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Council on
Competitiveness

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The New Face of Risk and Resiliency

A message from the chairman and president of the Council on Competitiveness

As we step into the 21st century, technology complexity and interdependence are increasing the risks for companies and countries alike. Extended and interdependent energy, transportation, information and communications networks can quickly magnify the impact of single point failures—whether triggered by attack or accident. Operational risks were once thought to be a back office concern and trivial in comparison to market and credit risks, but they are becoming “bet-the-company” risks that merit far more attention.

Another form of risk is screaming across today’s headlines. The financial meltdown demonstrates how quickly risk can turn into reality, and how global interdependencies make citizens vulnerable to problems that start beyond their borders thousands of miles away.

The New Face of Risk and Resiliency

A message from the chairman and president of the Council on Competitiveness



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Failure to manage risk effectively can be costly for countries as well as companies.

- The federal government will have to borrow nearly \$1 trillion in response to the ongoing financial crisis.
- Standard & Poor's Index Services said world markets had lost about \$16.22 trillion in the first 10 months of the year.

But, the rise in risk has been running under the radar screen for some time.

- From 1993-2003, more than one-third of Fortune 1000 companies lost at least 60 percent of their value in a single year.
- In a research study of 800 companies that announced a supply chain disruption between 1989 and 2000, 33-40 percent experienced lower stock returns than their industry peers, regardless of industry, cause of disruption or time period. Such firms experienced 7 percent lower sales growth and 11 percent higher costs.
- Although accidents are becoming less frequent, the toll is increasing. Aviation is demonstrably safer, but the fatalities per incident have doubled and will go higher with the introduction of 800 seat planes. Increasing dependence on power and communications has increased the potential for multibillion dollar productivity losses. Natural disasters are a rising burden. In 2007, a total of 335 catastrophes led to losses of \$64 billion across the globe, of which \$40 billion were uninsured.

Increasingly, the ability to anticipate and prepare for, adapt to and create opportunity from adversity is becoming the hallmark of risk intelligent organizations—the enterprises

which embed resiliency into their DNA with powerful processes, well-trained people and robust systems.

The Council on Competitiveness, with the support of thought leaders like Jim Quigley at Deloitte and John Swainson at CA, is playing a pivotal role in raising awareness about today's risk environment, the resiliency imperative and changing the way businesses think about risk management.

Our approach will be important in helping the next administration understand that private sector risk management, not just protection, will be the key to creating economic resilience. Through our publications, *Transform.* and more recently *Prepare.*, the Council is laying the groundwork for new concepts, practices and public-private partnerships that will make our enterprises—and the nation—more robust, resilient and competitive.

Sincerely,

CHARLES O. HOLLIDAY, JR.

CHAIRMAN, COUNCIL ON COMPETITIVENESS
CHAIRMAN AND CEO, DUPONT

DEBORAH L. WINCE-SMITH

PRESIDENT, COUNCIL ON COMPETITIVENESS

INITIATIVE ROUNDUP

U.S. Needs Big Things From President-Elect Obama and the New Congress

Council releases 100-Day Energy Action Plan for America



Shirley Ann Jackson, Rensselaer Polytechnic Institute, addresses the National Press Club on September 9, 2008.



Shirley Ann Jackson greets members of the press and the audience after her speech at the National Press Club.



From left: Deborah L. Wince-Smith, Council on Competitiveness; James Finley, U.S. Department of Defense; and John F. Mizroch, U.S. Department of Energy, at the National Press Club event.

History reveals that great things can be accomplished when our leaders demand solutions to improve the American way of life—Kennedy reaching the moon, Johnson championing civil rights and Reagan ending the Cold War. Today, energy security is a defining challenge facing the United States and requires immediate action by U.S. leaders in 2009.

In September, the Council on Competitiveness issued a challenge to the next administration and Congress to act on specific energy recommendations in the first 100 days in office. These action steps reflect the shared perspective of more than 200 CEOs, university presidents, labor leaders and energy experts, and what they believe is essential for America to achieve energy security and sustainability. The Council's roadmap will set the United States on a long-term course to spur energy innovation and investment, generate new industries and jobs, and enhance U.S. energy competitiveness and sustainability.

