

FROM OPEN INNOVATION THEORY TO CUSTOMER COLLABORATION PRACTICE

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Bocconi University and SDA Bocconi School of Management

March 21, 2013

Università di Pavia, Facoltà di Economia



Overview of My Talk

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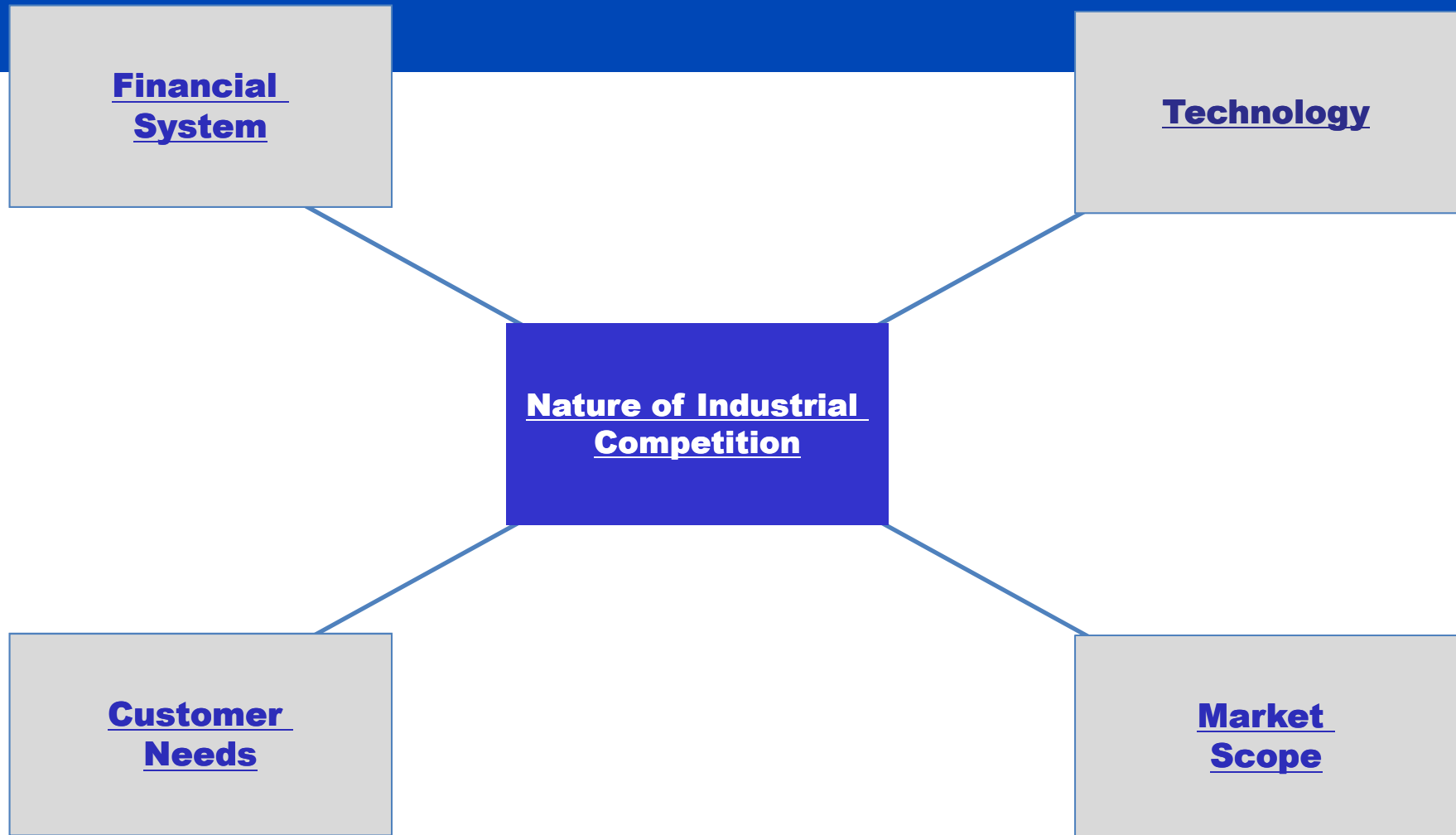
1. Increasing importance of (open) innovation
2. Open innovation
3. Collaborative Innovation
4. Trends in Collaborative Innovation
5. Reinventing the organization
6. Conclusions

