---European and  
Japanese model of innovation  
(not military innovation model)





# Japan in Turmoil

GDP(USD)



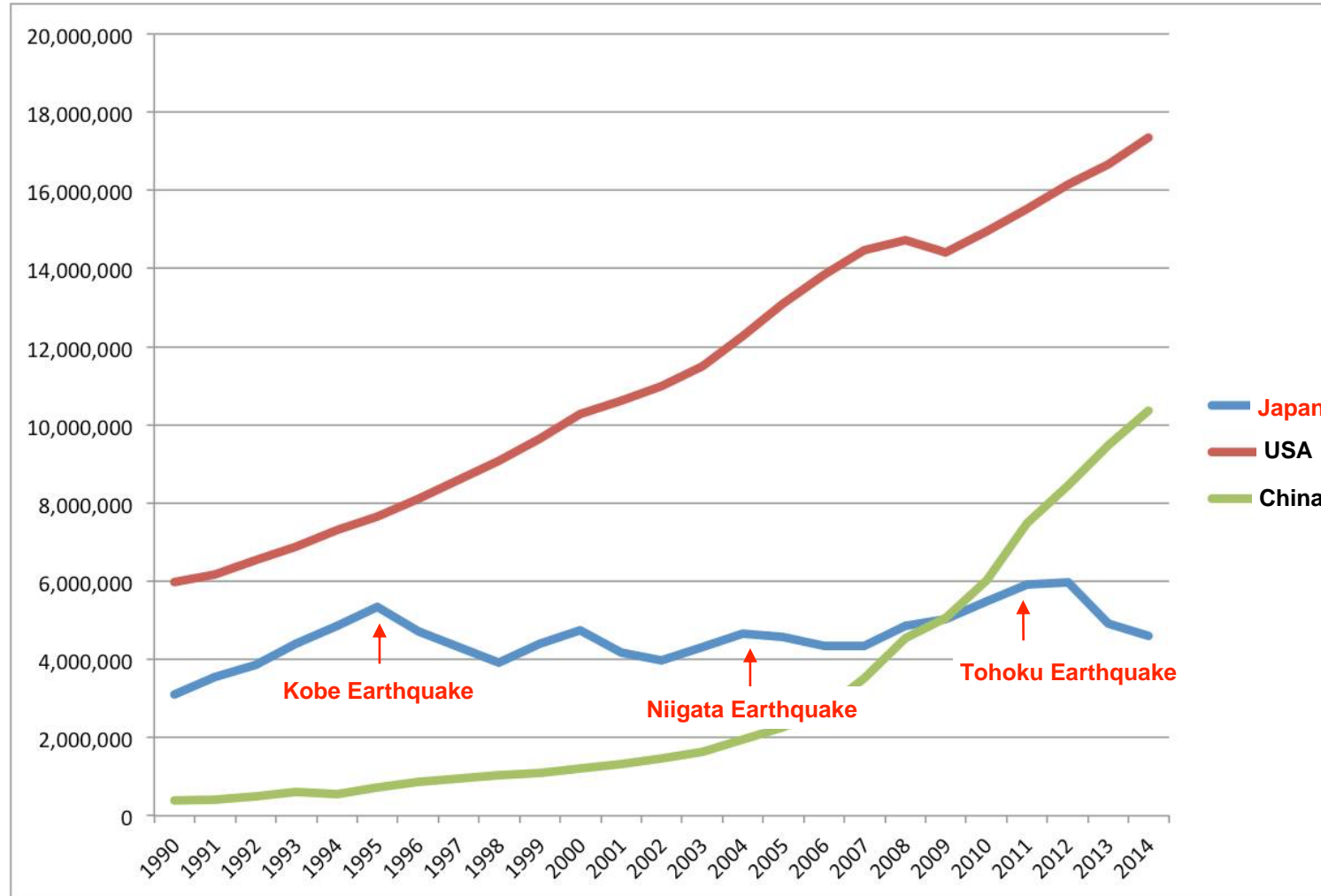
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# Japan in Turmoil