Shirley Ann Jackson, vice chair of the Council and president of Rensselaer Polytechnic Institute, issued the Council's recommendations at the National Press Club in September. Both presidential campaigns have received the Council's 100-Day Energy Action Plan for America.

Energy Security at the Regional Level

Throughout the next year, Energy Security, Innovation & Sustainability Initiative (ESIS) members will host a series of regional meetings in California, Texas, New Jersey and Illinois. The meetings will look at the role of venture capital in energy technology, traditional electricity generators, the oil and gas industry, grid development and management, and greenhouse gas emission auction and trading schemes.

For more information, contact Susan Rochford, Vice President, Energy & Sustainability Initiatives (srochford@compete.org or 202.969.3384) ★

INITIATIVE ROUNDUP

Energy Security, Innovation & Sustainability Initiative Steering Committee Meeting

Policy advisors to both presidential campaigns attended the ESIS Steering Committee meeting in July to discuss the Council's 100-Day Energy Action Plan and how their candidate would address the need for a secure, sustainable and competitive energy future.



From left: James W. Griffith, The Timken Company; James H. Quigley, Deloitte Touch Tohmatsu; and Robert Rosner, Argonne National Laboratory.



From left: ESIS co-chairs D. Michael Langford, Utility Workers Union of America AFL-CIO; Jim Owens, Caterpillar Inc.; Assistant Secretary Andy Karsner, U.S. Department of Energy; Shirley Ann Jackson, Rensselaer Polytechnic Institute; Deborah Wince-Smith, Council on Competitiveness; and Douglas McCarron, United Brotherhood of Carpenters & Joiners of America.

ALL PHOTOS THIS PAGE BY CHRISTY BOWE — IMAGECATCHER NEWS SERVICE 2008



From left: Governor John Engler, National Association of Manufacturers; Dan Arvizu, National Renewable Energy Laboratory; and Peter Halpin, World Resources Company.



From left: Ralph Peterson, CH2M, Under Secretary Clarence Albright, Jr., U.S. Department of Energy; Assistant Secretary Andy Karsner, U.S. Department of Energy; Robert Zimmer, University of Chicago; and Larry Weber, W2 Group.



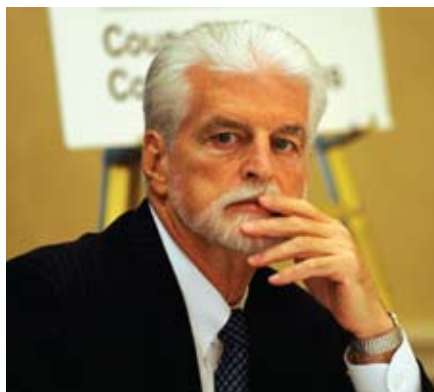
ESIS co-chairs D. Michael Langford, Utility Workers Union of America AFL-CIO, and Jim Owens, Caterpillar Inc.



From left: Under Secretary Clarence Albright, Jr., U.S. Department of Energy; Deborah Wince-Smith, Council on Competitiveness; John Mizroch, U.S. Department of Energy; and David Rodgers, U.S. Department of Energy.



Dan Arvizu, National Renewable Energy Laboratory.



Doug McCarron, United Brotherhood of Carpenters & Joiners of America.



John Hofmeister, Shell Oil Corporation.

INITIATIVE ROUNDUP

ESIS Progressive Dialogue III: Deploy Sustainable Energy Solutions for Suppliers

This summer, the Council convened the final Progressive Dialogue, focusing on what influences energy industry investments and how to move energy suppliers toward sustainable solutions.



Kenan Sahin, TIAX LLC.



John Holdren, Harvard University



From left: Scott Pace, NASA Headquarters; Sharon Finley and James Finley, U.S. Department of Defense; Roy Ferguson, Embassy of New Zealand; Deborah L. Wince-Smith, Council on Competitiveness; Starnes E. Walker III, U.S. Department of Homeland Security; Shirley Ann Jackson, Rensselaer Polytechnic Institute; and Arden L. Bement, Jr., National Science Foundation; at the Progressive Dialogue III reception and dinner in June.