1. Increasing Importance of (Open) Innovation



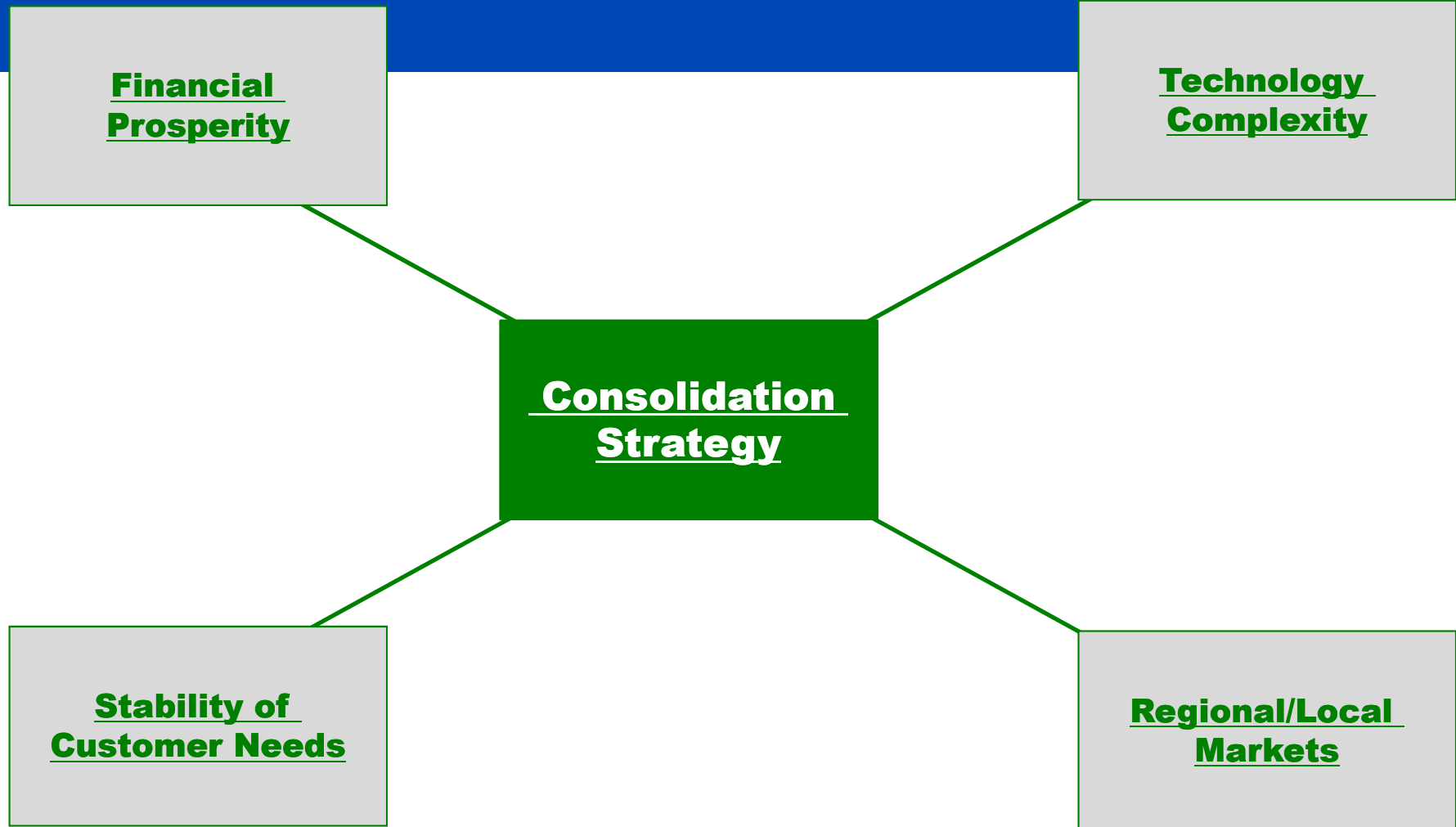
Forces of Business Ecosystems

Bocconi



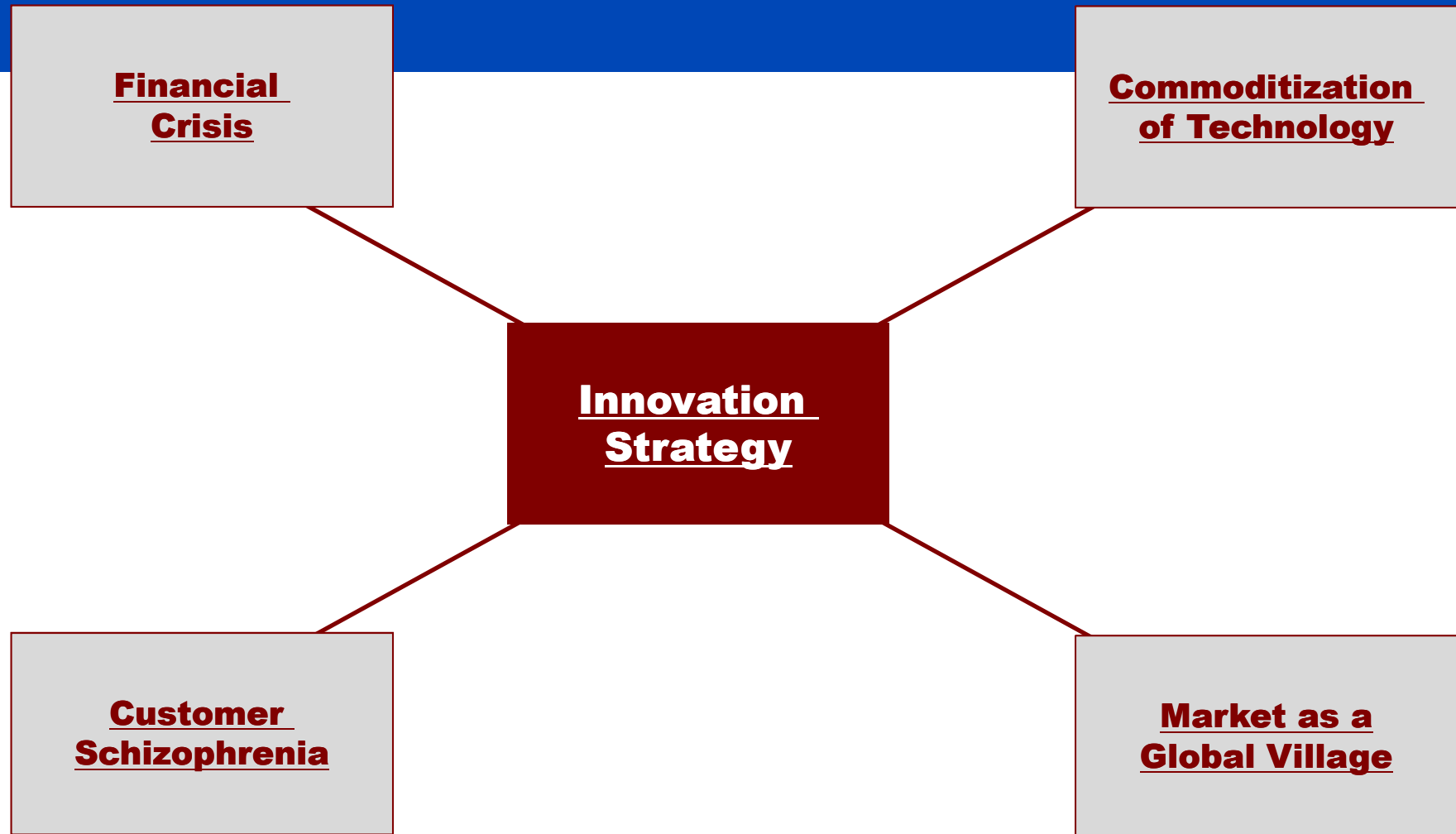
Stable Business Ecosystems in the Recent Past

Becconi



Unstable Business Ecosystems Today

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Media

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Student entrepreneurs are the business

Sunday Business Post

Innovative students give it socks with invention aimed at diabetics

Irish Independent

From classroom to the boardroom

Irish Daily Mail

Helping hand as entrepreneurs win summer placements

Sunday Independent



2. Open Innovation*

*Chesbrough, Henry (2003) *Open Innovation: The New Imperative for Creating and Profiting from Technology*. Boston: Harvard Business School Press.

The Traditional Innovation Paradigm: Innovation as a Closed System

Bocconi



Closed Innovation

Proprietary R&D

Within the boundaries of the firm

Without external exchanges if not necessary

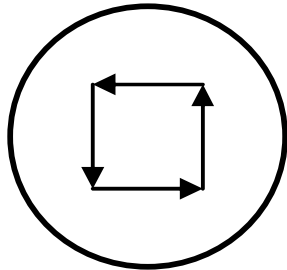
The Open Innovation Paradigm

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- Innovation as a community phenomenon
- Innovation as to be co-developed with users and providers
- The more you open up your firm boundaries the more you can benefit

