

# The BRITE Innovation Survey

The property and construction industry has recently been surveyed about the rate and types of innovation it uses. Results from the survey show a distinct group of "high innovators", and lessons can be learned from what these high innovators do differently.

## Construction Innovators - Please Step Forward!

The 2004 BRITE Innovation Survey of the building and construction industry identified 82 highly innovative businesses, including 26 that have developed world-first innovations.

Researchers on the BRITE Project would like those innovators, and any others in the industry, to step forward and share their successes.

The project team plans to profile a number of innovators during 2005. They are looking for case studies that can show:

- The practical and economic benefits of innovations
- How organisations seek innovations, and make decisions to adopt them
- The steps followed to successful implementation

To be eligible, the innovation should have been used on a completed commercial building or construction project. There should be measured benefits from the innovation, eg reduced energy costs, building costs, whole-of-life costs, time, etc. The team is particularly interested in the activities of small and medium-sized businesses, especially in regional areas.

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For the BRITE Innovation survey, "innovation" means new products or practices that are of economic value. They can be new to a business, or new to the industry or to the world. Innovations can be technological (eg, services, materials, products, etc) or organisational (eg, business practices).

The survey was run by the BRITE research project of the Cooperative Research Centre for Construction Innovation. It was sent to more than 1,300 companies across the industry, including main contractors, consultants, clients, trade contractors and suppliers.

The BRITE Innovation survey achieved a 30% response rate, an excellent result. This means that the research team can be confident that results accurately represent the industry's views and behaviours.

Responses to the survey were classified as high and low innovators. Findings for high innovators are presented here as a model for businesses who would like to improve their innovation performance.

### Who were the high innovators?

High innovators were:

- 43% of clients
- 25 % of consultants
- 22% of suppliers
- 17 % of main contractors
- 14 % of trade contractors.

### What do high innovators do differently?

High innovators differed from other survey respondents in the way they dealt with:

- Innovation strategies
- Business strategies
- The Commonwealth government's R&D tax concession
- Sources of ideas on innovation.

### Innovation Strategies

The questionnaire asked respondents which innovation strategies they used to get benefits from their most successful innovation of the past three years.

High innovators made sure to get the most from their innovations. They were significantly more likely to have a "formal evaluation program" to examine the success of their innovations, while the low innovators were significantly more likely to have "no formal strategy". The survey also found that using "formal evaluation programs" was linked to success in organisational innovation, and that having "no formal strategy" was linked to low profitability levels.

### Business Strategies

Business strategies generally are a key driver of innovation. The survey asked respondents to choose the strategies that were highly important to their business's success. There were four sets of strategies - human resources, technology, marketing and knowledge.

High innovators used each of the 22 strategies more often. There are several major differences. High innovators were much more interested in monitoring international best practice; capturing project learnings; reducing client costs and recruiting new graduates.

Low innovators were more interested in monitoring advances in related industries than overseas developments; and more interested in recruiting experienced employees than new graduates, reflecting their relative lack of participation in training programs. This may diminish not only their own potential, but that of the whole industry.

The relatively little importance that low innovators attached to "transferring project learnings into continuous business processes" is of concern, given other research findings showing that knowledge losses between projects are a major cause of inefficiency in the industry.

High innovators use twice as many business strategies as low innovators. There are clear differences between the two groups, except for marketing strategies. Low innovators rely more heavily on marketing strategies than the other business strategies.



R&D Tax Concession

The survey asked whether respondents were entitled to claim the Commonwealth Government’s Research & Development tax concession. R&D is a key indicator of technological innovation.

High innovators are more likely to be entitled to claim the concession. More of them have checked if they are eligible. High innovators seem to have structured their business in a way that maximises their access to this scheme. The survey also found that they invested in R&D more frequently.

Sources of Ideas on Innovation

“Sources of ideas” are another key driver of innovation. High innovators used the following sources significantly more often than low innovators:

- In-house staff
- Previous projects
- Technical support providers
- Overseas sources
- Consultants
- Research institutions

Only one source was used significantly more often by low innovators and this was “professional or trade associations”.

High innovators used on average five sources, while low innovators used on average only three sources.

Recommendations for Improved Innovation Performance

Businesses that would like to improve their innovation performance can consider:

- A 1 Enhancing in-house skill levels by providing employee training programs and employing new graduates, rather than relying on recruiting experienced employees.
- A 2 Focusing on using more innovations to reduce clients’ costs.
- A 3 Actively monitoring inter-industry and international developments.
- A 4 Developing formal systems to integrate project-based learnings into on-going business processes and to encourage staff to share ideas.
- A 5 Adopting procedures to formally evaluate their success in adopting advanced technologies and practices.
- A 6 Investing in R&D, possibly using the Commonwealth government’s R&D Tax Concession and/or Australian Research Council Linkage Grants to subsidise costs.
- A 7 Growing linkages with universities and other research institutions.
- A 8 Implementing a broader range of the technology, knowledge and human resources strategies listed in the BRITE Innovation Survey ([www.brite.crcci.info](http://www.brite.crcci.info)).
- A 9 Consulting a broader range of the sources of innovation ideas listed in the BRITE Innovation Survey ([www.brite.crcci.info](http://www.brite.crcci.info)).
- A 10 Adopting a broader range of the advanced practices listed in the BRITE Innovation Survey ([www.brite.crcci.info](http://www.brite.crcci.info)).

For more information, visit the BRITE website, [www.brite.crcci.info](http://www.brite.crcci.info) or contact Dr Karen Manley at the CRC for Construction Innovation. Phone (07) 3864 1762. ■

