
**VIII AMERICAS
COMPETITIVENESS
FORUM 2014**
TRINIDAD AND TOBAGO



**THE HUMAN
IMAGINATION
AT WORK**
DRIVING COMPETITIVENESS,
POWERING INNOVATION



SUMMARY OF PROCEEDINGS

**VIII AMERICAS
COMPETITIVENESS
FORUM 2014**

TRINIDAD AND TOBAGO

**VIII AMERICAS COMPETITIVENESS FORUM
PORT OF SPAIN, REPUBLIC OF TRINIDAD AND TOBAGO**

OCTOBER 8TH – 10TH 2014

In 2014, the Republic of Trinidad and Tobago had the honour of being the first English-Speaking Caribbean country to host the Americas Competitiveness Forum (ACF). The VIII edition of the Forum was successfully convened in Port of Spain at the HYATT Regency Hotel over a period of three (3) days from October 8-10, 2014. The theme selected by Trinidad and Tobago around which all the discussions focused was **'The Human Imagination at Work – Driving Competitiveness, Powering Innovation'**.

Approximately 935 delegates were in attendance representing 33 of the 34 Member Countries of the OAS. Additionally, delegates from 23 other countries participated, with roughly one third of the delegates being classified as international.

Among the high level delegates in attendance were the President of Haiti, the Deputy Secretary of Commerce of the United States, the Secretary General and the Assistant Secretary General of the Organisation of American States, the Assistant Secretary of State of the United States and Ministers of Government from Barbados, Guyana, Jamaica, Costa Rica, Uruguay, Dominica, Guatemala and El Salvador.

In terms of intellectual content and the sharing of practical options for improving government and business strategy related to innovation and competitiveness, the Forum was a resounding success. The Programme addressed some of the more pertinent issues impeding progress in the Americas. In so doing, the VIII ACF has made a strong technical input into the Hemispheric Dialogue and the knowledge pool through technical papers, the Signs of Competitiveness in the Americas Report 2014 and the contributions of the RIAC Task Force on Innovation and Entrepreneurship.

The speakers selected for the Forum (61 in total) were of the highest international calibre drawn from Government, business and academia. One of the noteworthy achievements of the VIII ACF was the level of engagement that took place with the private sector. On the initiative of Trinidad and Tobago, for the first time, a Forum dedicated to the business community and entrepreneurs, the *Forum for Partnership in the Americas*, was hosted as an important component of the VIII ACF Programme of activities. The Forum focused on harnessing the imagination to drive competitiveness through the application of practical business strategies.

WEDNESDAY 8TH OCTOBER, 2014

FORUM FOR PARTNERSHIP IN THE AMERICAS

DANIEL LEVINE, SEGMENT 1: WHAT CAN BUSINESS DO FOR ITSELF?

- Trends represent the demands of the people and should therefore be answered by both the private and public sector, in a creative and innovative manner.
- Identifying areas where your customers are experiencing challenges can provide direction as to where creativity and innovation should be focused.
- Three customer 'pain points' which are being answered by trends as of recent times are:
 - Informative transparency- creatively inform your customers about your business;
 - Facilitated connectivity- facilitate dialogue among your customers in innovative ways and;
 - Robust simplicity-simplify the lives of your customers in a creative way.

PETER SAGE, SEGMENT 2: HOW TO STIMULATE AND PROLIFERATE ENTREPRENEURS AND NEW BUSINESS CREATION?

- The most successful entrepreneurs are not those who possess the most education, expertise, networks or capital, instead, they are those persons who think differently.
- Three points that are beneficial to creative entrepreneurs are:
 - Have the right mental foundation: this entails the ability to handle uncertainty. The quality of our lives is in direct proportion to the amount of risk that we can comfortably tolerate;
 - Don't Sell, Educate: As opposed to trying to sell your customers goods and services, educate them about the pains/challenges which they may be facing and possibly unaware of, as individuals are more inclined to problems as opposed to solutions. Avoid over communicating information to customers;
 - Capital vs. Initiative: This entails finding creative strategies to access requisite resources without using financial resources (e.g. bank loans).

BUSINESS NETWORKING LUNCHEON

A. NORMAN SABGA, HOW THE ANSA GROUP OF COMPANIES IS TAPPING IMAGINATION FOR SUSTAINABLE BUSINESS INNOVATION

- It is not the strong or intelligent who survives, but the quickest to adapt – Charles Darwin
- It is thus important for local companies to recognize that they are competing for the same markets as Nestlé, General Electric, Unilever and AmBev.

- Corporate planning is a key element of business for ANSA McAL’s growth, with key focus points being excellence in execution (examining processes and ways of doing business to generate better ways), putting customers and employees first, fostering a spirit of entrepreneurship among employees and incentivizing employees.

THE HONOURABLE SHARON FFOLKES ABRAHAMS, WHAT ARE THE FIVE THINGS THAT TRINIDAD AND TOBAGO AND JAMAICA CAN DO TOGETHER TO BOOST INNOVATION AND COMPETITIVENESS?

- Jamaica and Trinidad want the same things for their people; they want to build competitive economies and to promote investment, growth and job opportunities. More collaborative partnerships across both societies will make these things possible.
- Both countries need to lobby for greater freedom in the movement of their people across the region if they are serious about leveraging skills to boost innovation, productivity and entrepreneurship.
- There are many areas in which Trinidad and Jamaica can work together to boost innovation and competitiveness. Some of these are:
 - Logistics, connectivity and productivity
 - Training
 - Caribbean airlines can be engaged to further transportation and connectivity in region. One strategy that can be employed is the repurposing low commercial activity flights for air freight.
 - Film and animation – The high cost of production of quality film (which is a major barrier) can be combatted by both countries contributing toward a venture fund to provide financial support for production and training in these endeavors.
 - Education
 - Promoting the regional fashion industry

GABOR GEORGE BURT, SEGMENT 3: HOW CAN YOU HARNESS YOUR IMAGINATION TO DRIVE THE SUCCESS OF YOUR COMPANY?

