Featured School:

Universidad Adolfo Ibáñez
Escuela de Negocios
Santiago, Chile

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April 2010
AACSB International
Universidad Adolfo Ibáñez

The School of Business at the Universidad Adolfo Ibáñez (UAI) in Santiago, Chile, has embraced innovation as a key area of focus and one of the primary ways it hopes to influence the Latin American economic environment. This focus is reflected in the school’s mission, which is “to form professionals capable of creating value through entrepreneurship and the management of systems which successfully compete in the global economy of innovation; people suitable to work both efficiently and ethically in the complex social, environmental and political setting of which business is a part.” According to Dr. Carlos Osorio, the academic director of UAI’s signature Master of Innovation (MI) program (described in detail below), the school chose this focus after recognizing that Latin American firms were not reaching their full potential to create new products and services that could have global impact.

Master of Innovation Program

The Master of Innovation (MI) program was developed in response to this perceived need and as an evolution of other initiatives. Osorio had spent several years studying the methods that enabled certain U.S. firms to successfully continue to create new products, and whether those methods could be taught and learned. In 2007, he began offering a workshop at UAI which functioned as a “lab” for conveying skills related to innovation. Over time, it became evident that a vast majority of individuals winning various innovation and design contests in Chile had participated in that workshop. This success led to the development and 2008 launch of the MI program, which is offered as a collaboration between the Business School and the Faculty of Engineering and Sciences.

The MI is a 15-month, executive format degree program designed to develop four core skills in the creation and management of innovations: the capacity to identify worthy problems and transform them into challenges; the ability to perceive reality in multiple ways; brainstorming techniques to generate as many ideas as possible in minimal time; and the ability to fail as quickly and cheaply as possible. This last, Osorio says, is a vital skill for innovators, who must recognize that (i) failing early and rapidly during the development process allows for uncover problems, learning what might not work, solving problems and increasing the likelihood of successful innovation, and (ii) although many innovations do not succeed, they nevertheless offer learning opportunities. Included in the program is an international immersion week designed to impart firsthand knowledge about managerial innovations and new business practices that affect other economies.

Students in the MI program are also required to write a thesis that falls into one of three categories:

1. Creation and implementation of a new service, product, or business model for an existing firm
2. Design of an improved process for an existing firm
3. Design of a corporate innovation strategy for an existing firm
In some cases, students in the program are funded by their employers, who often are Chilean or multinational corporations interested in a project to serve the company. In other cases, students develop ties with other companies through projects embedded within the program. The program’s seven modules each include four courses and a corresponding “challenge” presented by an existing firm or organization. Students collaborate in teams to address the challenge and present their solutions to firm representatives, who offer a substantial prize to the winning team.

The MI program alternates using full-time faculty from the business and engineering schools who have experience in teaching and consulting projects for corporate boards, as well as guest lecturers that are or have been executives of major Chilean companies and multinationals. The goal in using this mix of faculty is to represent a blending of three traditions of thought: management of new product development, engineering new product development, and design thinking. All the instructors are highly motivated, says Osorio, because pains are taken to create synergies between faculty interests from different units, and also because the MI students themselves are often among the best at UAI - having gone on to win many innovation and design competitions in Chile. The MI program has benefitted greatly from the support of the dean, Alfonso Gomez, the upper-level university administration, and the innovation “ecosystem” at UAI.

**UAI’s Innovation Ecosystem**

Over the past several years, UAI has developed an extensive innovation “ecosystem” composed of numerous complementary units with varying roles in support of innovation and entrepreneurship. At the central node of the ecosystem is the Center for Innovation and Entrepreneurship (CIE), which is run by the business school, but also enjoys faculty participation from other units such as the Faculties of Psychology and Engineering and Sciences. The CIE serves as a connection point between multiple units in the ecosystem, including a business incubator (Octantis), an angel investor network (Southern Angels), a business plan competition (Chile Empresario), a tech transfer office for the scientific community (VentureL@b), two centers focused on innovation in specific industries (Financial Innovation Center and Energy Innovation Center), a network of companies interested in developing a corporate culture of innovation (Club de Innovación), and the UAI Faculty of Engineering and Sciences. These units, in turn, are connected to a variety of companies, investors, entrepreneurs, incubators, and research consortia. A visual representation of the “Ecosystem” can be seen at [http://www.uai.cl/centros/cie/entorno](http://www.uai.cl/centros/cie/entorno).