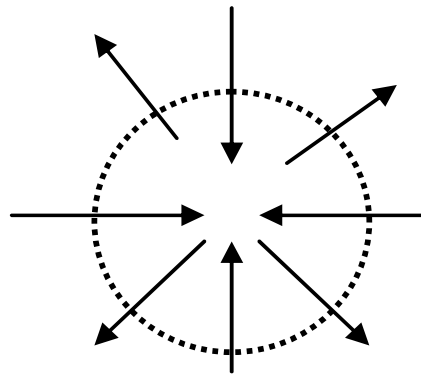


HIERARCHY



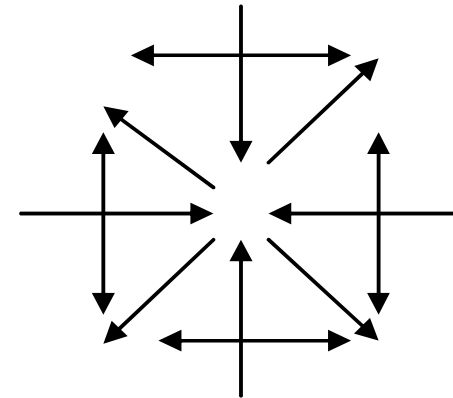
Internal control

COMMUNITY

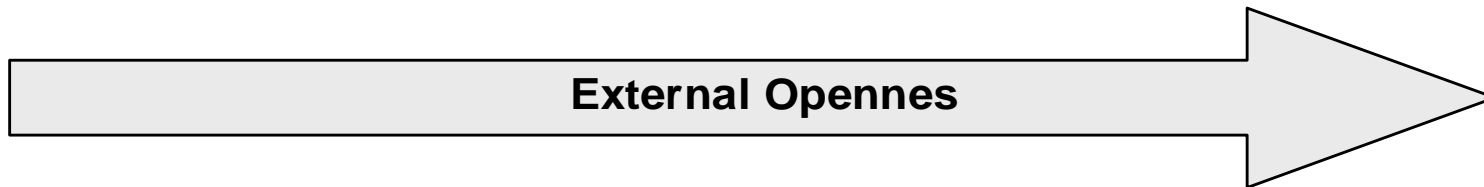


Hybrid control

MARKET



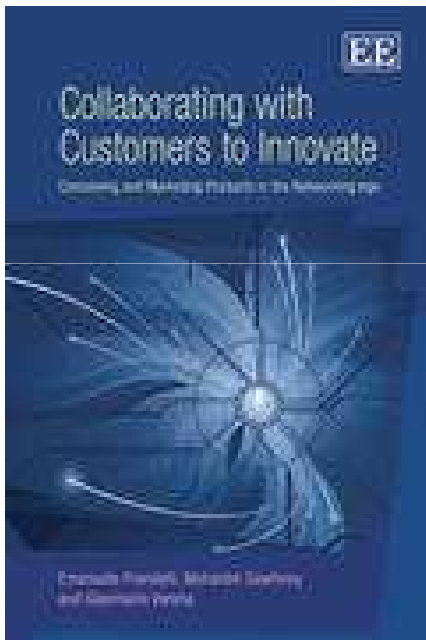
External control



3. Collaborative Innovation



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Nineties: The Internet

Bocconi



New Millenium: Social Media



Videos

Categories

Channels

Director Videos



[al-Qaeda's Zawahri ...](#)
CBS



[Tim and Eric Awesom...](#)
adultswimdotcom



[Plastic TaxCutContest](#)



[NHL Saves of the Week](#)
NHLVideo

facebook



LinkedIn



flickr

You aren't signed in Sign In H

Home The Tour Sign Up Explore

Search everyone's photos Search

View of Positano, Italy



The bougainvillea was just inspiring

Comments

Uploaded on June 15, 2006 by tollen

tollen's photostream



This photo also belongs to:

Travel (Set)



Italy (Pool)

Calendar Shots (5 per day) (Pool)

Beauty of Nature (Pool)

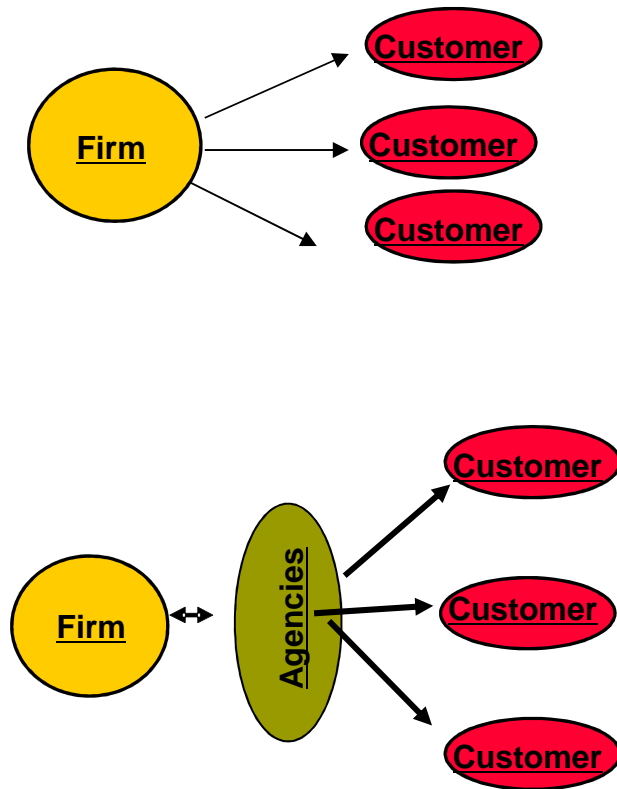
It's multi-colored!!! (Pool)

The screenshot shows the Myspace.com homepage with a blue header. The navigation bar includes links for Home, Browse, Search, Invite, Film, Mail, Blog, Favorites, Forum, Groups, Events, Videos, Music, Comedy, and Classifieds. A search bar is prominently displayed. Below the navigation, there's a 'Cool New Videos' section with four video thumbnails: 'Lat Show' by Axlryn, 'Golden Bear' by Hazard, 'Deli Clerk' by Chris and Gery, and 'So Smooth' by Berwa. A banner for 'DOES YOUR BAND DOMINATE?' is visible on the right. At the bottom, there's a 'Member Login' section with input fields for E-Mail and Password. A sidebar on the left lists various categories like Books, Comedy, Movies, Schools, Blogs, Filmmakers, Music, TV On Demand, Chat Rooms, Horoscopes, Music Videos, and Videos, along with a 'MySpaceIM' link.

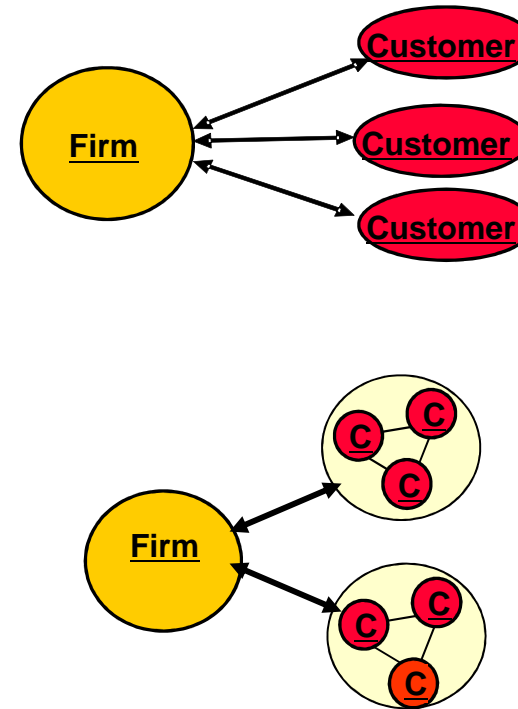
Professor Gianmario Verona
gianmario.verona@unibocconi.it

From *Customer interaction* to *Customer Collaboration and Networking*

Yesterday



Web 2.0





AFOL

AFOL Innovates

Observations

Interviews

Secondary
data
LEGO Group

Netnography



- Adult Fan of LEGO - AFOL User's Group
- Self-formed (organic) brand community
 - Exists online/offline
- Specialized according to themes and interests
 - AFOL's are men
 - LEGO purists!
 - Mostly in their 20-40s
- Many AFOL's spend >2,000 \$ per year buying LEGO



By Justin "Saber-Scorpion" Stebbins See all my LEGO customs at my website: <http://www.saber-scorpion.com/>



