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Open up the doors to R&D

Björn Remneland-Wikhamn

Björn Remneland-Wikhamn, PhD, a researcher and lecturer at the School of Business at University of Gothenburg and author on Open Innovation, says one of the advantages of outside impetus is that "there will always be more knowledge outside than inside your company, regardless of whether or not you recruit the best available talent."

In order to boost innovation, more and more companies are opening up their research and development departments and increasing transparency to developers and others outside their companies. Björn Remneland-Wikhamn, PhD, a researcher at the School of Business at University of Gothenburg, says the time when research and development was conducted behind closed doors is being challenged.

"We have a tradition of closed innovation. But technological and structural developments are changing this. More easily than ever, we can now get knowledge, fresh ideas and initiative from the outside."

The trend is in line with Technia's PLM solutions which provide customers with a platform and applications for broad collaboration and innovation.

It is called Open Innovation

Remneland-Wikhamn's research is inspired by U.S. Professor Henry Chesbrough who, in 2003, coined the expression "Open Innovation." This means actively promoting the transfer of innovation between firms and their environments, both internally and externally. Rather than relying heavily on their own research, companies would buy or license processes or inventions from other companies. In addition, internal inventions not being used within a company's business should be given a life outside the company through licensing, joint ventures or spin-offs.

Remneland-Wikhamn says that to some degree Open Innovation has always existed, but technology has revolutionized the possibilities and paved the way for collaboration between thousands of people in open source, web 2.0, crowdsourcing, Wikipedia, etc. A growing number of companies are involving customers and partners in the development of their products, rather than doing it on their own. For example, Google is encouraging partners and others to take part in the development of the operating system Android.

Consumer goods company Procter & Gamble has a policy wherein 50 percent of its innovations should come from outside the company. Telecom company Ericsson and consumer electronics company Phillips, produce and buy patents "not mainly to exclude others, but also to promote and develop innovation," says Remneland-Wikhamn.

Obstacles to change

"You want others to build on your knowledge. You want to start a process of escalation. Many leading companies are thinking about how to promote such generative effects, how to get the process going."

But in many corporations, the old ways still prevail. What are the hurdles for change?

"Open Innovation is easier said than done. You need to create confidence and provide incentive; you cannot control the process with hierarchies and contracts when they extend outside of your firm's boundaries," he says.

A fundamental challenge to Open Innovation is the traditional business culture.

"Much of it is based on the premise that you are on your own as a company, with your own unique selling points and that competitors should be pushed out. Many try to start Open Innovation in this traditional frame of mind. It's not going to work. The trick is finding a balance between openness, creativity and control."

More from Remneland-Wikhamn:
www.remneland.se
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