Don Paul, Chevron Corporation; Jim Fenton, University of Central Florida



Robert Estill, Marathon Oil Corporation, and Shirley Ann Jackson, Rensselaer Polytechnic Institute.



From left: John Mizroch, U.S. Department of Energy; Chad Evans, Council on Competitiveness; Thomas Lyon, University of Michigan; and Tomás Díaz de la Rubia, Lawrence Livermore National Laboratory.



From left: Robert Estill, Marathon Oil Corporation; John Stanislaw, Deloitte & Touche USA LLP, and Brankzo Terzic, Deloitte Services, LP.

“From my corporate sector perspective, there is a longing for clarity and a rational energy policy for the country. To be competitive in the global economy today, corporate players need to recognize that the nation needs energy to be readily available and competitively priced. We must also balance our need to compete in the global marketplace with our need to be environmentally friendly.”

JIM OWENS
CHAIRMAN AND CEO
CATERPILLAR INC.

Thank You

AAAS (American Association for the Advancement of Science)
 ABC (Academia Brasileira de Ciência)
 ABDI (Agência Brasileira de Desenvolvimento Industrial)
 Ab Initio
 ABVCAP (Associação Brasileira de Venture Capital e Private Equity)
 Aircraft Technical Publishers
 Air Force Research Laboratory
 AJUFE (Associação dos Juizes Federais do Brasil)
 Alabama Public Service Commission
 Alcoa, Inc.
 Alliance of Automobile Manufacturers
 Alliance to Save Energy
 Alstom Power Systems
 Alston & Bird, LLP
 Alternative Hybrid Locomotive Technologies
 American Chamber of Commerce of Mexico, Monterrey Division
 American Coalition for Clean Coal Electricity
 American Council on Renewable Energy
 American Federation of Teachers, AFL-CIO
 American Museum of Natural History
 Analytic Services, Inc. (ANSER)
 ANPROTEC (Associação Nacional de Entidades Promotoras de Empreendimentos Inovadores)
 Argonne National Laboratory
 Arizona State University
 Association for Soft Science of China
 AT&T, Inc.
 Avery Dennison Corporation
 Babson College
 Barbosa, Müssnich & Aragão Attorneys
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 Biomass Coordinating Council (ACORE)
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 BlueCross BlueShield of South Carolina
 Bovespa
 Brasscom
 Brazilian Army
 Brookings Institution
 Brookwood Companies Incorporated
 Brown University
 Business Council for Sustainable Energy
 CA, Inc.
 CAEL (The Council for Adult and Experiential Learning)
 CAI
 California Air Resources Board
 California Institute of Technology
 Cambridge Energy Resources Associates
 CAPES (Coordenação de Aperfeiçoamento de Pessoal de Nível Superior)
 Carnegie Endowment for International Peace
 Carnegie Institution of Washington
 Carnegie Mellon University
 Caterpillar Inc.
 Catholic University of Brasília
 Center for Energy & Economic Development
 Center for Energy Workforce Development
 Center for Performance Accountability, Inc.
 CGEE (Centro de Gestão e Estudos Estratégicos)
 CH2M Hill
 Chevron Corporation
 Chicago Climate Exchange, Inc.
 Citigroup Inc.
 Clean Technology and Sustainable Industries
 Organization
 CLF Ventures
 CMEA Ventures
 CNT (Confederação Nacional do Transporte)
 Colombian Government Trade Bureau
 Columbia University
 Committee on Science & Technology, U.S. House of Representatives
 Competitiveness National Council (CNC), Dominican Republic
 Consejo de Innovación (Council on Innovation, Chile)
 Consejo Privado de Competitividad Colombia (CPC)
 Conservation International
 Consumer Energy Council of America
 Cornell University
 Corning Incorporated
 Covington & Burling LLP
