

## **Business Transformation through Triple Helix: Challenges of the Eco System**

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## **Business Transformation through Triple Helix: Challenges of the Eco-System**

### **1. Business Transformation**

Business transformation is the requirement of every business. It helps to align the businesses with new strategies aiming to bring innovation. Businesses suffer without the essence of innovation. In turn, businesses get default and shut down. Innovative culture can best save them from these downfalls thus leading to the economic and social transformation of the country. Business transformation has direct positive effects on the economic and social transformation of any society and country. This phenomenon has been experienced in developed world a few decades ago and recently in emerging markets of Asia (Fritsch & Mueller, 2004; Van Stel, Carree, & Thurik, 2005). The business transformation requires growth of innovation eco-system shared by academia, industry and Government called triple helix growth model (Leydesdorff & Etzkowitz, 1998).

Businesses are live organisms which thrive based on the culture and environment. Business transformation means having fit alignment with strengths of based country and ability to exploit emerging opportunities. The business transformation makes industries survive and grow in a new and changed environment (McKeown & Philip, 2003).

### **2. Role of Triple Helix in Business Transformation**

Academia can play a greater role in generating new ideas for industries that get transformed and creating new value products. A strong linkage needs to be developed between academia and industry. Institutions of higher learning are known as seeds of new ideas that feed socioeconomic growth. The businesses come between the birth of new innovative ideas and socioeconomic development as final impact. The businesses transform these newly born ideas into products and services and create tremendous amount of new value. The businesses in the process of this transformation get a great experience of self-transformation too. The new products and services help businesses kill their growingly irrelevant offerings. The business shift to new products and services, build new capability of delivering value and train human resource accordingly. We are observing IBM transforming from pure software company to a data management and data science company (Walker, 2007). Amazon is known for cloud services and Microsoft is rebranding itself as a mobile company (T Ograph & Morgens, 2008).

The industry works as a catalyst to convert academic research into great products and services. The industry normally has product life cycle and business life cycle. The today's flourishing value offering has to be obsolete value offering tomorrow. This leads to a simple conclusion that businesses need to be always in search of new ideas followed by new strategies (Anderson & Zeithaml, 1984). The birth place of new ideas is academia. The industry maintaining close collaboration with academia has higher chance of transformation along the business life cycle. The industry can ensure supply line of new improvements in current products and also destructive ideas and technologies coming from university labs.

Government plays a vital role in the process of business transformation originated by academic research and caused by forces of change. The transformation needs conducive environment to take place. The bottlenecks in the environment seriously discourage business transformation and lead to less competitiveness of the business. In the less competitive environment business lose value of existing products and seldom get new product match the competitive world.

The state provides conducive environment, drive all the stakeholders of transformation and offer interventions to support collaborative working of triple helix as in the case of French business transformation (Schmidt, 1996). The government is the recipient of fruits of business transformation in terms of taxes, economic activities, employment and other benefits of business growth. The government needs to act proactively to help businesses transform and respond to new business challenges and market needs. According to Evans (1997) "The character of business community can be reshaped by state policy".

The one serious problem in countries like Pakistan is focus on one sector and high expectations from it to drive entire process of transformation. This approach does not yield desired results of business transformation in total and for the long run. The policy directives and practical interventions must address the problems and capacity of three helixes for real business transformation followed by economic and social transformation (Etzkowitz & Leydesdorff, 1995). The government needs to play a major role by giving policies for building more interactions between academic sector and industrial sector in order to promote economic growth for a healthy and sustainable innovative eco-system.

### **3. Challenges of the ECO System in Pakistan**

The ECO system of triple helix leads to business transformation and economic progress. The process starts from the policies of government towards academia. The government by devising policies can encourage academia to liaison with industry, assess industry needs and supply new and relevant ideas in form of technologies. Secondly government has to devise policies for industry to become the recipient of local knowledge and technologies. Government needs to offer incentives and rewards to inspire the industry to cooperate with academia and invest in research along with state.

In Pakistan, policies related to science, economics and technologies are not given due attention. The partial efforts of academia and industry to collaborate without conducive and driving environment always lead to a failure and widen the trust gap between two. The absence of serious policy framework makes their efforts useless. The government of Pakistan has to come up with conducive policies and good incentives to ensure business transformation through triple helix model.

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