(C)EARL'sCOURT 2004

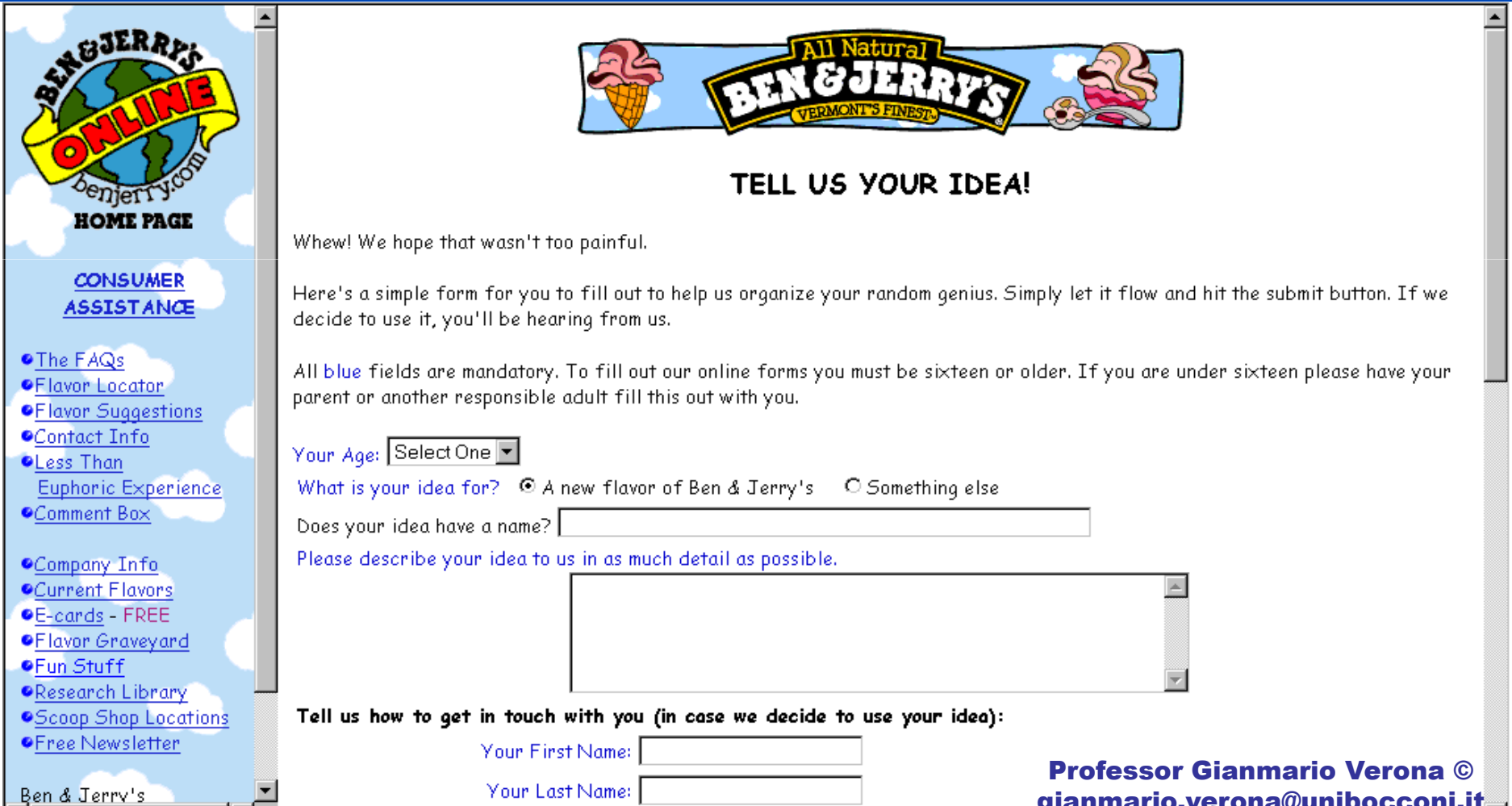


Now We have New Retro-Guns...
Yes, the Silver Round Plate Rules!!!!



Collaborative idea generation: benjerry.com

Bocconi



The screenshot shows the Ben & Jerry's website interface. On the left is a vertical navigation menu with the Bocconi logo at the top. The main content area features the Ben & Jerry's logo with the tagline 'All Natural BEN & JERRY'S VERMONT'S FINEST'. Below the logo is the heading 'TELL US YOUR IDEA!' and a paragraph: 'Whew! We hope that wasn't too painful. Here's a simple form for you to fill out to help us organize your random genius. Simply let it flow and hit the submit button. If we decide to use it, you'll be hearing from us.' The form includes a dropdown for 'Your Age', radio buttons for 'What is your idea for?' (selected: 'A new flavor of Ben & Jerry's'), a text field for 'Does your idea have a name?', and a large text area for 'Please describe your idea to us in as much detail as possible.' At the bottom, there are text fields for 'Your First Name' and 'Your Last Name' under the heading 'Tell us how to get in touch with you (in case we decide to use your idea):'. The footer of the page includes the contact information for Professor Gianmario Verona.

BEN & JERRY'S ONLINE
benjerry.com
HOME PAGE

CONSUMER ASSISTANCE

- [The FAQs](#)
- [Flavor Locator](#)
- [Flavor Suggestions](#)
- [Contact Info](#)
- [Less Than Euphoric Experience](#)
- [Comment Box](#)

- [Company Info](#)
- [Current Flavors](#)
- [E-cards - FREE](#)
- [Flavor Graveyard](#)
- [Fun Stuff](#)
- [Research Library](#)
- [Scoop Shop Locations](#)
- [Free Newsletter](#)

Ben & Jerry's

All Natural BEN & JERRY'S VERMONT'S FINEST

TELL US YOUR IDEA!

Whew! We hope that wasn't too painful.

Here's a simple form for you to fill out to help us organize your random genius. Simply let it flow and hit the submit button. If we decide to use it, you'll be hearing from us.

All blue fields are mandatory. To fill out our online forms you must be sixteen or older. If you are under sixteen please have your parent or another responsible adult fill this out with you.

Your Age:

What is your idea for? A new flavor of Ben & Jerry's Something else

Does your idea have a name?

Please describe your idea to us in as much detail as possible.

Tell us how to get in touch with you (in case we decide to use your idea):

Your First Name:

Your Last Name:

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Collaborative idea generation: threadless.com

Bocconi

threadless
Nude No More

Shop Participate Info Login/Join

\$ Full Catalog Stock Chart 12 Club Tee-riffic Photos Retail Store

SHOP! New designs for **APRIL 7**

← Last week / Next week →



From Decapitated Doomsday
\$40 by Steak Mountain



From Peaceful Future by Jack Yu
\$20



From 8-Bit Investigation by Aled Lewis



From Word! by Matt "The Word" Palmer
\$15



From ATTACK OF THE MOLE PEOPLE!!! by Sam Schuna
\$17



From Greek Mixology by Brock Davis
\$20

Howdy, stranger



0 items in your cart!

Checkout →

Join the Newsletter!

Sign Up

HUH? THREADLESS? Next →

Threadless is a community based tee shirt company with an ongoing, open-call for tee design submissions.



If your design is chosen for print, get paid up to **\$12,500+** \$500 per reprint!

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r
v
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Collaborative idea generation: InnoCentive

Bocconi



[Overview](#) | [Getting Started](#) | [FAQ](#) | [Register](#) | [Site Map](#) | [Help](#)



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Luigi Bocconi

Using The Website

Overview

Here's a straightforward look at how InnoCentive enables scientists to solve corporate R&D challenges for financial incentives.

