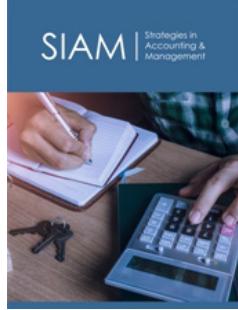


Innovation Capacity and the Imperative for a Technology Business

Elvin P Rosario*

ISSN: 2770-6648



Faculty Member (Associate professor V), Business Management and Information Technology, College of Accountancy, Mountain Province State University, Philippines

Opinion

Innovation has increasingly become the defining responsibility of higher education institutions in the Philippines, particularly State Universities and Colleges that are mandated by RA 11293 and RA 10055 to convert research into meaningful societal and economic outcomes. The comprehensive assessment of Mountain Province State University's innovation capacity reveals an institution situated at a strategic point of transition. While research productivity and community engagement are evident, the university lacks the structural backbone that would enable ideas to mature into viable technologies, enterprises, or intellectual property assets. The assessment portrays a reality that is common to many regional universities in the country. MPSU has functioning research and extension structures, but its mechanisms for innovation are either fragmented or informal. The Research, Development and Extension sector operates as the primary unit that supervises scholarly works, yet it does not specialize in the processes required for technology transfer. As a result, the transition from research to commercialization is generally absent. The presence of research outputs in agriculture, eco-products, information technology, and community development exhibits creative potential; however, these innovations rarely progress beyond academic presentation or extension demonstration. The absence of a formalized system for patenting, licensing, market assessment, or enterprise incubation constrains the university's capacity to generate sustainable impact [1-5].

What becomes clear in the evaluation is that MPSU is operating within a research-rich but innovation-poor environment. Students view research as a requirement rather than a pathway for enterprise development. Faculty members acknowledge that although incentives exist on paper, these are seldom utilized because very few projects are positioned for commercialization. Administrators themselves recognize that institutional policies refer to intellectual property management but do not adequately describe operational steps or responsible units. This creates a cycle in which research culture is present but innovation culture remains underdeveloped. Such a condition is detrimental in a period when universities are expected to participate in regional economic growth by serving as knowledge producers and technology generators. The university's reliance on external partnerships, while beneficial, also reveals another structural concern. Linkages with agencies such as Department of Science and Technology (DOST), Commission on Higher Education (CHED), Department of Agriculture (DA), Local Government Units (LGUs) and partner communities have generated positive results, particularly in agriculture and livelihood-based programs. However, these partnerships are project-driven rather than institutionally anchored. They flourish only for as long as grants and collaborative activities are active. Without an internal office dedicated to technology business development, these external engagements fail to translate into repeatable innovation models. The experience of many universities demonstrates that partnerships are most effective when anchored on a specialized unit that manages joint development, protects intellectual property, and negotiates technology transfer arrangements. MPSU does not yet possess such a structure [6-9].

***Corresponding author:** Elvin P Rosario, Faculty Member (Associate professor V), Business Management and Information Technology, College of Accountancy, Mountain Province State University, Philippines

Submission:  November 24, 2025

Published:  January 23, 2026

Volume 6 - Issue 1

How to cite this article: Elvin P Rosario*. Innovation Capacity and the Imperative for a Technology Business. *Strategies Account Manag.* 6(1). SIAM. 000627. 2026. DOI: [10.31031/SIAM.2026.06.000627](https://doi.org/10.31031/SIAM.2026.06.000627)

Copyright@ Elvin P Rosario, This article is distributed under the terms of the Creative Commons Attribution 4.0 International License, which permits unrestricted use and redistribution provided that the original author and source are credited.

The analysis further reveals that policy awareness among stakeholders is limited. Students and even faculty have incomplete understanding of intellectual property rights and commercialization pathways. This lack of knowledge prevents individuals from acting on potentially innovative ideas or seeking assistance for patenting. The absence of a dedicated office that can provide continuous training reinforces the cycle of low innovation literacy. In turn, the university misses opportunities to cultivate a generation of student and faculty innovators who could have contributed to local economic advancement. Another significant weakness is the inadequacy of facilities. Several programs lack advanced laboratories, prototyping tools, and incubation spaces that are essential for transforming conceptual ideas into testable products. This limitation hinders the development of minimum viable products, which is a necessary step in convincing industry partners or investors that a technology is worth pursuing. Universities that have successfully established technology business incubators and innovation centers consistently highlight the importance of accessible equipment. Without such infrastructure, innovations remain theoretical and fail to undergo validation.

