

Locating Innovative Entrepreneurship

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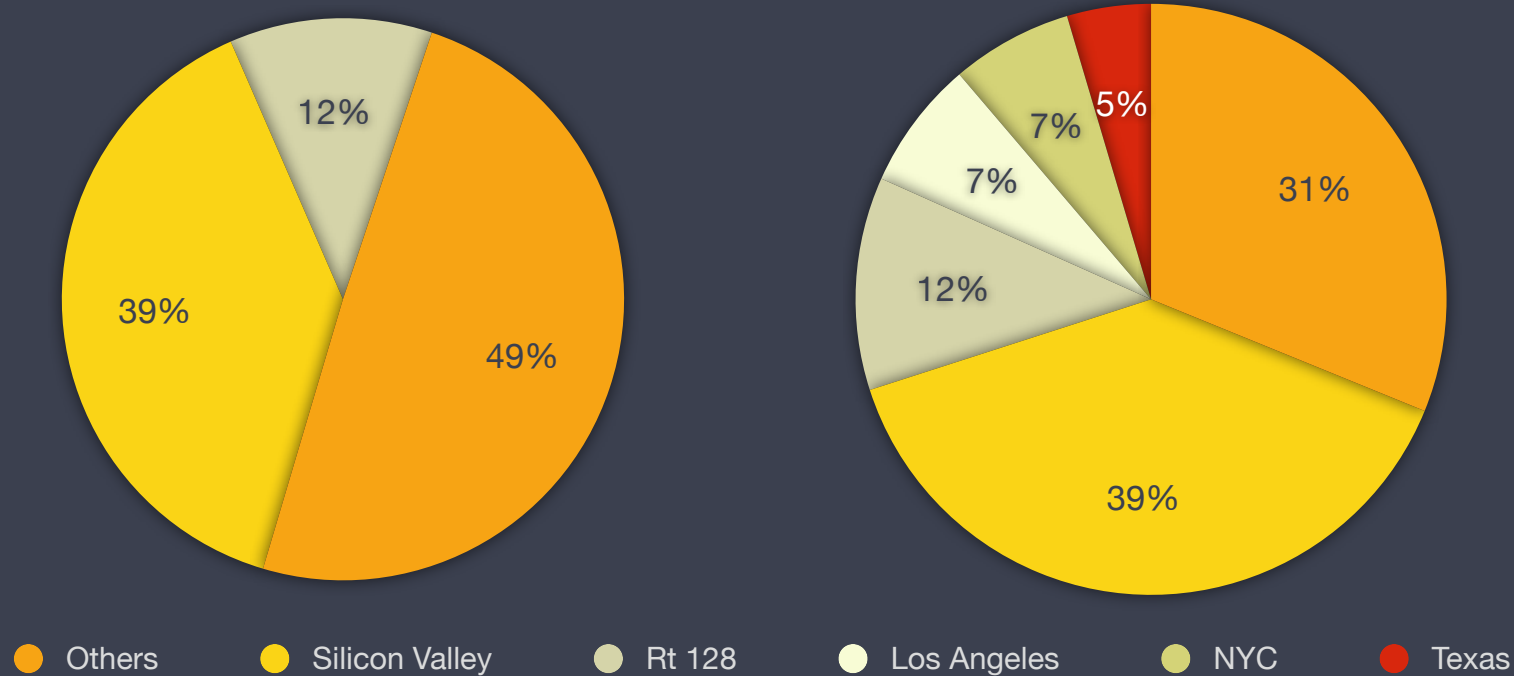
Innovation

- ▶ “to bring to market an idea” (Branscomb)

