
APS1012 Management of Innovation – Final Team Projects, Fall 2011**Competitions that Drive Innovations**

The ability to incentivize innovation through competition in the Aerospace, Defense, Health/Biotechnology and Energy industries is examined. Each industry has been evaluated in terms of their engineering, economic and political motivations to host competitions, in the context of obstacles routinely faced when creating and deploying innovation. Competitions with specific objectives usually achieve the maximum leverage of inducement prizes; this was particularly seen in the Aerospace, Defense and Energy industries where competitions had precise goals and well-defined criteria to follow. However, in the Health/Biotechnology industry it was found that competitions do not advance top-level research and are not ideal for large scale problems.

After further analysis, it is anticipated that inducement prizes will increase in popularity, both as independent events and in conjunction with other initiatives. Having a well designed prize and effective competition structure is key to bringing the brightest minds forward to create unorthodox and unusual ideas to respond to society's many challenges. A rapid growth is expected in businesses that manage and administer competitions, which themselves are becoming more complex and taking on increasingly challenging problems.