## GDP(USD)

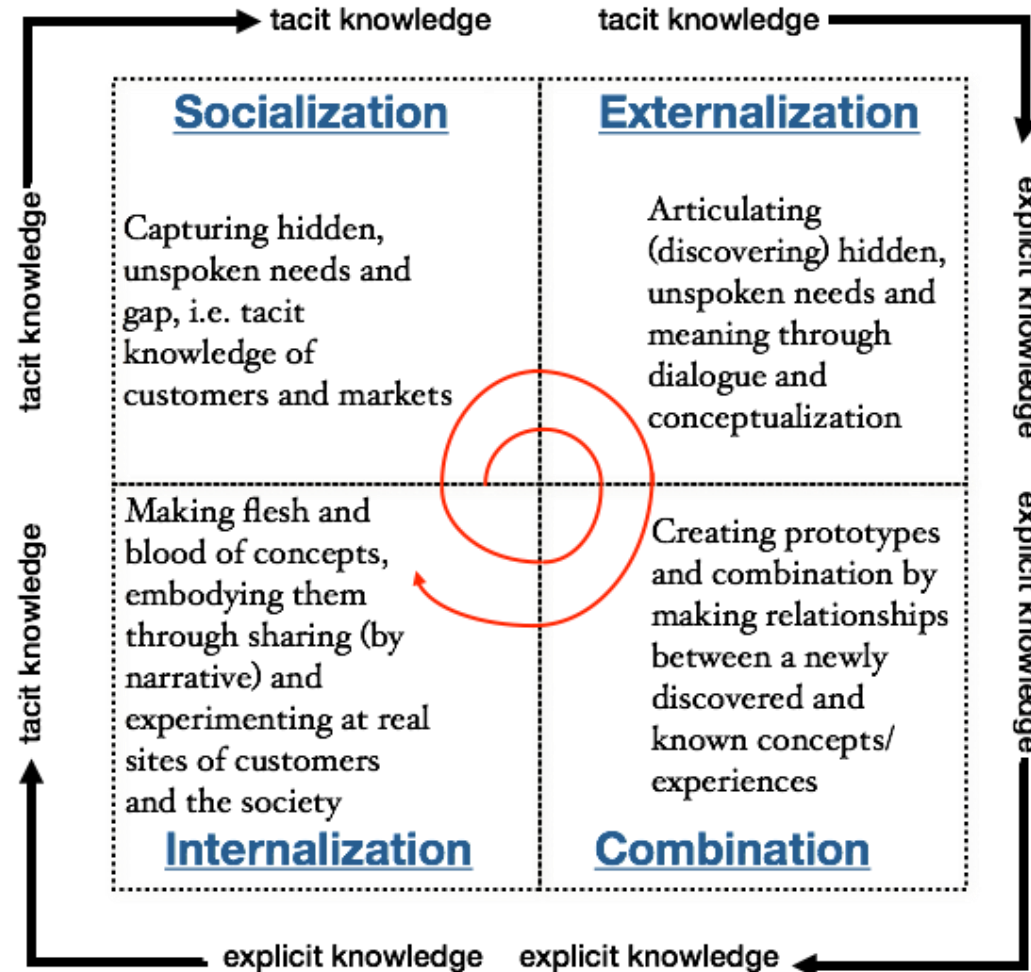


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# Knowledge Creation (SECI) Model



(Nonaka, Konno)