[More](#)

Getting Started

View this quick, one-page introduction on using the web site to review Challenges, register as a Solver, and submit solutions.

[More](#)

Frequently Asked Questions

Find answers to questions about InnoCentive, including information about usernames and passwords, submitting solutions, Project Rooms, and more.

[More](#)

Using The Website

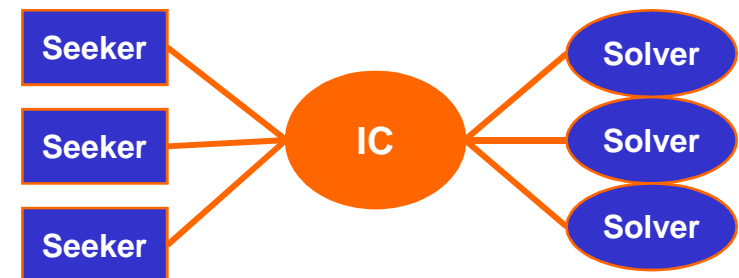


Companies contract with InnoCentive as "Seekers" to post R&D challenges. Scientists register as "Solvers" to review challenges and submit solutions online. The Seeker company reviews submissions and selects the best solution. InnoCentive issues the reward amount to the winning scientist/Solver.

[Click here to review InnoCentive Challenges.](#)

Site Map

Visit this section to find a clickable map of all the content areas within InnoCentive.com site.



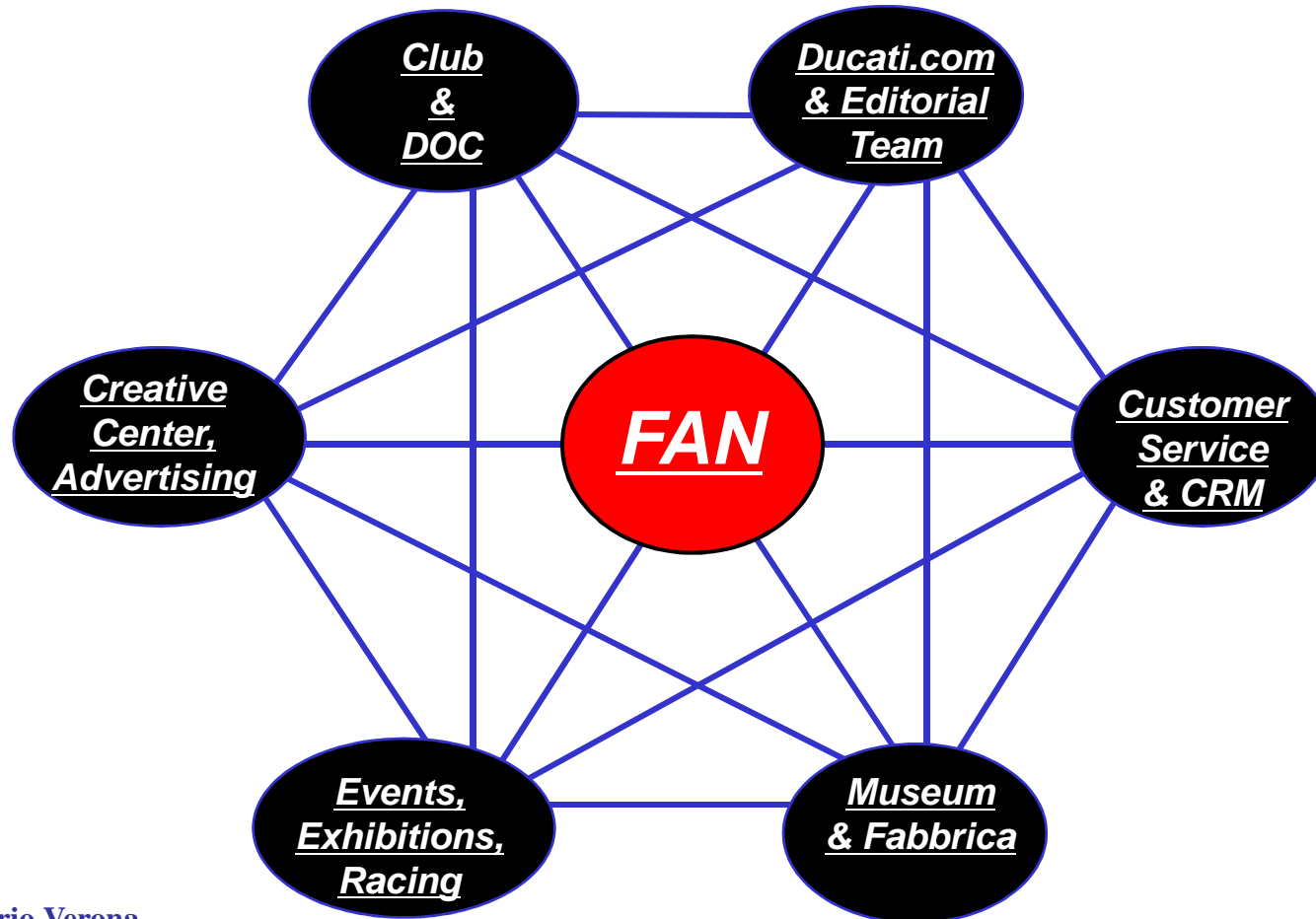
InnoCentive – a spin-off of Eli Lilly, which allows a direct dialog among companies and researchers who are able to provide solution to concrete problems

Professor Gianmario Verona ©
gianmario.verona@unibocconi.it



From Customers to Fans

Bocconi



Ducati

Bocconi

DUCATI.COM

COMPANY BIKES HERITAGE RACING DUCATI WORLD



How the new Ducati advertising campaign was born

The casting and photo-shoot for **DucatiPeople2002**, Ducati's new advertising campaign, recently came to an end. The new campaign features Ducati owners willing to lend their face to representing Ducati around the world.

David Gross, Director of Strategic Development, decided to carry out a worldwide search for the enthusiasts that will express the soul and spirit of the Borgo Panigale company. The lucky winners were then flown to Bologna, Italy, where they were given the red-carpet treatment. They toured the historic factory museum, attended presentations by Ducati CEO Carlo Di Biagio and Chief Designer Pierre Terblanche, with Troy Bayliss, Giancarlo Falappa and Davide Tardozzi, and, of course, participated in the photo-shoot with noted photographer Toni Thorimbert. [Meet the winners!](#)

Over the next few weeks [Ducati.com](#) will update this page, so don't forget to come back to see all the photos, backstage comments, trivia and much more on the first Ducati advertising campaign in which you true enthusiasts, are the real stars!

THE WINNERS!

Enthusiasts from all over the world answered Ducati's Casting call. Thousands of submissions were received. Twenty-six were chosen.

Here are the lucky Ducatisti who will be flown to Bologna, Italy, tour the renowned Ducati factory in Borgo Panigale, meet numerous Ducati VIP, and be professionally photographed for possible use in next year's Ducati People 2002 Campaign!

All Winners will be photographed between 17th and 21st of October. The selection represents a wide variety of Ducatisti, from Italy to America, from Britain to Japan...