- We often make assumptions about who has advantages in different situations and these assumptions are often the result of limitations within our own perspectives.
- The 3 key components for re-imagining our boundaries are:
 - To turn customers “pain points” into points of infatuation;
 - To consider the innovation shortcut – you don’t need to invent to innovate, but you can combine already existing components in new ways that create value;

- To stretch the definition of what your business does and thus, discover new market spaces and expanded relevance.
- 51% of US consumers switched companies they do business with in the past year (2013-2014) due to poor experiences, thus firms underscore the importance of examining customers “pain points” and transforming them into positives.
- Customers’ satisfaction frontier is always just beyond their grasp; there is no perfectly and continuously satisfied customer, but the application of innovation in business comes into play in achieving the continuously infatuated customer. Infatuation is a powerful but finite emotion hence businesses need to creatively apply innovation to constantly renew customers’ infatuation.
- Limiting the definition of your business exposes you to vulnerability should your product become irrelevant or if a better product is developed. However, when you open your business to the concept of selling a big idea and your products to be the facilitator of that idea, you open yourself to business expansion, larger marketspaces and longevity. The accordion chart is an effective tool in the conceptualization of this.

KEY SPEAKER: MARK DAY

- For the first time in history, more than 50 % of the world’s population live in cities, hence countries are challenged to pursue economic and social growth.
- Urbanisation creates a unique opportunity, as we are on the brink of exponential change.
- The emergence of big data, and the sensory and ambient intelligence which exist on mobile devices today is incomparable with the super computers of 25 years ago. Big data, machine learning and the capacity of raw cloud computing present an unprecedented level of innovation potential. However, although there is an abundance of sensory data, it is not being analysed.
- Private sector citizens must be connected to public sector citizens to take advantage of the innovation potential that exists.
- Smart interactions are becoming more ubiquitous each day, as all features and fixtures around us are being labelled as ‘smart’.
- Industry trends predict that by 2016, more than 1 billion people in the world will access most of their information on a daily basis using mobile devices. Currently, 73% of the adults use the Internet to access some social networking sites, while 70 % of organisations are using or investing in cloud computing solutions.
- Digital content will grow to 8 ZB (Zettabyte) by 2016 and governments can realize gains of up to 60 %.

- Global cyber security expenditure is expected to increase by 200% in 2017.
- Microsoft relies on both the private and public sectors to furnish them with information. The company's approach to cyber security entails sharing its intellectual property free to international security agencies so that they can learn from Microsoft's big data solution.
- Transparency is also critical as Microsoft often publishes its future roadmaps, compliances, achievements and requests. Each time a government requests data from Microsoft, it is published to all customers.
- Microsoft values data privacy and does not share its customer data with any government. The company does not allow access to encryption keys, backdoors to software or supply any data to government by virtue of a national order.
- Social network data is not being used effectively. Open source tools can be used to harness the power of this big data pool which exists to create new innovations. In Manchester UK, real time open data information system has enabled more than 100 local developers to create apps that help citizens and visitors travel around the city faster and more easily. Private sector everywhere can use this as an example and create innovations this way.

GABOR GEORGE BURT AND NICHOLAS GALT, WRAP UP SESSION: EVENT SUMMARY AND DECLARATION TO BE ISSUED ON BEHALF OF THE PRIVATE SECTOR

- In order to progress to public-private partnerships, the private sector in the Caribbean needs collaboration on ways to access larger markets as opposed to competing against each other for smaller markets.
- For public-private partnerships to be effective, both parties need to understand that they share common desired outcomes.
- Increased investment in R&D is required as universities and research laboratories in the Caribbean lack funding. University students should be engaged to address the needs and current challenges of the Caribbean region.
- The education curriculum should be reformed to teach students to be self-supporting from a young age.

THURSDAY 9TH OCTOBER, 2014

COMPETITIVENESS AND INNOVATION LUNCHEON

ROBERT BERMUDEZ, COLLABORATION AS A STRATEGY FOR THE MASSY GROUP – WHAT DOES IT MEAN?

- Superior customer service and maintenance of good relationships with key stakeholders are imperative to boosting sales.
- Neal and Massy's core values:
 - Honest and integrity: employees are mentored on the importance of this value; without honesty and integrity, there is no trust.
 - Growth and continuous improvement: the company hires the best employees available and continuously improves their operations to better serve customers.
 - Love and care: employees take care of the company and themselves in event of difficult circumstances.
 - Responsibility: employees take responsibility for themselves, the consequences of their actions and the community.
 - Collaboration: through collaboration, the company can unlock its optimum potential through the identification of ecosystems.

CHARLES RIVKIN, OPPORTUNITIES FOR PARTNERSHIPS WITH US BUSINESSES

- Latin America and the Caribbean have experienced significant growth in intra-regional trade through the development of value chains.
- Intra-regional trade has more than quadrupled from an estimated \$92 billion in 2002 to \$380 billion in 2012.
- Inter-regional trade directly benefits SMEs and creates a culture of entrepreneurship which unlocks economic opportunities and aids in the eradication of poverty. Additionally, it promotes economic growth, job creation, political stability and empowers youth and women.
- More policies and laws should be created to facilitate the ease with which entrepreneurs can start a business.
- In Latin America, 40% of SMEs are unable to secure requisite financing to expand their businesses due to several reasons inclusive of stringent collateral requirements, inadequate protection of creditor rights and a lack of credit risk guarantee schemes.
- Today's economy requires SMEs to have an understanding of how to apply technology and innovation to reach customers, partners and new markets. Furthermore, SMEs need to be aware of how to engage in e-commerce, provide access to digital products, services and information and transfer data to run global operations.