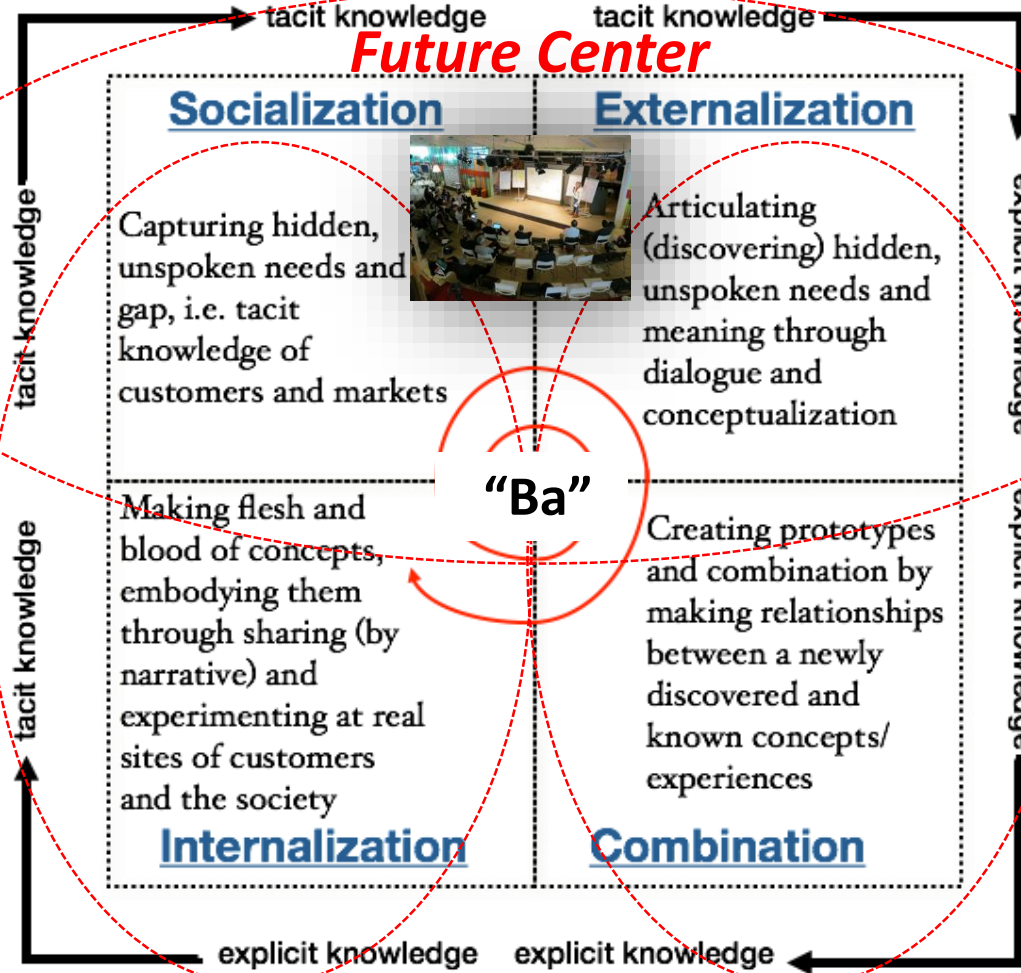
# Knowledge Creation (SECI) Model

Co-experiencing  
People/Market's  
Emotions



*Living Lab*

Co-experimenting  
New business models



Co-creating/  
discovering  
New Viewpoints



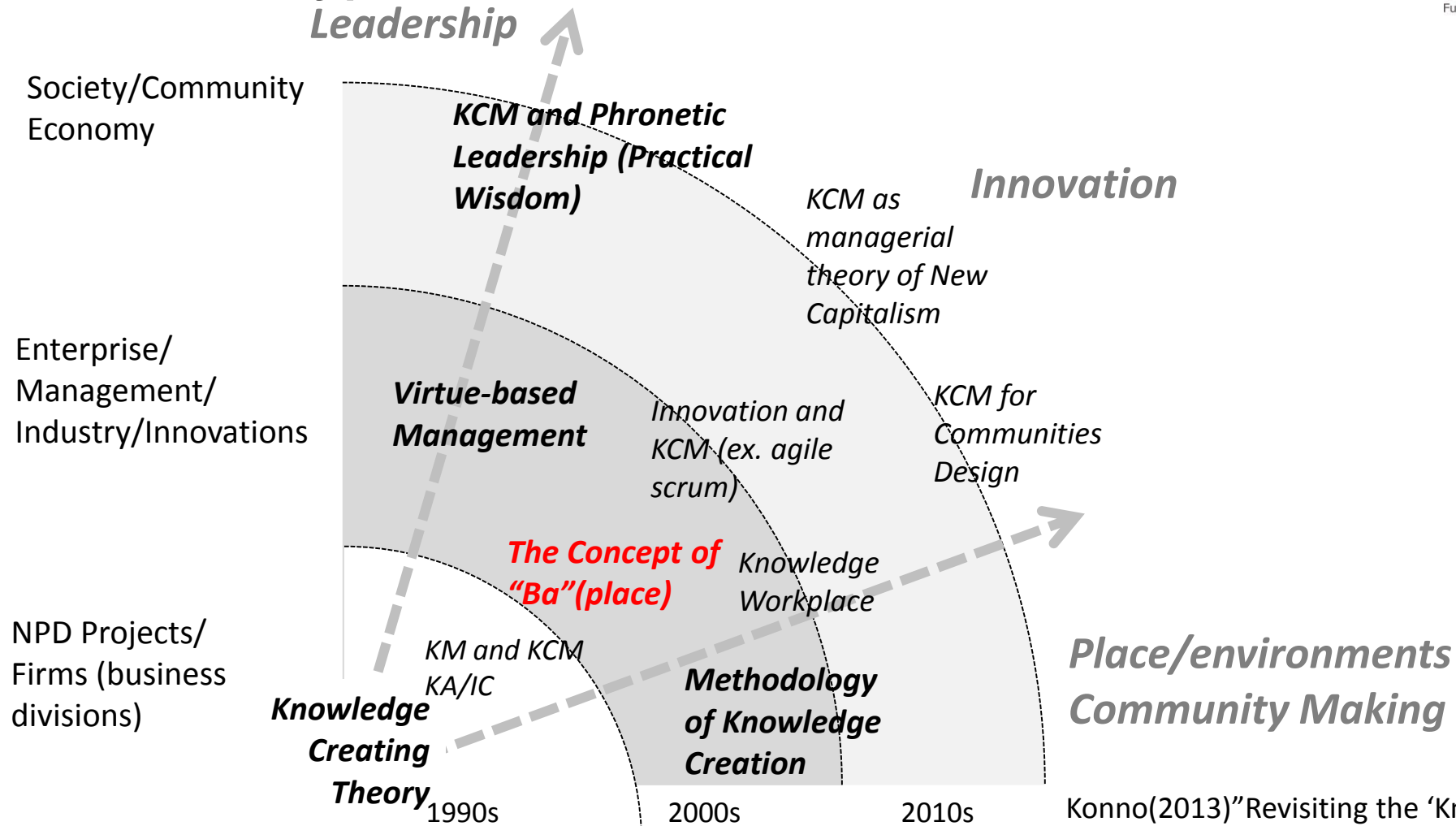
*Innovation Center*

Co-developing  
Prototypes/  
Tech Solutions

(Nonaka, Konno)



