

Open Innovation – some principles

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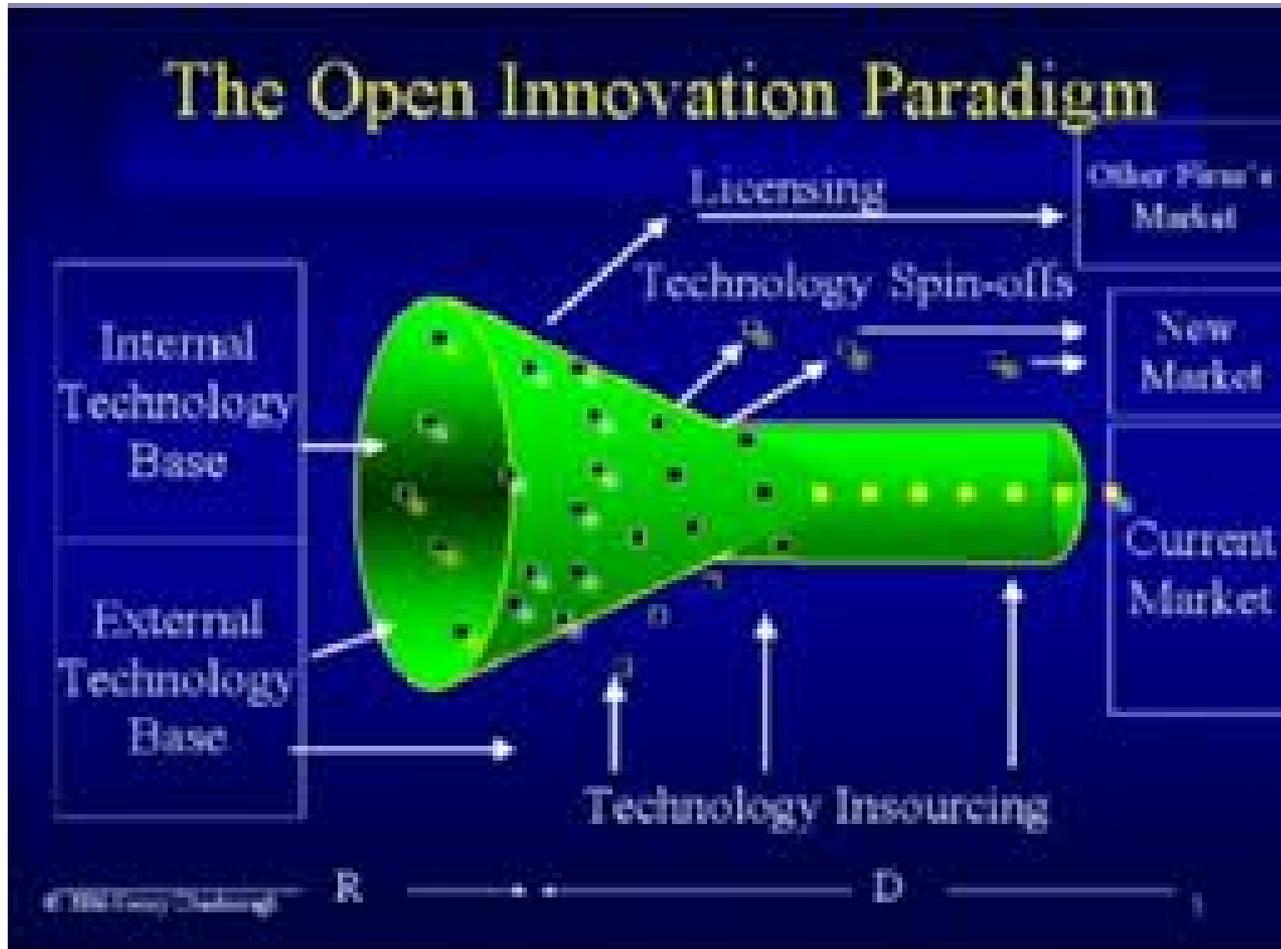
Open Innovation

Originally coined by Henry Chesbrough: The use of internal and external knowledge to accelerate internal innovation and expand markets for external use of innovation.

It stresses the importance of value creation and hence Business Models rather than Technology alone.

It now refers to a way of scouting for such ideas/technologies.

The Open Innovation Paradigm



From Henry Chesbrough: Open Innovation: The new imperative for creating and profiting from technology. Boston: Harvard Business School Press

Open Innovation

Before setting out to scout one must be clear about ones needs.

The more specific one can get, the better the results of the search.

This also enables one to judge the value and therefore the price of the article.

The field available for scouting is getting more diverse- academia, competitors, start ups.

Open Innovation- new technology

S&T is the domain of Academia.

How different is Industrial R&D to Academia?

