



A division of the National Association of Manufacturers

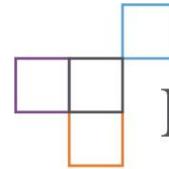
# Open Innovation: Driving Speed and Agility

Tom Culver – RTI Innovation Advisors

James Giustini – RTI Innovation Advisors



# How we think about Open Innovation.



RTI Innovation Advisors



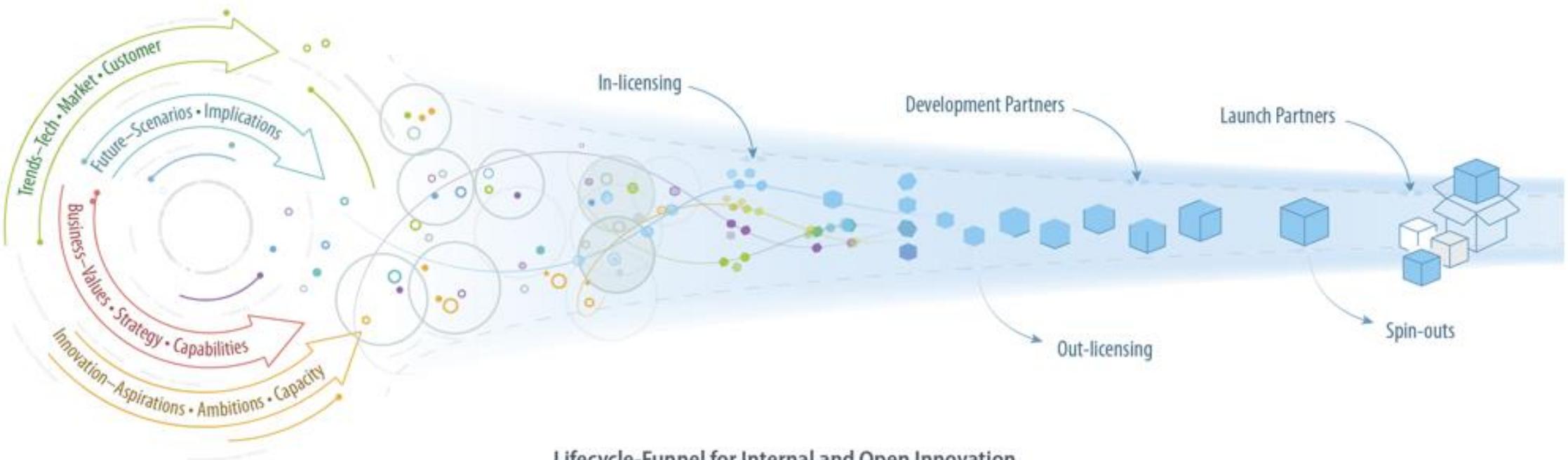
WHERE TO PLAY?



WHAT TO INNOVATE?



HOW TO EXECUTE



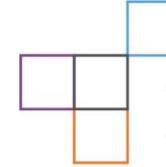
Create Innovation  
Vision & Strategy

Define Innovation  
Opportunities & Portfolios

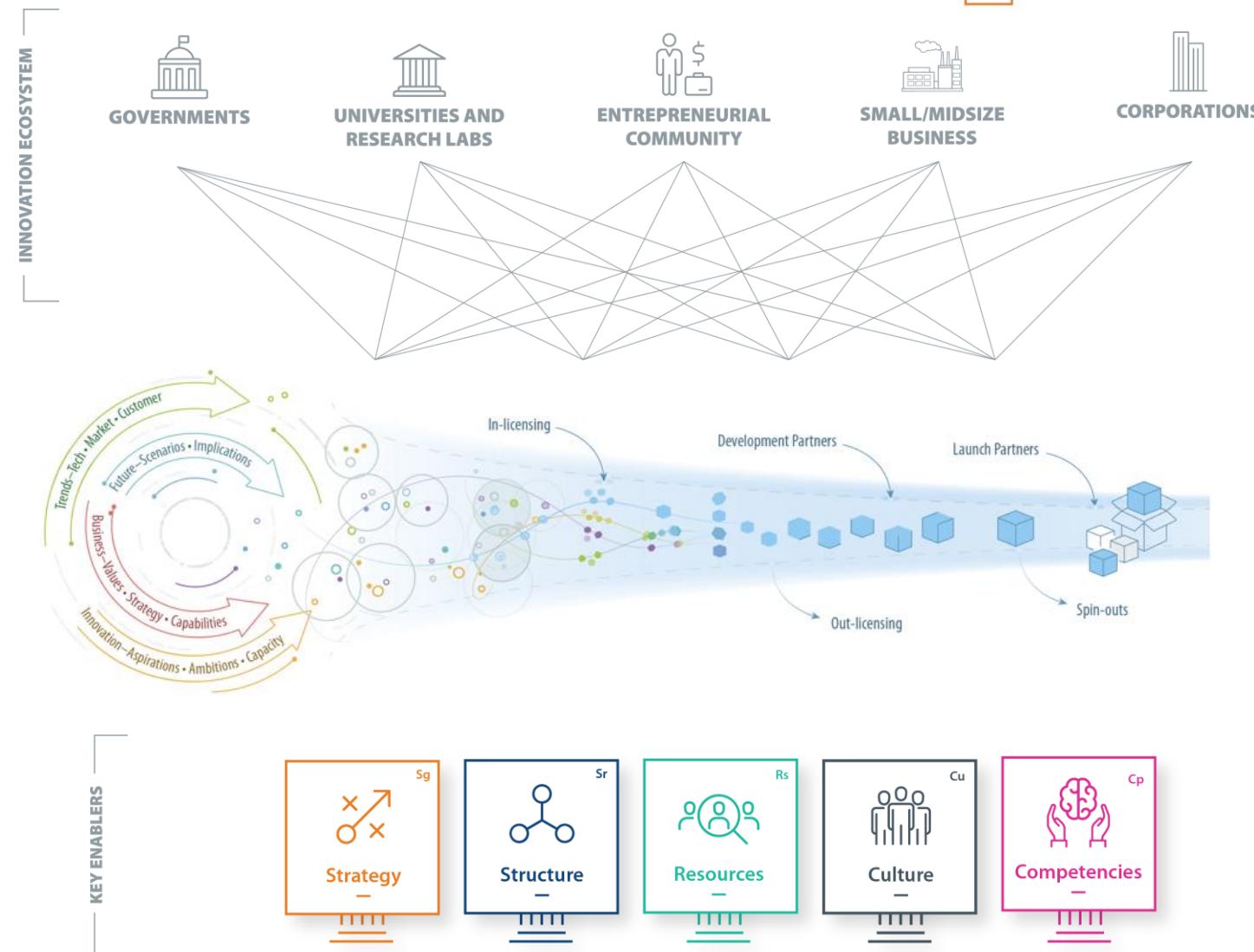
Develop Innovation  
Projects & Capabilities

Deliver Innovation  
Offerings & Value

# How we think about Open Innovation.



RTI Innovation Advisors



# We serve and connect clients across global open innovation ecosystems.

## Industry



## Government



## Academia & NGOs





*“We are the first generation in history  
where the pace of change has gone  
hyper-critical within one lifetime.”*

— Gary Hamel



*“The use of purposeful inflows and outflows of knowledge to accelerate internal innovation, and expand the markets for external use of innovation, respectively.”*

—Henry Chesbrough



# Open Innovation (OI)—THEN and NOW

## Scope of OI THEN

Mandate for innovation came through R&D so early  
OI was narrowly about tech scouting

Tactical enabler supporting product innovation

Tech scouting focused on tech and product level  
development, creating the “new”

WANT, FIND, GET model is being adopted

Group ideation and crowd solving

Developing OI processes and tools were a primary  
barrier to establishing OI

OI was emergent, cool, and not well studied

## Scope of OI NOW

Mandate via Market/Customer for broad upstream  
insights to guide HCD, R&D, NPD, testing, launch

Strategic enabler of growth — new biz models,  
venture building, CVC, platforms, ecosystems etc.