# Evolution of Knowledge Creation Theory (Nonaka Theory)

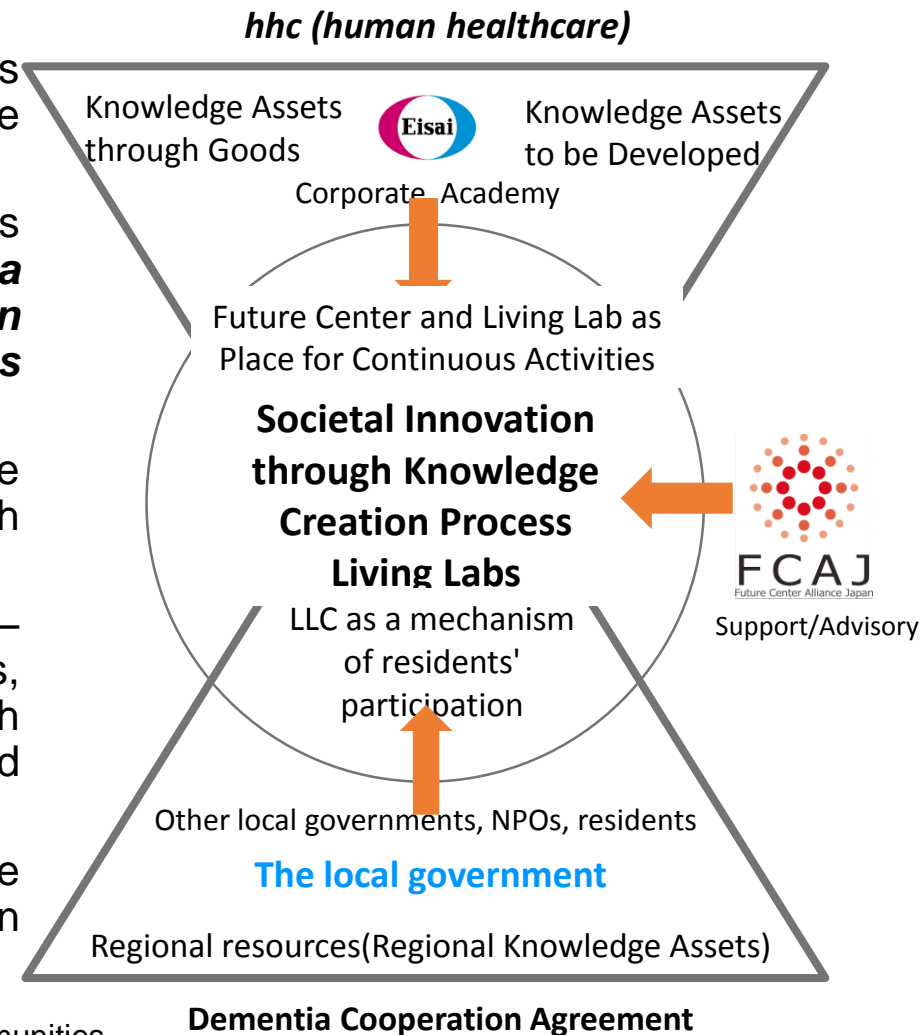


Konno(2013)"Revisiting the 'Knowledge Creating Firm' in the 'Post-Capitalist Society' Context, in "Towards Organizational Knowledge", Palgrave.

# Living Lab (for industrial transformation) Eisai: Resident-led Community Innovation

- The Japanese leading pharma known by “Aricept” for dementia pursues its social role (“human health care”) and transforms a business model beyond the traditional pharmaceutical industry.
- In the process of discovering/developing/accumulating knowledge assets through dementia products (goods), now the company tries **to create a community where dementia hardly occurs or where people can live even in (events)**. Their driving objective is to build **“an independent, autonomous regional comprehensive health care”** through community making.
- They focus on **LL (Living Lab)** as its catalytic means, and furthermore propose its own scheme combining LLC (Limited Liability Company) with residents as a means to reinforce their social and economic ground.
- The foundation of this kinetics is the knowledge creation (SECI) – Socialization(S): Community-based dialogue to share tacit needs, Externalization (E): Conceptualize at living lab, Combination (C): Match with resources of the corporates, Internalization (I): Examine the hypothesis and monitors
- By spiraling up such knowledge creation activities, they create the "new life (community)" "new industry (market)" "new regional capital (society)" based on regional resources

Source: Eisai







URTRA

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政策立案、議論に自由度

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URTRAは、経済産業省が主催する、民間企業と行政が連携して、未来の社会課題を解決するためのプラットフォームです。URTRAは、民間企業と行政が連携して、未来の社会課題を解決するためのプラットフォームです。URTRAは、民間企業と行政が連携して、未来の社会課題を解決するためのプラットフォームです。



