

Partners in Open Innovation

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I'm not sure what was more impressive, the Grande Palace in Brussels or the all-star lineup at the First Annual European Open Innovation Summit (EOIS) held in Belgium in late May. Anyone who's been to the Grande Palace knows it's quite extraordinary, but in truth, the speakers at the EOIS were first class and knowledgeable beyond compare in the open innovation (OI) sector.

Anytime there is a first annual anything, you have to ask yourself, "Is anyone else going to show up and is it worth the money to attend?" As it turns out, EOIS was well-attended and wonderfully enlightening. Most of the speakers seemed to truly understand the barriers to open innovation and were working hard to knock them down within their own organizations.

One of the most fascinating talks was given by Jason Berns, the director of open innovation for Under Armour. Founded in 1996 by former college football player Kevin Plank, Under Armour now has annual sales in the billions of dollars, and has seen 30 percent growth year after year. Not bad for a company that started out making moisture-wicking shirts.

Under Armour doesn't approach their OI initiatives with crowd-sourcing ideas, but the company does allow employees to create and innovate, and incentivizes them for that hard work. Berns believes empowering employees to lead the charge allows them to create their own destiny, and gives them a sense of ownership and

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Published on Chem.Info (<http://www.chem.info>)

accomplishment. What people want from their job, Berns said, is freedom to create, and proof that their ideas are being heard and realized.

Another stand-out session was a presentation by Shomila Malik from Telefonica and Dean Elwood from Voxygen, an open innovation partner helping Telefonica launch its voice over Internet protocol (VOIP) initiative. It appeared to be a great partnership, with Malik and Elwood expressing deep respect for each other's companies. The only real hurdle for Voxygen was getting paid in a timely manner.

It was the age-old story of large corporations that don't realize that most small entities, no matter how fabulous they are at the work they do, live hand to mouth. Cash is king in the small-business sector. A small business typically can't float a 60-day net pay, which is standard operating procedure with large corporations. It's a problem I am all too familiar with within my own company.

When a small business is rich in human capital, but not on lines of credit, it can make it hard to work with large corporate entities that have "procedures and processes" in place. The one-size-fits-all payment model does not work in these circumstances, and it is a major barrier to open innovation. Small companies are flexible and agile, and can often get the work done in a fraction of the time that a corporation could have achieved it. I ask, why then, can't the corporate entity return the courtesy, and be flexible and agile in their payment processes?

Word to the wise, if you want quality work from a small-business partner, treat them as a partner, and not as some minion that is easily discarded. Allow the people in your company who are working with these smaller businesses to make a few exceptions to the rules. After all, these aren't just suppliers. These are your partners in open innovation, and they could very well be a lifeline to exciting new product developments that your company could never access on its own.

All in all, the EOIS was a great conference with lots of great networking opportunities. The next Open Innovation summit will be held stateside in Chicago, from September 11 through 12.

What's your take on open innovation? Please feel free to comment below! For more information visit www.worldresearchgroup.com [1].

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