

# New Knowledge on the Direct Economic Measurement of Innovation

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## Introduction

In the late 1980s Innovation Practitioners thought measuring innovation might be solved by Richard Foster's pioneering work at McKinsey on performance S-curves. Together with other pioneering work, this time by Fisher-Pry at General Electric, whose market penetration S-Curves were finding success in technology forecasting, it seemed that economic growth would become explainable from product succession alone. However this was not realized because each S-curve treatment used completely different variables and existing literature, then as now, could not provide an economic link between them. To overcome this, commercial and economic knowledge is brought together in a new synthesis with significant consequences in many quarters, including National Accounting. This primer presents that synthesis in sequence,

<b>Part Ia</b> - Develops an otherwise unknown economic equation from first principles with reasoning adapted from Physics,	5-13
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