# Example: People-Public-Private Future Center



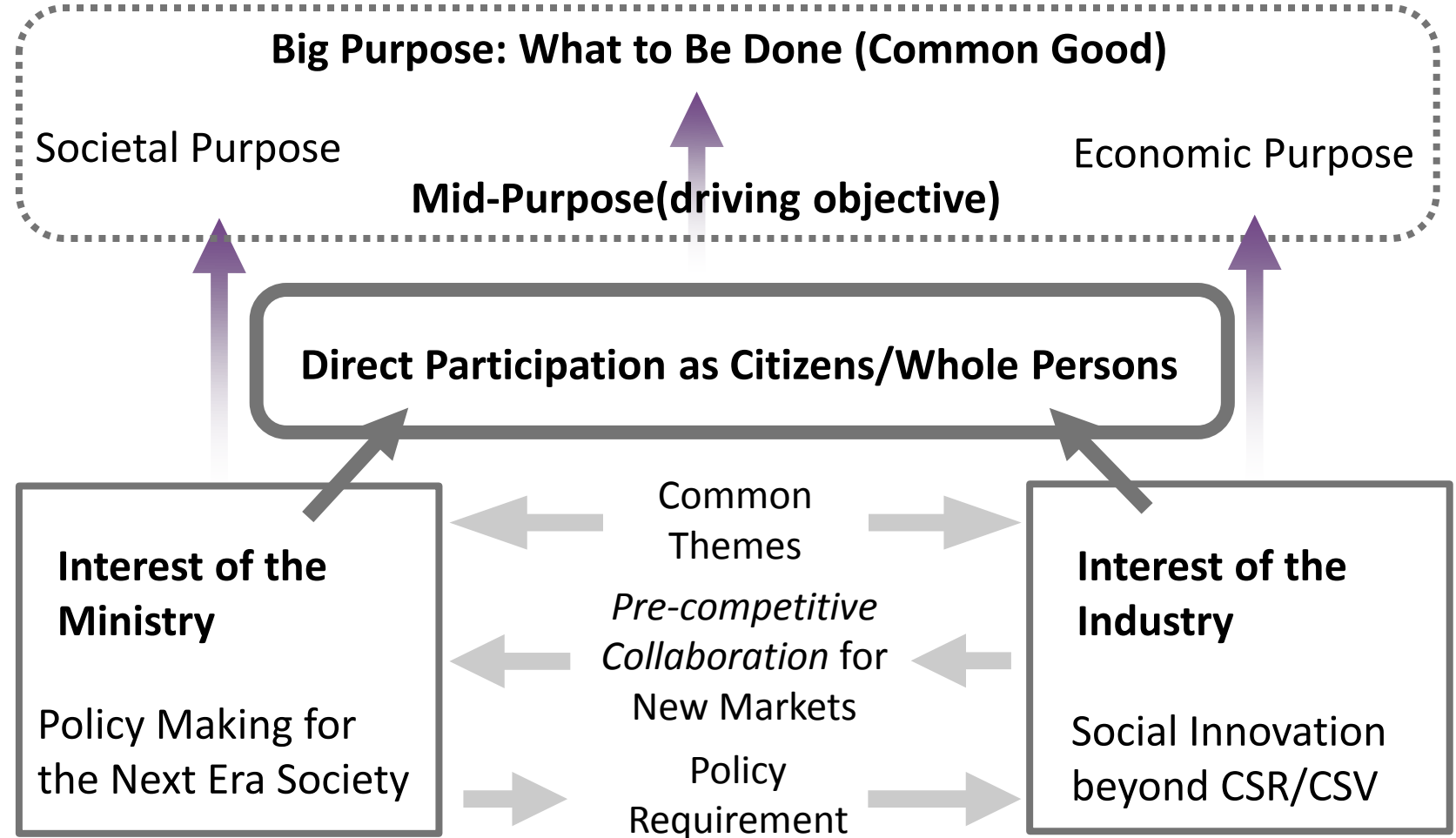


# Importance of *Purpose Engineering*

## Example: “Socio-economic System for 100 Years Life”



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## **Example: “The New Ways of Alliance for Basic Research”**

