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NEWS RELEASE

NB Title to be changed if Brawn GP lose in Spain

Brawn GP may be on a winning streak, but Formula One in the UK looks set to lose the innovation race

Formula One racing is famous for its innovations, many of which have gone on to change the lives of ordinary people. But according to a new study, funded by the Advanced Institute of Management (AIM) Research, the motorsport industry has become less innovative in recent years and is no longer the shining light of UK PLC.

Carbon fibre wheel-chairs, non-slip boots, hi-tech fishing line and the influence of pit-stop crews on the efficient transferral of patients out of theatre into intensive care – all these are innovations for which we have to thank Formula One. And from March this year they are celebrated in a new exhibition at the Science Museum.

“For many years, Formula One has been a beacon of the UK’s engineering and innovation capabilities,” says senior AIM Research fellow Professor Rick Delbridge of the Cardiff Business School who developed the research with Dr Francesca Mariotti of Stirling University. “However, our study shows that innovation activity is under extreme pressure. Regulation changes, increased concerns with costs, and limits to exploration and networking for knowledge creation are undermining the innovativeness of motorsport firms.”

Comparing the motorsport industry in the UK with Germany, France and Italy, the study shows what it takes to bring radical innovations, such as the turbo diesel injection system and the carbon fibre monocoque, to the racetrack. Even in such a competitive and high-tech environment, there are limitations to the innovativeness of individual firms.

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“Motorsport companies tend to have an incrementalist mentality,” says Professor Delbridge. “They spend a lot of time and resources on improving what they already do best in an attempt to increase performance. This detracts from experimentation with novel ideas and partners.”

Firms tend to focus on incremental improvements and on minimising risk, buying in a technology proven in another sphere like aerospace. Furthermore, fear of loss of intellectual property means companies do not engage in joint development activities. Exploratory activities are not followed-up and external contacts are kept at arm’s-length. All this stifles experimentation and innovation.

“Particularly damaging is the *not invented here* syndrome,” says Professor Delbridge, “which limits engagement with external ideas and the possibility of re-combining knowledge in novel ways.”

Moreover, motorsport is highly regulated in order to ensure safety and fair competition. However, this has led to the banning of certain materials and the restriction of research to developing more efficient engines, recovery of braking energy and recovery of heat.

The study finds that the UK motorsport firms lag behind other countries in managing diversity and radical innovations. In order to help them become more successful, it recommends that they should:

- Engage in wider exploratory activities and search for distant knowledge, relative to their knowledge domain.
- Partner with unusual firms and establish good working relationships, strengthening ties, promoting reciprocity and trust.
- Promote lateral thinking within an existing web of partners.
- Perceive the advantages offered by novel or altered knowledge recombinations.

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UK policy makers can help the motorsport industry by:

- Widening the focus of policy intervention to related sectors in order to promote and sustain radical innovation.
- Assisting firms in the identification of technological opportunities and the development of boundary spanning activities.
- Assisting the development of inter-sector relationships (for example between aerospace and motorsport industries).

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Notes for Editors

1. The research was carried out by Professor Rick Delbridge, Senior Fellow of the Advanced Institute of Management (AIM) Research and Associate Dean for Research at Cardiff Business School, and Dr Francesca Mariotti of Stirling University.

2. The study analysed the motorsport industry in the UK, Italy, Germany and France between 2004 and 2008. In addition to a large quantity of secondary data, 55 interviews were carried out. The study also looked at the development of network relationships in the Italian and UK motorsport industries using data from 120 firms between 1999 and 2002.

3. AIM Research is funded by the ESRC and EPSRC and was launched in November 2002. AIM's mission is to improve understanding of management's contribution to organizational performance, and thus UK well-being. AIM's more specific objectives are: (i) to conduct research that will identify actions to enhance the UK's international competitiveness; (ii) to raise the scientific quality and international standing of UK research on international competitiveness; (iii) to expand the size and capacity of the active research base for UK research on management; and (iv) to develop the engagement of that capacity with world-class research outside the UK and with practitioners as co-producers of knowledge about management and other users of research within the UK. For more information on AIM visit www.aimresearch.org



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