Multi-modal, delivering insights/NPD/ventures,  
in/out of business, creating new value

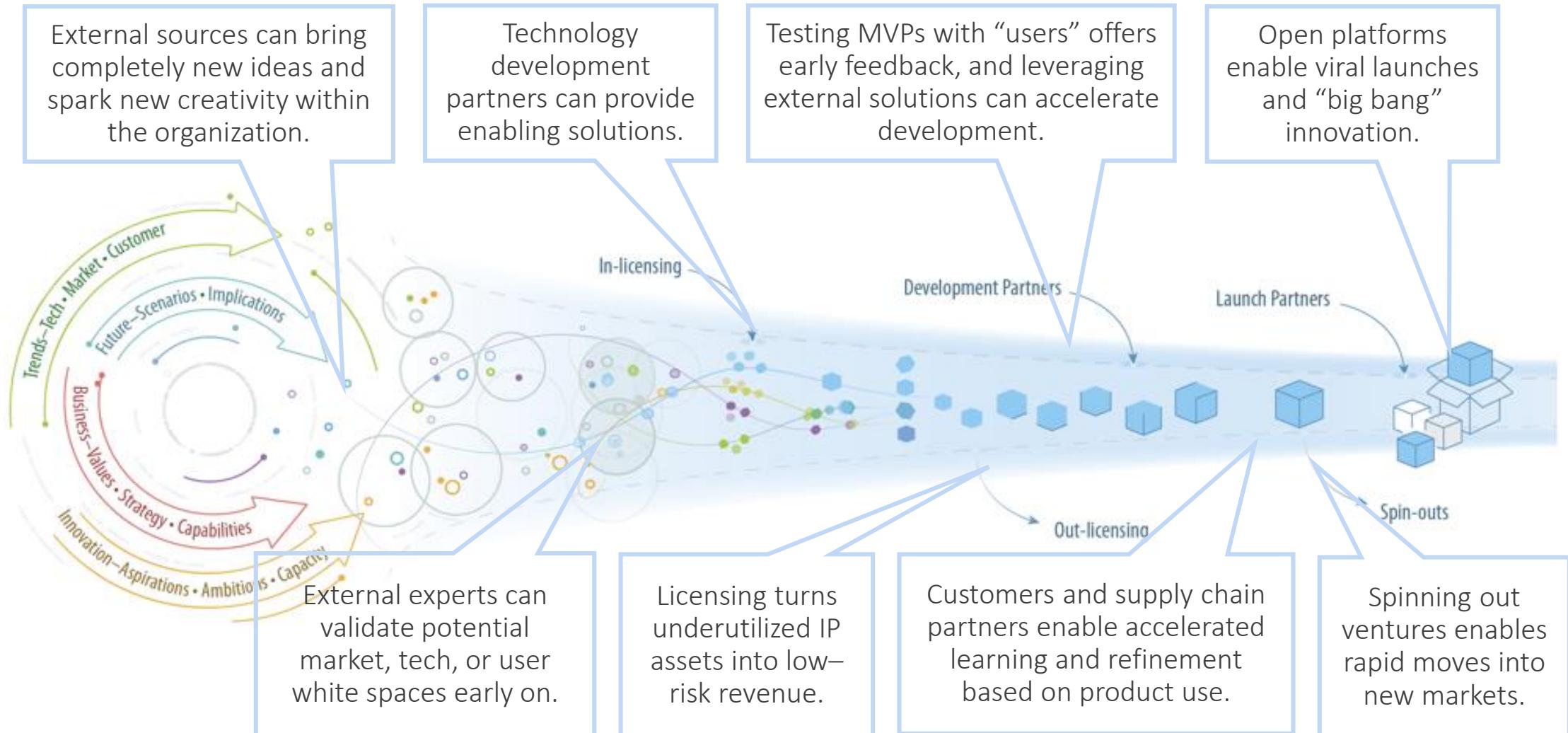
WF is easy, G is more skillful, MANAGING is key

Crowd funding, “prototyping”, synthetic user tests

Managing multiple (or all) possible OI  
modes/mechanisms is primary barrier

OI is just part of innovating, University OI Programs

# How does Open Innovation drive the speed and agility of innovating?



## Open Innovation—WHAT is STILL a Challenge? HINT: It is US, not THEM!

BU's still need to be convinced OI is worth it. Day to day imperatives still supersede the stated importance of OI.

Silos, guarding development budgets and NIH behaviors are still a big issue.

A lack of structures and skills to Explore and Execute limits OI effectiveness.

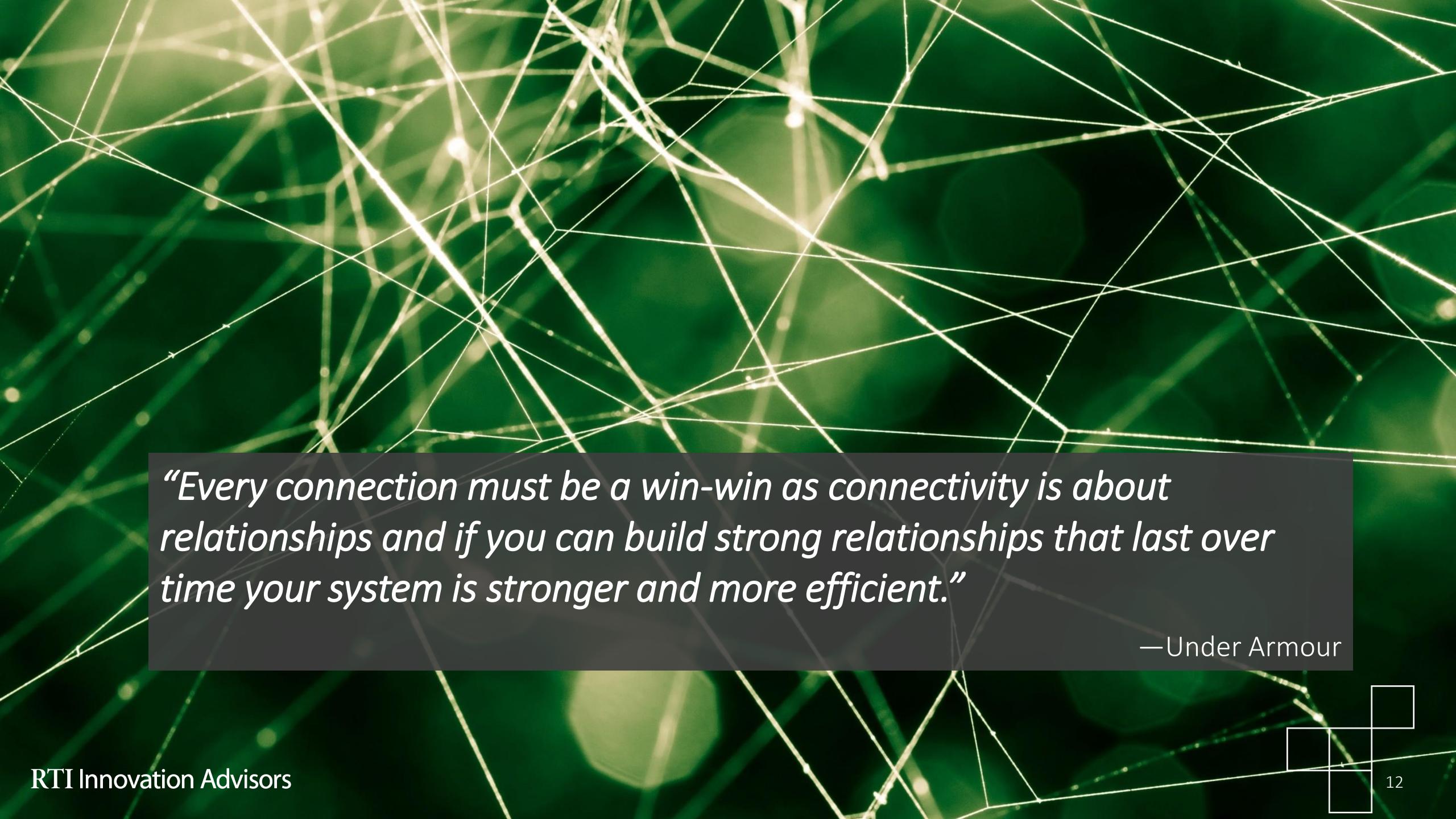
Lack of OI commitment tied to budgets, business/market events, new leadership, and ad hoc approaches all kill OI momentum.