**“No technology is viable without social acceptance.”**

**“Business model aka R&D has gotten obsolete.”**

**“Innovation and R&D should have a new relationship”**

**“Without reasonable technology, business models can be easily copied.**

**“Our society is collaborative but not companies in the industries”**

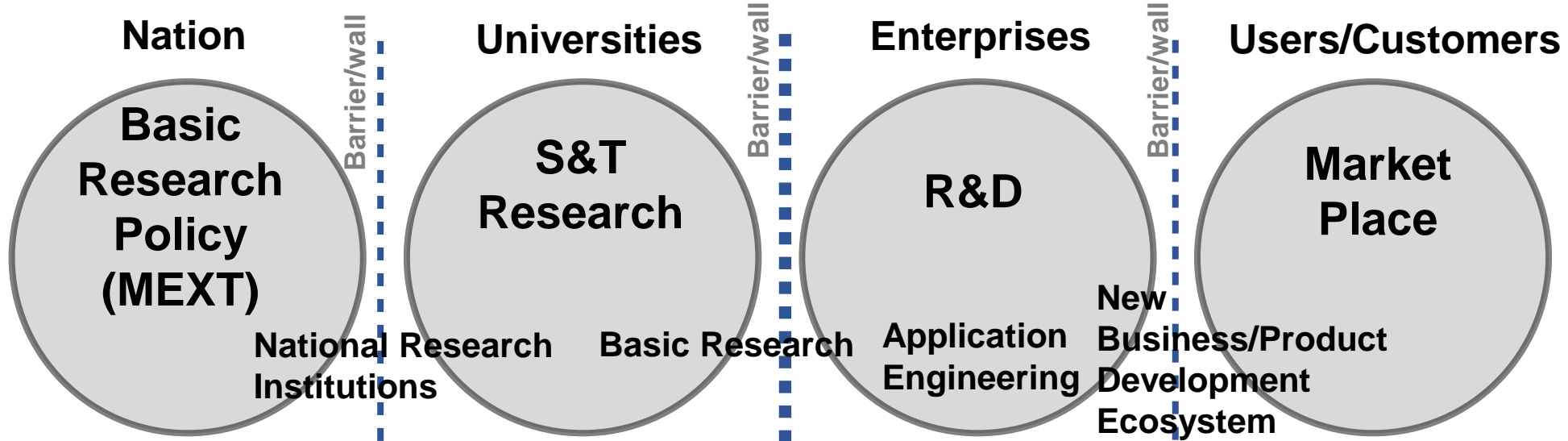
# Example: “The New Ways of Alliance for Basic Research”

The idea of fundamental research is being questioned (R&D Business Model getting obsolete)

“Reducing fundamental research funds to universities  
Low productivity”

“Weak cooperation between universities and companies”

“Innovation and research and development are different but confused”



“The importance of basic research is beginning to be called out worldwide again”

“University-initiated startups are popular, but real numbers are decreasing”

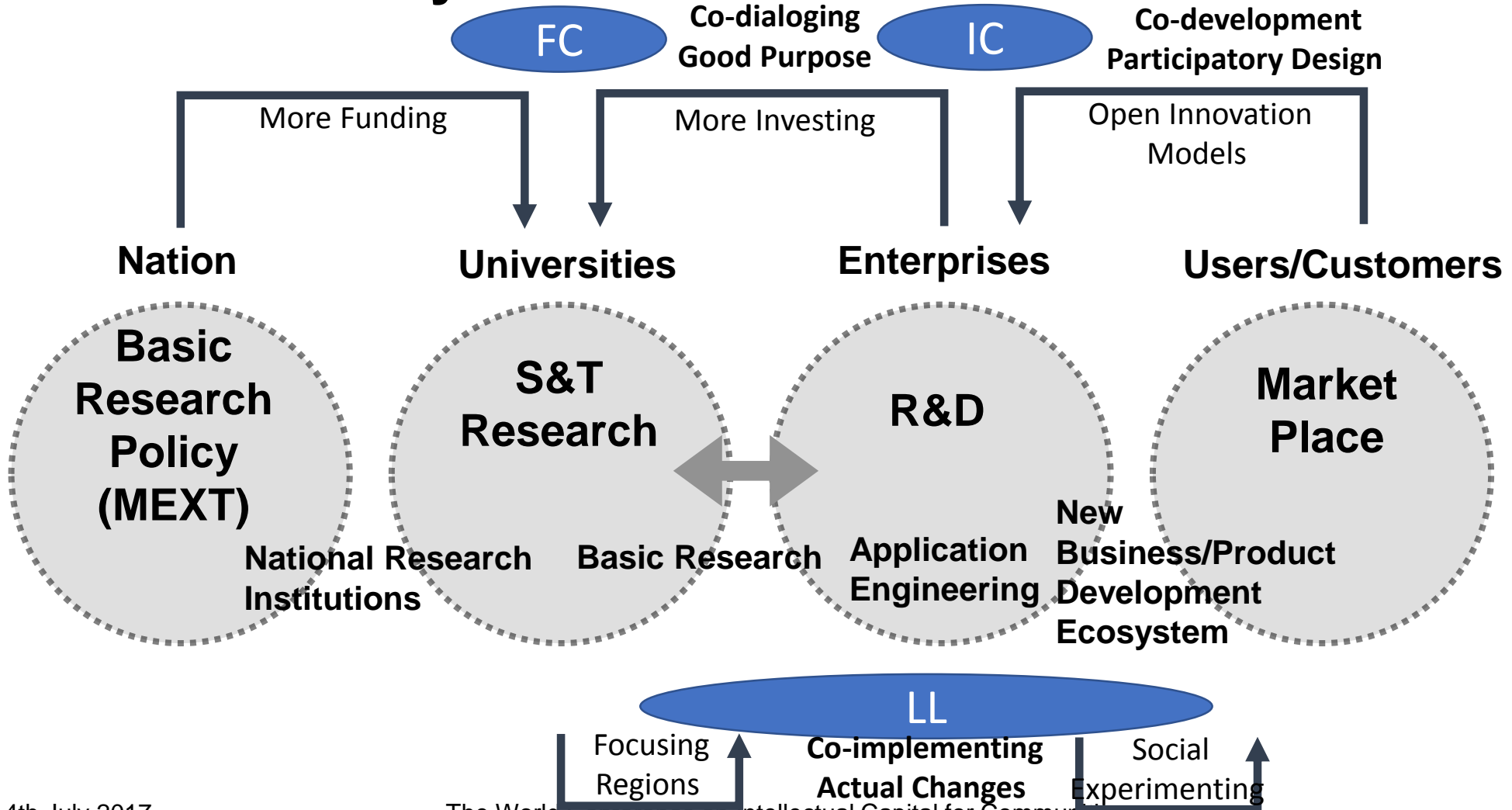
“Obsolescence of traditional research and development (long-term R → short-term D: waterfall type step for marketing)”