- Increasing SME's access to technology and tools can enhance their ability to create new goods and services, enhance productivity, enable cost-savings, improve efficiency, protect consumers, facilitate trade and create jobs.
- Investors are key mechanisms for integrating local SMEs into global value chains in the world's trading system.
- Investors want to have confidence that foreign firms are treated equally in comparison to local firms, regulations are transparent and intellectual property is respected.

PANEL I: FINANCING BUSINESS, INVESTMENT AND GROWTH

ALEJANDRA CASTILLO, KEY SPEAKER: HOW CAN GOVERNMENTS INNOVATE TO FACILITATE PRIVATE SECTOR INNOVATIONS AND OPERATIONS? WHAT ARE 5 FACTORS THAT CAN ENHANCE THE GROWTH AND GLOBAL COMPETITIVENESS OF BUSINESSES?

- Engaging minority-owned businesses is the key to remaining competitive as the changing demographics in the United States have given rise to the change in the faces of businesses in America.
- Engaging all the relevant stakeholders in the eco-system to develop the relevant policies that surround access to capital, contracts and markets is essential.
- Implementing government legislation that demonstrates government commitment to minority owned firms through government procurement policies.
- Minority owned firms are more likely to export to countries, to engage in businesses in another language other than English and able to capture and understand the business and cultural ties. Minority businesses are a natural ally for business engagement and culture and competitiveness.
- Ms. Castillo also gave an overview of the work being done by the Minority Business Development Association in the USA and opportunities for collaboration with the Americas. Key points included:
 - **Mission of MBDA** – to foster the growth and global competitiveness of US minority owned businesses
 - **Issue being addressed** – businesses owned by minority groups in the USA are not being leveraged to their full potential
 - **Access to capital is the main priority** - MBDA engages traditional and non-traditional sources for financing
 - **Why is this important to Latin America and the Caribbean?** - Growing amount of businesses owned by Latin Americans can become natural allies for business innovation and competitiveness in the Americas.

ANDRES ZAHLER, PANELIST: INNOVATION FINANCING BY GOVERNMENTS - HOW CAN WE SUPPORT RISK-TAKING INVESTMENTS IN INNOVATIVE START-UPS, SUSTAIN THEIR GROWTH AND BOOST THEIR PRODUCTIVITY?

- The level of innovation, investment rates, and human capital investment in Chile relative to the US is approaching the US but the rate of productivity across sectors is a main challenge for Chile.
- Chile's low rate of innovation and the amount of money invested in innovation is small and is lower than the Latin American average in both areas. The innovation developed in Chile is mostly patented abroad and does not benefit the Chilean economy. The smaller firms in Chile are not innovative.
- Mirroring the experience of Start-Up Chile across Chile to expand its impact. Introducing indicators to measure the economic impact of the programme is necessary as this has not been documented.
- Implementing projects such as Start-Up Chile introduces a cultural change to the population as citizens expand their business mind-sets to think globally and become less risk averse. It pushes a culture of entrepreneurship and innovation.

GADI MAZOR, PANELIST: FINANCING START-UPS-THE EMERGENCE OF NEW WAYS FOR START-UPS TO ACCESS FINANCING. AS AN INNOVATION HUB, WHAT CAN LATIN AMERICA AND THE CARIBBEAN LEARN FROM ISRAEL?

- There is a culture of risk taking and entrepreneurship in Israel that led to the success of the industry of start-ups today. Even when a business fails, they are encouraged to try again.
- Implementing an approach to create an industry of start-ups cannot be duplicated entirely based on the experience of one country. Assessing the current position of the industry can indicate how much of a leap needs to be undertaken to attain success in terms of the supporting environment and infrastructure required for that industry to grow.
- There are 4 types of crowd-funding:
 - Peer to Peer
 - Donation based
 - Reward based
 - Equity
- Introducing a crowd-funding initiative that caters to different categories of investors according to the monetary value of their investments based on a minimum value opens up the number of investors and the potential for financing of a larger number of firms and also allows smaller investors the opportunity to benefit from equity-based crowd-funding.

- Change the investment landscape by lowering the risk to investors and maximizing outcomes.
- Creating a critical mass of investors is essential. Adopting a regional as opposed to a country-specific approach may be more beneficial to this region given the average population size and economic bases of countries.

HANS SCHULZ, PANELIST: HOW CAN MULTILATERAL FINANCIAL AGENCIES PARTNER WITH LOCAL FINANCIAL INSTITUTIONS TO DEVELOP INNOVATIVE FORMS OF FINANCING? WHAT DO WE NEED TO DO TO FORMALISE THE INFORMAL SECTOR TO IMPROVE PRODUCTIVITY AND COMPETITIVENESS IN LATIN AMERICA AND THE CARIBBEAN?

- Implementing legislation by governments in the region is lagging behind the rest of the world.
- Formalising the informal sector by allowing persons to register their businesses through public policies on the legislative and regulatory side that reduce the time it takes to register their business and address the issues of taxation, labour, education and enhancement of skills and broadband connectivity as they are key to improving competitiveness and innovation.

CYNTHIA MCMURRY, PANELIST: CONNECTING PEOPLE THROUGH MICRO FINANCING TO PROMOTE PROSPERITY

- Improving access to financing to the poor through micro-financing should have less-rigid structures with grace periods and increased terms of interest-free lending by incorporating crowd-funding initiatives. The disadvantage to this type of lending does have its risk to the investor as there is no guarantee that there will be repayment if the borrower is unsuccessful.
- Increasing access to financing to the poor is essential since they are credit worthy and repay their loans on time. Access to finance and credit however, will not alleviate poverty.
- Introducing micro-financing programmes like KIVA in the Caribbean is the next step for KIVA as they continue to expand.