Understanding the difference helps in
developing meaningful collaborations

Open Innovation- new technology

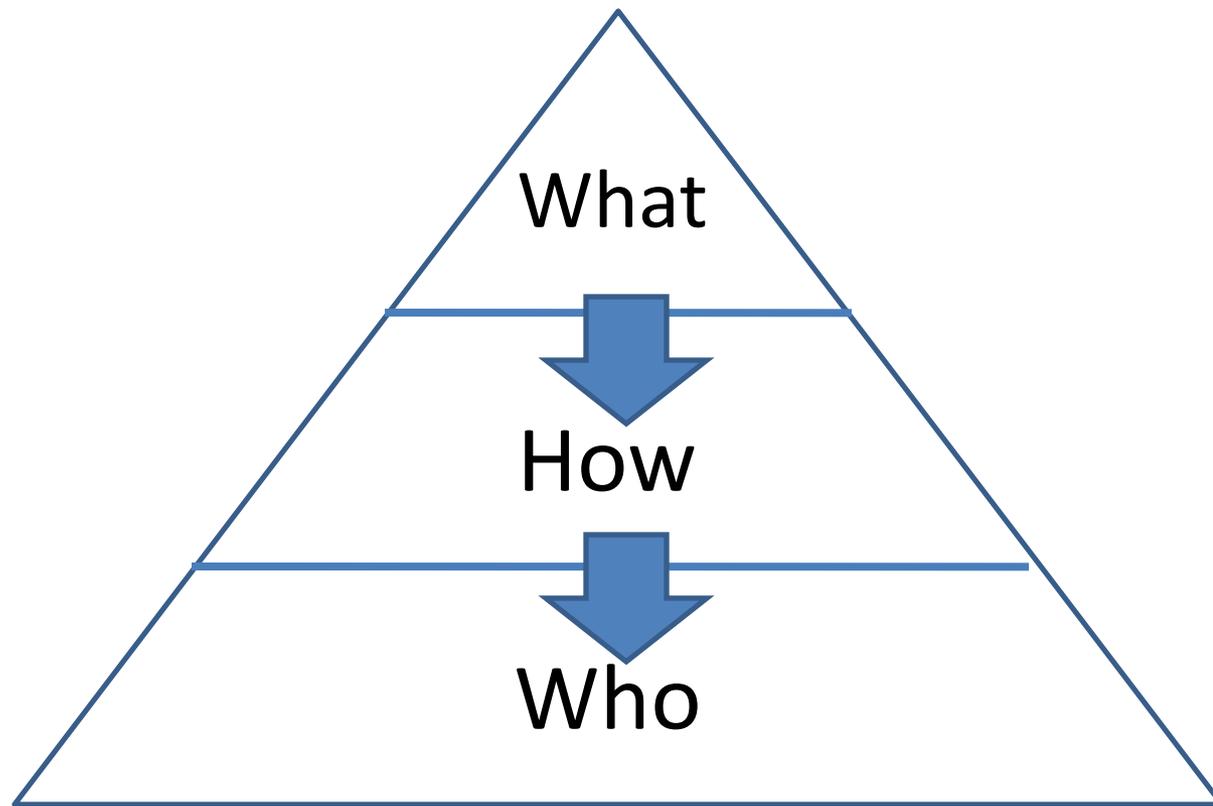
The 'What', 'How' 'Who' paradigm..

In Industry, the 'What' is determined by the business opportunity.

Based on this, the technical challenge is identified – the 'How'.

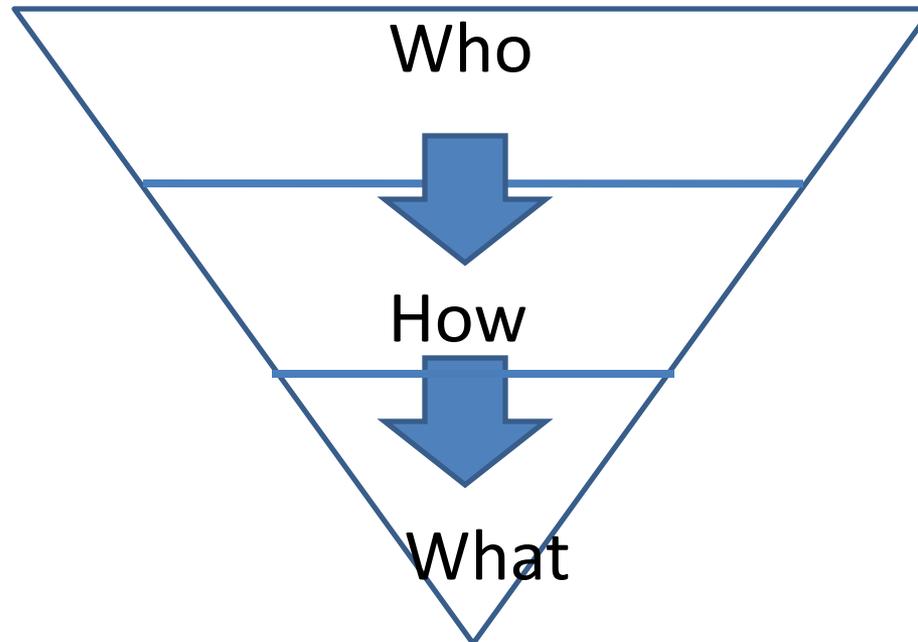
Identification of the persons with the appropriate skills and competencies constitutes 'Who'.

Open Innovation- new technology



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In Academia the process begins with 'Who'.
Based on his or her skills (How), the problem
(What) is identified.



Open Innovation- new technology

When scouting for new technologies:

1. Define the 'what' of the problem.
2. Define the technical 'how'.
3. Identify 'who' in the world is best able to solve this.

Technical 'how'

Given that the 'what' of many problems are shared by the industry, 'how' you solve the problem is the source of competitive advantage.

Identifying novel technologies for solving the problem gives lasting and policeable source of competitive advantage.

Summary

Open Innovation is about scouting for solutions and realizing economic value from innovation.

Novel technological solutions give lasting competitive advantage.

Identify the technical ‘how’ of the problem.

Invest valuable time and money in this activity.

The best opportunities *may* be found outside the company.

Technology licensing and spin outs are important for realizing the value from investments in technology.