*As an OI lead you can be pitching well, but if nobody is catching, OI fails.*

*If your company can't connect internally, then you won't connect well externally.*

*OI from FEI to BEI, and OI for inflows and outflows, all requires ambidexterity.*

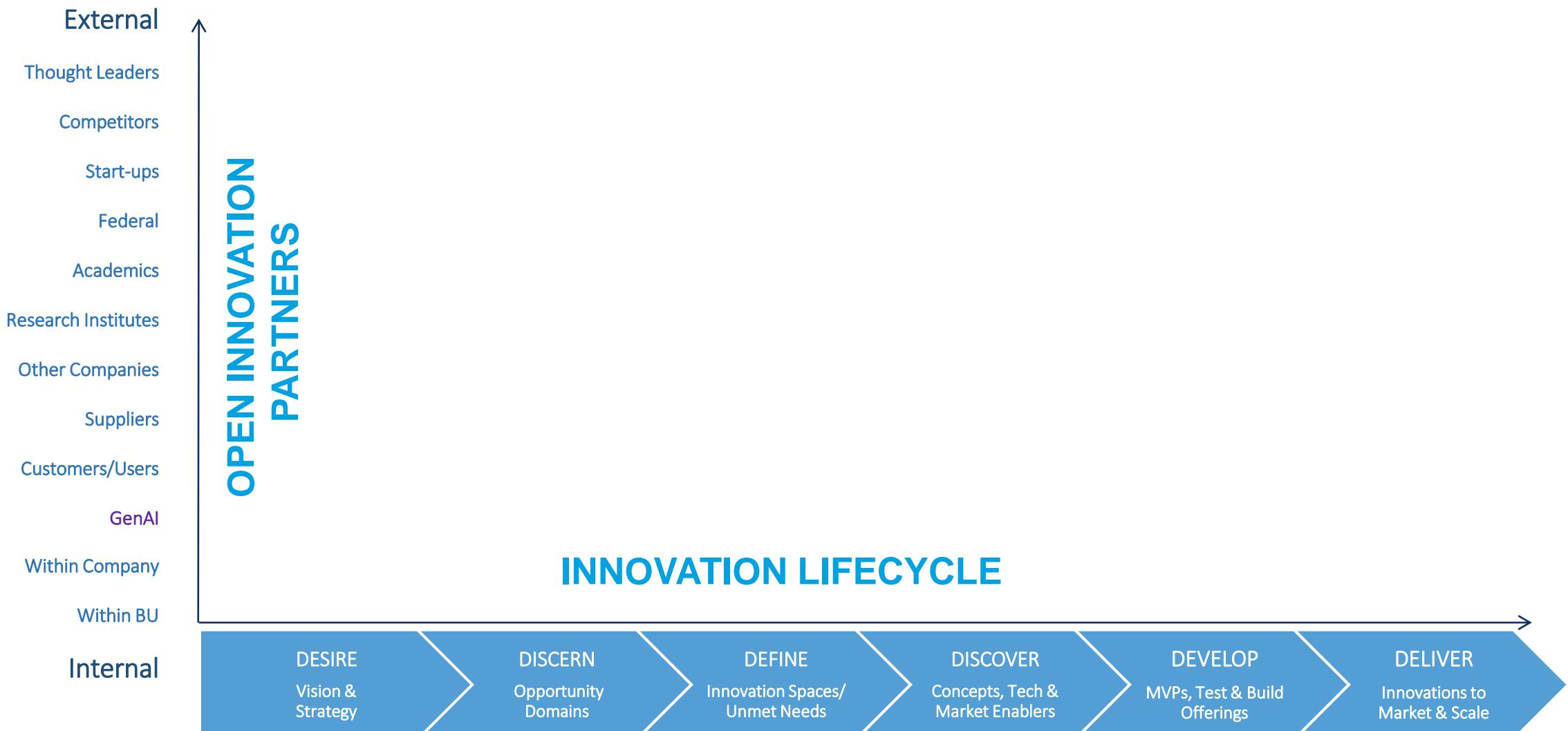
*The yak is slow, but the mountain is patient.  
(Hint: Be the mountain.)*



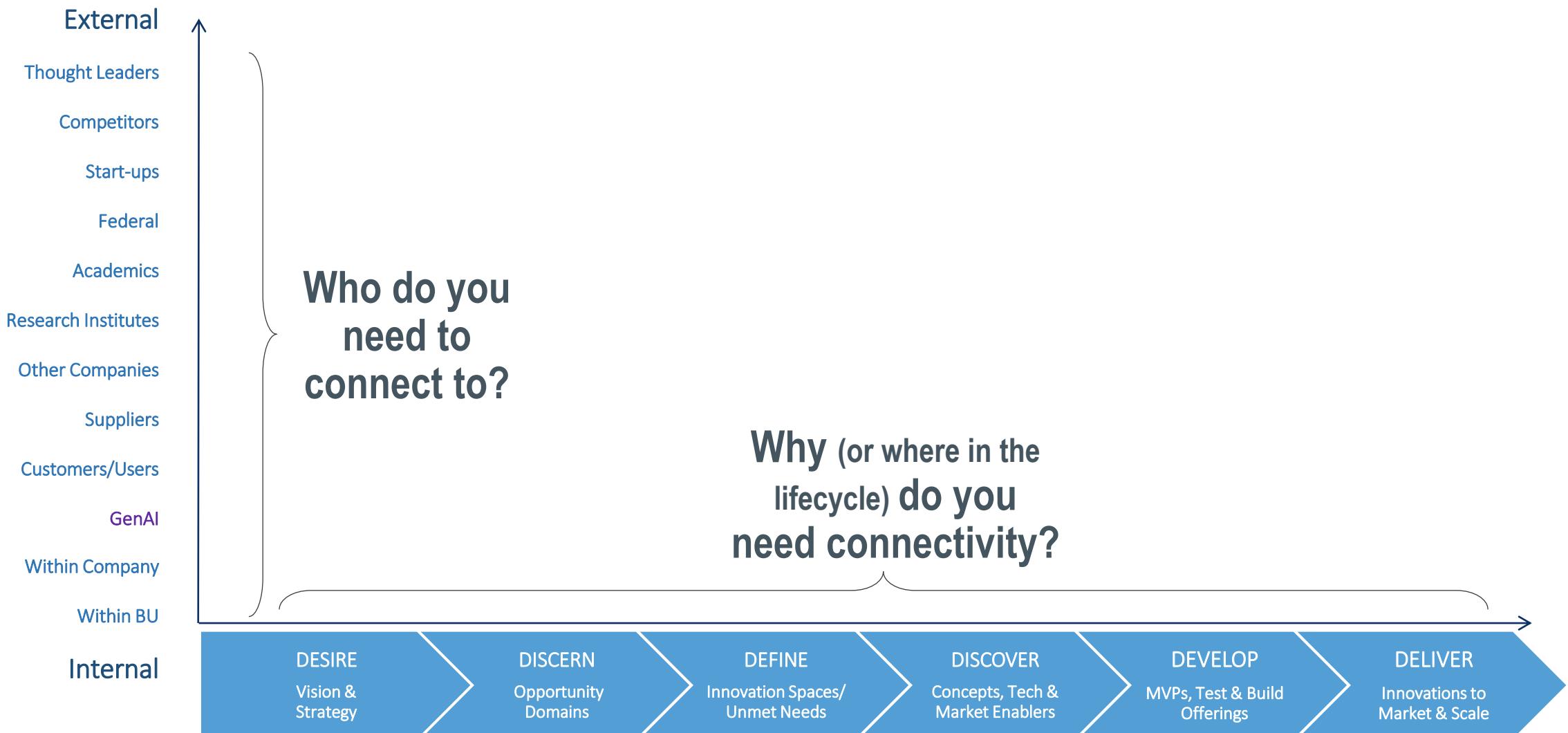
*“Every connection must be a win-win as connectivity is about relationships and if you can build strong relationships that last over time your system is stronger and more efficient.”*