PANEL II: ENERGY COMPETITIVENESS AND INNOVATION

- **DR. THACKWRAY DRIVER, MODERATOR**
Trinidad and Tobago is a very old oil and gas industry and is mainly an energy economy, focused mainly on the harvest and development of oil, gas and petrochemicals which makes up approximately 40% of our GDP, approximately 50% of government revenue

and upwards of 80%-90% of our exports. This panel looks at renewables, the emergence and commercial viability of these alternative sources of energy and the challenges and opportunities these present for the growth of the energy sector in LAC.

DR. THE HONOURABLE BHOENDRADATT TEWARIE, KEY SPEAKER: PLANNING WITH AND WITHOUT ENERGY

- In an energy rich economy such as Trinidad and Tobago, appreciating the distinction between planning for the future and planning to shape the future is important to determine the depth of effect one can and will have on future events. In this instance, planning to shape the future fares better, in that, despite limited measures of control over future events, one can position oneself toward his/her part in the future. Consequently, there exists an increased possibility of having a higher degree of control over where you stand in the constant stream of changing events.
- In light of the consistent growth Trinidad and Tobago has experienced over the years, that is the rate of 5%, which represents an income figure of approximately TT\$20,500 per capita, for us to move from this to perhaps TT\$40,000 per capita, the strategies we engage must be innovative and transformative. The application of the traditional strategies will do little to shape or change sectors and returns.
- Recognising that the geographical location of an energy industry does not affect the opportunity to develop knowledge-based energy services, nations need to constantly focus on developing a knowledge driven, geographically mobile energy services industry.
- Focusing on: Ways to increase the absorption and retention of tertiary level graduates (at a reasonable standard of living) into the economy, through international collaboration, despite the slow rate of diversification and the limitations of local infrastructure; Solutions to the issues of inclusion and equity, endemic to the LAC region; Turning challenges into opportunities for providing innovative solutions.

HONOURABLE LUIS PORTO, PANELIST*: INNOVATION IN ENERGY POLICY- - ONE OF THE KEY FACTORS OF COMPETITIVENESS

- The general investment philosophy of Uruguay is that, one should not wait for the future to unfold; countries need to actively work toward shaping a future that is sustainable. Planning should be engaged with a long-term vision in sight, in addition to a set of articulated policies for each sector's development.

- An economy that is intent on generating a healthy development environment as a direct consequence of effective innovation and investment policies, will aim to promote and foster a competitive and productive business environment.
- An economy that is determined on the path of diversification and economic expansion will focus heavily on the successful implementation of policies aimed at affecting and encouraging private sector investment and involvement in national development, as these can become the main drivers of growth success. Further, aligning public and private goals can result in improved quality of employment and consequently, productivity.
- Continuity of policy is key, independent of administrative changes in government. Having an energy policy approved as state policy rather than a government policy will work to ensure continuous implementation.
- Honourable Luis Porto replaced His Excellency Roberto Kreimerman

DR. WILLIAM WARREN SMITH, PANELIST: CREATING THE ENABLING CONDITIONS FOR USING RENEWABLE ENERGY IN THE CARIBBEAN

- Private capital will fundamentally drive the business of energy transformation in the future. Without the support of private capital, the multilateral agencies can and will only achieve partial success in this regard. The existence of an incentivised environment works to encourage continued investment in the energy sector.
- The existence of monopolies will continue to hinder and make extremely difficult, the expansion into renewable energy generation. Consequently, reforms that result in the reformation and elimination of this type of framework, in addition to the creation of credible and competent regulatory authorities within the energy sector, are necessary.
- Within an energy focused economy, the pivotal role of the authority with respect to the reformation of that sector is to determine the equilibrium point at which the introduction of the renewable does not result in stranded assets or in sub-optimisation of the utility.
- The transition from a fossil fuel economy to a renewable economy requires being energy secure and reducing pricing volatility, thus there is an imperative to identify relatively soft resources in order to induce renewable development.

JANE ALLEN, PANELIST: HOW CAN WE MAXIMISE THE INTEGRATION OF TECHNOLOGY FOR BOTH RENEWABLE AND NON-RENEWABLE RESOURCES?

- Despite the overall benefit that renewables have in the long run, conventional energy still has a huge role to play in providing stability in the grid, and supporting the intermittence of wind and solar energy renewables. Moreover, until the storage of wind and solar energy is fully developed and viable on a large scale, traditional utilities should not be fully abandoned.
- Regularisation that allows utilities to enter into the business of renewables will do well to further the democratising of energy production as demand continues to move away from a centralised source. The promotion of regulatory frameworks that permit smart grid and small level energy generation, that personalise energy production and increase self-reliance, and is necessary if renewable energy is to expand.
- Large scale utilities can be the drivers of clean energy production, and can lead the way to a low carbon emission future. They hold vast deposits of knowledge on energy production, management and use and by offering their customers information on these. In addition to other renewable energy products and services, they can contribute to the proliferation and development of renewable energy sources.
- Developing a visionary policy frame work; having a strong long term energy vision; building state of the art energy infrastructure; encouraging robust and meaningful research into development; and creating a legislatively level playing field all go a long way toward energy innovation.
- The cost of energy has an overarching effect upon competitiveness and long term effectiveness of businesses. The overall incentivisation of the energy sector encourages direct investment of private capital, where subsidies and other incentives directly influence private sector investment.
- Achieving breakthroughs in clean and renewable energy technology requires the right mix of effective policy, a major sustained national investment in energy by public and private institutions, and the increased mobilisation of the private sector entrepreneurs.

DR. ROGER HOSEIN, PANELIST: SHALE GAS AND ITS IMPLICATIONS FOR THE CARIBBEAN, HOW DO WE RESPOND?

- Foreign direct investment is encouraged as it brings a host of benefits, in particular technology. This can take the value-added further downstream, expanding the diversification possibilities into higher value products.

