

Knowledge Harvesting Concept Paves Way for Open Innovation Initiatives

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INTRODUCTION

The basic functions such as production, marketing and finance continue to be the same from the day world has moved from agriculture economy to industrial economy. Business processes, procedures, methods, strategy, management thinking and approach related to basic functions have been changing. Any change such as adding to the new features to the existing products, designing a new product, changing the business processes, business models and other activities in the basic functions in an organization has to be carried out. This assignment is given to research and development department. The role of a research and development in an organization is to think of a new approach for the above activities. In case there is no research and development department in an organization, a group of executives at the instruction of the management will form as a group to carry out innovation initiative for the above activities. Their innovative approach will be based on the professional experience and knowledge (Anderson N & Costa A C, 2010). Their innovative approach will aim to be competitive in the market. In the present business scenario, it is not enough for enterprises to be competitive, but it is required to be acceptable as suppliers or service providers. Now it has become a necessary for every enterprise to think differently and follow a new approach to manage their business goals. Now critical business needs decide the type of innovation initiative is to be adopted.

In recent times open innovation initiative is gaining importance for the strategic management purposes. Now enterprises have started opening up their open innovation process and adapt their business models to benefit not only from internal but also from external ideas and knowledge. An important aspect of open innovation is that enterprises can capitalize on expanding the research and development activities by using external ideas as well as internal ideas for expanding their domestic and global markets. The open innovation approach forces enterprises to cross boundaries to get ideas from the various stake holders (Arora, 2015).

Essence of Open Innovation

Open innovation project is knowledge intensive. It has become an imperative to collaborate in learning and sharing knowledge from inter organization networks (Denning & Dunham, 2012). The challenge of these networks is to manage and develop interpretations of the internal and external environments of enterprises. Personal contacts take place in the organizations' networks. Social groups are formed through their interactions. Creative individuals share their knowledge within the group. This leads to open innovation initiatives (Kasemsap K, 2014). Ultimately it can be said that open innovation in the business landscape is the solution to face rapid changes that are taking place in domestic and global economy.

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Perception of Open Innovation

Open innovation concept has already been in existence in the corporate world for a long time. Many companies have been making use of this concept without it being referred as “Open Innovation”. Brain storming sessions are the classic examples for getting ideas. It may be noted that all the employees in the organizations are the participants to these sessions. In these sessions, gist of the business issue/problem is written on the board, where this session is held. Even silly ideas expressed at this session are discussed. After analyzing all the suggestions expressed at the session, the best workable solution will be accepted for solving the business issue/problem. Some enterprises follow “Suggestion Boxes” method. In this method “Suggestion Boxes” are kept at the important places in an organization. Employees are invited to write their ideas or suggestions in relevance to their business on a paper and drop it in the “Suggestion Box”. It is a general feeling that employees who are directly associated with the business processes or activities will have a better ideas to suggest (Schein & Schein, 2017).

The above two methods can be considered as an open innovation initiative. The participants under the two methods are the employees of the same organization. The employees are the main internal stake holders. In the present business scenario external stake holders are also invited to share their experience and knowledge for solving business issues of an organization. The concept of open innovation has received much importance due to the participation of external stakeholders in an organization’s business issues. Now open innovation initiatives are crossing the boundaries of an organization.

Back Ground

Many business enterprises rush into generating ideas to become more innovative before clearly identifying the problem in their enterprise. If the enterprises expect their employees to come up with ideas that would work, the employees need to know the business problems faced by their organization. The employees must have access to the information pertaining to the problems of their organization. It is the practice of many enterprises that their organization’s information is considered to be important and secret. It is meant for the top management’s view only. The environment in enterprises must be friendly instead of closed. Then only the employees will associate themselves with their organization. This would facilitate them to integrate creativity and strategic thinking. Creativity is certainly a part of innovation but innovation is much more (Tocci C L, Chesbrough H, & Piller F, 2016).

It is observed executives in enterprises are under the impression that innovation is associated with new products, new technology, and research development activity. This view is too narrow in the present business scenario. Innovation can be applied broadly across all aspects of an enterprise. They are such as existing products, services, business processes and business models (Knot, 2017).

Peter Drucker in his article on the discipline of innovation says that innovation is real work. It should be managed like any other corporate function. Further he explains that it does not mean the same as other business activities. He stresses that innovation is the work of knowing rather than doing. He argues innovative business ideas come from methodically analyzing seven areas of an opportunity. The areas are 1) Unexpected occurrences 2) In Congruities 3) Process Needs 4) Industry and Market Changes 5) Demographic Changes 6) Changes in Perception and 7) New knowledge. He groups the above areas of opportunity are under within a company or industry and outside a company in its social and intellectual environment. The first four areas fall under the group one and the balance three fall under group two. The glass is half full and the glass is half empty are the descriptions of some phenomena, but have vastly

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