 • Sasha Asensio Suarez • Spain	 • Claudio Bafera • Italy	 • Lisa Bennett • USA	 • Riccardo Biancotto • Italy
 • Mark Brown • UK	 • Knight Chang • USA	 • Sebastian Cornery • Switzerland	 • Enrico Didonè • Italy
 • Stephan Gallotta • France	 • Nicole Hofmann • Germany	 • Bert Janssens • Belgium	 • Charles Johnson • USA
 • Steve Layton • USA	 • Annette Loeu • Germany	 • David Mariotti • Italy	 • Takio Mori • Japan

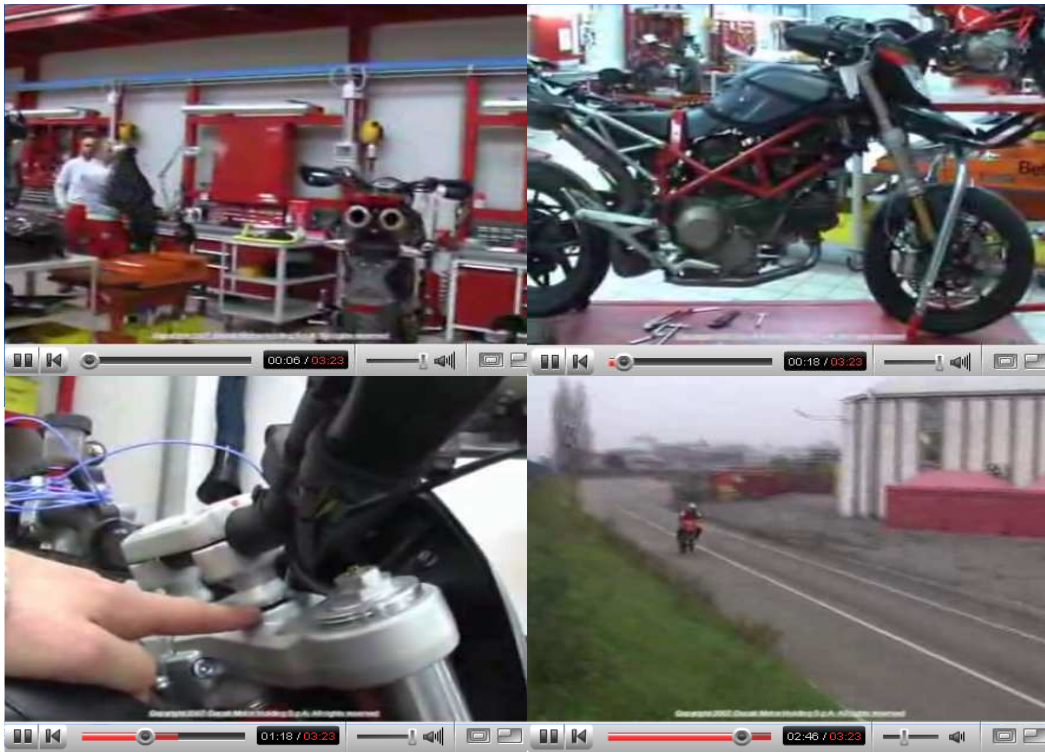
- The testimonials for the adv campaigns by Ducati are selected among the same fans
 - For the campaigns 2002 and 2003 thousands of bikers participated to the on line casting
 - The 2005 campaign has been realized in Ducati clubs and only their members could take part to it.
- Every year the initiative will be realized in different Countries

Ducati: physical artifacts from customers

Bocconi



- During the World Ducati Week (WDW), that gathers in Italy Ducati fans from all over the world, the company organizes the Ducati Garage Challenge.
- The purpose is to allow bikes' owners to show how they transformed their Ducati thanks to their skills and passion
- In the 2004 edition, 21 motorcycles constructed by Ducati were remodelled by the fantasy and imagination of those who have spent night and day in their workshops to transform their dreams into reality
- The winners are selected through the votes expressed by official Ducati riders, as well as by the company's technical and styling directors




Hypermotard: work in progress! -2- - Microsoft Internet Explorer

File Modifica Visualizza Preferiti Strumenti ?

Indirizzo C:\Documents and Settings\user\Desktop\JPIM\Casi\Blog\Hypermotard work in progress! -2-.htm


Hypermotard: work in progress! -2-

Wednesday 21 February 2007 17:36:04 by Federico Minoli



La seconda "tappa" del "dietro le quinte" dell'Hypermotard riguarda i test fatti al circuito di Mores dal pilota e amico Vittoriano Guareschi. Ecco a voi qualche foto e un'intervista telefonica che ho fatto a "Vitto" qualche giorno dopo i test. A presto!

[Clicca qui per ascoltare l'intervista \(in italiano\)](#)



Bikes
[Community](#)
[Corporate](#)
[Press](#)
[Product](#)
[Racing](#)

ARCHIVE
[February 2007](#)
[January 2007](#)
[December 2006](#)
[November 2006](#)
[October 2006](#)
[September 2006](#)
[August 2006](#)
[July 2006](#)
[June 2006](#)
[May 2006](#)
[April 2006](#)
[March 2006](#)

RSS SYNDICATION
[RSS 2.0](#)

Indietro - - - - - Cerca Preferiti

Indirizzo <http://blog.ducati.com/post/111/hypermotard-work-in-progress>

Google Cerca

Hypermotard: work in progress!

Hypermotard: work in progress!

Wednesday 14 February 2007 14:44:40 by Federico Minoli



loading... 03:23

L'Hypermotard si sta avvicinando rapidamente al momento della produzione e del lancio. Come abbiamo cercato di fare fino ad ora, vorremmo rendervi partecipi in diretta delle attività e delle decisioni che stiamo prendendo su questa moto.

SEARCH

CATEGORIES

[At The Factory](#)
[Bikes](#)
[Community](#)
[Corporate](#)
[Press](#)
[Product](#)
[Racing](#)

ARCHIVE

[February 2007](#)
[January 2007](#)
[December 2006](#)
[November 2006](#)
[October 2006](#)
[September 2006](#)
[August 2006](#)

1098

Ducati

SHOP AT DUCATI.COM

CLICK HERE

<http://blog.ducati.com/>

4. Trends in Collaborative Innovation



The changing concept of markets

Firm-Consumer Interaction

- Interaction is the locus of economic value extraction
- Markets are forums for value exchange

The Firm
Creates Value

The Market
Exchange of Value

The Consumer
Target of Firm's Offerings

Firm-Consumer Interaction

- Interaction is the locus of co-creation of value and value extraction
- Markets are forums for co-creation of experiences

The Firm:
Collaborator in co-creating value
Competitor in extracting value

The Market:
Co-creation Experiences
of Unique Value

The Consumer:
Collaborator in co-creating value
Competitor in extracting value

Trend 1. New tools for market research

1. On line transposition of traditional techniques (e.g. from Concept Testing to Virtual Concept Testing)

2. New approaches to market research (e.g. data mining, “open innovation”, virtual stock markets, etc.)

Bocconi

The screenshot displays the comScore website interface. At the top, the comScore logo is accompanied by the tagline "Unparalleled Insight Into Consumer Behavior™". A navigation menu includes links for "About comScore", "Marketing Solutions", "Media Metrix", "Methodology", "Press Center", "Privacy", and "Contact".