- In recognition of the challenges of managing an energy fertile economy, the Heritage and Stabilisation Fund should be broadened to include a percentage of the revenues received from trading in gas.
- Within energy rich economies like Trinidad and Tobago, the existence of transfers and subsidies needs to be addressed with reference to their effect on trade, investment and involvement in the energy industry specifically. Further, their ability to impact returns on investment and encourage further private sector financing needs to be examined.
- It is necessary for export diversification attempts to focus on those baskets of products where the economy has the comparative advantage, and gets as much as possible for the industry for as little as possible from the economy.

FRIDAY 10TH OCTOBER, 2014

PANEL III: CREATIVITY, INNOVATION, RESEARCH AND APPLICATION

FRANS JOHANSSON, KEY SPEAKER: HOW DO YOU SEIZE OPPORTUNITY IN AN UNPREDICTABLE WORLD BY TURNING IDEAS INTO IMMEDIATE, EXECUTABLE ACTIONS?

- Logic does not necessarily drive innovation. At times, it is our unconventional and 'illogical' approaches, which bring about innovative products and designs.
- Differences should be nurtured in order to produce innovative societies.
- Inspiration for innovation can be drawn from the combination of different cultures and disciplines. The greater the collaboration across cultures and disciplines, the greater the harvest of innovative products and designs.

DR. KEITH NURSE, PANELIST: HOW DO WE HARNESS THE POWER OF THE HUMAN IMAGINATION THROUGH IMPLEMENTABLE PUBLIC POLICY INITIATIVES? WHAT ROLE CAN THE DIASPORA PLAY IN BOOSTING COMPETITIVENESS?

- When an investor invests into something, he/she expects to achieve a profit. By investing in innovation, one can expect to yield profitable innovative products.
- An effective way of using resources to bring about innovation is by concentrating on key and emerging sectors as opposed to a broader range of sectors.

PENNY LOW, PANELIST: THE FIVE STEPS TO CREATING SOCIAL ENTREPRENEURS THAT BRING POSITIVE INNOVATIONS TO TRANSFORM LIVES AND SOCIETIES USING CASE STUDIES

- Innovation starts with an idea.
- Developing constructive ideas with a view to fulfilling some long-term need, is critical for innovation.

WILLIAM BATES, PANELIST: WHAT ARE THE SEVEN ACTIONS THAT COUNTRIES SHOULD TAKE TO CREATE AN EFFECTIVE NATIONAL INNOVATION SYSTEM? HOW CAN ACTIONS BY COMPANIES AND GOVERNMENTS BE MORE MUTUALLY SUPPORTIVE OF AN INNOVATION CULTURE?

- In the innovation arena, players have distinct roles.
- Governments should play supportive roles while the private sector takes the lead role in the creative and innovation process.

CHRISTINE-ANN NORTON, PANELIST: WHAT DO WE NEED TO DO IN TERMS OF SUBSTANCE, IMAGE PROJECTIONS AND REPUTATION REINFORCEMENT TO BRAND THE CARIBBEAN AS A CREATIVE REGION?

- Innovative societies require skills-training.
- In order to compete with other regional markets, the Caribbean should resist internal competition and instead, create a united innovative force.

KEYNOTE SPEAKER: ANDY STEFANOVICH: HOW DO WE FUEL SUSTAINABLE BUSINESS GROWTH BY THINKING IN A RADICALLY DIFFERENT WAY? HOW DO YOU ENCOURAGE INNOVATION AT THE INDIVIDUAL LEVEL? WHAT ARE THE SEVEN KEY DRIVERS THAT LEAD TO INNOVATION? HOW IMPORTANT IS A COLLABORATIVE CLIMATE TO INNOVATION?

- **Tangible over Intangible:** Intangibles are of greater importance than tangibles. Tangibles are resources such as technology, people, financing, digital (factors); the biggest natural untapped energy source in the world is an idea that is imperfect rather than one which is perfect
- **Simplicity over Complexity:** The idea is to simplify things that are complex. There are three stages in driving change, innovation and ideas:
 1. Think about something;
 2. Design a theory;
 3. Build or bring to life, the design /thought /idea into the world.
- **Inspiration over Impact:** Inspiration is the natural fuel that guides the creative process. It is more important than impact. Inspiration guides the world when one's heart and soul are put into intentionality.
- Mr. Stefanovich concluded with some guidelines on how to do drive change and inspire innovation:
 - Believe deeply in something;
 - What 2 or 3 things will bring leverage to life;

- Fully resource the 2 or 3 things for success;
- Invite the entire world to participate.

PANEL IV: BREAKTHROUGH INNOVATIONS AND THE NEW GENERATION

HAL GREGERSEN, KEY SPEAKER: WHAT IS A DISRUPTIVE IDEA? HOW DO DISRUPTORS WORK? WHAT WOULD MAKE DISRUPTIVE INNOVATIONS HAPPEN MORE FREQUENTLY? WHAT ARE THE FIVE FUNDAMENTAL FEATURES OF AN INNOVATOR CAPABLE OF DISRUPTIVE INTERVENTIONS?

- Innovators and creative problem solvers do essentially the same work.
- Disruptive innovation involves transforming something that is complex, expensive and accessible to only a few persons, into something that is simple, inexpensive and accessible to thousands/millions of people. These disruptive industries are critical as they are the ideas that have the potential to create the most value and lead to new markets.
- Sustaining innovation simply involves enhancing or improving a product or service.
- One does not have to be famous to conceptualise valuable ideas. Based on a study of successful entrepreneurs, the characteristics of these persons include discovery skills such as questioning, observing, networking, experiencing and associating. These persons think and act differently as they put together the unconnected and ask a lot of questions, which is imperative but may be problematic to implement in hierarchical cultures.
- Leaders need to increase their receptivity to questions from subordinates, as these can lead to great solutions to problems. When faced with a problem, companies should brainstorm nothing but questions, as they will result in new answers. Subsequent to prioritising questions, companies can discover invaluable insights by observing, networking or experimenting.
- Given that individuals are born curious, as opposed to teachers asking students many questions, there should be a mechanism in place to facilitate dialogue and questions from students in a quest to keep curiosity alive, starting from early childhood education.