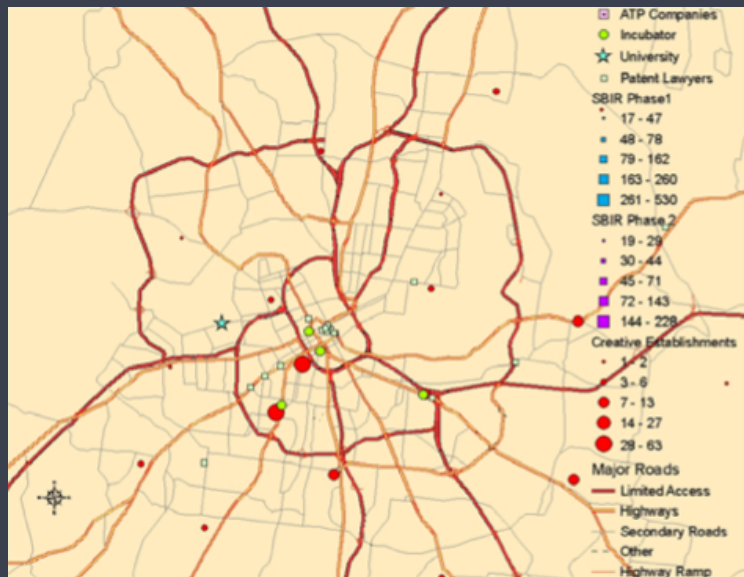
Innovation

- ▶ ...is lumpy

Distribution of Venture Capital in US



Innovation



Nashville, Tennessee



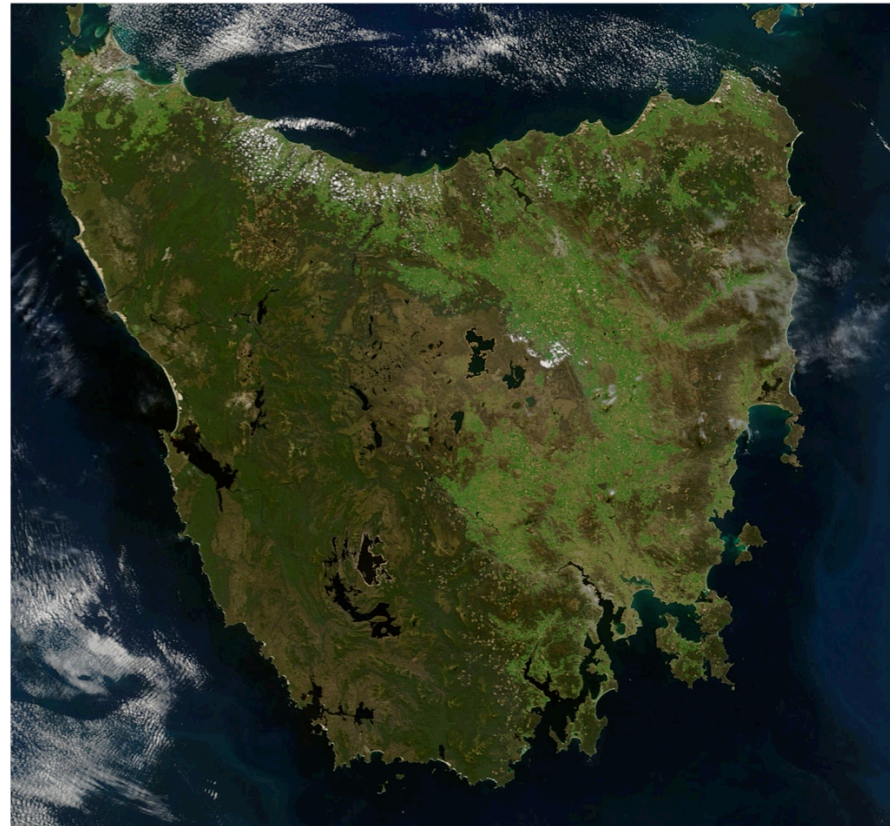
San Francisco Bay Area

Reasons for the Locality of Innovation

- ▶ Network effects
- ▶ Supportive context (“Starbucks effect”)
- ▶ Entrepreneurial culture
- ▶ Heterogeneity