The main content area is divided into two columns:

- comScore MARKETING SOLUTIONS:** Customized information and consulting services, built for the unique needs of marketers in industries such as:
 - » Automotive
 - » Travel
 - » Pharmaceutical
 - » Retail
 - » Financial Services
 - » Telecommunications
 - » Media
 - » Entertainment
 - » Consumer Packaged Goods
- comScore MEDIA METRIX:** Industry-leading Internet audience measurement services that report – with unmatched accuracy – details of Web site usage, including:
 - » Media Metrix 2.0 / XPC
 - » Audience Insight Measures (AiM)
 - » Ad Sales Networks
 - » Online Search Solutions
 - » Hispanic Services
 - » LocalScore
 - » Local Market Reporting
 - » Global Services

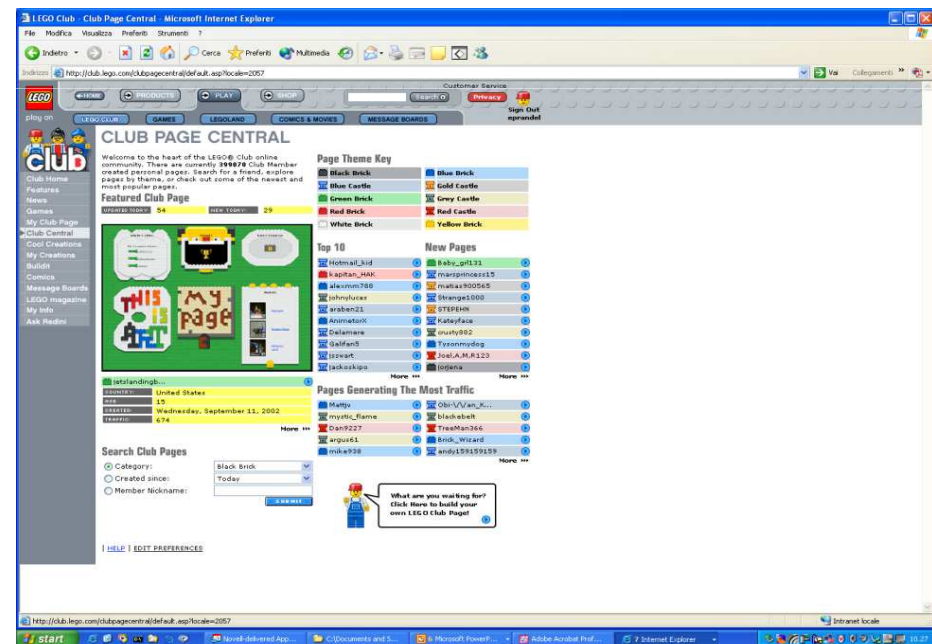
Below these columns are two sections:

- Company News:** A list of recent news items, including "Sharp Decline in Music File Swapping: Data Memo from Pew Internet Project and comScore Media Metrix" and "Weekly Online Retail Sales Break Through \$2 Billion Mark, comScore Reports".
- Events & Announcements:** A section titled "Marketing to U.S. Hispanics and Latin America" in Miami, Florida, from January 26-27, 2004. It features two call-to-action buttons: "INTRODUCING comScore Media Metrix AiM 2.0" and "ANNOUNCING comScore Survey Solutions".

A banner image on the right shows a man and a woman looking at a computer screen, with the text "» comScore in the News" overlaid.

Trend 2. Market research: Make vs. Buy?

1. Companies can internalize market research for innovation
2. The Web is the enabling tool, but customers can be involved also through off line events



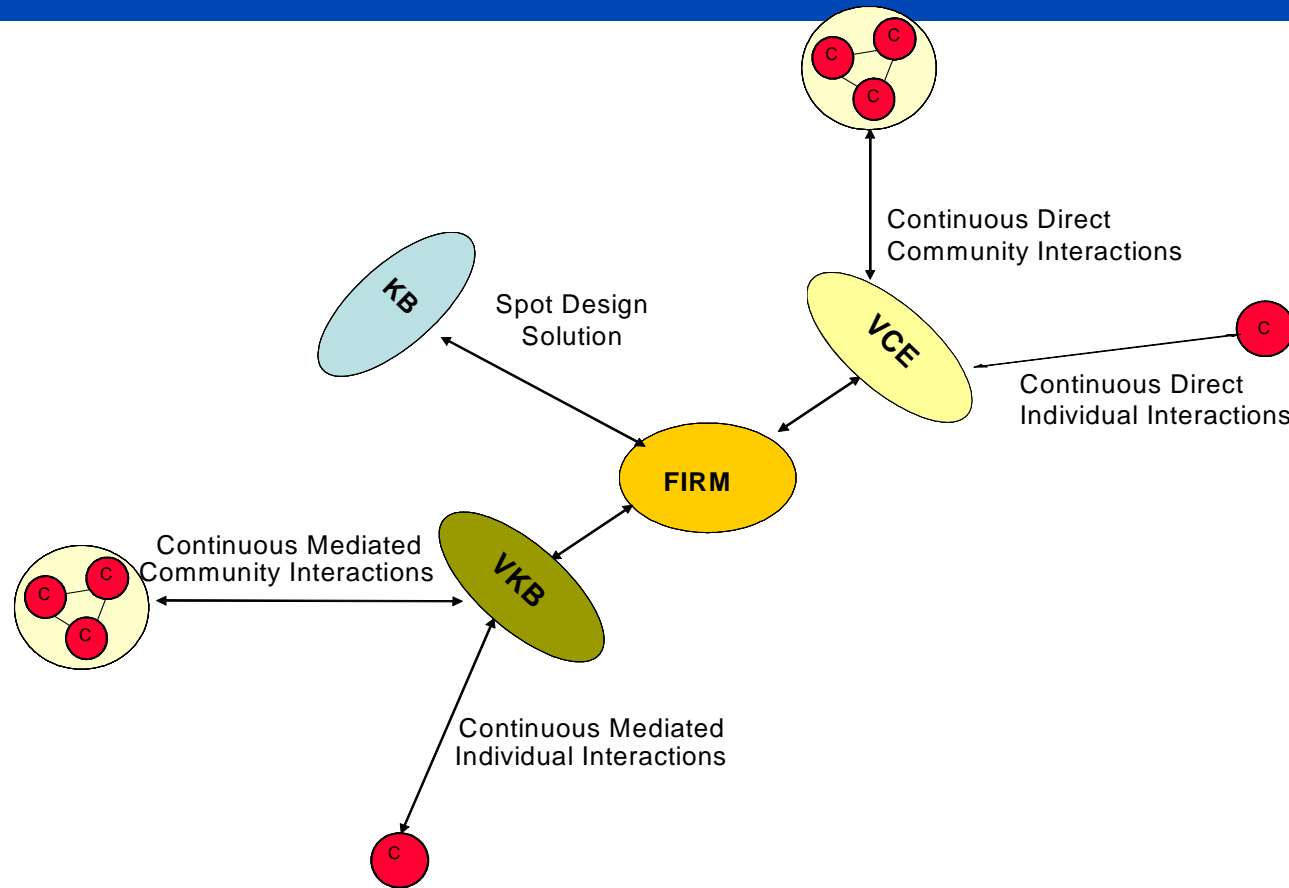
Trend 3. Independent third parties can be leveraged to extend the market

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The screenshot displays the Edmunds.com website interface. The top navigation bar includes links for HOME, NEW CARS, USED CARS, CAR REVIEWS, TIPS & ADVICE, OWNERSHIP, CAR DISCUSSIONS, and SEARCH. A prominent 'New Vehicle Spotlight' features the 2004 Mazda3. Below this, there are sections for 'NEW' and 'USED' cars, each with links to find a car, prices, reviews, and inventory. A 'Future Vehicles' section lists the 2005 BMW M5 and Land Rover Discovery. The bottom of the page features a '2004 DETROIT AUTO SHOW (NAIAS)' banner and a 'Nissan Actic concept' advertisement. On the right side, a 'Select Accessories' section lists various options with prices, such as a Spoiler for \$370, Battery Warmer for \$30, and Wheel Locks for \$24. The footer contains copyright information for Subaru of America, Inc. and links to VISIT SUBARU GLOBAL, CONTACT US, and PRIVACY POLICY.

