
APS1012 Management of Innovation – Final Team Projects, Summer 2012**SpaceX Privatization of Space**

Private space exploration has risen rapidly in recent years; its history and the conditions that support its current growth are examined. The private firm SpaceX is used as a case study; its management culture created by founder Elon Musk is driving innovation in the industry.

Private space exploration firms have been successfully launching objects into space and building satellites since the cold war era. Until recently, government space agencies such as NASA and the European Space Agency (ESA) were the dominant entities in space missions. Recent policy changes within governments have decreased funding and caused a string of legislation that encourages private enterprises to participate in the space industry.

SpaceX is one of several private firms with orbital launch capabilities and it was the first to successfully launch and dock a ship with the International Space Station (ISS). The company was able to create a successful orbital transport system with far less capital investment than NASA programs like the space shuttle, primarily due to SpaceX's small size and unique corporate culture. Contracting out space program functions to private companies is a way for government space agencies to cut costs and refocus their efforts on other areas.

Many view space exploration as a wasteful use of public resources, but it is also a powerful driver for human innovation. Despite lower budgets, space exploration must continue and with the rise of private firms like SpaceX, agencies like NASA have the opportunity to cut costs and drive innovation by entrusting certain activities to the private sector. Companies must be continuously innovating to stay competitive in one of the most demanding industries. Moving forward, policy-makers for the space industry will have to ensure a delicate balance between encouraging private enterprises and preserving public agencies in order to drive innovation in space exploration.