Despite these challenges, the assessment also highlights strong opportunities. The presence of active community-based research programs, the enthusiasm of students for entrepreneurship-oriented activities, and the willingness of faculty to explore innovation indicate that MPSU has the intellectual foundations necessary for an innovation ecosystem. What it lacks is the organizational structure that would allow these strengths to converge. From an academic standpoint, the establishment of a Technology Business Development Center is not simply an enhancement to existing structures but an institutional imperative. A TBDC would address the structural fragmentation that the assessment repeatedly identifies. It would serve as the central hub that coordinates intellectual property management, facilitates market research, manages prototyping and technology validation, assists researchers in creating business models, and connects the university with industry partners. The TBDC would also provide consistent training on IP and entrepreneurship, helping transform the university's culture from research-producing to innovation-driven. Through its functions, research outputs would finally have pathways to commercialization instead of remaining in archives or research journals. Furthermore, the TBDC offers a sustainable model for institutional growth. By managing licensing arrangements, consultancy services, startup equity shares, and external grants, the center can create new revenue streams. This financial diversification is crucial for a developing university that cannot rely solely on government subsidies. A well-designed TBDC can eventually sustain itself while supporting the broader institutional mandate for innovation [10-17].

In my academic opinion, the most transformative value of a TBDC lies in its ability to redefine the identity of the university. If implemented effectively, the center can position MPSU as a regional innovation leader in the Cordillera, capable of producing patented technologies, supporting student and faculty enterprises, and contributing to inclusive development. The university has already

planted the seeds of innovation through its community engagement and research outputs. What it now requires is an institutional structure that can nurture, protect, and elevate these ideas into innovations that benefit local communities and industries. The assessment therefore serves as both a diagnostic and a call to action. It clearly articulates that MPSU possesses the potential to innovate but lacks the systems that allow this potential to materialize. Establishing a Technology Business Development Center is not merely a strategic recommendation but a necessary step toward fulfilling national mandates and maximizing the university's academic, research, and community-oriented roles. Without such a center, the institution risks remaining in a cycle where research is produced but its value is not fully realized.

References

1. Asian Development Bank (2020) Developing higher education for innovation in Asia. Asian Development Bank, Philippines.
2. Asian Institute of Management-Ramon V del Rosario Center for Corporate Responsibility (2019) University innovation management practices in the Philippines. AIM.
3. Commission on Higher Education (2020) Guidelines for higher education institution-based technology business incubators. CHED.
4. Department of Science and Technology- Technology Application and Promotion Institute (2021) Innovation programs for SUCs: Performance and recommendations. DOST-TAPI.
5. Etzkowitz H, Leydesdorff L (2000) The dynamics of innovation: From national systems and "Mode 2" to a Triple Helix of University-industry-government relations. *Research Policy* 29(2): 109-123.
6. Gonzales A, Dela Cruz M (2021) Bridging research and enterprise in Philippine higher education institutions: Institutional gaps and policy needs. *Philippine Journal of Higher Education* 35(2): 87-104.
7. Intellectual Property Office of the Philippines (2021) ITSO manual for higher education institutions. IPOPHL.
8. Intellectual Property Office of the Philippines (2022) Annual innovation report. IPOPHL.
9. Lalap M, Dizon C (2020) Policy analysis on research commercialization among Philippine State Universities and Colleges. *Journal of Policy and Development Studies* 14(1): 56-69.
10. Organization for Economic Co-operation and Development (2017) The innovation imperative in higher education: Towards institutional change. OECD Publishing, France.
11. (2019) Philippine Innovation Act (Republic Act No. 11293).
12. Rivera R, Garcia M, Santos E (2019) Building innovation ecosystems in Philippine higher education institutions. *Philippine Journal of Science and Technology* 24(1): 55-66.
13. Rosario EP (2025) Innovation Capacity Assessment of a State University: Foundation for Establishing a Technology Business Development Center. Mountain Province State University, Philippines.
14. (2009) Technology Transfer Act of 2009 (Republic Act No. 10055).
15. UNESCO (2021) Strengthening innovation in higher education in developing countries. UNESCO, France.
16. Valdez R, Javier S (2022) A comparative study of technology transfer offices in Philippine State Universities. *Southeast Asian Research and Innovation Review* 9(1): 22-37.
17. World Bank (2018) Innovation hubs and higher education: A framework for emerging economies. World Bank Group, USA.