

# EXECUTIVE SUMMARY

## Business Schools on an Innovation Mission

### Report of the AACSB International Task Force on Business Schools and Innovation

Innovation is and will always be a major driver of business and societal success, and business schools are doing much to foster innovation worldwide. The opportunities to do more to support innovation are many and the potential to create value is high. Helping business schools to identify these opportunities and achieve their full potential in supporting innovation is the primary purpose of *Business Schools on an Innovation Mission*, the final report of the AACSB International Task Force on Business Schools and Innovation (Task Force). The report sets forth to clarify what is meant by innovation, describe how managerial talent contributes to innovation, and delineate the various ways business schools support innovation.

To fully appreciate the role of business schools requires fresh thinking about innovation. Instead of assuming that innovation is motivated by profits and national competitiveness, we must believe that it has a higher social purpose—it is about global prosperity. Rather than equate innovation to entrepreneurship, we must realize that new business creation is neither sufficient nor necessary for innovation. Before assuming that science and technology are all that is required for innovation, we must consider the essential and complementary role of managerial talent.

Citing recent research from a variety of sources, the Task Force describes how managerial talent matters to innovation. Managers drive the demand for innovation, as they make choices about resource allocations, expect new products, services, and efficiency from vendors, and pressure rival firms to compete. But managers also impact the supply of innovation by organizing research and development efforts and the financing of innovation by analyzing market potential and risks.

Managers possess specific, hard-to-transfer knowledge (about human capital, manufacturing processes, distribution chains, and consumer behaviors, for example) that is essential to the implementation of breakthrough ideas. They act as organizational architects and build the capacity of organizations to innovate in dynamic environments. Managers are also inventors; they develop new ways of making and distributing products and providing services. Finally, managers participate in the boundary-spanning networks that foster and enable innovation. For all of these reasons, managers are an essential part of the innovation process and business schools can make an enormous difference in preparing them for success.

When it comes to learning, business schools can focus more on specific skills that support innovation, reinvent curricula to be more integrative, and convene executive programs that create new ideas and networks. Business schools can promote interdisciplinary research and recognize that innovation can come from advances in the theory, practice, or teaching of management. Note, however, that intellectual contributions do not have to be revolutionary to support innovation; business school research is also necessary to codify, organize, and diffuse

management innovation. Through outreach activities, such as business plan competitions, student consulting projects, and business incubators, business schools' activities contribute directly to innovation in the communities they serve. Finally, through their power to convene diverse professionals and other activities such as alumni relations, business schools create and grow powerful relationships that foster innovation.

Business schools do not and should not support innovation in the same ways; what each school does should depend on its context, mission, and other factors—which can differ significantly among schools. The Task Force recommends that business schools develop and regularly evaluate their contributions to innovation and society through teaching, scholarship, and outreach. Business schools should also have an approach for creating value at the intersection of different perspectives and proactively advocate for their role in innovation. The Task Force believes that AACSB can do more to encourage schools to emphasize innovation and recommends that it take steps to decide how much collective pressure and support to provide, as well as the extent to which it should advocate for innovation to be an overarching purpose of business schools across the globe.