

# Innovation in a century of networks Innovative or Creative networks?

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November, 2005

*A nation without ideas  
A nation without projects is  
A nation without projects  
A nation without future is*

*Une nation sans idées  
est une nation sans projets  
Une nation sans projets  
est une nation sans avenir*

L'information n'est pas la connaissance. C'est sa transformation en savoirs qui constitue le nouveau moteur économique des pays avancés

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## The scarcity of the ideas is a sign of decline, deficit of social vitality, loss of economic fertility

- A recent survey made by Bain company concludes that nine senior managers out of ten consider in innovation as a factor of critical competitiveness for the coming years.
- These innovations are considered as depending from specialized poles, such as R&D department of the company or stemming from outside events the company while quantities of employees are de facto prevented from communicating their own eat away at their ideas to resell.
- While contributions of ideas, intellectual contributions can make the difference in the competitiveness of the company, everything seems made to limit the fertility of the staffs. When it is not downright punished.
- The difficulty today is to find the capacity to encourage and to accelerate the use of talents that are latent in our organizations. It is a question of reactivating the creative fiber which slumbers in the head of most of the co-workers of the company and its partners.

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## More than one company out of two is unconscious of the value of its intangible assets and does not know how to take advantage from it



- In 2002, Thomson made a 429 million euros profit resulting from its branch Patents and Licenses that is 90 % of the income. 20 % of IBM net profit result from the sale of licenses for 1,54 billion dollars.
- The number of registered patents put deposited in the United States increased in 10 years by more than 84 %. France registered half fewer patents than most of his European competitors.
- According to Gartner Group: in 2004, half of the companies which pull more than 25 % of their annual income out of new products are those that formalize innovation by increasing their intellectual assets. If 80 % innovations on process come from the inside of companies, 80 % of the innovations and services come from their partners and customers.
- For an increasing number of American specialists such as Imaginatik and PricewaterhouseCoopers, most companies fail to take advantage from good ideas. According to an inquiry of 3M, less than 15 % of companies makes an effort to promote the innovative process and behavior.

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## The need for knowledge favors networks capable of selling competence " just in time "

- Development of a knowledge engineering on demand: the knowledge stock exchanges, the case of Innocentive
- Duplication of competence networks into experts "virtual community" to decrease the cost of access to the immaterial capital: the webbing of competence
- The exploitation of the knowledge establishes a new system of creation of wealth: the added value settles down in networks to make immaterial capital profitable: creation of ideas marketplaces
- Attempt to decrease the brain access cost is going to contribute to melt the communities of knowledge into networks associating universities, companies and R&D Centers
- Our companies move from a logic of capital management to a logic of immaterial capital management



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## Networks become the vectors of companies' fertility

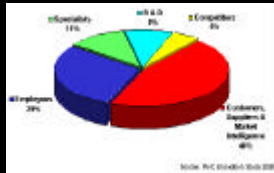
- In the electronic networks, only ideas and innovations circulate as fast as the financial exchanges!
- Today networks offer the advantage to capture the intellectual elite, the knowledge of clever people geographically and culturally scattered.
- The netting of cooperative organizations substitutes for hierarchical lines
- The researchers foresee that companies create structures on Web which will lead them to compete with R&D Centers, knowledge and Ideas providers
- Networks help scanning the sciences and techniques trends
- The pollination of ideas and knowledge through networks becomes as important as productivity gains



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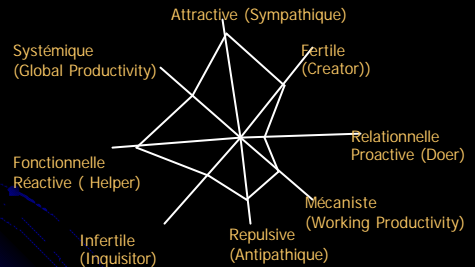
## Networks to capture the ideas wherever they come from

A survey on the 100 most important world companies ( although 80% of observed companies have a central R&D department) shows that only a 55% of innovation results from the company itself. Companies having worked on innovation with customers demonstrate that the rate of failure decreases: only 50 to 70 new product introductions failed vs 80% some years ago. The share of these new products in the total profit figure reaches a 35% in 2006 vs 21% in 1998.



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## Diagram factors of relative strengths/ weaknesses of a network organization: what's your line?



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## The use of networks have to contribute to the elaboration of the processes of ideation, key of a consolidated added value

- Development of networks for ideas and knowledge sharing (Ciba, Carnaud Metal Box)
- Emergence of the communities of practices to improve access to collective intelligence: case of ideas marketplace on BBC to prepare a serie on the impacts of internet on young people. (Method of scénarios: backstage.bbc.co.uk)
- The professional community is an echo chamber for the " low noises " of the market. It has to incorporate the customers: they are the origin of most new ideas. It has to imply the staff: most progress were brought by them
- Georgia-Pacific (wood and derive papers) during a session of ideation between both continents " America and Europe " on Web for 9 days reported 371 ideas, among which two saved 300,000 \$ each. By comparison, the traditional box of suggestions of the company will have received only 84 ideas in one year.
- The stake in the creation of consolidate added value release on the companies' ability to make every single unit an "ideas provider" L'exportation de nos idées compte autant que celle de nos avions!

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## Cope with innovation weapons race

- Have a passion for ideas: protect the creative guys from the murderers of ideas who are legion in your company.
  - No more accidental innovation, some key leaders such as Jack Immelt chairman of General Electric, developed campaigns for day to day habits questioning
  - Frequently launch virtual workshops on specific topics. Internet users connect themselves with the " Garden of Ideas " installed on the company's portal.
  - The sites of the company must be better used to value their know-how or their immaterial capital.
  - Free up the words: the gain in power of the forums (Blogs, Wiki) develop them into spaces of freedom and of ideation for true creative exchanges.
  - To be innovative multiply sources of ideas and diversified contacts with extra-professional networks: case of Swatch
  - A network of exchanges of ideas on Internet becomes a tool to strengthen the immaterial capitalization and the attractiveness of the company
  - The export of our ideas counts as much as that of our planes
- Average ROI is 251% with an average profit of 19,851 \$ per 100 employees. Profits after two years raise by 527% and the average net return of 10483\$ per 100 employees. (source Imaginatik.com Boston)

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