 CPFL Energia
 CSIS (Center for Strategic and International Studies)
 Cummins Inc.
 CVM (Comissão de Valores Mobiliários)
 D.E. Shaw Research
 DARPA (Defense Advanced Research Projects Agency)
 Dartmouth College
 David Gardiner & Associates, LLP
 Deere & Company
 Deloitte Development LLP
 Deloitte Touche Tohmatsu
 Department of Homeland Security
 Detroit Economic Club
 Digital Influence Group
 DreamWorks Animation SKG
 Drexel University
 Duff Capital Advisors
 Duke University
 DuPont
 Eastman Chemical Company
 Edison Welding Institute
 Electric Power Research Institute
 Embassy of Brazil
 Embassy of Mexico
 Embassy of New Zealand
 Embassy of Sweden
 Embassy of the People's Republic of China
 Embassy of the Royal Netherlands, Office of Science and Technology
 Embraer (Empresa Brasileira Aeronáutica S.A.)
 Environmental and Energy Study Institute (EESI)
 eSilicon Corporation
 European Commission, EU/DG External Relations
 Ewing Marion Kauffman Foundation
 Exelon Corporation
 FedEx Corporation
 FIERGS (Federação e Centro das Indústrias do Estado do Rio Grande do Sul)
 FirstEnergy Corporation
 Forbes Global Women's Forum
 Fortune Magazine
 Franklin W. Olin College of Engineering
 Fundación Chile
 GE Energy
 General Electric Company
 Georgetown University
 Georgia Institute of Technology
 German Marshall Fund
 Getúlio Vargas Foundation
 Gibraltar Associates
 GIES (Global Innovation Eco-System)
 Goodyear
 Governor of Alagoas
 Governor of Bahia
 Governor of Pernambuco
 Governor of Rio Grande do Sul
 Governor of Sergipe
 Grant Thornton LLP
 Greek Ministry of Development, Special Secretariat for Competitiveness
 Greek National Council for Competitiveness and Development
 GridPoint, Inc.
 Harvard University
 Hellenic Federation of Enterprises
 Hewlett-Packard Company
 Hillerich & Bradsby, Inc.
 Hitachi, Ltd.
 HNTB Holdings Ltd.
 Houston Community College
 IBM
 IDC
 IMCO (Mexican Institute for Competitiveness)
 Indiana University
 Information Technology and Innovation Foundation
 Innovation, Universities and Skills, United Kingdom
 INOVA (University of Campinas Innovation Agency)
 INPI (Instituto Nacional de Propriedade Industrial)
 Intel Corporation
 Inter-American Chamber of Transportation (CIT)
 Inter-American Development Bank
 International Economic Development Council
 InterTradelreland
 ITC Holdings Corp.
 JETRO (Japan External Trade Organization)
 Johnson & Johnson
 Johnston and Associates
 Kao & Company, LLC
 Kent State University
 Korean Development Institute
 Lawrence Berkeley National Laboratory
 Lawrence Livermore National Laboratory
 Legrand North America
 Lehigh University
 Lincoln Educational Services
 Lockheed Martin Aeronautics Company
 Lockheed Martin Corporation
 Lorain County Community College
 Marathon Oil Company
 Marriott International, Inc.
 Massachusetts Institute of Technology
 MBC (Movimento Brasil Competitivo)
 McCain-Palin 2008
 McKinsey & Company
 Medrad, Inc.
 Mercatto Venture Partners
 Merck & Co., Inc.
 Merrill Lynch & Co., Inc.
 Metro Denver Economic Development Corporation
 Michigan State University
 Microsoft Corporation
 Ministry for Education and Research of Sweden
 Ministry of Commerce and Industrial Development of Brazil
 Ministry of Economy, Trade and Industry of Japan
 Ministry of Education of Brazil
 Ministry of Long-term Strategic Planning of Brazil
 Ministry of Mining and Energy of Brazil

The success of the Council on Competitiveness would not be possible without the dedication of its many strategic partners. Thank you for contributing your valuable time, resources and expertise.

