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# The mandate of innovation management

It is important for major academic medical centers to play a leadership role in promoting constructive dialogue around innovation and its attendant conflicts of interest. Today's conference will explore how conflict of interest manifests itself and how it is managed within the health care arena. We appreciate the participation of experts from a variety of sectors, including government, the biomedical industry, academic medical centers, and the media.

## ■ THE INNOVATION IMPERATIVE

Conflict of interest arises most commonly around innovation and entrepreneurship. Although innovation has become synonymous with entrepreneurial activity, it is hardly a new concept. Abraham Lincoln captured its essence nearly 150 years ago when he looked out across a country on the verge of civil war and said:

The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty and we must rise to the occasion. As our case is new, we must think anew and act anew.

For the past 25 years we have optimized our organizations for efficiency and quality. Over the next quarter of a century, we must optimize our entire society for innovation.

The Council on Competitiveness, in its 2005 call to action entitled "Innovate or Abdicate," argued that "America's challenge is to unleash its innovation capacity to drive productivity, standard of living, and leadership in global markets."

Similarly, Harvard Business School professor Michael Porter has recognized the "stormy present" of US health care and recently championed innovation at every opportunity, stating that "innovation is the only long-term opportunity for high-quality affordable health care."

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Dr. Cosgrove reported that he has no financial interests, relationships, or affiliations that pose a potential conflict of interest with this article.

## ■ DRIVERS OF CONFLICT AND TOOLS TO MANAGE IT

The potential for conflict of interest is greatest at the crossroads of science, technology, and capital. These crossroads are characterized by several factors that have driven conflict-of-interest discussions into the boardrooms, operating rooms, news rooms, faculty clubs, and offices of some of our most prestigious public and private institutions.

One of these factors is an explosion in new knowledge. The total amount of new knowledge doubles every two and a half years. This expanding intellectual capital increases the potential for innovation, and this enhanced potential for development of new products and services in turn attracts increased corporate interest.

Health care's 16% share of the nation's gross domestic product and 25% share of all federal expenditures have likewise served to attract corporate interest.

The 1980 Bayh-Dole Act, passed to encourage universities to commercialize their intellectual capital, is also regarded as a conflict-of-interest accelerator. This legislation has contributed to breakthroughs in genomics, nanotechnology, and many other therapies, stimulating an increasingly entrepreneurial spirit within the academic medical community.

This entrepreneurial activity has prompted the formulation of increasingly sophisticated sets of rules governing conflict of interest. Increased scrutiny in this rapidly changing environment has led some to conclude that even the appearance of conflict of interest is detrimental and should be avoided at all costs, or that any economic incentive is corruptive of parties involved in innovation and entrepreneurial activities and may result in patient harm.

There is no question that the crossroads of innovation and commerce harbor forces that are complex, conflicting, competitive, and potentially corrupting. However, there are tools—simple, complementary, and constructive tools—that can be deployed to manage these forces. These include clearly documented and uniformly enforced standards for incentives, disclosures, transparency, and accountability, as well as standard operating procedures for the full, factual, and fair adjudication of noncompliance.

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## ■ THE CHALLENGE: MANAGING INNOVATION

These are a few of the themes that will resonate throughout this conference. My hope is that this dialogue will accelerate the development of constructive policies that will continue to inspire, incentivize, and support the work of our most gifted physicians, scientists, entrepreneurs, business people, and government leaders while maintaining the highest standards of scientific integrity and patient care.

It is essential that we learn to manage innovation and its attendant forces—a challenge reflected in the

inclusion of “innovation management” in the title of this conference along with “conflicts of interest.” Managing innovation is an essential, fundamental, and comprehensive activity, and managing conflicts of interest is a necessary and important part of this larger innovation management process.

Innovation is imperative. We cannot become what we must become in patient care and scientific discovery if we fail to innovate.

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