DR. KIRAN AKAL, PANELIST: HOW DO WE CREATE UNIQUE, HIGH-VALUE PRODUCTS THAT CAN CAPTURE GLOBAL NICHE MARKETS? THE CASE OF CHAI RUM

- When conceptualising an idea, individuals should embrace their 5 senses namely smell, taste, touch, hearing and sight, as these will play a critical role in producing a high-value good or service that is distinct from competitors.
- Diversity is beneficial as it can lead to the development of greater value goods and services, and is key to business survival and subsequent growth.

MEHUL TREVEDI, PANELIST: THE HUMAN TECHNOLOGY INTERFACE IN THE ACT OF CREATION

- In developing new products, a large amount of human resources is not necessary as experience and talent of employees are of greater importance. Furthermore, support systems are imperative as great products can be developed with minimal investment and few people.
- Eco-systems are of utmost importance to the creation of new goods and services.

SUHAS GOPINATH, PANELIST: WHAT IS THE THOUGHT PROCESS THAT GOES INTO CREATING A BILLION DOLLAR ENTERPRISE?

- To create a successful product, an individual should take advantage of an untapped opportunity and pursue something that he/she is passionate about.
- In order to own and operate a sustainable business, innovation is critical.
- To be innovative does not mean creating something new. As opposed to replicating ideas, it entails reviewing the “pain points” or inefficiencies and improving them.

CLAUDE ZDANOW, PANELIST: HOW DO YOU PROGRESSIVELY REDEFINE THE BOUNDARIES OF YOUR BUSINESS- FROM RECORDING STUDIO TO DEVELOPING TALENT TO CREATING A LIFESTYLE BRAND- THE STADIUMRED SUCCESS STORY

- When pursuing a business opportunity, do something that inspires and drives you, hence you will be fully committed to its success.
- Although start-up capital may be limited, use technology to access resources online that may be free or cheap.
- To grow, one needs to differentiate oneself or attain a competitive advantage which rivals are unable to replicate. Human resources are critical as it is the most difficult resource for competitors to match. Hence, develop a business model using skilled and competent personnel.

BREAKTHROUGH IN INNOVATIONS LUNCHEON

DR. RAÚL CUERO, LEARNING WHILE INVENTING – THE FIVE FACTORS THAT HAVE DRIVEN THE SUCCESS OF THE INTERNATIONAL PARK OF CREATIVITY

- A major problem facing both developing and developed nations is the lack of ability to create venture capital.
- Invention is the ability to create something new which brings obvious benefit to society whilst innovation refers to the ability to transform something that already exists.
- Based on hard data, only 2% of the population brings creativity to society. However, it is the responsibility of policy makers to maintain/increase this 2% whilst educating the 98%.

- When creating a good/service, a substantial gap between the time spent to conceptualize and the time spent to implement should be avoided.
- Based on the pyramid of creativity, the base is broader and relates to observation.
- IQ, that is, the ability to retain and establish knowledge, is only 15% of creativity.
- Information and knowledge are not the same, as the former refers to data retrieved from books, online material, etc. Information only becomes knowledge through application.
- The education system needs to have one project that integrates knowledge from all disciplines as opposed to having one project per discipline.
- Basic human principles of success:
 - Youth: young persons are more open to creative process and are not as biased and are more likely to see the world as it should become. Although teenagers are not exposed to extensive schooling as PhD students, they possess the drive, motivation and willingness to work beyond understood limits of human endurance.
 - Practice: it takes hours of practice to become an expert
 - Mentors: all of the International Park of Creativity's mentors are inventors themselves and employ the creative process on a daily basis.
 - Partnership: a pre-requisite of creativity is the ability to see things from a different perspective. The only way to do that is to partner with someone drastically different from oneself.
 - Failure: a commonly discussed flaw in modern education is that it frames failure as something bad/to be avoided.
- The most influential inventions are products of creativity across disciplines. Thus cooperation is complimentary as opposed to conflicting.
- Creativity is not something that an individual is born with, but rather, is an acquired skill.
- Integration of the Americas should not only be based on trade but also on interaction of creativity.

WALESKA RIVERA TORRES, LEVERAGING MANUFACTURE TO BOOST AN ISLAND

- Puerto Rico has a stagnant economy and consequently has been operating below its potential, hence negatively affects the country's competitiveness.
- To sustain economic growth, Puerto Rico's spending is financed by issuing debt. The country has transitioned from a poor agricultural economy to a high-technology manufacturing powerhouse and consequently, has served as a manufacturing model for many countries inclusive of Singapore, Ireland and Costa Rica.
- According to the World Economic Forum, Puerto Rico ranks 5 out of 144 countries in higher education enrollment. Moreover, the country's labourforce is bi-lingual and highly skilled.

- The country has a favourable geographic location as a commonwealth country of the US. Furthermore, it has unique advantages such as political stability, US currency, judicial framework, US citizenship and fiscal autonomy (which permits offering incentives for investors and export services) that no other country in South or Central America can match.
- In developing the country's economic agenda, the government cannot be the sole player. Consequently, the private sector must be the engine of economic development whilst government must be only a facilitator.
- Countries should diversify their industrial base and focus on fast-growing sectors including health care, medical care, renewable energy and aerospace.
- Export companies should also be facilitated through the emphasis of locally-based supply chains in order for the value of manufacturing to be fully realized in Puerto Rico.
- Firms with less than 50 employees should be mentored. According to ECLAC, small, local industries provide a better alternative for generating jobs in comparison to larger firms.
- Puerto Rico has commenced the development of strategies focused on big data, open data, software development, game and mobile applications and emerging healthcare opportunities.

CLAUDIO HIDALGO, HOW CAN DIGITAL TECHNOLOGY TURN A MILLION PEOPLE INTO A POWERHOUSE NATION?

