

## You do not innovate in a vacuum

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### You do not innovate in a vacuum. Neither you build an industry alone.

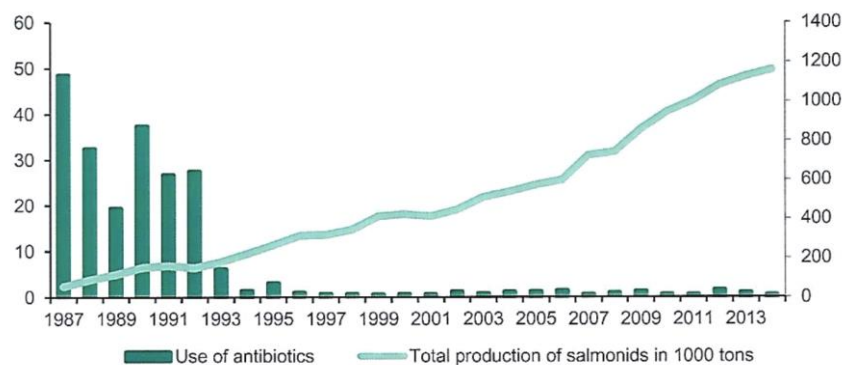
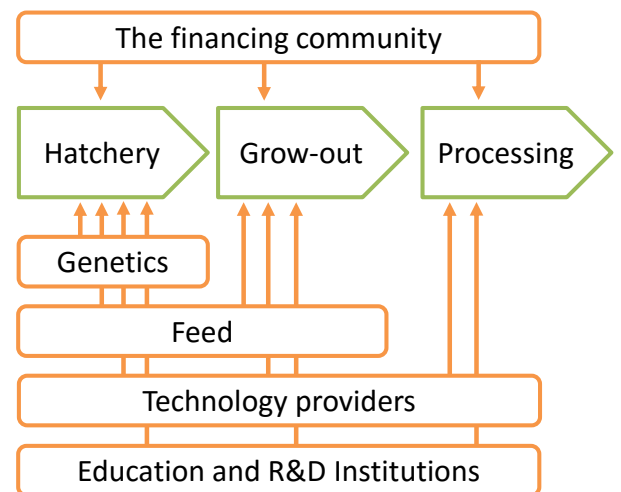
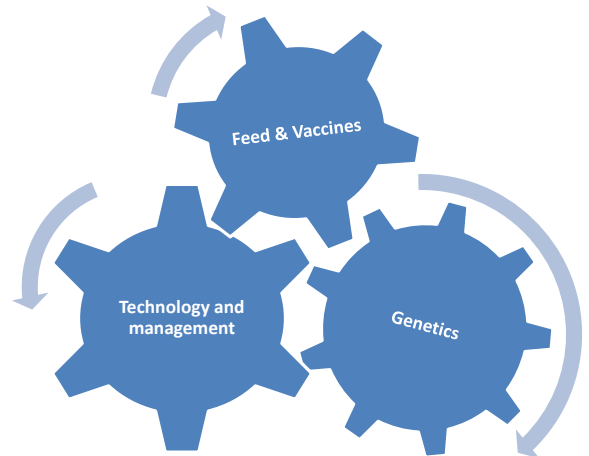
Norway is a young aquaculture industry, but has since its infancy in 1968 become the worlds most advanced aquaculture nation farming a total of about 1.200.000 tons of Atlantic salmon and Rainbow trout, or 51% of the global production.

The state of Norway has played an important role financing primary research and developing a regulatory framework.

Norway being a small country, almost to be considered an industry cluster, the private companies has joined forces in areas too demanding, risky or costly to operate alone. One example is genetics. Selective breeding for improved genetics started out in the R&D institutions supported by public funding, and then to be taken over by cooperatives of private fish farming companies. For 23 years until 2008 salmon and trout breeding was organized as cooperatives of competitors.

It takes a critical mass to build an industry. To build an industry the primary supply chain needs to be supported by specialists. In order to attract these supporting services and products it needs to be an attractive market potential within a geographic region that can be efficiently serviced. Take

vaccines as an example. The chart below shows the tremendous impact vaccines had on the use of antibiotics in the Norwegian salmon industry once it has become large enough to be attractive to the pharmaceutical companies. The critical mass necessary is not build by one company alone. Competitors should all gain from each other.



Source: The Norwegian Veterinary Institute, Kontali