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## Distinct Features of Collaborative Innovation

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*ABSTRACT – Research and development play very important role in economic development of the nation. This is very essential not only for developing nations but for developed nations also. As developed economies are getting mature and stagnant, the future economic growth is possible when resources are put in innovating new goods and services. There are many ways how we can organize research and development activities. E.g. State funding, private funding etc. A new form of structure is getting evolved specially in developed nations which are called Collaborative Innovation. In this study we only describe basic characteristics of this type, advantages and disadvantages, forces which compel firms to do this etc.*

**KEYWORDS – Collaborative innovation.**

### I. INTRODUCTION

**INTRODUCTION** – Due to global competition and liberalization of economies of approximately the entire world, the profit margin of economies are getting shrink. Private firms are investing billions of dollars every year on development of new product and services. As competition between firms is reaching at extreme, the profit margins are under tremendous pressure. Under this situation firms are doing collaboration between them for improvement in goods and services, this is called collaborative innovation. The study is unique in the sense that this is a new type of economic structure where companies in dissimilar business are getting closer to develop new product and services. We study the basics about this so that people are aware about this and get benefitted.

### WHAT IS COLLABORATIVE INNOVATION-

- Collaboration in the workplace is when two or more people (often groups) work together through idea sharing and thinking to accomplish a common goal. It is simply teamwork taken to a higher level.

Teamwork is often a physical joining of two people or a group to accomplish a task.

Europe's economies, firms, and citizens urgently need the economic growth that flows from increased regional competitiveness. *Collaborative Innovation: Transforming Business, Driving Growth*, part of the World Economic Forum's work on *Enhancing Europe's Competitiveness*, suggests that European firms and political leaders could help achieve growth by investing time, energy, and capital in new forms of innovation—in particular, by increasing the number and success rate of innovation-focused collaborations between young, dynamic enterprises and large, established companies.

The shifting external context for firms and economies and the increasingly competitive global environment create pressure on the traditional research, development, and innovation models in Europe. In Europe's relatively mature economies, the incremental improvements these traditional models provide may help firms to maintain global relevance in existing market segments, but they do not generate significantly more value or enable companies to compete with entirely new offerings or business models. Collaborative innovation, however, can foster new growth through products and non-market considerations that foster the evolution of entire systems

A.T. Kearney study "Collaborative Innovation in Digital Europe" found that 71 percent of respondents expect more than a quarter of revenues to be generated through collaborative innovation by 2030

In collaborative innovation, young firms bring fresh perspectives on nascent markets and are unencumbered by complex processes, the demands of large, influential customers, or the burden of fixed capital and human costs. Young businesses are often closer to those users and customers who represent growth-oriented markets and can be more

flexible than larger firms in experimenting with different approaches.

Collaborative innovation relationships are highly sensitive to the unique situation of each participating company and stakeholder. There are, nevertheless, a number of common challenges that both young and established firms around the world experience when collaborating, and a set of corresponding principles and strategies to improve the chances of success

Common types of collaborative partnerships discovered in our research can be categorized into four types: smart procurement, collaborative innovation projects, smart direct investment, and strategic innovation partnerships and joint ventures

The model of Collaborative Innovation based on three structures –

- J **Prepare**, which involves defining objectives, preparing the organization to support collaboration, and connecting with potential partners
- J **Partner**, which focuses on setting up a win-win partnership
- J **Pioneer**, which ensures that the partnership continually adapts for a thriving and rewarding relationship.

There is some evidence, however, that collaborative innovations focused on disruptive technologies or nascent markets do better in the form of joint ventures or smart investments. Apart from the important efforts that civil society organization play in supporting entrepreneurs, policy makers and political leaders can empower, educate, and enable collaborative innovation partnerships in ways that go well beyond regulatory and legislative policy levers.

**DEFINITION OF COLLABORATIVE INNOVATION** -- Open collaborative innovation refers to development projects in which multiple users collaborate and openly share what they develop. Open collaborative innovation projects can be at a larger scale than any single user can undertake alone.