- To drive innovation in the region, the private sector companies, government and content providers need to enhance collaboration.
- Incentives are urgently required in order to expand networks to meet the needs of the online population. For instance, the government of Jamaica suspended the import tax on smartphones to increase penetration.
- In Jamaica, Digicel is partnering with the government to deploy 30,000 tablets to 40 basic primary and secondary schools with the aim of transforming the way that teachers teach and students learn.
- Digicel has also partnered with the government of Antigua and Barbuda through its Government Assisted Technology Endeavour (GATE) to provide 4G networks and distribute tablets to 6,000 students.
- In Trinidad and Tobago, Digicel has collaborated with the University of the West Indies to equip students ages 8 and above to create applications.

PANEL V: SERVICE INDUSTRY AS A DRIVER OF INNOVATION

- Solving the economic issues of a nation with respect to the services sector, which comprises much more than the standard traditional fare of healthcare, transport and other such facilities, requires that we conceptualise the services sector in a more selective and individual manner. Each sector should be regarded as its own unique

economic sector, as each has its own service model and methods of delivery. Consequently, all advances cannot be regarded as universal and generally applicable.

- The value of ICT to the services sector is realised in its ability to decrease cross-sectorial fragmentation and increase connectivity, while at the same time referring to the modular and service delivery differences. ICT is indispensable insofar as it can achieve these, while increasing the competitiveness of the business, and adding value to the service. Successful application of technology to a particular service within the sector comes from first problematizing the everyday; determining what value chains are to be affected and in what ways.
- Traditional linear notions of learning have to be re-engineered to foster innovation and create an eco-system that provides opportunities for the generation of new ideas and thought processes that will positively affect the standard ways of doing things. Learning has to be considered as a lifelong endeavour, where we continuously learn, re-learn and unlearn new and old ways and means of process and delivery. What this does is allows for the reduction and replacement of the rigid job specialisation model and allows for a multi-skilled individual to exist.
- In driving innovation via the service sector, information is key. Recognising the larger cause and focus of service driven innovation, information should be structured to be more useful to the society. Further, in determining the bigger questions we are trying to answer, we have to recognise what practical changes to information access need to be made to find the right answers to these questions.
- Transforming the service industry from labour, to capital, to technology, to knowledge-based requires that we learn about the market, recognise the nature of our product and/or service, in addition to the nature of the business environment, that is, if competition exists or not. What this affords us is the ability to see the relevance and consequences of the application of strategic tools like data analysis, foresighting and improved management to our goals of increased competitiveness, in an economy faced with extreme market pressures.

KEYNOTE SPEAKER: ORLANDO DOVAT MELA AND ISIDORO HODARA: HOW A SMALL COUNTRY CAN SUCCEED IN EXPORTING GLOBAL SERVICES

- The presentation began on the premise that small can be beautiful and cited the success of countries such as Switzerland, Singapore, Finland, the Netherlands and Israel who are in the top thirty global rankings, including the Global Competitiveness Index, the Network Index Readiness and Tholon's. It was noted that countries with similarly small populations in the Region were not in the top thirty and suggestions for the success of

these countries in providing global services were put forward, based on the experience of Zonamerica in Uruguay.

- IT has facilitated globalization and has attracted the formation of new companies which engender diversification of economies.
- Global services are the fastest growing sector world-wide, account for a large sector of the economy and can help to avoid the brain drain from developing countries.
- Key elements in the global services sector are competitiveness, the type and intensity of technology and the quality of human resources. Countries must be up-to-date in technology, otherwise investors will not be interested. The quality of services provided is more important than the quantity.
- Human resource is critical and, regardless of skills in particular areas, must be made ready to function better in the global environment. Skills must also cohere. Multiple language skills are necessary and aptitude, adaptability and attitude of the people will attract investors. But not only must investors' needs be met, terms and conditions must be attractive for those being recruited. It is important to know what human resources are available in the country.
- Global services are not for amateurs that have good ideas. It is a process that needs creativity but requires continuous professional, sustained effort and allows no room for fear of failure. Those involved must be confident of their ability to succeed.
- Free zone business parks are best suited to advance global services and there should be more than one in order to generate competition. There must be no monopolies.
- The legal framework must be sound and must take account of the long term, bearing in mind the future development of global services. Privacy laws are a critical element in that framework. The laws must ensure that there is no competition with local services.

PANEL VI: INNOVATION IN EDUCATION

GABRIEL ZINNY, KEY SPEAKER: HOW CAN BLENDED LEARNING STRATEGIES IMPROVE THE QUALITY OF EDUCATION IN THE AMERICAS?

- Although the region has achieved improved primary and secondary level access to education, the 45 – 55 % drop-out rate remains too high to compete with the rest of the world.
- There is a major challenge in the LAC region as there is a disconnect between the school and work environment, therefore, better facilitation of the school-to-work transition is required.
- To improve the quality of education in the region, innovations to the education system are essential. The curricula being taught in the last 25 years to date needs to be updated.

- While there is more investment in academia and more online universities, not enough is being done, as only 10-15 % of persons complete university level education.
- To improve the situation, an impact must be made at the K-12 (kindergarten to grade 12) level of the education system. Given that over 70% of K-12 students attend public schools, the adoption of innovation by the public sector is critical.
- Teachers must move from being educators to facilitators, to help students develop more effectively.
- The private sector must connect with academia. Technology is driving innovation in education.
- Given that the private sector is demanding soft skills, these skills must be taught in schools.
- While governments in the region regulate traditional education, the increase in online education outlets means that government regulation is also needed in these spheres to assess quality.
- In moving forward, governments must update regulations and improve quality assurance in education as well as facilitating innovation in education by the private sector.

DR FRED MEDNICK, PANELIST: WHAT ARE THE FIVE KEY ELEMENTS OF CREATIVE LEARNING ENVIRONMENTS? HOW HAVE INNOVATIONS IN IT REDEFINED THE POSSIBILITIES OF INNOVATION IN EDUCATION?

