

Open innovation and novel business practices - Abstract

Group B

Open innovation is a concept that changes the process of bringing a product to market during research, development, and commercialization. We were tasked with researching and creating a presentation exploring open innovation, and how it has been incorporated, with the use of technology, into novel business strategies within organisations.

In contrast with the traditional model of closed innovation - which dictates that innovation should only take place within the organisation - open innovation dictates that knowledge and ideas from external sources, are used to supplement, or in some cases, replace internal sources. Knowledge not directly needed by the organisation may then be made available for others to utilize in their innovation processes, either through licensing or sale.

Our research led us to three different case studies where the principles of open innovation were employed (Duolingo, Lego and Innocentive) and found that each applied the notion in a different way - for content creation, product design, and research respectively. We also found that while Duolingo and Innocentive are businesses based around open innovation, Lego was an existing company that used open innovation to revitalise their business.

Open innovation is a powerful tool for organisations to incorporate into their research and development process, producing results that are more relevant to their customers and reducing the time to market, while simultaneously lowering costs. While it may not be suitable for all businesses, it could be implemented by many to extend their current business, or as the basis of a new venture. Observing the current trends in industry, open innovation has a promising future ahead.