—Under Armour

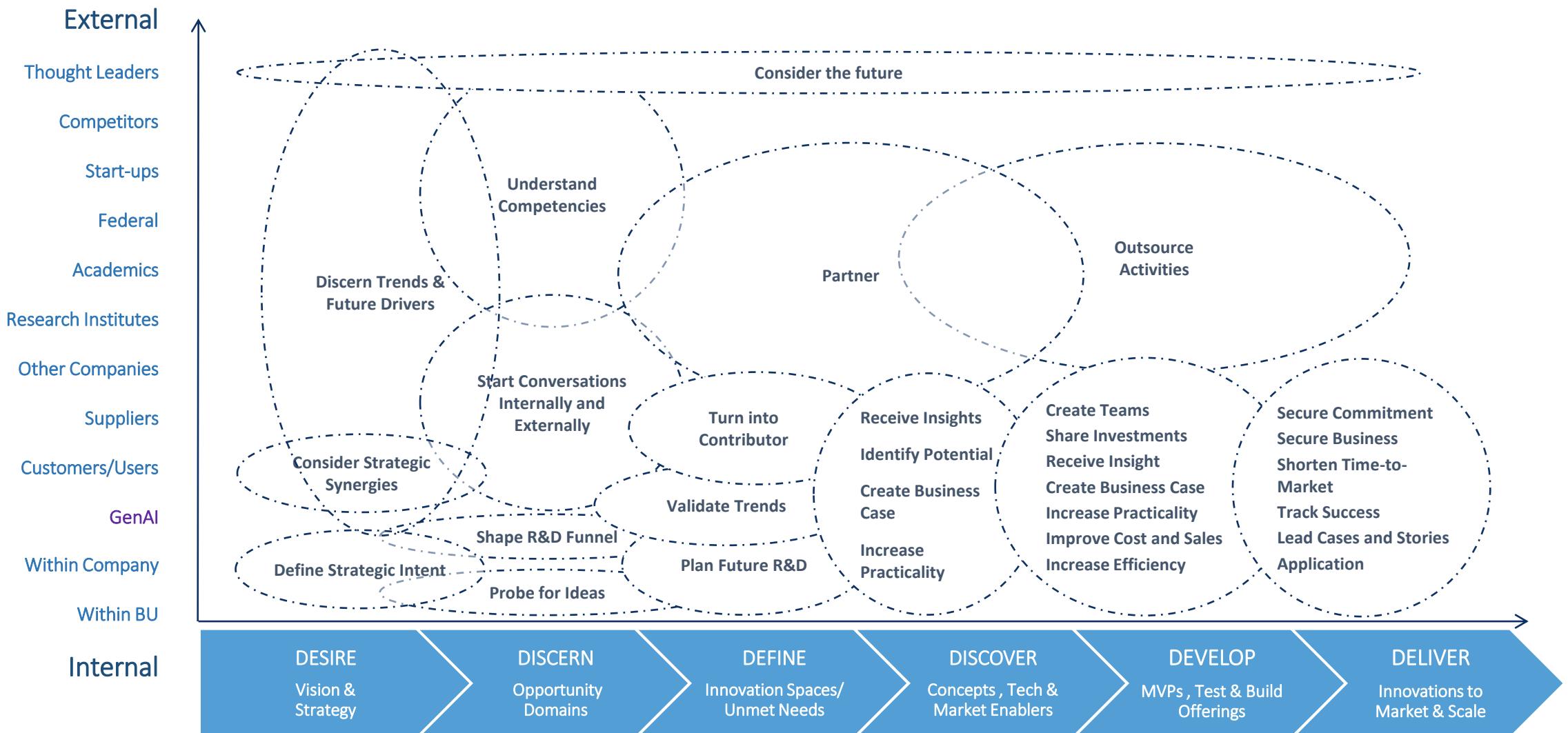
Open Innovation Landscape Mapping helps develop a strategic approach to mapping out your modes of connectivity!



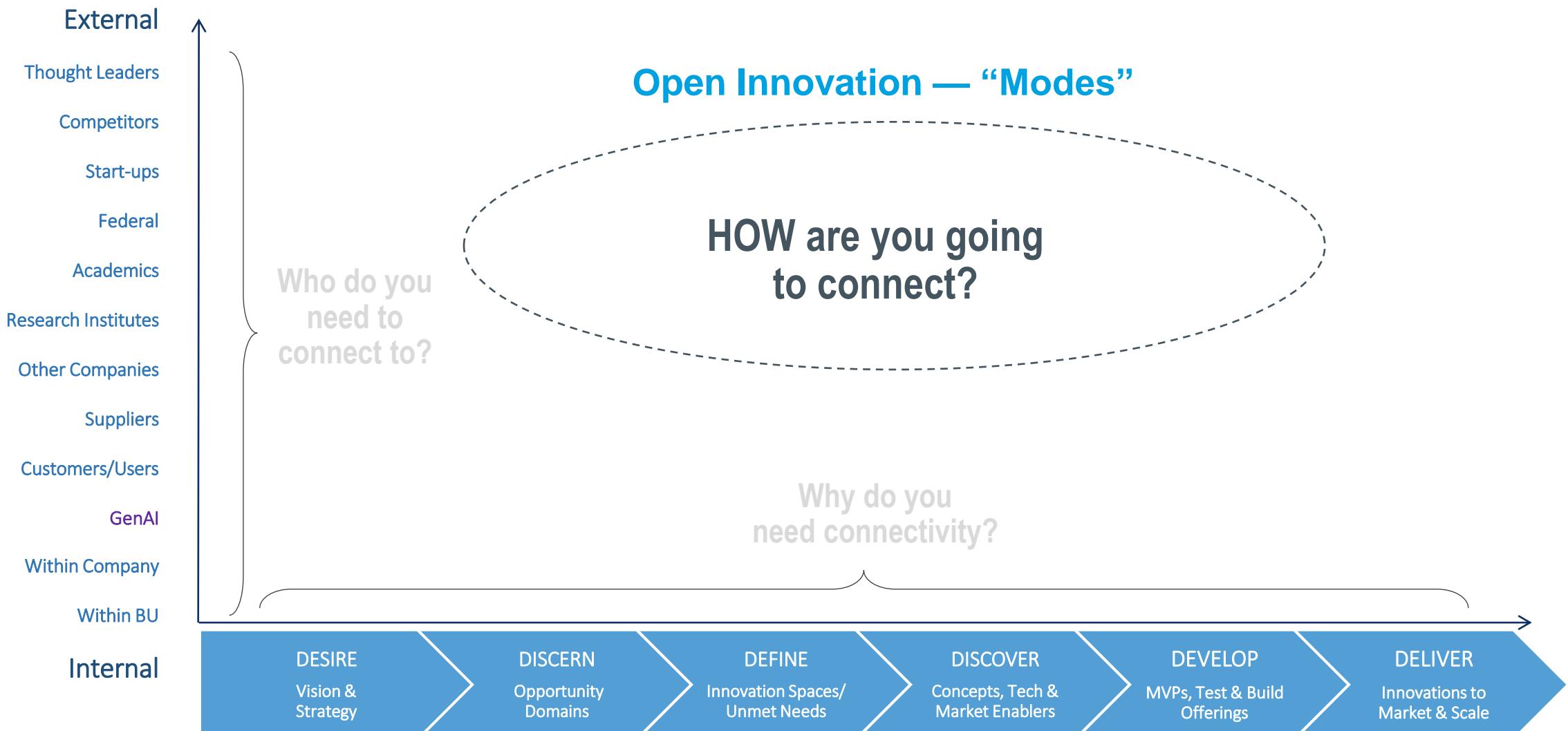
OI Mapping can help identify “connectivity” needs.



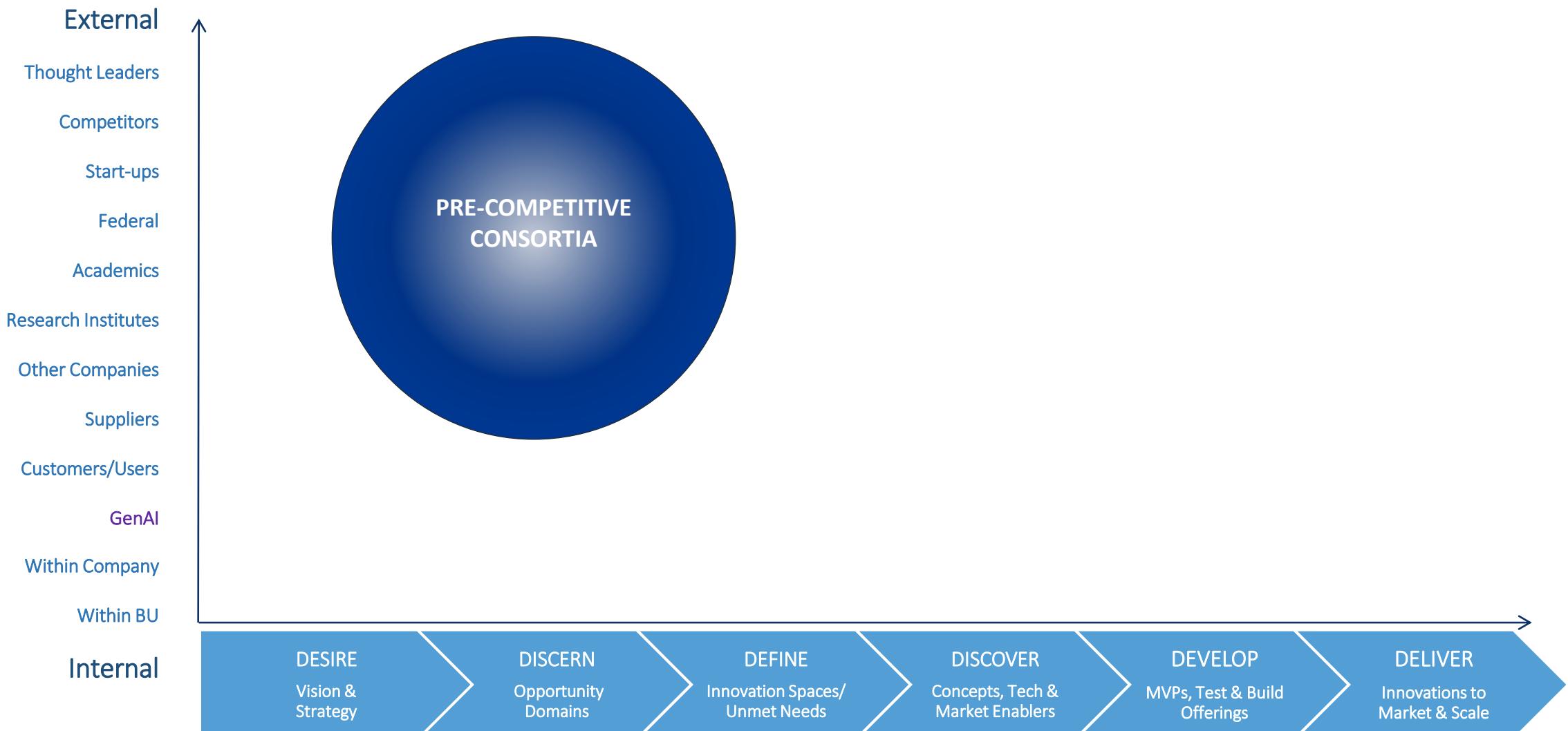
Values of connections? Value is created by the ways you connect inside and outside.