# A Program for Open Dialogue



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# Example: “The New Ways of Alliance for Basic Research”





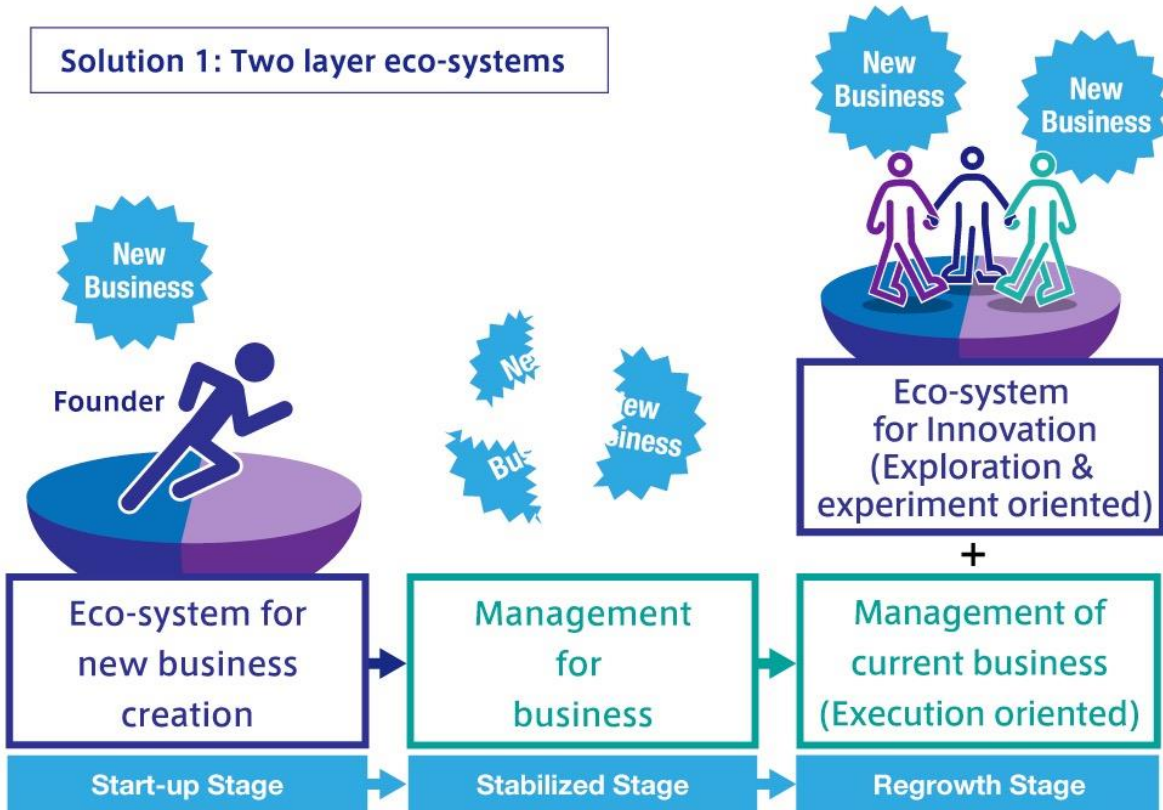


# About Japan Innovation Network(JIN)

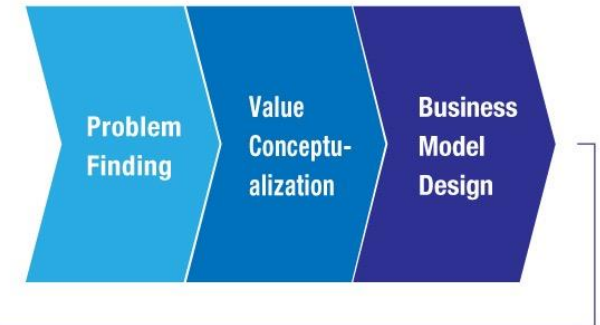
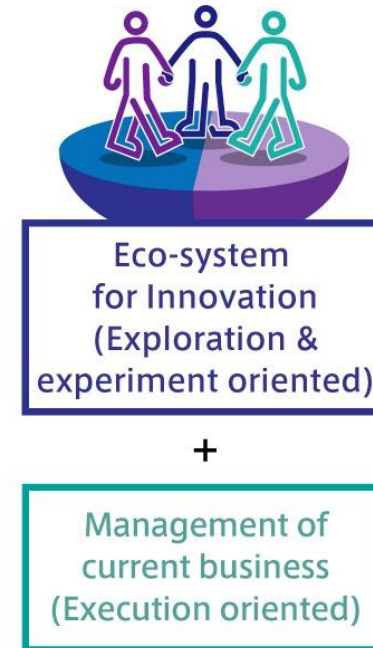


