

Why are innovations few and far between?

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EKONOMIPRISET 2025 THE PRIZE IN ECONOMIC SCIENCES 2025



KUNGL.
VETENSKAPS-
AKADEMIEN
THE ROYAL SWEDISH ACADEMY OF SCIENCES

"för att ha förklarat innovationsdriven ekonomisk tillväxt"
"for having explained innovation-driven economic growth"



Joel Mokyr
Northwestern University,
USA



Philippe Aghion
Collège de France and INSEAD, France,
The London School of Economics and
Political Science, UK



Peter Howitt
Brown University,
USA

*"för att ha identifierat förutsättningarna för ihållande tillväxt
genom teknologisk utveckling"*
*"for having identified the prerequisites for sustained growth
through technological progress"*

"för teorin om ihållande tillväxt genom kreativ förstörelse"
"for the theory of sustained growth through creative destruction"



JOHN HASSLER



HANS ELLEGREN



KERSTIN ENFLO

Norwegian B2C firms have satisfied customers who perceive them as not very innovative and not very attractive

Source: Norwegian Customer Satisfaction Barometer & The Norwegian Innovation Index

One explanation

A social-democratic welfare state with large natural resources risks becoming less innovative, as wealth reduces the pressure and incentives to create cutting-edge innovations.

1. Oct 2025



Norway vs Sweden, Finland, and Denmark

Contecst	Industry (examples)	Services (examples)	Typical innovations
Resource-rich (Norway)	Equinor (Oil & gass) TechnipFMC (subseateknologi), Kongsberg Defence & Aerospace (safety), Yara International (climate cut)	Vipps (p2p payment), Oda (grocery), Finn.no (market place), DNB (finance), Telenor (telcom)	Incremental improvements, process upstream innovation
Resource-poor (Sweden/Finland/ Denmark)	Ericsson (telekom), Nokia (mobile), Volvo/Scania (car/transport) Ørsted (Energy)	Spotify (music streaming), Klarna (fintech), NovoNordisk (healthtech)	Radical, global «cutting edge» downstream innovation

Path dependency is a poor starting point for meeting disruption.

Disruption is something you *create* (Tesla and iPhone) or something you are *subjected* to (Volkswagen, Blackberry).

Nordic countries' innovation ranking 2025

Land	Global Innovation Index 2025	European Innovation Scoreboard 2025	Why
Sweden	2nd	1st	Europe's most innovative economy. Combines R&D-intensive industry with global technology companies.
Denmark	9th	2nd	Strong in green technology, digital public sector, and industry collaboration.
Finland	7th	4th	Strong link between education, technology, and export industry; high R&D intensity in the private sector.
Norway	20th	9th	Low R&D intensity in the private sector, characterized by weak commercialization and innovation outcomes; resource wealth reduces innovation pressure.

**CHANGE IS
UNCOMFORTABLE.**

**SO IS
IRRELEVANCE.**



Bottom line

Leaders need to balance upstream inventions with downstream inventions more effectively.

An invention has no commercial value unless adopted by a large crowd of customers



TO BE AN ENTREPRENEUR,
YOU NEED A “FUCK IT,
LET’S JUST TRY A
AND SEE WHAT HAPPENS.
MENTALITY.

COPENHAGEN

The billboard is a large, rectangular structure with a white face and a dark frame. It is illuminated by four spotlights mounted on top. The text is in a bold, sans-serif font. The billboard is situated on a street corner in Copenhagen, with a brick building and a tram visible in the background.

Thank you

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