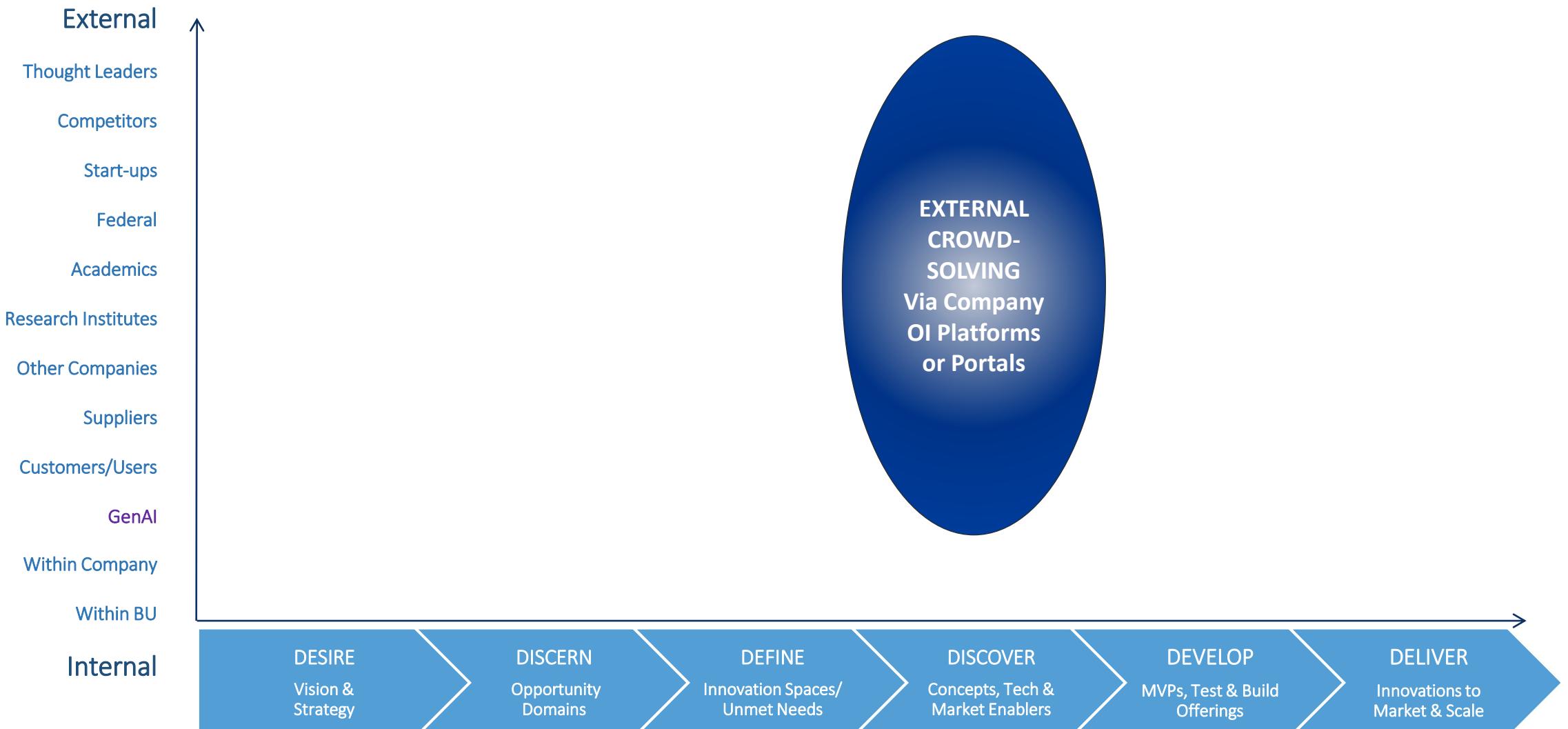
What are all the ways to connect for Open Innovation? There are many modes!



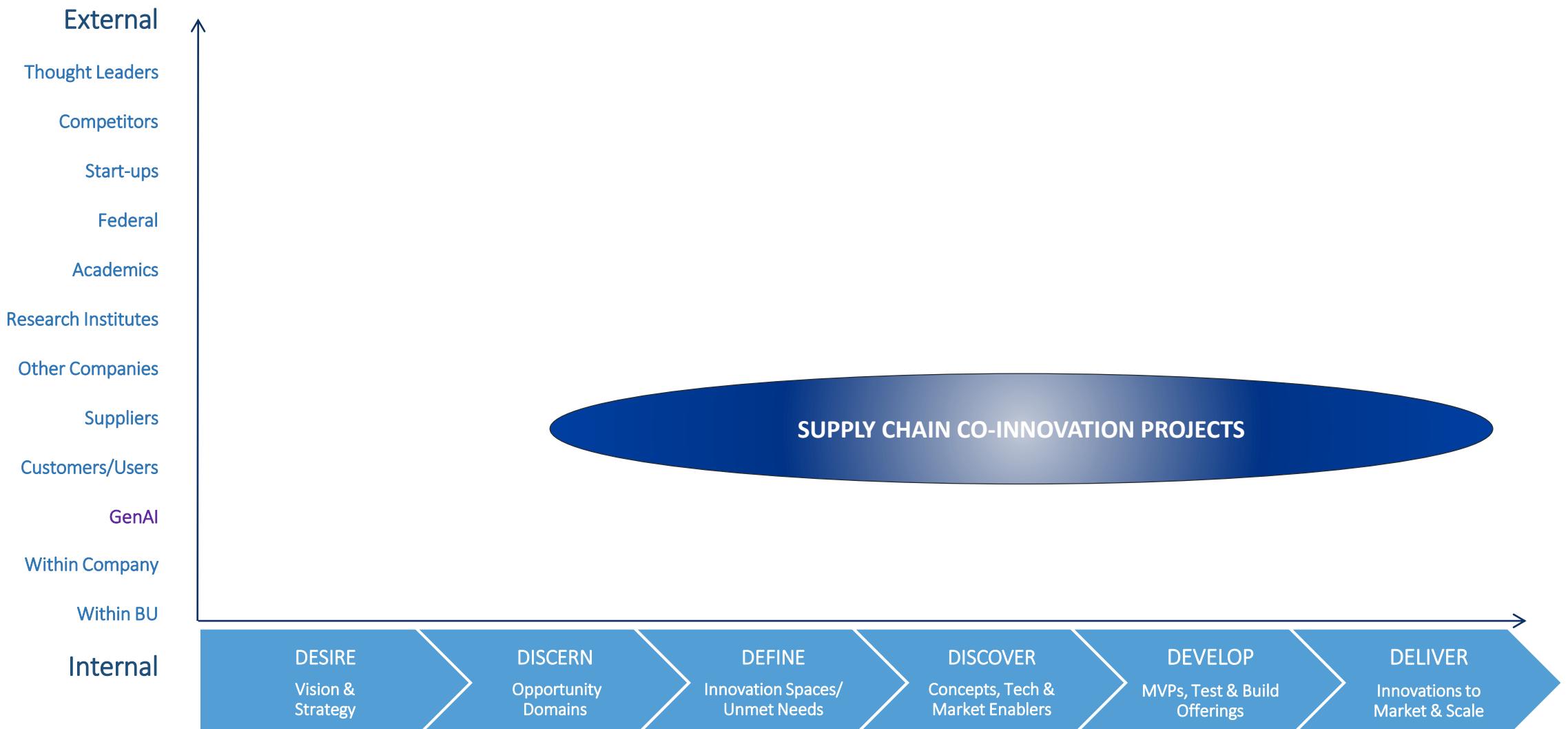
HOW? Example: Pre-competitive Consortia help provide early-stage insights around common challenges and opportunities.