- A general incorporated association (non/for-profit) to “create 100 innovative companies through global collaboration”

Solution 1: Two layer eco-systems



Solution 3-2 Eco-system on the 2nd Floor





# “The Innovation 100 Committee”

In order to overcome the paradigm that “large companies cannot be innovative,” **the innovation 100 committee**” was established under the Venture Business Creation Council on 2015. Its members are corporate executives from large Japanese companies who are pioneering efforts to promote innovation in their organizations.

Japan Innovation Network(JIN), the Ministry of Economy, Industry and Trade, and World Innovation Lab(WiL) have served as the executive office of the Innovation 100 Committee.

**Current members: 32 companies** (May, 2017)



# About SHIP

SHIP was developed in response to the **Sustainable Development Goals (SDGs)** being adopted by the UN General Assembly in September 2015. It is an open innovation platform hosted by **Japan Innovation Network (JIN)** and **United Nations Development Programme (UNDP)**, aiming at achieving SDGs through innovative business models.



Empowered lives.  
Resilient nations.

SHIP reaches out domestic and international stakeholders, and builds its own **SHIP Ecosystem**. By utilizing resources of this ecosystem, SHIP promotes innovation via various programs designed to **build innovative business models which address the SDGs.**

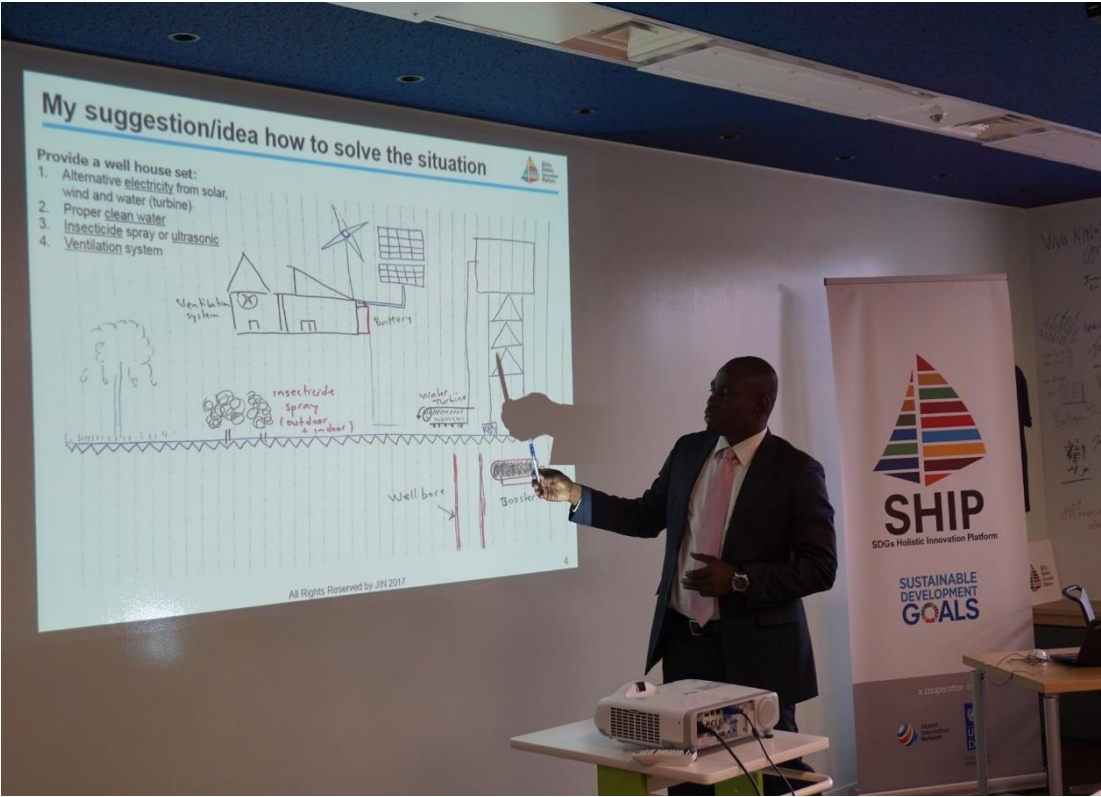


# Students from Africa X SDGs Discovery Program

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**Thank You**



Japan  
Innovation  
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