Example – Linux and other collaborative open source projects are developed by volunteers and compete in scale with competitors like – Microsoft and Windows which contain millions of lines of

codes and have many hundred people in collaboration for development of new product.

General Electric with their Ecomagination Challenge. **Ecomagination** is a \$200 million innovation experiment focused on enhancing the productivity of resources, and reducing the environmental impact of resource use.

Unilever is another brand with huge sustainability ambitions, and they express it with their Open Innovation program. Sustainability is at the heart of Unilever’s innovation, as every innovation attempts to make a positive impact on the environment.

LEGO created LEGO ambassadors, a group of select fans who act as vessels for communication between LEGO and the wider community. Not only does this allow LEGO inside insight into their fan base, it also created added value for the fans, and acts as a reward system for the most loyal fans. Though LEGO’s most impressive innovation project has to be crowd sourcing. When LEGO introduced LEGO mind storms, hackers began using the new release to hack the system, and customise it. Once LEGO realised they couldn’t fight this community of intelligent hackers, they instead began harnessing the creativity of the hackers to improve their product instead. Through collaboration LEGO managed to avoid a war with intelligent hackers, and got genius improvements on their products in exchange

**FUTURE OF COLLABORATIVE INNOVATION** -- Collaboration has recently emerged as the defining characteristic of creativity and growth in nearly all sectors and industries. The singular genius who works alone is a myth of yesterday. Today, the biggest breakthroughs happen when networks of self-motivated people with a collective vision join together and share ideas, information, and work.

Collaborative innovation comes in many forms and kinds. From brainstorming sessions like innovation jams to crowd-funding initiatives like Kickstarter or crowd-sourcing initiatives like Innocentive, these forms of growth all mobilize a diverse group of people with a variety of skills. The benefits to joint innovation efforts are plenty: the global scale of the initiative, the rapidity of experimentation, the reservoirs of outside talent, the guaranteed wider array of solutions.

But with each of these upsides also comes a downside: the chaos of implementation, the disruptive power of clients, the difficulty of serving solutions, the uncertainty of constantly changing course. Here are three key points to keep in mind when practicing collaboration that will help you enjoy the benefits of teamwork without the drawbacks:

**Avoid getting stuck in the center.** When a large group of people have ideas and they all share them, there's the danger that everyone will get pulled to the center and be reduced to something banal or unexceptional. This is a concept first introduced by Sir Francis Galton, who showed how the introduction of more and more points of data or measurement results in a regression to the mean. Don't let the multiplicity of ideas at a brainstorming session get flattened out into a mass of mediocrity. Keep challenging yourself and those around you to go outside of the expected limits and boundaries of your project.

**Remember the importance of expertise.** Collaboration assumes a horizontal structure of activity. That is, everyone involved is suddenly on the same level. This democratic attitude can be a great thing, yet people sometimes forget the centrality of expertise. You can ask all the people on your Facebook newsfeed how to do a root canal, but you're always going to seek out a professional dentist. Don't just solicit the opinion of the masses when you're building your innovation team--find experts in the fields relevant to your initiative.

Challenges for Collaborative Innovation –

1. Convince your boss.
2. Convince your staff.
3. Divide the work to conquer the project.
4. Establish metrics for success.
5. Foster good communication from top to down.

**COLLABORATIVE INNOVATION NETWORK** -- Collaborative Innovation is a process in which multiple players (within and outside an organization) contribute towards creating and developing new products, services, processes and business solutions. It might include the

involvement of customers, suppliers and multiple stakeholders such as agencies and consultants

Usually, firms that promote open forms of collaboration benefit from having access to different capabilities and knowledge, enhancing their competitiveness and accelerating their innovation process. On one hand, it enables small companies such as start-ups to partner with other players, complementing each other and taking advantage of different perspectives and resources. On the other hand, it helps large companies to speed-up their innovation process and time-to-market, overcoming bureaucracy and inflexible procedures.