Ministry of Science and Technology of Brazil	Salk Institute	U.S. Employment and Training Administration
Ministry of Tourism of Brazil	San Diego Supercomputer Center	U.S. Environmental Protection Agency
Motorola	Sandia National Laboratories	U.S. General Services Administration
MSC Software Corporation	Sandler O'Neill + Partners, L.P.	U.S. Green Building Council
NASA	Schlumberger Carbon Services	U.S. Naval Institute
NASA Ames Research Center	Science and Technology in Society (STS) Forum	U.S. Senate Committee on Energy and Natural Resources
NASDAQ OMX Group, Inc.	Science Foundation Arizona	U.S. Small Business Administration
National Academy of Engineering	Sciencedebate2008	UK Department of State for Business, Enterprise & Regulatory Reform
National Academy of Sciences	SCRAM Technologies, Inc.	Ultramar Diamond Shamrock Corporation
National Association of Manufacturers	Securing America's Future Energy	UNICA (União da Indústria de Cana-de-Açúcar)
National Center for Manufacturing Sciences	Shell Energy Resources Inc.	UNICAMP (Universidade Estadual de Campinas)
National Competitiveness Council, Ireland	Shell Oil Company	Unilever Brasil
National Governors Association	SiCortex, Inc.	United Brotherhood of Carpenters & Joiners of America
National Institutes of Health	Solar Turbines Incorporated	Universidad de Granada
National Renewable Energy Laboratory	SRI International	University of Akron
National Research Council	Stanford University	University of California System - Regents
National Science Foundation	State Department of Economic Development of Brasília	University of California, Berkeley
National Semiconductor Corporation	State University of New York at Buffalo	University of California, Davis
NATO, Private Office of the Secretary General, Policy Planning Unit	Stefanini IT Solutions	University of California, Los Angeles
New Jersey Institute of Technology	Task Force on the Future of American Innovation	University of California, Riverside
New Uses Council	TEKES (Finnish Funding Agency for Technology and Innovation)	University of California, San Diego
Newmark Knight Frank	Texas State Technical College System	University of California, Santa Barbara
Nimbus Services, Inc.	The Atlantic Philanthropies	University of Central Florida
Noblis, Inc.	The Blackstone Group	University of Cincinnati
North American Competitiveness Council	The Boeing Company	University of Delaware
North Carolina State University	The British Embassy	University of Georgia
Nuclear Energy Institute	The Clorox Company	University of Illinois at Urbana-Champaign
Núcleo Regional do Instituto Euvaldo Lodi (IEL/RS)	The Cooper Union for the Advancement of Science and Art	University of Maryland
Oak Ridge National Laboratory	The Eisenhower Institute	University of Michigan
Obama for America	The Gallup Organization	University of Nebraska
OECD (Organisation for Economic Co-operation and Development)	The George Washington University	University of Notre Dame
Office of Governor Tim Pawlenty	The JAStanislaw Group LLC	University of Pennsylvania
Office of Representative Edward Markey	The Johns Hopkins University	University of Pittsburgh
Office of Representative Patrick Kennedy	The New America Foundation	University of Rochester
Ohio Supercomputer Center	The Ohio State University	University of São Paulo
Pacific Northwest National Laboratory	The Pennsylvania State University	University of São Paulo, Innovation Agency
Paladin Capital Group	The Scotts Miracle-Gro Company	University of South Carolina
Partner Com Corporation	The Stella Group, Ltd.	University of South Florida
Permanent Mission of Egypt, Commercial Office, Geneva Switzerland	The Timken Company	University of Southern California Information Sciences Institute
Pfizer Inc	The University of Akron	University of Southern California
PG&E Corporation	The University of Arizona	University of Virginia
PING Golf	The University of Chicago	USAID
Pinnacle Investments	The University of Kansas	Utility Workers Union of America, AFL-CIO
Pioneer Hi-Bred International, Inc.	The University of Massachusetts Jack M. Wilson	Valor Econômico
Pioneer Natural Resources Company	The University of North Carolina	Vanderbilt University
Platts Analytics	The University of Tennessee	Verizon Communications Inc.
Polytechnic University	The University of Texas at Arlington	Virginia Polytechnic Institute and State University
Pontifical Catholic University of Rio de Janeiro	The University of Texas, Medical Branch at Galveston	Votorantim Group
PPG Industries	The Vradenburg Foundation	W.L. Gore & Associates, Inc.
Pratt & Whitney	ThirdAge Inc.	W2 Group Inc.
Procter & Gamble	Thomas & Betts	Walla Walla Community College
Progressive Policy Institute	TIAX LLC	Wal-Mart Stores, Inc.
Prudential Capital Group	Trane Commercial Systems	Washington University in St. Louis
Public Service Enterprise Group Incorporated	U.S. Economic Development Administration	Waterworks
Purdue University	U.S. Consulate in São Paulo	Watt Stopper, Inc.
Putnam Investments	U.S. Department of Agriculture	Waubonsee Community College
QUALCOMM, Inc.	U.S. Department of Commerce (International Trade Administration)	Weiner, Edrich, Brown, Inc.
Racepoint Group, Inc.	U.S. Department of Defense (Office of Acquisition and Technology and Office of Laboratories)	Whirlpool Corporation
Rensselaer Polytechnic Institute	U.S. Department of Energy (Office of Energy Efficiency and Renewable Energy)	William McDonough + Partners
Resources for the Future	U.S. Department of Homeland Security	Winona State University
Rochester Institute of Technology	U.S. Department of State	Woodrow Wilson International Center for Scholars
Rutgers, The State University of New Jersey	U.S. Department of State	World Perspectives, Inc.
Sagebrush Capital, LLC	U.S. Department of State	World Resources Company
SAIC	U.S. Department of Transportation	Yale University
Sail Venture Partners L.P.	U.S. Embassy in Brasília	

