**Forrester Research:**

**SFI Epitomizes the Innovation Broker**

*The Santa Fe Institute Business Network connects individuals from the world of business with researchers at the Institute.* Recently, Forrester Research, an independent technology and market research company that provides advice about technology’s impact on business and consumers, recommended the Business Network to its subscribers. The company writes reports on institutions they deem are pioneering new business models or business practices. It guides marketing executives, business strategists, and IT professionals in creating technology plans to help gain advantages. Forrester characterizes the SFI Business Network as an “innovation broker.” Here’s a summary of Forrester’s findings:

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**Forrester’s framework for innovation called Innovation Networks emphasizes the interaction of diverse roles (Inventor, Transformer, Broker, and Financier) and abilities. In Forrester’s terminology, SFI epitomizes the Broker; it was set up over 20 years ago to be a new kind of academic institution. Rather than being best in one field, it would be a place where world-class researchers in fields as diverse as linguistics and nuclear physics would meet, exchange ideas, and innovate. In our opinion, few institutions perform this role as well as SFI. Firms who want to be innovation leaders should join the SFI Business Network for the following reasons:**

- **Get a decade-long lead on the next big thing.** Revolutionary innovations often come from the intersection of previously separate fields, and bringing together diverse leaders is SFI’s mandate. For example, Honda sends its R&D scouts to SFI Business Network events to help them meet Inventors who can give them ideas about consumer and technology trends that lie on the 5- to 15-year horizon. At the same time, Honda’s forays into jet engines and hydrogen-powered cars inform and inspire other attendees.

- **Evolve your organizational organism and avoid extinction.** Today’s harsh business environment will only get harsher, especially since the major factors in the environment, competitors and customers, are constantly evolving too. Complex Adaptive Systems (CAS) principles show how evolution is likely to proceed and how firms can keep pace or lead. For example, Boeing’s Phantom Works applies CAS principles to transform a new military strategy known as network-centric warfare into aircraft and weapons systems. To keep up with the increasing pace of innovation, companies should tap into SFI’s insights on evolution’s fundamental rules—and how to apply them to their own businesses.

- **Get involved in the experiments, and advance the science of business strategy.** Just as products and services evolve, business strategy-making itself is in a constant state of change. Whereas previous revolutions in management and organization came from military hierarchies and time-and-motion studies, tomorrow’s strategies will come from understanding how birds flock, snowflakes form, or cells combine to create consciousness. For example, SFI Business Network member Capital One uses CAS principles—putting customer feedback and analytics tools in thousands of entrepreneurial employees’ hands—to finance thousands of experimental microstrategies at once. Firms that gain SFI’s insights and test them in the real world will find out first what inventions work—and finance their transformation to market faster than slower-moving competitors can.

For a copy of the full report, see www.santafe.edu/business/files/Forrester1105.pdf.