

Session 1b: transforming culture within industry

Sir John Egan - Responsible Wealth Creation

Good afternoon. I am delighted to have been invited to contribute a business perspective to what I believe to be a very timely conference.

Timely, because science & innovation are firmly on the Government's agenda - not just individual spending departments, but also and most importantly, the Treasury.

Treasury interest and commitment is critical not just in terms of the major opportunity that this affords to ensure that public funding and structural issues are addressed, but also in terms of positioning.

Science & Innovation are critical to sustained prosperity, for nations not just business, and both must be fostered. This must include government playing its part in communicating the value of science and innovation to the public, inspiring and equipping young people to pursue science and related education and careers, assuaging fears and concerns.

For my part, today, I shall focus on business, its role and relationship with the science base, the pressures to which business can be subjected and its responsibilities if it is to be in any position to counter those pressures.

In very simple terms, the role that business plays in any society is wealth creation.

Despite what the anti-globalisation and anti-capitalism lobbies might say, business isn't about "Profits before People".

Because wealth isn't just about money and profit, it also describes prosperity and well-being.

Business creates wealth - profits, prosperity and well-being - not just for itself but for all of its stakeholders- through the solutions that it provides to society's problems and desires - those that are known and those about which we have not yet even dreamed.

Whether responding to society's needs or indeed creating dreams or averting disasters, business uses science to help it to push boundaries, to make the impossible possible and to deliver the best possible solutions of the time.

By science, I don't just mean the pure and applied sciences and engineering in all of its guises. I also include design, the social sciences and even the arts and the humanities. All disciplines, singly and increasingly in combination, can play critical parts in sparking the ideas that fuel the invention and innovations, however small or large, that deliver the best possible solutions.

For these solutions are not just about new or improved products, but are also in the form of services, and processes, business and social models and markets.

Without the science, without innovation and the application of that knowledge to create solutions and without business to invest, not inconsiderably, to capitalise on the possibilities and deliver them to us, what kind of society would we have?

Look around you, think about everything that you have done, seen, listened to, touched, consumed, smelled since you woke up this morning. There is very little around us that has not been influenced by a combination of scientific, innovative and commercial minds.

The influence and as a consequence the power that science and business have is phenomenal. Arrogance can sit alongside power and influence. And when it does, there is potential for abuse.

Little wonder therefore that despite the wealth, prosperity and well-being that business use of science can bring to us all, there is deep scepticism and fear not only about business and its motivation, but also fear about science itself.

The public is far less accepting than it ever was.
"Trust me, I'm a doctor" solicits hollow laughs.
Trust and respect have to be earned by everyone.

While business has a right to conduct its legitimate business, reliance solely on the law for determination of legitimacy is no longer sufficient. Public perception is also absolutely critical.

With such power and influence, business and those who generate the science must behave responsibly and use their power and influence wisely. This means being accountable for your actions, listening to stakeholders, not making assumptions, actively learning from past mistakes and disasters, communicating and in the light of all of this constantly checking that your activities are beyond reproach.

You could say that this is one way of describing Corporate Social Responsibility. Actively managing and communicating your impact on society and the environment as well as your immediate stakeholders.

There isn't a one size fits all solution. Businesses each have to find their own way determined by their circumstances. But without an outward facing and holistic approach to guide what you do, why you do it and how you do it, that recognises the importance of societal, environmental and stakeholder impact and the disconnects that can persist between reality and perception, businesses will be increasingly vulnerable.

So too will science. It is not only businesses that need to be wise to and manage the impact of their activities on society. The science base and government also need to address the same baskets of issues and develop strategies and actions

to manage them effectively. Because business, the science base and the government are all inter-dependent on each other.

While some businesses invest heavily in their own facilities and own research, development and innovation, for many businesses the most viable option, if they are to have any chance of succeeding in a highly competitive market, is to work with universities – whether on business relevant and development activity but also on the ground breaking fundamental research.

But there is also much more that business and universities and indeed society can gain from greater and closer engagement.

Universities are also key places for the education and training of future generations of talent – whether it ultimately finds its ways to the public or private sectors or remains in an academic environment.

It is critical that academic rigour is supplemented with greater knowledge and understanding about business and how theories work in practice so that better foundations are laid for the future.

If business and science are vulnerable, then so too is the potential to deliver much needed solutions to society's current and future needs.

This can be demonstrated by a few every day examples in relation to Energy, drug development and safety, mobile phones and food.

I would suggest that the public generally accepts the need to find sustainable sources of energy as alternatives to the use of fossil fuels. Not only because supplies of fossil fuels are finite, but also because of their environmental impact.

But despite the fact that nuclear energy is the only clean form of energy available on a massive scale and able to meet the growing energy needs of the world population, there is considerable public feeling against it.

Such feelings have, in part at least, been fuelled - excuse the pun - by some major accidents.

However, judgements are not always made on completely rational assessments of risk.

Another alternative to the use of fossil fuels is Wind Turbines.

But, again there is a *not in my back yard* attitude towards them, primarily it seems on aesthetic grounds, certainly in the UK.

I would suggest that the public wants safe and effective treatments and cures for the multitude of debilitating and life threatening diseases that abound throughout the world, whether or not they of their families and friends might be vulnerable.

British law requires that as part of the rigorous testing to which any new drugs must be subjected, they must be tested on at least two different species of live mammal, of which one must be a large non-rodent.

Although a legal requirement, animal testing is abhorrent to many, so much so that they demonstrate actively, abusively and sometimes violently against those businesses, their employees and others of their stakeholders that are engaged in ensuring that drugs are safe.

Such businesses must be allowed to conduct their legitimate business, but in so doing they can not rely solely on the law. They must ensure that HOW they conduct their business, HOW they treat those animals isn't simply about compliance. And they must communicate this.

How many of you here today haven't got a mobile phone?
How many people do you know that don't have a mobile phone?
Do you get frustrated when you can't get a signal?

In Summer 2003 the number of mobile phones in the UK went over the 50 million mark . That's 7 out of 10 of the adult population who own one.

Those of you who remember the 80's and 90's probably thought, like me, that the mobile phone, big, bulky and very expensive would never catch on.

Thanks to science, technology and innovation they are small, easy to use and affordable. They are available to nearly everyone, nearly everywhere in the world and not to have one is increasingly considered rather odd.

So we want phones, ever smaller and with total signal coverage, yet, we don't want the masts anywhere near us and we are worried about the impact of the phones and the masts on our health.

Despite our genuine concerns about famine, our understanding of the need to develop crops that can produce vigorous yields in inhospitable parts of the world, we are deeply concerned about Genetically Modified foods.

Society wants, but society is also suspicious and sometimes fearful.

Business must respect this and do what it can through listening, learning and communicating, not making assumptions and above all demonstrating integrity in all that it does.

The science base must do the same and so must government.

But, all of our individual and collective efforts will mean nothing if the media acts irresponsibly.

The media can be even more powerful than any other stakeholder group. It can do enormous good, but it can also do incredible damage.

The stories they cover and the arguments put to us must be well researched, fairly presented with at least some regard for the consequences. Sensationalism is rarely necessary.

To do otherwise is disrespectful not only to scientists and business people, but also to the public. We all deserve to be treated better.

We all deserve the wealth that is delivered by the solutions that business and science can provide for us.

But that wealth creation must be responsible.

Thankyou.