Energy Pioneer Karsner Joins Council as Distinguished Fellow



Alexander A. Karsner, who recently left the Department of Energy where he served as assistant secretary in the Office of Energy Efficiency and Renewable Energy, has joined the Council on Competitiveness as a distinguished fellow. A principal contributor to the international climate change deliberations focused on achieving a global framework, Karsner led efforts to develop and implement ground-breaking energy initiatives.

Most notably, Karsner advanced the *20 in 10 Plan*—an effort to enhance U.S. energy security by reducing America’s oil dependency through a 20 percent reduction of gasoline use by 2017. He was also instrumental in advancing the president’s Advanced Energy Initiative (AEI), which focused on enlarging America’s national vision, plans and metrics for the way cars, homes and businesses are powered.

His office at the Department of Energy managed the nation’s \$1.72 billion federal applied science, research, development and deployment portfolio, which promotes marketplace integration of renewable and environmentally sound energy technologies for transportation, generation and efficiency.

Previously, Karsner served as an international developer and energy entrepreneur in the private sector on a wide range of technologies including heavy fuel oil, distillates, natural gas, coal, wood waste/biomass, wind energy and distributed generation based upon renewable technologies. He has been responsible for managing and financing large-scale power projects in North America, Asia, the Middle East and North Africa, including unprecedented private structuring and financing in the Philippines and Pakistan.

Karsner was a Rotary International Fellow, and received a Master of Arts from Hong Kong University. He graduated with honors from Rice University and was recognized as an outstanding alumnus. Karsner and his wife are multilingual, have visited every continent and more than 100 nations for work and pleasure. They reside with their growing family in Alexandria, Va. ★

2009 National Energy Summit

The Council announces the 2009 National Energy Summit in Washington on June 22-23, 2009. The Council will issue comprehensive recommendations to the new administration that address the need for public- and private-sector action. President-Elect Obama and his Cabinet will be invited to attend.

INITIATIVE ROUNDUP

Council's Regional Innovation Message More Important Than Ever



Council President Joins EDA Event Panel: From Clusters to Competitiveness

Council on Competitiveness president, Deborah L. Wince-Smith, participated in an online telecast with the U.S. Department of Commerce to discuss regional strategies for success in the global marketplace. The live panel discussion was hosted by U.S. Deputy Assistant Secretary of Commerce for Economic Development **Benjamin Erulkar** and was broadcast across the country. The telecast explored the role of industry clusters in economic development, showcased best practices, and examined upcoming trends in national and global cluster development. Visit www.eda.gov to view the telecast.

Council Goes Global with Regional Innovation

Randall Kempner, vice president of regional innovation, represented the Council on Competitiveness in Singapore at the Asia-Pacific Economic Cooperation Symposium (APEC). He delivered the keynote address, *Developing Effective Public-Private Partnerships: Meeting the Needs of the 21st Century Global Workforce*.