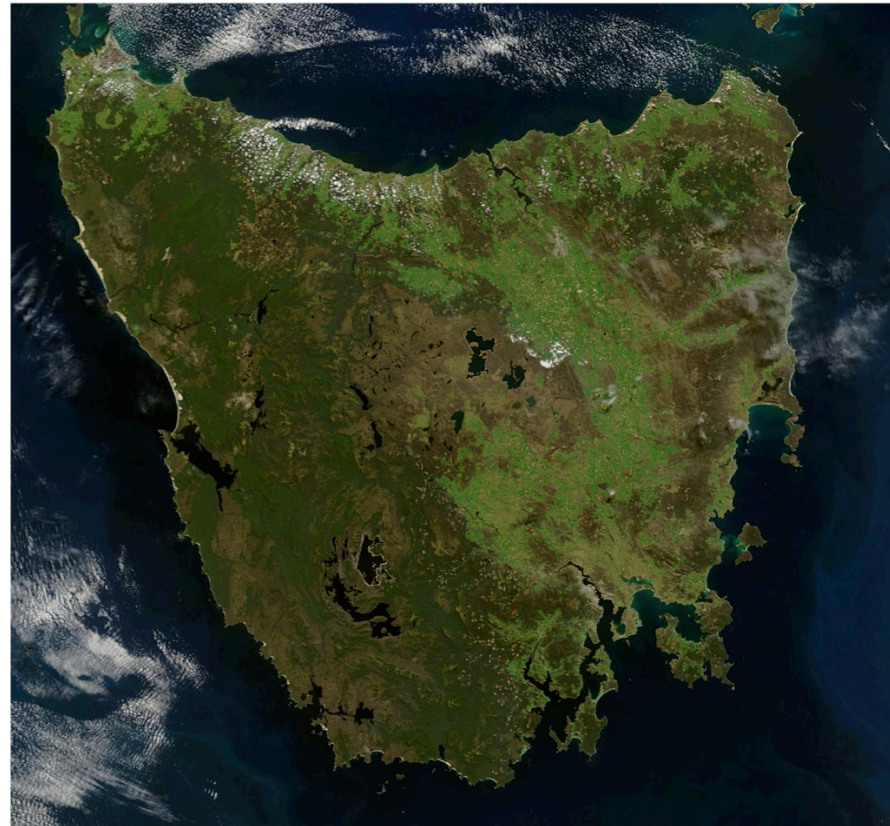
Heterogeneity

- ▶ Until end of last Ice Age Tasmania was connected to Australia
- ▶ Indigenous Tasmanians highly innovative in the use of tools
- ▶ Once **separated** Tasmanians **lost** their **ability to use tools**