1. Some Internet-based players specialize themselves in data collection and knowledge brokering
2. In this way, the firm's opportunities for customer knowledge absorption can be extended

A collaborative innovation model for firms



5. Reinventing the Organization



Apple

oni



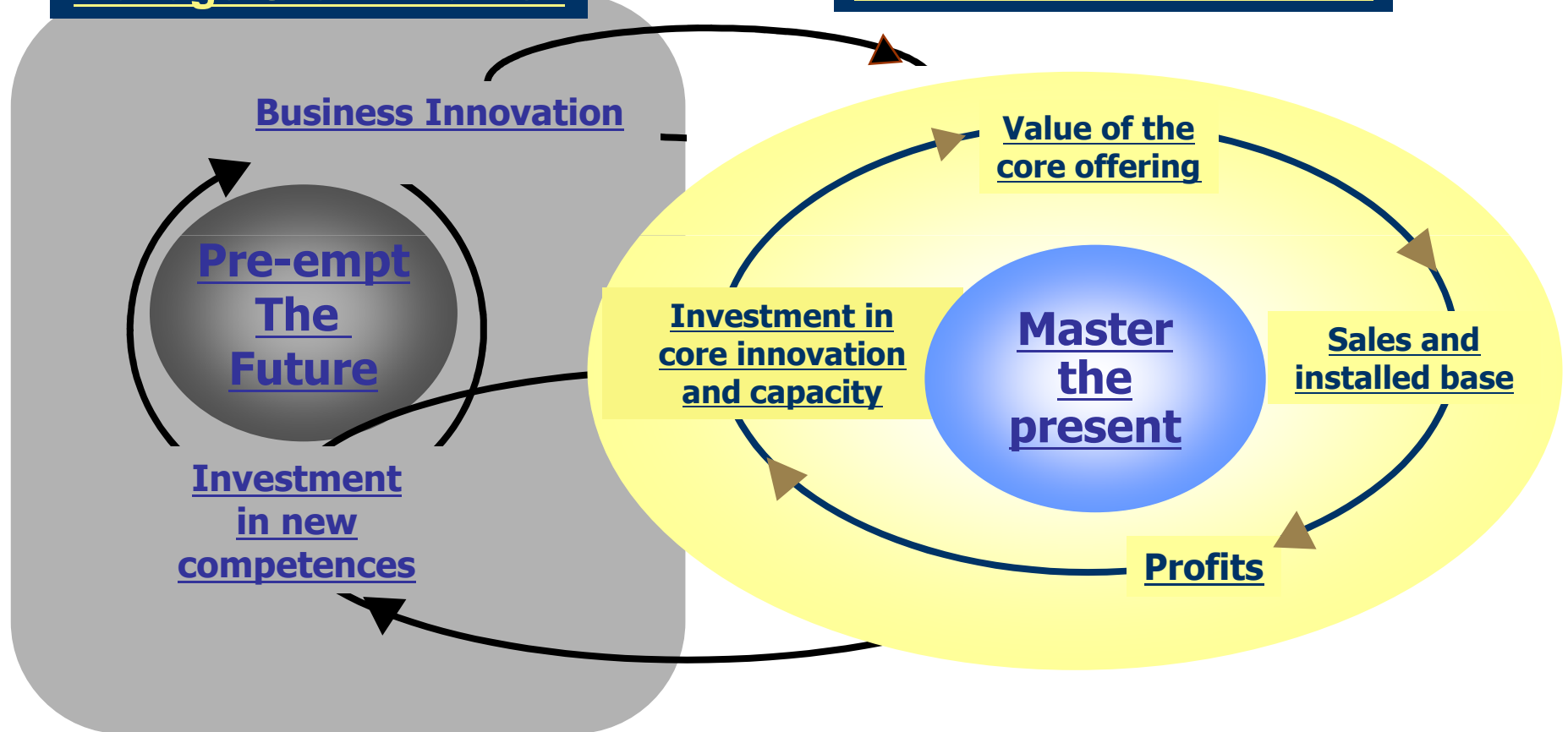
Continuous Innovation

Ambidexterity

Bocconi

Manage Growth & Risk

Short-term Performance



Business Development at P&G

2 Million

Bocconi

P&G needs
\$5 Billion/yr
New Sales
Generation



P&G R&D=
9,000 People



There are more than 2,000,000 researchers worldwide in science areas of interest to P&G.

C+D Success Examples



You're Beauty Amazing



Pur Pore Purifier



Pur Wheat Stix



Crest Scratch 'N' Seal



Mr. Clean Antidote



Mr. Clean Magic Eraser



OTC Drug Registrations



SK-II Airtouch Foundation



Metamucil Capsules



SK-II Facial Mask



Pantene Sonic Comb



Tide Stainbrush



Crest New Tubes



Kandoo Wipes



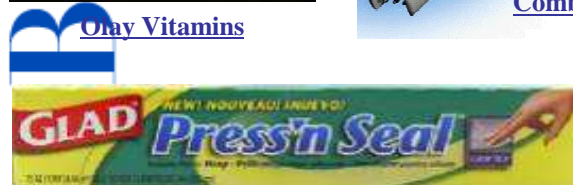
Prilosec OTC



Olay Vitamins



Charmin Fresh Mates



Glad Press 'n' Seal



Swiffer Duster



Pur / Whirlpool Refrigerator Filters



Old Spice High Endurance Gel



Clairol In-Store Shade Selector



Olay Daily Facial Pillows



Pantene Hair Styling Products



Crest Liquid Dentifrice



Olay Regenerist



Olay White Radiance Facial Mask

Courtesy of P&G

6. Conclusions



Tomorrow Morning

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1. More tension towards Innovation
2. Designing the new knowledge flows to constantly exploit current competences but also explore new ones (ambidextrous structure)
3. Openness to the stakeholder, and particularly the customer and the user

Thank you!

Questions now and at
gianmario.verona@unibocconi.it





Gianmario Verona (gianmario.verona@unibocconi.it) is the TIM Chair Professor of Market Innovation at Bocconi U. and SDA Bocconi School of Management and he's a Visiting Professor at the Tuck School of Business at Dartmouth College. He's been the Director of the PhD in Business Administration at Bocconi U. from 2007 to 2011 and he's now Director of the Master in Business Administration of SDA Bocconi School of Management. He's author of several international articles published in top academic and practitioners' outlets. He has recently authored the book: Collaborating with customers to innovate (Edward Elgar). His conceptual and practical experience in innovation management includes industries such as food, pharmaceuticals, computing, and fashion.