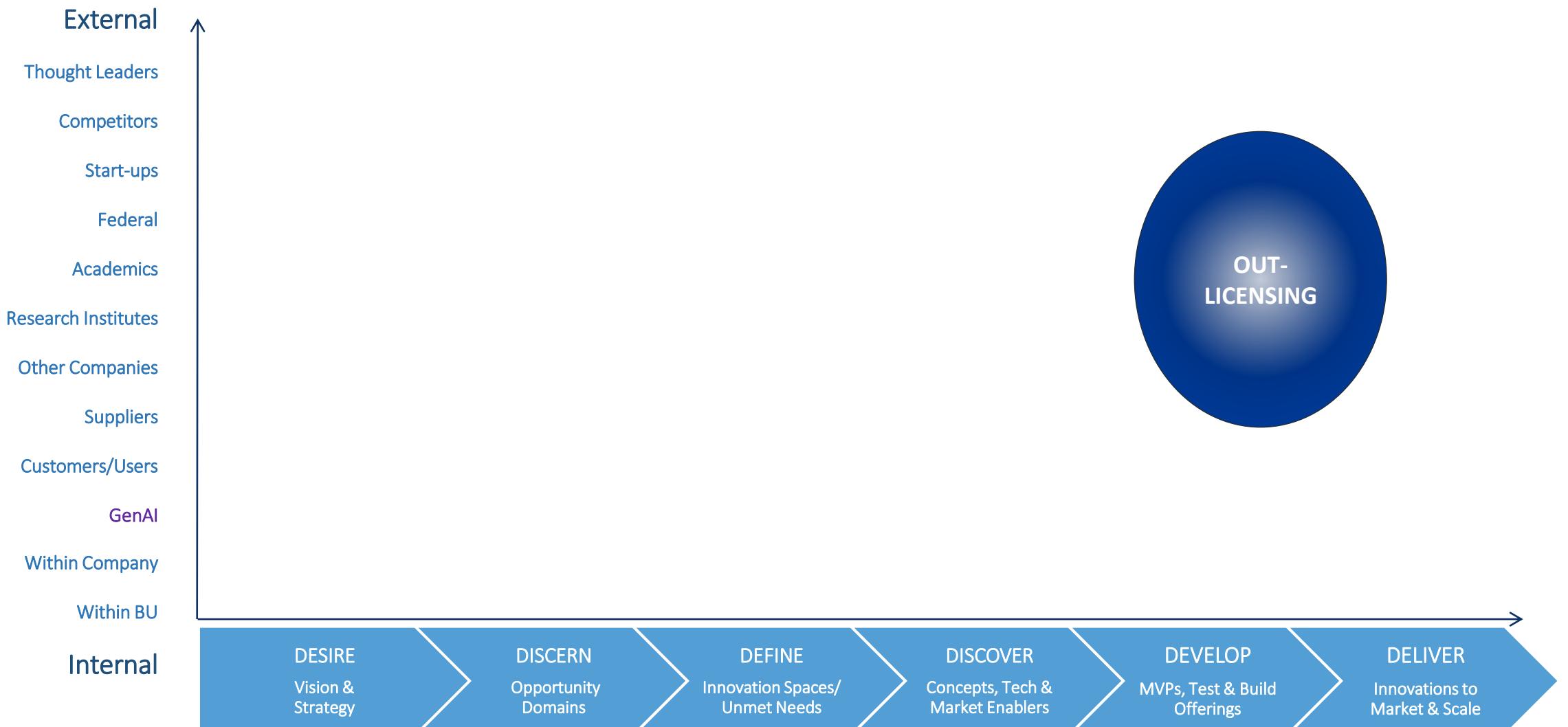
HOW? Example: Crowd-solving platforms bring many new solution ideas, and potential partners, to address well-defined challenges or problems.



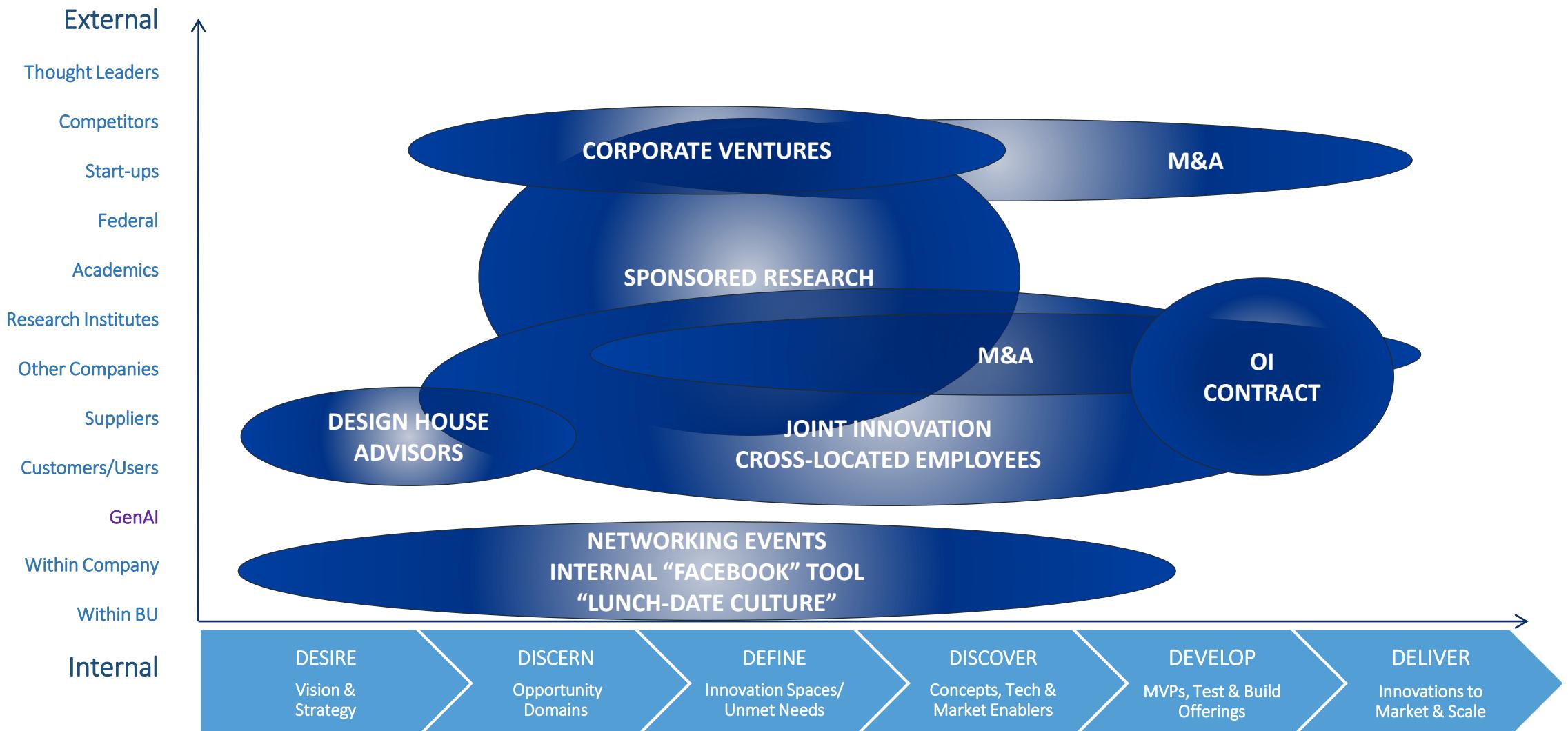
HOW? Example: Co-innovation projects with supply chain partners can help engage new companies to address end user needs and enable innovation.