**Octantis, Potenciadora de Negocios**

Octantis, Potenciadora de Negocios, was founded in 2003 by three partners: Invertec IGT, a firm specializing in innovation consulting; Clima de Emprendimiento Organizado (Organized Entrepreneurial
Climate), an entrepreneurial network of intercommunications technology and biotechnology entrepreneurs; and Universidad Adolfo Ibáñez, to enhance its focus on entrepreneurship and innovation. In the beginning, the Chile Empresario business plan competition at UAI was used as a “feeder” for Octantis. Now, however, the incubator actively solicits ideas from any sector in which it feels it can build strength, says Ramon Molina, Chairman of the Board of Octantis and Director of MBA programs at the UAI Business School. Octantis is billed as a business accelerator because it helps young, but established, businesses to get ahead by facilitating business contacts and providing advice and coaching. Molina emphasizes the importance of the school’s ecosystem in creating the necessary operating conditions for the business accelerator.

Indeed, Octantis brings the UAI innovation ecosystem concept to their approach to entrepreneurship. The accelerator’s methodology takes into account the fact that new companies need more than just space and resources to develop, but also direction, and the opportunity for network formation. Rather than trying to provide all the services their entrepreneurial clients need in-house, Octantis sets itself up as the directorial hub of a network of actors and agencies, both public and private, that provide such services. In addition to a network of volunteer mentors and other agencies, Octantis has a small dedicated staff of about 20 people who focus on administering the accelerator’s activities, communicating with the network, and managing Octantis’ standalone projects. Octantis itself provides two levels of service to selected entrepreneurs: Business Design and Acceleration.

Business Design, according to Molina, typically allows for a 5-8 month process. In the initial phase, or “Opportunity,” Octantis evaluates the idea and identifies relevant contact networks to both enhance and validate its business potential. Octantis then aids the entrepreneurs it selects in developing their idea and formalizing its business plan. In the second phase of Business Design, selected entrepreneurs are supported with funds derived from the Chilean government to perform basic marketing research and garner evidence of the idea’s feasibility beyond that performed by the entrepreneur in the selection process. If successful in demonstrating the feasibility of the project, entrepreneurs are eligible to receive additional funds through this channel. Client entrepreneurs at this stage are also connected with networks and mentors that can provide support in the creation of new businesses, to begin the Acceleration process. Of approximately 3,500 ideas, Octantis has supported approximately 250 projects through the Business Design stage.

Acceleration services typically allow for a 12-15 month process. Once entrepreneurs have business and implementation plans developed (with or without Octantis’ help) and approved by Octantis’ board, Octantis connects them with its network of mentors and outside agencies that help build and scale the new business. Most mentors are experienced business people and serial entrepreneurs. MBA students at the Business School frequently become engaged with Octantis as well, according to Molina, sometimes as volunteer mentors and sometimes (pre- and post-graduation) as clients. MBA students that have a business plan or entrepreneurial project may ask for judgment by the accelerator’s mentors.
Octantis itself also created a network of angel investors, known as Southern Angels\textsuperscript{14}, the first such body in Latin America, according to Molina. Incubated at UAI, Southern Angels will operate as an independent body with its own council of members as of next year, though with continued university support. Besides the support of Octantis’ network, Southern Angels also partners with directly with Universidad Adolfo Ibáñez, as well as other Chilean institutions such as Sofofa (Industrial Development Society), Digital Country Foundation, Fundación Chile, and Santiago Innova Incuba Idea, many of whom are also in the Octantis network. The Southern Angels network seeks to strengthen the venture capital industry in Chile by being a link that brings together supply and demand for start-up capital, and their independence will be key to that development, according to Molina.

The success of Octantis’ approach is only beginning to be felt. As of this writing, more than 100 companies have been successfully created through Octantis and the broader support of the innovation ecosystem at Universidad Adolfo Ibáñez, with another approximately 85 active projects at some stage of development.

Acknowledgements: AACSB International is grateful for the assistance of Dr. Carlos Osorio, Academic Director of the Master of Innovation program, and Ramon Molina, Director of MBA programs at the UAI Business School and Chairman of Octantis.
End Notes