

Businesses are increasingly recognising the limitations of their own capacity for innovation, development and new ideas. With the rise and rise of open and reliable knowledge networks an alternative model is now available for sourcing innovation.

Open Innovation as a concept grew from the 1960's practices of inter-firm cooperation in R&D and expanded over time into user innovation, cumulative innovation, Know-How Trading, mass innovation and distributed innovation. A leading champion of today's Open Innovation practices is Henry Chesbrough from UC Berkeley:

"Open innovation is a paradigm that assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market, as the firms look to advance their technology" [Source Chesbrough, HW]

In the traditional model, only businesses were involved in the commercialisation of technology. It was held that successful and timely innovation required control. However more recently, several factors have emerged driving a change towards the new open innovation paradigm:

- The increasing availability and mobility of skilled workers
- The growth of the venture capital market
- External options for ideas sitting on the shelf
- The increasing capability of external suppliers

These four factors have resulted in a new market for knowledge. Knowledge is no longer proprietary to the company. It resides in employees, suppliers, customers, competitors, and institutions. If companies do not use the knowledge they have inside, someone else will.

Today's Open Innovation networks offer an ever expanding and extremely rich source of almost every capability and capacity necessary for innovation and new product development. While software exemplifies the traditional winner from this collaborative environment, the breadth of pure product development and innovation that is being delivered today is immense. Web based collaboration and open sourcing rivals the product development capability of any established business.

The Complete Product provides Open Innovation Services to help businesses, both large and small, participate in and find competitive value in Open Innovation.

The knowledge explosion means it is increasingly difficult keeping up with significant trends. But trend spotting remains vital to identify and encapsulate those sources of knowledge that sustain our competitive advantage.

"No matter who you are, most of the smartest people work for someone else"
[Joy's Law for the high-tech industry].

So in adopting a distributed Open Innovation model it's necessary to acknowledge the centre of innovation can be outside the boundaries of the business. And this requires a fundamental reorientation of views about tasks, structure, incentives, management, & intellectual property.

The easiest opportunities for Open Innovation are often to be found where products and services are dominated by information and knowledge. But as more physical components of all types give way to rapid prototyping, agile methods and soft models, the candidates for open innovation are rapidly expanding across more and more areas of product development.

However old business models may need to be refreshed. It's vital to first identify and then tightly focus on key core competencies that are to be protected for competitive advantage and sustainable customer value. Everything else becomes a candidate for participating in the synergies of Open Innovation.

And a culture of participation is vital to success. Open, transparent and merit based participation needs to become the benchmark. Clear governance, iterative processes & open product structures are also important prerequisites.

The Complete Product uses a personalised approach to help develop and build your Open Innovation channel. Your Complete Product advisor takes the time to understand your particular business and pinpoint specific approaches to suit your product strategy and business issues. Then, your Complete Product advisor works in partnership with you to achieve results.

And our Service Promise is very simple: "If we can't add value, we won't add cost".