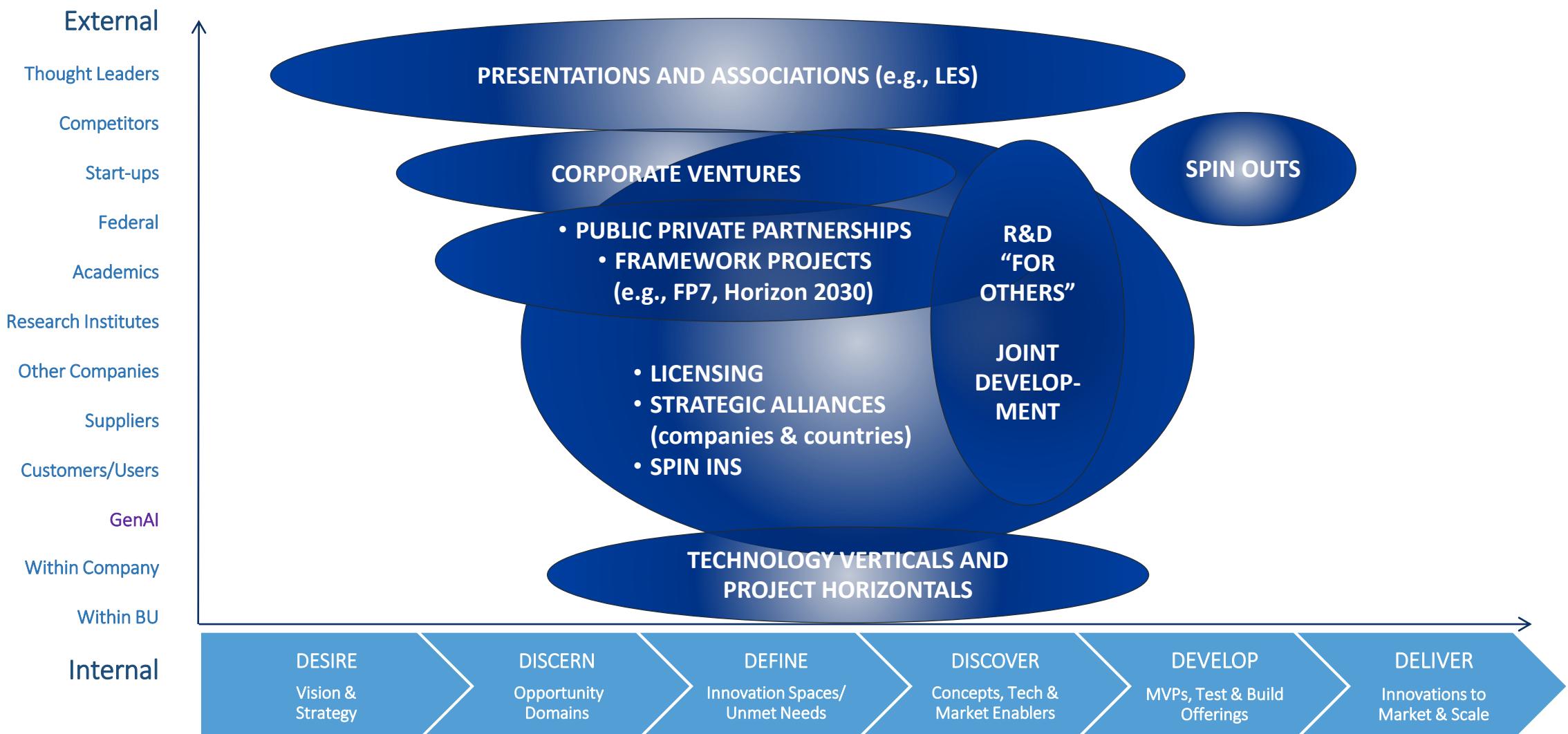
HOW? Example: Out-licensing can convert developed IP into new sources of value.



**BASF Case Study:** This graphic represents the connectivity mechanisms based on past interviews with BASF, but is by no means complete.



**DSM Case Study:** DSM uses a variety of connectivity mechanisms, as illustrated, and sees global connectivity as a core competency and foundational in their innovation success.





*“Chance favors the connected mind.”*

—Chris Roche, VP R&T, Eaton Corp

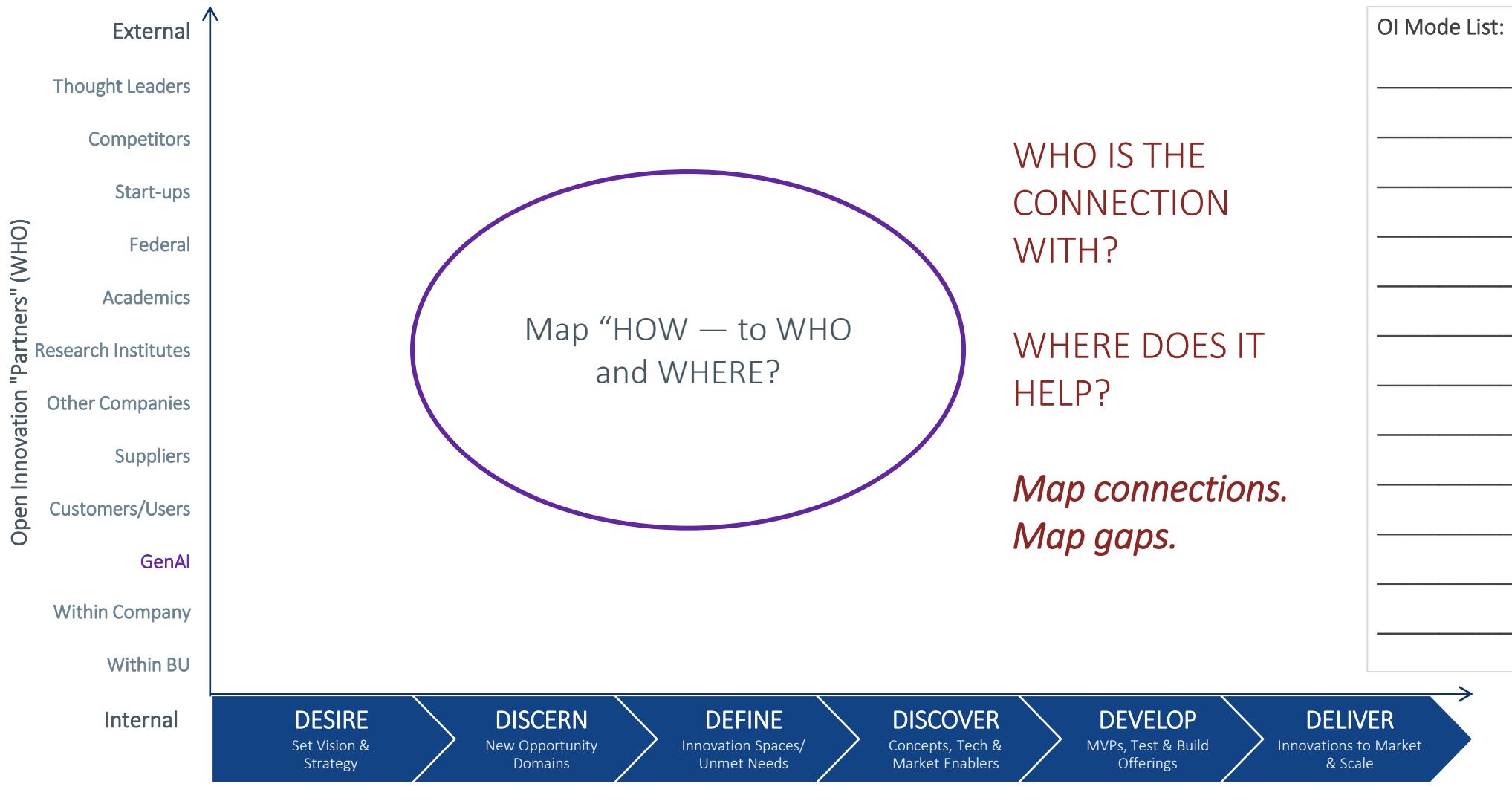
# Open Innovation Landscape Mapping

**WORKSHEET INSTRUCTIONS:** Begin by listing all of the Modes (HOW) your company does Open Innovation (OI) (below, right). Then, place each "Mode" on to the worksheet by considering all of the "WHO" (y-axis) engaged and "WHERE" (x-axis) in the lifecycle each Mode aids innovation.

