It's time to Change: From Open Innovation to the Applied Science of Open Innovation

DR. SEMYON (SAM) KOGAN
CEO GEN5 GROUP
275 Grove Street , Suite 2-400
Newton, MA 02466
617-818-1988
skogan@gen5group.com

Dr. Kogan will introduce a new topic of Applied Science of Open Innovation. He will demonstrate how a functional approach and other tools can be used to open up directions for more efficiently searching external global knowledge. This approach greatly facilitates finding technologies and existing solutions that can be adopted and adapted for internal use. This powerful framework helps the innovator to create an open innovation process that is more effective, efficient and impactful.

Applied Science of Open Innovation

Companies depend on innovation as a key component for driving growth and profitability. For much of the 20th century, most of the global R&D community believed in a linear relationship between subject matter expertise and innovation capability. Over the past decade, however, experience suggests that this relationship is actually non-linear and that the ability to effectively innovate is not necessarily in lockstep with the world's continuously expanding knowledge.

In practical terms, it implies dramatic change in what is needed for successful innovation strategy in the 21st century. In effect, companies are rapidly moving to the age of Global Knowledge and Innovation Partnership as the engine for successful innovation. Increasingly, the concept of Open Innovation (OI) – looking beyond a company's own internal R&D centers for new sources of innovation solutions and capacity – has gained much attention.

Unfortunately, many companies struggle with how to achieve the promised benefits of Open Innovation and are often frustrated by the absence of obvious models for how to effectively and efficiently execute an OI strategy. Even though the concept of OI is increasingly accepted by management, it often lacks a repeatable process and therefore is rarely practiced consistently or successfully. Companies have been unable to move from a conceptual level of WHAT to do to a practical level of HOW to execute it successfully.

We believe that R&D must take the next step in the practice of OI by creating a new branch – Applied Science of OI. Accordingly, we have developed a proprietary process and suite of tools to analyze and reformat tough technical problems, create functional descriptions, and search globally for knowledge and existing solutions that can be adopted and adapted to solve specific problems.

Further, success in OI depends on effective partnerships. Our research and practice indicate three levels of knowledge sharing partnerships:

- "Open Communication" – Common person-to-person relationships between individuals within an R&D department and scientists at, for example, a university;
- "Open Collaboration" – Working with a partner within a company's own industry (for example, a supplier) while protecting their own IP, therefore not innovating together. Most typical in current corporate R&D practice.
- "Open Innovation" – Companies develop, acquire, adopt, and share IP with active partners outside their company, industry and/or knowledge domains in order to take advantage of available global knowledge and opportunities.

Companies rarely recognize or distinguish among these three levels of knowledge sharing partnerships. While the first two forms of knowledge sharing are well known and commonly practiced, many executives still struggle to successfully execute an Open Innovation program despite deploying a number of different platforms, processes, and organization structures.

Dr. Kogan will challenge proponents of open innovation by pointing out the limitations of existing platforms and structures for translating ideas across contexts. And, he will propose an alternative

approach - an Applied Science of Open Innovation method and related tools – to show how translation across boundaries of expertise can be achieved using a common language and systematic approach. Dr. Kogan will demonstrate than this practical and proven approach can enable companies to achieve greater innovation impact and faster time-to-market with less risk and higher predictability.