- Teachers are using technology to overcome borders. The use of ICTs maximise efficiency and innovation in learning and teaching methods, through the transition from textbooks to technology.
- Teachers learn best from each other and training must be incentivised.
- Collaboration trumps traditional competition in students and teachers; competition shuts down an enquiring mind and it is not a motivational tool. Collaboration encourages students and teachers to take intellectual risks in a climate of safety. It sets the top student on fire, sets the middle tier toward the top and the lowest tier toward the middle.
- Old ways must not be discarded; a distinction must be made between traditional and tradition. Traditional refers to the old way whilst tradition relates to culture/nature. Tradition enables growth and trumps traditional.
- Classrooms and students are human enterprises. The human element in the classroom will stimulate achievement more than anything else and as such, the right approach is required when using STEM (science, technology, engineering and math) and ICTs.
- New research reveals that great companies mirror great classrooms, they encourage collaboration, participation and experimenters.

- STEM is about striving for enquiry while ICT is about striving for capacity. Teachers strive to connect enquiry and capacity.

DR MICHEAL PENFOLD, PANELIST: WHAT ARE THE BEST WAYS TO HARNESS EDUCATION AS A TOOL FOR IMPROVING CREATIVITY, INNOVATION LEVELS AND ENTREPRENEURIAL TALENT? WHAT DO WE NEED TO DO TO ENCOURAGE AND DEVELOP POTENTIAL ENTREPRENEURS?

- Technical and vocational education is changing the way the labour markets work in the LAC region. The most critical challenge facing the region is changing the way the countries grow and the quality of jobs.
- The most talented individuals in the LAC region want to be employed in good companies and do not think about creating new businesses, while those who do not have the skills to get the jobs are forced to become entrepreneurs and become self-employed.
- There is a vicious circle of very little companies and large informal sectors where there are many people without the right skills because they are disconnected from the labour market that they are in. This is condemning many individuals to poverty and inhibits growth in LAC region.
- Businesses demand access to finance, reduced informality and skills. The average time to fulfil a vacancy in the LAC region is six weeks, whilst in Asia it takes two weeks. This is inhibiting the ability of our markets to innovate, as well as to create more and better jobs.
- There is huge disconnect in technical and vocational education in the supply and demand side of education in the LAC region. There needs to be a re-engineering process to correct this, irrespective of their size, firms invest little in training. The LAC region needs to scale up and create more public-private collaboration and retrain resources from the public sector.
- In order to use education to improve the job market, we need to overcome the institutional weaknesses of the technical and vocational training systems. The public sector must formulate a strategic set of frameworks and policies which examine various sectors and the requirements of those sectors.
- The gap between the supply and demand of labour skills must be reduced, hence the education and training system must be supportive of this.
- The LAC region must move from low investment in training by firms to a higher investment in training; the public sector must create the policies to enable this.

DR ROGER PULWARTY, PANELIST: CRAFTING SCIENCE POLICY TO EMBRACE ENTREPRENEURSHIP TO BETTER MANAGE EMERGING GLOBAL RISKS

- Transferring risk, reducing exposure and increasing resilience to changing risks constitute the solution for educational change.

- Interdisciplinary collaboration is needed at the university level to develop better programmes.
- Data and human experience should inform educational theory and not the reverse.
- The return on investment model is limiting in that it normally pulls resources away from innovation to meet quarterly metrics.
- Higher education must prepare students who seek careers outside of academia, not replicate persons who repeat what is currently being done.
- The key concerns of social innovation go beyond the projections and transfer of technology. The way we socialise lessons over time is the most important factor in how we move forward.
- The imagination, knowledge and awareness that make people change and determine their futures must be captured. People must be challenged to see different and possible futures as human beings, exert control and mastery of our future.

CHRIS YOUNG, PANELIST: HOW DO WE ENCOURAGE CRITICAL THINKING AND CULTIVATE INNOVATIVE CITIZENS THROUGH EDUCATIONAL REFORMS? HOW PRACTICABLE IS IT TO UNDERTAKE EDUCATIONAL REFORM IN THE REGION? WHAT IS THE SUPPORT NEEDED AT BOTH THE NATIONAL AND REGIONAL LEVELS TO MAKE THIS HAPPEN?

- Goals are aspirational with metrics to gauge success and they address big problems which take time to resolve. The sustainable development goal applies to each member country of the United Nations. Each nation has something it can do better for its citizens, region and the world.
- One of these overarching goals is peace and stability, which stems from citizens having a meaningful job. This gives people hope, a future and deters negative actions.
- There may not be a lack of jobs but rather there is a skills gap between the jobs that are available and the people who are unemployed. In the United States alone, there are ten million people who want to work and five million jobs without employees because the skills do not exist.
- Overall, the entire Americas region has a 34 % gap between the jobs available and the persons looking for jobs.
- CIFAL works hand in hand with government and local actors who have a community based stake in the education system. Civil societies and corporations funding and creating jobs are encouraged not just to contribute funding but to get into the communities and do knowledge transfer.

This document excludes the speakers for the three business luncheons:

- A. Norman Sabga, Group Chairman & Chief Executive, ANSA McAL Group of

Companies, Trinidad and Tobago

- The Honourable Sharon Ffolkes Abrahams, Minister of State, Jamaica
- Charles Rivkin, Assistant Secretary of State Economic and Business Affairs, US Department of State
- Gervais Warner, Chairman, Massy Group, Trinidad and Tobago
- Waleska Rivera Torres, President of Puerto Rico Manufacturers Association
- Claudio Hidalgo, Chief Operating Officer, Caribbean & Central America, Digicel Group
- Dr. Raúl Cuero, President and Research Director, International Park of Creativity, USA (Although Dr. Cuero was initially scheduled to be featured as a keynote speaker, due to time constraints, he presented at the Breakthrough Innovations Luncheon).