Kempner joined a delegation from the U.S. Department of Labor, led by Deputy Assistant Secretary for Employment and Training, Douglas Small. Kempner shared the Council's perspective on public-private partnerships in U.S. economic and workforce development with 45 APEC delegates from 17 different countries.

For more information, contact Randall T. Kempner, Vice President, Regional Innovation (rkempner@compete.org or 202.969.3403) ★

COUNCIL PUBLICATIONS

Engage.

One of the biggest challenges in regional development is recruiting business leaders to lend their insight, influence and financial resources to these projects. *Engage. A Practitioner's Guide to Efficient Engagement of Business Leaders in Regional Development* lays out a series of recommendations to help regions develop and sustain the involvement of business leaders. Visit **Compete.org/publications** to download a free copy of *Engage*.



The Best Ideas in America

A Climate of Change



Ralph Peterson is chairman and CEO of CH2M HILL. He also serves on the executive committee of the Council on Competitiveness and is a member of the steering committee of the Council's Energy Security, Innovation & Sustainability Initiative.

Today, we see increasing attention on “sustainable development.” This heightened focus reflects the realization that we live in a world of finite energy, natural resources and environmental carrying capacity. For many, this is a cause for concern because the challenges of supporting global economic growth are showing up in supply chain shortages, price spikes, geopolitical concerns and a host of environmental worries.

As we face these realities, there will be a tendency to think that the gain of one segment of our global society must somehow result in a loss for another—but it does not have to be the case. Instead of quarreling over who gets stuck with the smaller pieces of the pie, let's make a bigger pie. Those of us in the construction professions must embrace this moment as our opportunity to perform. Capital facilities—whether civil infrastructure or industrial facilities—drive the world's economic growth and are the foundation for improvements to quality of life. Knowledge and creativity are our infinitely renewable resources. Through human ingenuity and creative resource utilization, we can bolster economic growth across the board. ★

New Survey Provides Official Measures of U.S. R&D in Private Sector

This January, the National Science Foundation and the U.S. Census Bureau will launch a Web-based survey of approximately 40,000 manufacturing and service companies to collect data on domestic R&D activities. The resulting statistics will make it possible to evaluate the status of R&D in the United States and make comparisons to other nations. The results will be used to support national initiatives on science and technology, research and development, and innovation. The Business R&D and Innovation Survey will examine R&D financial measures, management and strategy, funding and employment. For more information visit www.nsf.gov. ★

The Web is Not a Channel (And You're an Aggregator, Not a Broadcaster)

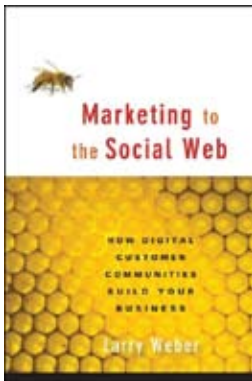


The following excerpt is from veteran PR and marketing expert **Larry Weber's** "Marketing to the Social Web: How Digital Customer Communities Build Your Business." Weber is the chairman of W2 Group, a next-generation marketing services ecosystem that includes public relations agency Racepoint Group and social media marketing firm Digital Influence Group. He is a member of the Council's executive committee and the Energy Security, Innovation & Sustainability Initiative Steering Committee.

The social Web is the online place where people with a common interest can gather to share thoughts, comments and opinions. It includes social networks like MySpace, Gather, Friendster, Facebook, BlackPlanet, Eons, LinkedIn and hundreds more. It includes branded Web destinations like Amazon, Netflix, and eBay. It includes enterprise sites such as IBM, Circuit City, Cisco and Oracle. The social Web is a new world of unpaid media created by individuals or enterprises on the Web. These new strategies, which have the capacity to change public opinion every hour, if not every minute, include: reputation aggregators, blogs, e-communities and social networks.

Instead of continuing as broadcasters, marketers should—and will—become aggregators of customer communities. Rather than broadcasting marketing messages to an increasingly different, even resentful audience jaded by the 2,000-plus messages the average American is reputedly exposed to every day, marketers should participate in, organize and encourage social networks to which people want to belong. Rather than talking at customers, marketers should talk with them.

