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Crystal Ball Thinking: Cornelius Peter Fleischer, Director, Corporate Development, Bertelsmann, and Professor Dr. Dr. Dr.

investments, ranging from tens of thousands to hundreds of thousands of dollars, and focused on establishing the validity of the value proposition. Mid-level management funded the development work at first and then referred promising projects up the organization to gain more support. After an incubation period of up to five years, we would identify an experienced entrepreneur (usually from outside the firm) and assemble a world-class team to take the venture to market.

Innovation in the United States is highly inefficient. The per capita rate of job creation from new companies has declined for decades, and only 3% of patents are ever commercialized. Most university tech-transfer and start-up incubators lose money. Venture capitalists look at more than 100 deals to invest in one, and typically less than one in 10 delivers a significant return. Most venture capital firms in fact lose money; 5% earn 95% of the returns. All this despite the efforts of some 220 university entrepreneurial programs, 6,000 professors and instructors teaching entrepreneurship, 1,400 venture incubators, and billions of dollars a year in government investments.

We must do better. My experience with SRI and other organizations suggests that basing the value creation process on the principles of active learning and using the structured NABC methodology will deliver the improved innovative outcomes our economy needs and deserves.

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