Collaboration can occur in all aspects of the business cycle, depending on the context:

- ) Procurement and supplier collaboration
- ) Research and development of new products, services and technologies
- ) Marketing, distribution and commercialization

According to Peter Gloor, CoINs have 05 main characteristics:

- ) **Dispersed Membership:** technology allows members to be spread over the world.
- ) **Interdependent Membership:** cooperation between members is key to achieve common goal. The work of one member is affected and interdependent on the others work.
- ) **No simple chain of command:** there is no superior command. It is a decentralized and self-organized system.
- ) **Work towards a common goal:** member are willing to contribute, work and share freely.
- ) **Dependence on trust:** cooperative behaviour and mutual trust is needed to work efficiently within the network.

There also are five essential elements of collaborative innovation networks (what Gloor calls their "genetic code") are as follows:

1. Evolve from learning networks
2. Feature sound ethical principles
3. Based on trust and self-organization
4. Make knowledge accessible to everyone
5. Operate in internal honesty and transparency

Model of Collaborative Innovation –

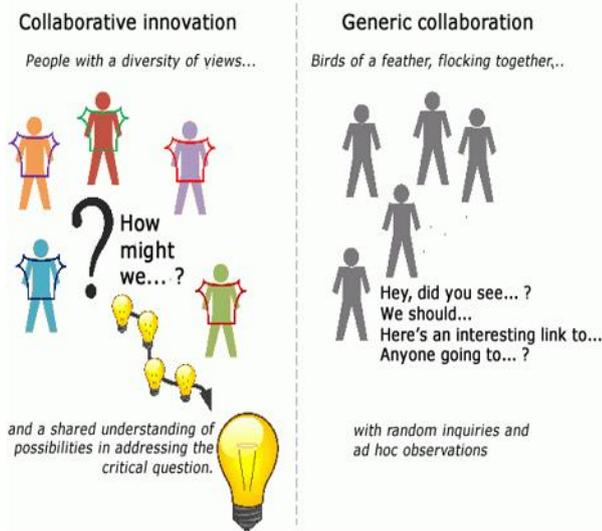


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**Collaborative Innovation**  
Integrating social and crowdsourcing

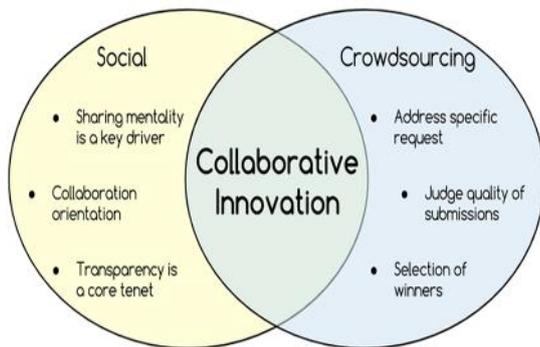
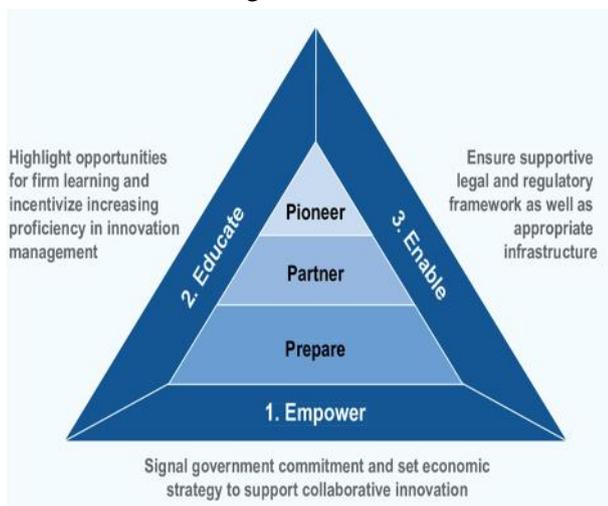


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**CONCLUSION** – Collaborative innovation is the future for research and development in industry. This not only reduces cost of R & D but reduce time also. Many firms in more or less same business or user of same technology can pool their resources.

**FUTURE SCOPE OF WORK** – Many human related issues are there which need to be addressed in implementing collaborative innovation. E.g.— How firms having different work culture, organization structure, market segment, vision and mission can collaborate for developing common technology. Also control on intellectual property right, license, patent etc. is a cause of concern.

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