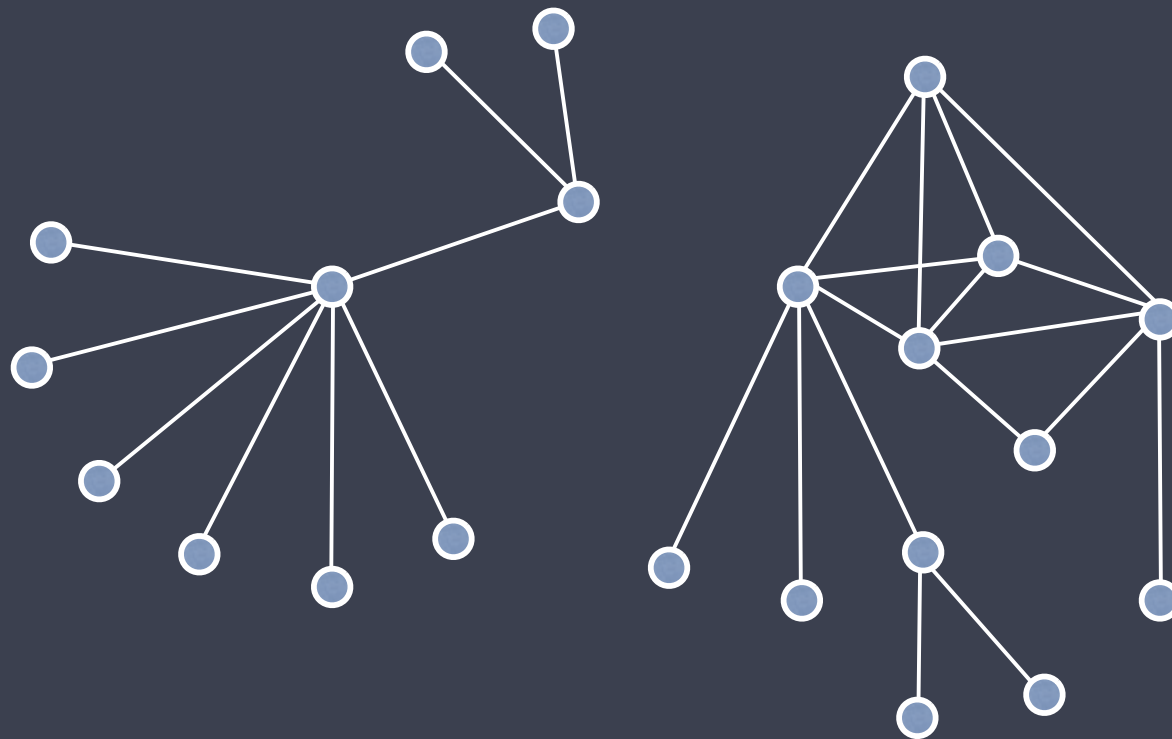


Innovation and Heterogeneity

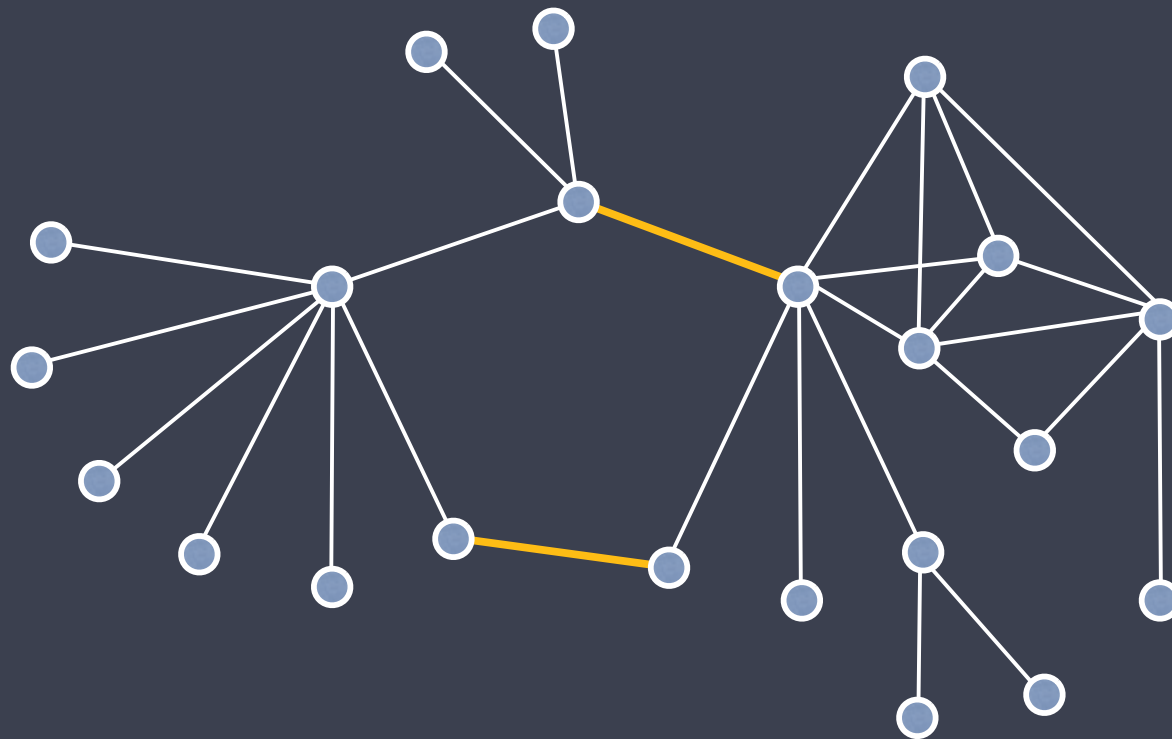
- ▶ Human **innovation** requires **contact** and confrontation **with the New and the Other...**
- ▶ ...it requires **heterogeneity**



