

Chapter 8

The Integration of Independent Inventors in Open Innovation

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ABSTRACT

Whilst current academic literature points to the growing importance of Open Innovation as a means of companies capturing new products from sources other than internal R & D facilities; the integration of independent inventors, a source of innovative new products, within Open Innovation has proven challenging. This chapter presents a series of preliminary Critical Success Factors, driven by current academic literature, which are intended to positively contribute towards independent inventors becoming more successful suppliers of new product ideas to businesses operating an open innovation model; with the intention that adherence to such factors may have a positive influence on the effectiveness and future sustainability of Open Innovation.

INTRODUCTION

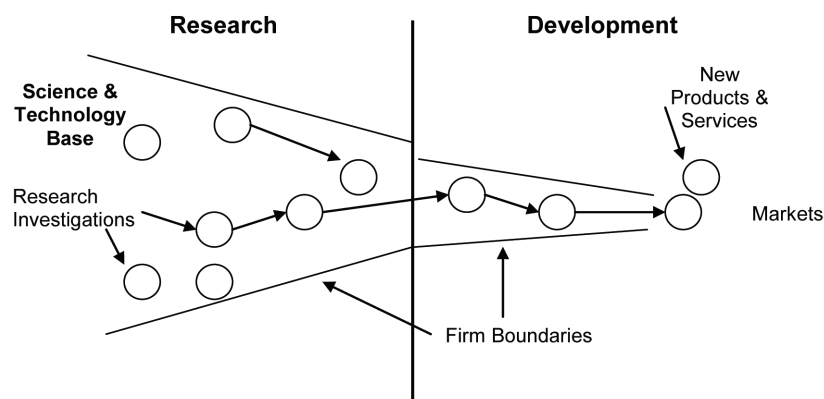
The Open Innovation model, at a theoretical level, allows for independent inventors to become suppliers of new product ideas to companies. There is little evidence however, to suggest that the practical integration of independent inventors as suppliers, to businesses operating an Open Innovation mechanism, has been fruitful. Indeed, data

from an existing open innovation centre suggests that just 0.7% of new product ideas supplied by independent inventors resulted in the business launching a new product on to the market. This statistic raises concerns as to whether open innovation models operated by companies, which rely on inputs from independent inventors, are sustainable.

The chapter will present a series of preliminary Critical Success Factors, driven by academic literature, intended to positively contribute towards

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Figure 1. The closed innovation model (Chesbrough, 2003)



Source: www.openinnovation.eu/openinnovatie.php

independent inventors becoming more successful suppliers of new product ideas to businesses operating an open innovation model; with the intention that adherence to such factors may have a positive influence on the future sustainability of such operations.

The chapter is structured as follows; firstly a summary of the key principles behind Open Innovation is outlined. Secondly, a discussion suggests what is currently understood about independent inventors and then finally, a series of preliminary critical success factors are proposed, underpinned by current academic literature. The identification of Critical Success Factors will guide independent inventors to operate as successful suppliers of new product ideas to businesses following an Open Innovation model.

Open Innovation Principles

A formal definition of Open Innovation is suggested by Chesbrough, Vanhaverbeke & West (2006, p.1) "Open Innovation is the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and expand the markets for external use of innovation, respectively."

Essentially a mechanism for organising innovation related activity within large R&D led busi-

nesses (Chesbrough, 2003); the Open Innovation model provides a relatively new and contrasting approach to the Closed Innovation model, which is historically prevalent amongst large innovative companies. The traditional Closed Innovation model relies heavily upon the internal capabilities of businesses to develop and commercialise a new product or service with little or no input, regarding the innovation process, coming from external sources. Within the Closed Innovation model, businesses typically generate the innovative concepts, perform R&D related activities that facilitate the metamorphosis from concept to innovative product, then complete commercialisation related activity in the form of marketing through to distribution (Chesbrough, 2003). The diagram in Figure 1 proposed by Chesbrough (2003) summarises this process very effectively:

In interpreting Figure 1, the critical aspect is research investigations and development projects reside within non-permeable firm boundaries. As such, there is a heavy reliance upon the company's internal science and technology base to originate, research and develop innovations. The figure illustrates the funnelling effect experienced as research investigations are filtered down in number as go/no-go decisions are reached, regarding in-

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