

## Getting Results with New Approaches to Open Innovation: *Lessons Learned from Innovation Speed Dating*

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### Introduction:

If you've found it difficult to get results from your open innovation efforts, new approaches may be the solution you're looking for.

Lot's of companies are searching the technology market-places for new patents and technology, some are using crowd-sourcing (submitting a problem or task to a large and un-defined group to solve usually via the web) to solve technical problems, and others have hired technology scouts to actively search for solutions to identified product 'needs' or 'wants.' However, many of these companies are still struggling to make their open innovation efforts a success and to overcome the many challenges to developing a strong open innovation program that can consistently deliver results.

### What is Innovation Speed Dating?

It has a format similar to real speed dating: rapid-paced introductory sessions, followed by more in-depth sessions with selected parties of interest. Except instead of trying to match romantic partners, these events bring together large companies and entrepreneurs.

### Situation:

Although in many ways the practice of open innovation is not completely new, what is new is the visibility and openness around open innovation as a strategy and adopting it as a business discipline. Some companies are failing to understand their consumer's pain points and how new technology might be used as an incremental product improvement or lead to a breakthrough innovation. Some are failing to find the best new technologies, and some are finding far too many technologies and are unable to effectively evaluate them. And some companies are succeeding in these phases, but failing to develop successful working relationships with the inventors or entrepreneurs who are the source of the very innovations these companies are seeking.

### New approaches to Open Innovation:

Because of these challenges, new and improved approaches to open innovation are being tried and developed. These new approaches vary widely, but there are some common themes that are developing. In particular these new approaches to open innovation tend to recognize that in order for successful partnerships to be developed the approach needs to:

- **Create a more level playing field:** Between the large companies seeking innovation and the inventors and entrepreneurs who've developed the innovations. New approaches seek to break down some of the traditional barriers that exist between entrepreneurs and large companies by creating a forum in which each party is assured of mutual interest in exploring opportunities.
- **Be highly interactive:** Any venture capitalist weighing the merits of an opportunity will tell you there is no substitute for looking people in the eye and gauging their level of belief and commitment. This personal interaction allows both parties to quickly get beyond the limitations of a written technology brief and quickly explore if there are opportunities for partnering.
- **Be dynamic & engaging:** New approaches to open innovation should be anything but stuffy and boring; they should be incredibly intellectually stimulating with high quality exchanges between the entrepreneurs and large companies. It's not about one party (entrepreneurs) making a pitch and hoping lightning strikes, it's about two equal parties exploring unique approaches to problems and opportunities
- **Build relationships:** New approaches need to build relationships between entrepreneurs and large companies, not only does this help break down the traditional barriers between these groups, it also helps each better understand the needs of the other, which helps in development of a partnership, and creates a valuable resource and opportunity for the future. Because although there may not be a perfect match right now, these relationships can be a source of future innovations and partnerships.

### An Example of A New Approach: Innovation Speed Dating

What is Innovation Speed Dating? It has a format similar to real speed dating: rapid-paced introductory sessions, followed by more in-depth sessions with selected parties of interest. Except instead of trying to match romantic partners, these events bring together large companies, or a large company and 'ecosystem' partners, (the innovation seekers) to meet with a group of entrepreneurs (the innovation providers) to see what opportunities exist and what business relationships might develop.

Innovation Speed Dating is effective because the approach adds unique value for both large companies and the entrepreneurs. Large companies, or a large company and their 'ecosystem' partners have the opportunity to see a group of highly qualified entrepreneurs and pre-screened innovations in a highly focused and time-efficient manner. Entrepreneurs gain direct access to decision makers from large companies, or a large company and their 'ecosystem' partners, in a valuable new format.

One caveat though, Innovation Speed Dating is not just about the 'Date' itself, or bringing together people from these two groups to see what happens. There are events out there based

on that work on just these principles by allowing self-selection and software matching to create that type of limited approach, but it's less efficient and less focused than Innovation Speed Dating, and far less likely to result in matches.

Planning and preparation for an Innovation Speed Dating event occurs over several phases, to increase the chances of great matches being made on the day of the event.

- 1. Understanding the technology wants list and business goals of the company/business unit:** Developing a deep understanding of these issues is the foundation of a successful innovation speed dating event.
- 2. Scouting and Screening:** Deep skill and extensive resources are important to be able to find the best new innovations (see 'scouting tips' section below).
- 3. Vetting and Recruiting:** This "due diligence" portion of preparing for the event is of critical importance in understanding the intellectual property involved and the entrepreneur's interest in pursuing partnerships with large companies.
- 4. The Event:** The highly-structured day ensures focus and a very high-level of engagement as both the large companies and the entrepreneurs seek to make the best use of limited time to explore possibilities for further collaboration and partnership.

### Technology Scouting Tips

One of the most important elements to successful Innovation Speed Dating is the extensive scouting and pre-screening process that takes place before the event. Here are some quick highlights of Venture2's approach to technology scouting:

### Case Study: *Innovation Speed Dating<sup>sm</sup> project with P&G*

Over a period of 90 days, Venture2 executed an Innovation Speed Dating event for P&G. Starting by working closely with the selected P&G business unit to understand their wants list and consumer pain points.

Then Venture2 conducted a global technology scouting effort over several rounds, assessing over 100 technologies. From this group of 100, Venture2 selected the 50 most innovative to review with the P&G team.

Of these 50, almost every one of which was new to the P&G team, they rated 30 of them (60%) medium to high interest.

Venture2 screened the 30 technologies down to the best 15, and from this group recruited the 7 most promising to attend the event. As of this writing, 5 of those 7 are in on-going discussions with P&G, based on the introductions made at the event -- at least 2 are expected by P&G to reach formal development agreements.

- 1. Understand both the technology wants and the consumer pain points:** Be sure that you understand the consumer pain points or consumer benefit being sought behind the 'wants' list is critical. This understanding will help prioritize and broaden your search. You'd be surprised how often wants are taken at face value without looking critically at the consumer or customer drivers.
- 2. Create a broad potential solution set:** Use your team to brainstorm and develop a broad potential solution set. Get beyond the obvious and explore unique and non-traditional solutions. This is where involving an experienced group (like Venture2) with a broad understanding of solutions in different markets can be important in expanding your search strategies.
- 3. Use a variety of search resources and tools:** We use a variety of parallel approaches to searching to help uncover as many innovations as possible. One of our most valuable resources is our existing relationship-based global network, but we also use the latest in semantic search tools as well as leverage the many online 'technology marketplaces' available.
- 4. Use a batch process:** By evaluating opportunities in batches, we're able to quickly assess comparative advantages in a way that is not practical looking at each technology individually. And it's an efficient way to engage the client R&D or innovation team in the effort.
- 5. Make it interactive:** Review and evaluate findings in small groups to discuss and score them. You'll be surprised how much this discussion helps improve the quality of the evaluation -- as well as providing questions for further research.
- 6. Make it iterative:** Use your search results to continuously learn, and use the knowledge gained to expand your solution set, search strategies and resources used.
- 7. Keep business goals in mind:** It can be easy to get caught up in cool new technology. A focus on business goals is critical to evaluating the technology's potential value.

## Summary

As open innovation continues to develop competitive advantage will go to large companies who adopt new approaches to open innovation that are:

- highly focused and efficient,
- focused on business results,
- break down traditional barriers between large companies and entrepreneurs,
- and help build strong relationships between these groups as a valuable source of current and future innovations.