It is important to understand that although we are at the beginning of the social Web, marketers should dive in now. If you wait much longer, your competitors will have figured out how to attract your customers to their environments. If that happens, you will have to work three times as hard to get them back. Customers have only so much time. And if they're happy where they are, then they're less likely to leave. ★



INITIATIVE ROUNDUP

Council Launches Innovation Learning Laboratories Across the United States and Brazil

Second U.S.-Brazil Innovation Summit planned for November 2009

The Council on Competitiveness and its Brazilian partners launched a new series of meetings aimed at accelerating innovation across the United States and Brazil.

Each U.S.-Brazil Innovation Learning Laboratory will focus on a specific topic related to spurring new competitiveness opportunities, including investment, trade and entrepreneurship. The targeted discussions will tap into the expertise of public- and private-sector leaders in both nations to tackle each theme.

The first two Learning Laboratories were hosted this summer in São Paulo, Brazil and Washington. The U.S.-based meeting was hosted by Georgetown University president John J. DeGioia and focused on the financial and legal policies needed to foster new innovations.

During the coming year, a series of six more Learning Laboratories will take place across both countries. The series will culminate with a set of policy recommendations that will be issued at the November 2009 Summit at Georgetown University. The next Learning Laboratory will take place the first week of December in Florianopolis, Brazil.

For more information about the Council's Global Initiatives program, the U.S.-Brazil Innovation Learning Laboratories and the 2009 U.S.-Brazil Innovation Summit, contact Chad Evans, Vice President, Strategic Initiatives (cevans@compete.org or 202.969.3380) ★

From left: Reginaldo Arcuri, Brazilian Agency for Industrial Development; John DeGioia, Georgetown University; and Deborah L. Wince-Smith and Chad Evans, Council on Competitiveness; at the US-Brazil Innovation Learning Laboratory at Georgetown University.



PHOTO COURTESY OF GEORGETOWN UNIVERSITY

“The new U.S.-Brazil Innovation Learning Lab series supports Georgetown’s efforts to transition into a global university and keeps with our Catholic and Jesuit tradition of building bridges between communities and nations to promote the common good. I, as a member of the Council’s executive committee, and Georgetown University will be privileged to host the 2nd Summit in winter 2009, in conjunction with our Brazilian partners, Movimento Brasil Competitivo and ABDI.”

JOHN J. DEGIOIA
PRESIDENT
GEORGETOWN UNIVERSITY

“The value proposition of innovation is: how do we enable people to be entrepreneurs and then extend the reach of entrepreneurs to an expanding and vastly integrated global economy.”

CHRISTOPHER G. CAINE
 VICE PRESIDENT IBM GOVERNMENTAL AFFAIRS
 IBM CORPORATION

Council Partners with Greek Competitiveness Councils

This fall, the Council on Competitiveness launched new partnerships with key Greek competitiveness organizations in both the public and private sector. Deborah L. Wince-Smith, president of the Council, signed agreements with Minister Christos Folias in his role both as Minister of Development and as president of the National Council of Competitiveness and Development, and Dimitris Daskalopoulos, chairman of the Hellenic Federation of Enterprises. The Council will collaborate with these organizations to promote innovation-based growth, high-value business activity and productivity in both countries. The Council has been working to expand its activities in Greece since 2005. ★

COUNCIL ON COMPETITIVENESS



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FEDERATION OF GREEK INDUSTRIES

Top, from left: Gilberto Mifano, BM&F BOVESPA, Deborah L. Wince-Smith, Council on Competitiveness; Jeffrey Finkle, International Economic Development Council; David Rodgers, U.S. Department of Energy; Hernan Lopez, The Nasdaq OMX Group, Inc. Center, from left: Deborah L. Wince-Smith, Council on Competitiveness; Rubens Gama Dias Filho, Brazilian Embassy; Reginaldo Arcuri, Brazilian Agency for Industrial Development; and Chad Evans, Council on Competitiveness. Bottom right, from left: Daniel V. Speckhard, U.S. Ambassador to Greece; Deborah L. Wince-Smith, Council on Competitiveness; Dimitris Daskalopoulos, Hellenic Federation of Enterprises; and Thanassis Lavidas, Federation of Greek Industries; signing a memorandum of understanding.

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