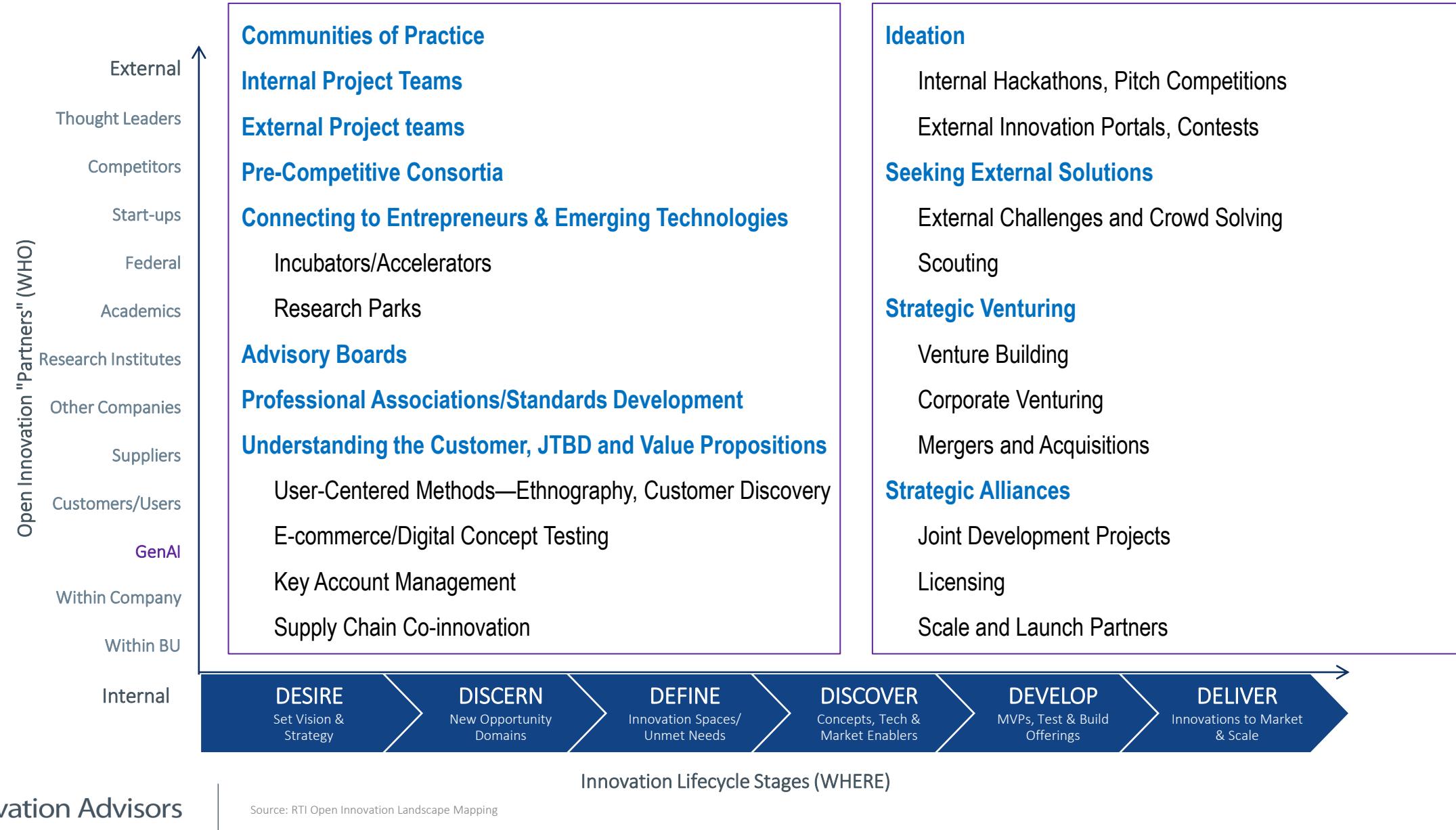


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# Open Innovation Landscape Mapping



## GROUP REFLECTION:

Where do you have MODE strengths? HOW?

Where do you have MODE gaps? WHY?

What is ONE issue or topic your group thinks is KEY to getting more from Open Innovation?



*“Learning faster than the competition is the only sustainable competitive advantage.”*

—Ari DeGues, Royal Dutch Shell

## GROUP REFLECTION:

For the selected issue:

Based upon your experiences,

1) What are the barriers to success?

2) What are the solutions to address those barriers?

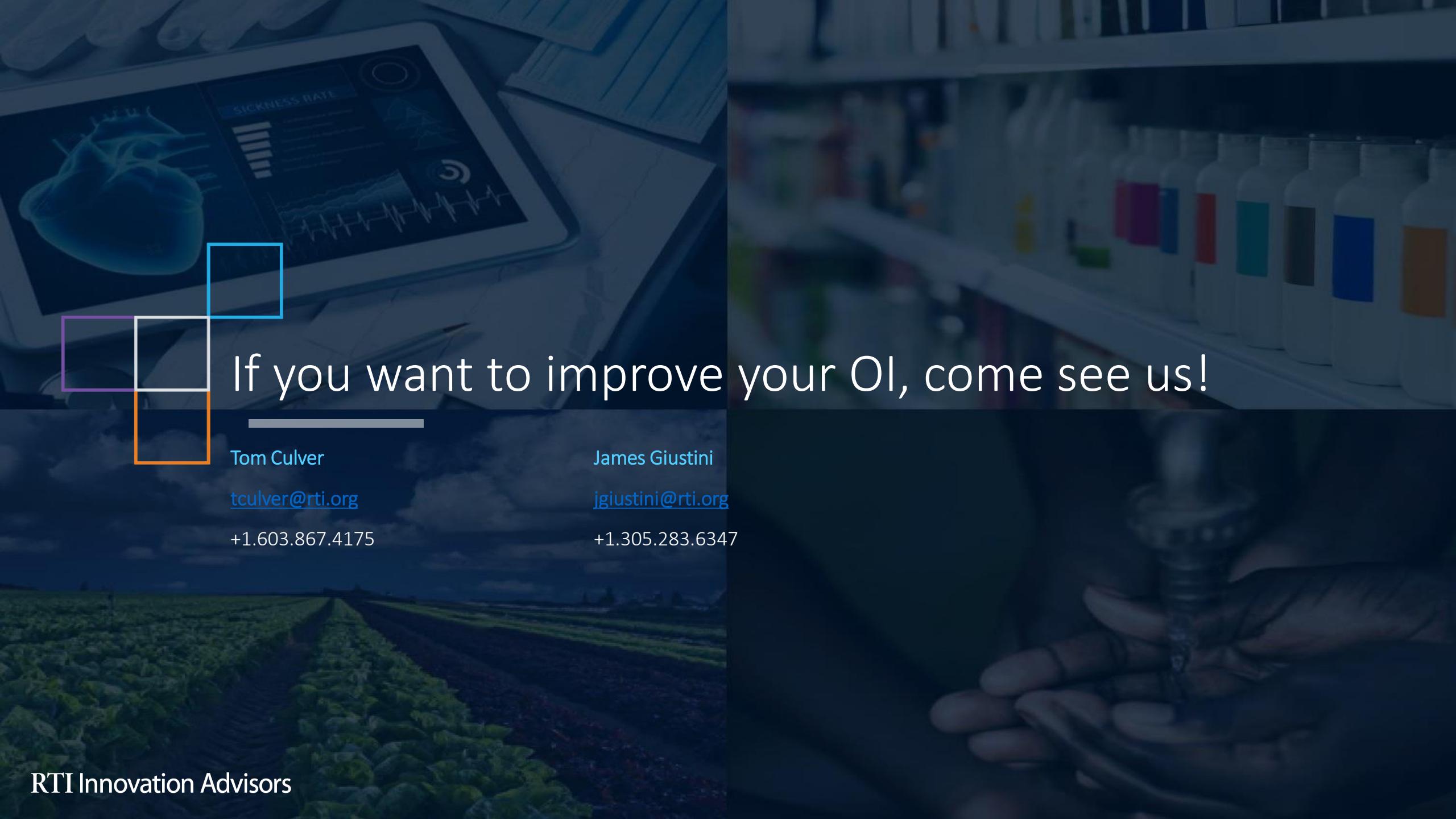


*“Innovation  
distinguishes  
between a leader  
and a follower.”*

—Steve Jobs

# Open Innovation Best Practices: If you are (re)Building an OI capability

Foundation	Build on your company's existing innovation processes, capabilities, and successes.
Model	Create a shared definition of OI, with strong core (central or hybrid) OI support model.
Strategy/Tactics	Set strategic opportunity areas for <b>exploring</b> , build tactical-level MODES, for <b>executing</b> OI.
Culture	Create incentives to shift mindset from problem solver to solution provider, for growth/speed.
Organization	Organize for ambidexterity, staff FEI (exploration) and BEI (execution) differently.
Process	Establish enterprise-level OI process and streamline agreements to engage partners rapidly.
Capabilities/ Resources	Need "T" shaped human and digital (+A.I.) capabilities to for rapid, agile OI.



If you want to improve your OI, come see us!

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