Opportunities for Heterogeneity



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Opportunities for Heterogeneity

- **Valuable links** (without a concrete aim)

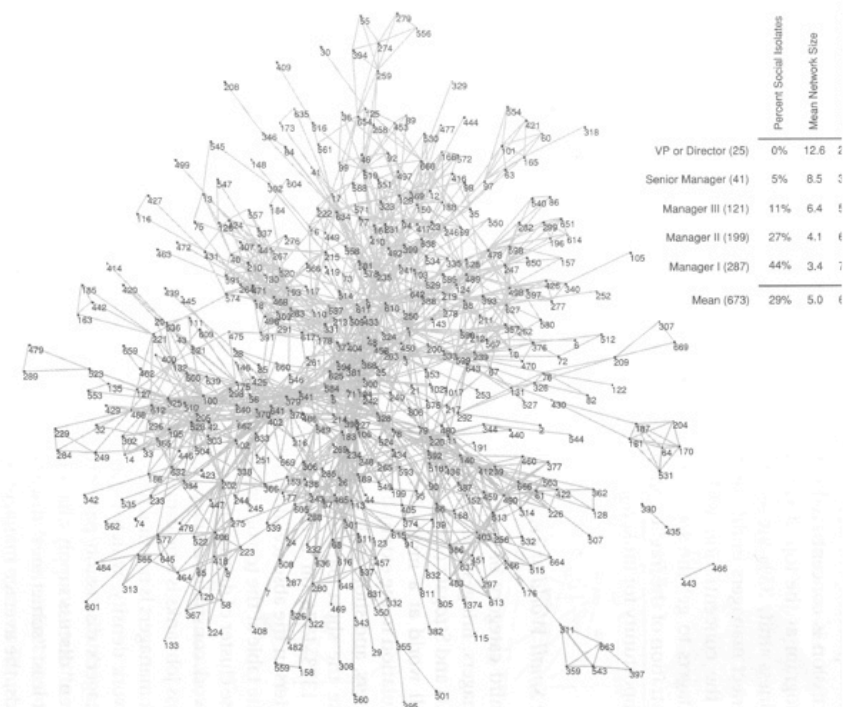
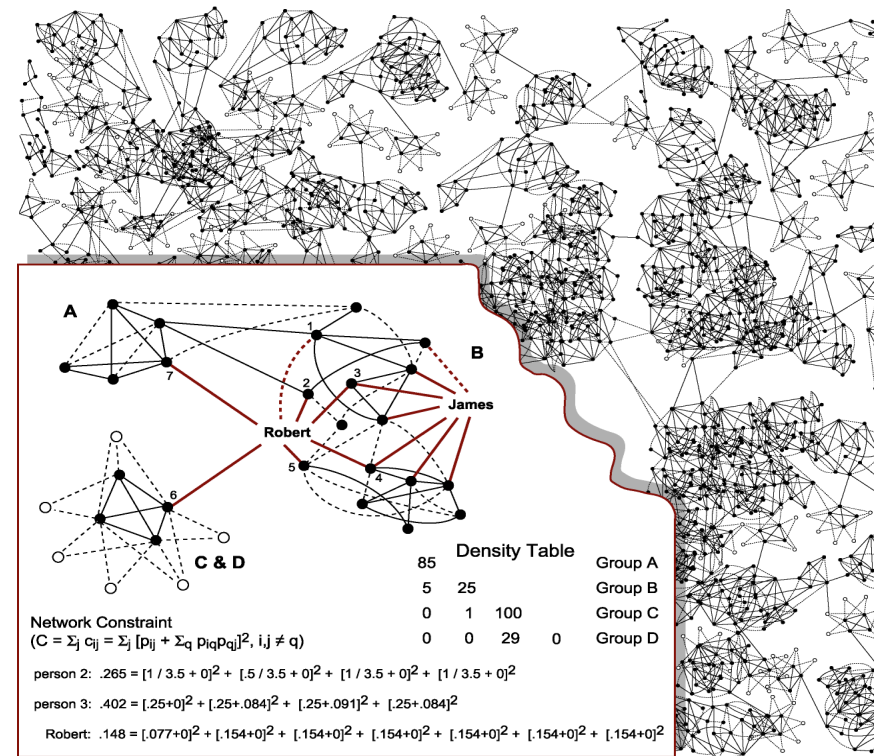


Fig. 1.3: Supply-chain discussion network

Opportunities for Heterogeneity

- ▶ **Valuable links** (without a concrete aim)
- ▶ **Links beyond** one's network are **valuable** and **short-lived**

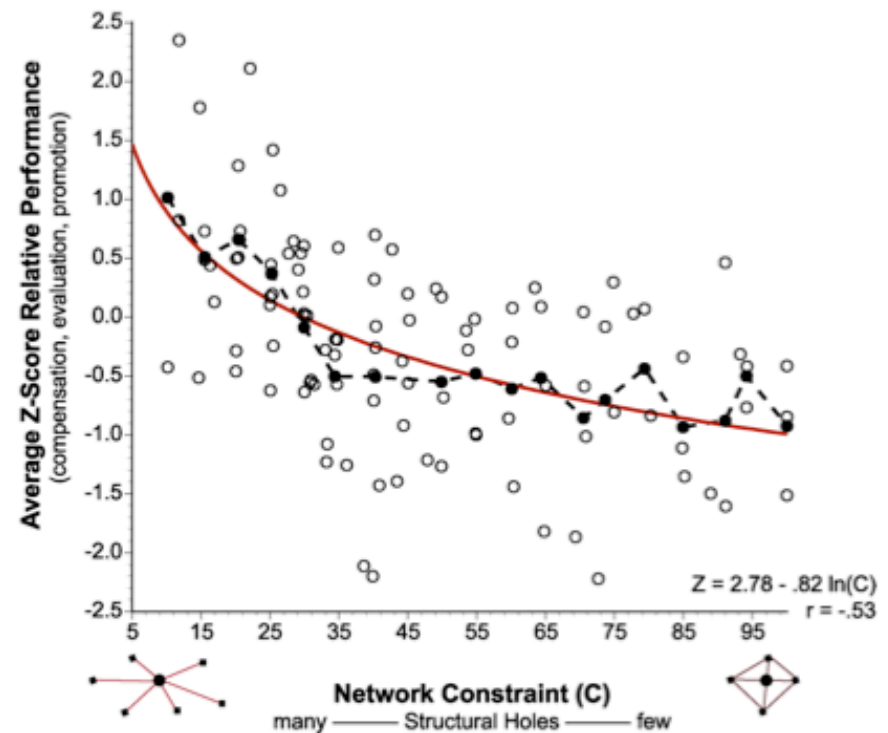


The Small World of Organizations and Markets

See
Fig.

Opportunities for Heterogeneity

- ▶ **Valuable links** (without a concrete aim)
- ▶ **Links beyond** one's network are **valuable** and **short-lived**
- ▶ **Valuable for organizations, and individuals, too!**



Facilitating Innovation Localities

- ▶ Appreciating lumpiness
- ▶ Embracing co-location
- ▶ Creating supportive contexts
- ▶ Enabling heterogeneity