

# Leading Open Innovation and Cooperation: A Global Challenge to Managerial Responsiveness

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- “Today no one needs to be convinced that innovation is important – intense competition, along with fast changing markets and technologies, has made sure of that.

How to innovate is the key question.”

*Peter Drucker (1988)*

- Open innovation

*Chesbrough (2003)*

- Democratizing innovation

*Eric von Hippel (2005)*

- The Long Tail

*Chris Anderson (2006)*

# Objectives and Overview of the Symposium

- Centripetal Innovation Capacity (CIC) – the ability to draw innovation from many sources into the organizational pipeline AND out to market
- What are the entrepreneurial leadership and organizational requirements for increasing CIC?
  - We will consider 4 specific aspects of this problem:
    - 1) Local leadership of centripetal innovation
    - 2) Corporate leadership systems for CIC
    - 3) CIC in a multinational context
    - 4) Absorptive capacity as a intermediate measure for CIC
  - Providing several case examples

# Introduction to Centripetal Innovation Capacity (CIC) as a framework to study open innovation

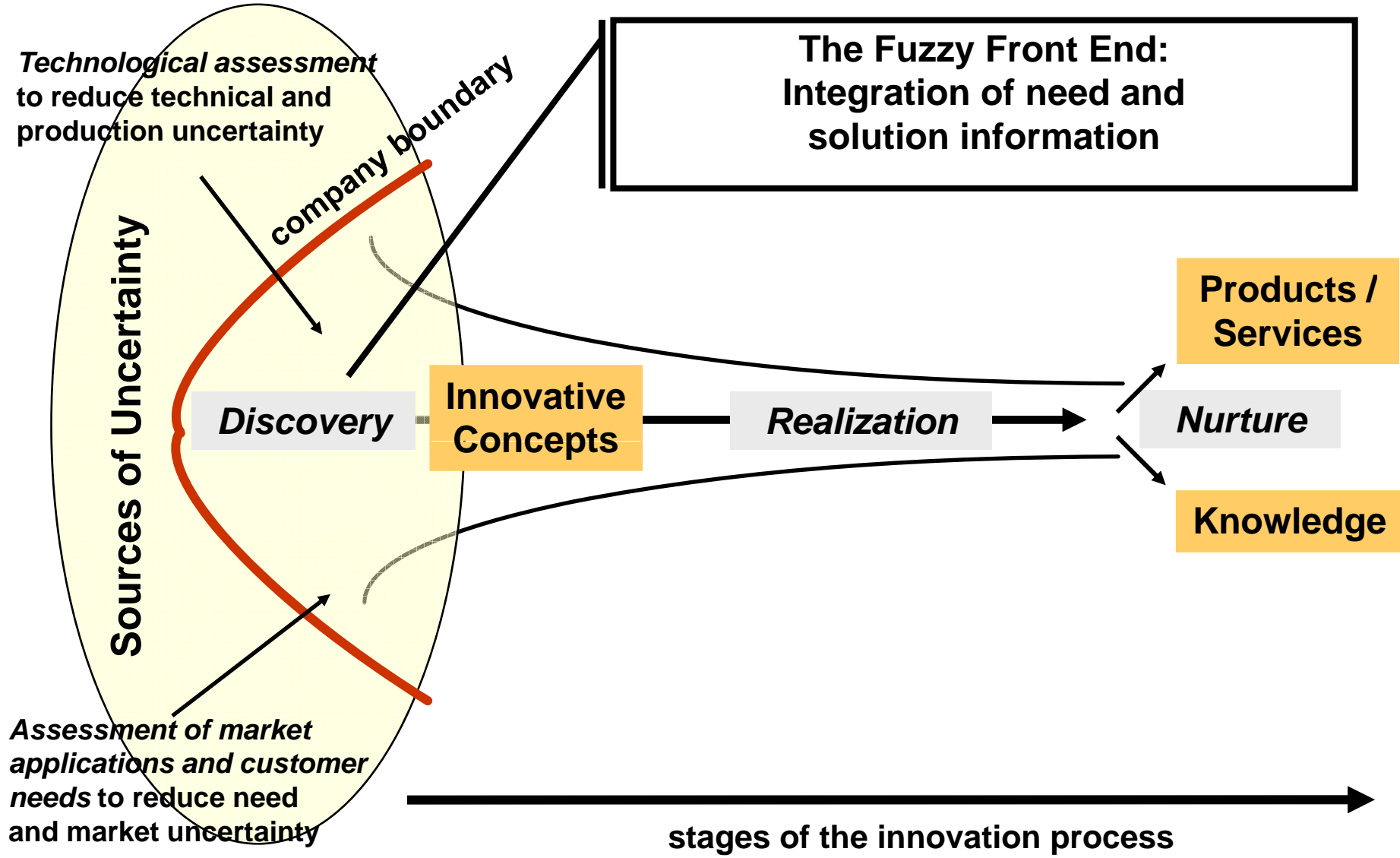
**Anne Sigismund Huff**

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## The paradigm of closed innovation systems has dominated work on innovation until recently

- Innovation is best created by **centralized research and development**
  - the innovative genii was sought in separate organizational units, project management designs and incentive systems.
- One important drawback of the centralized approach is that **breakthrough innovations** do not always originate in the R&D unit of the organization (Johnson & Huff, 1998; Robinson & Stern, 1998).
- Closed model creates mental boundaries as well as structural boundaries:
  - Management often tries to stop radically new projects ...  
**Example: AstraZeneca's** management tried to stop the development of the ulcer medication Losec, however it became one of the world's most successful prescribed medications

**solution information**



**need information**

## We believe the closed innovation model is being supplemented/overtaken by a model of open innovation

- By encouraging and considering the ideas and solution knowledge of a **large number** of individuals, **new creativity** is brought into the organization.
- Weber (2004) observes in the case of **Open Source Software** that a dominant capability of its development system is to incorporate the "**wisdom of the periphery**" (Weber 2004, p. 225).

## Literature background

- **innovation networks with customers, suppliers, universities, etc.** (Brown / Eisenhardt 1995; Chesbrough 2003; Freeman / Soete 1997; Laursen / Salter 2004; Lundvall 1992; Hirsch-Kreinsen 2004; Rosenberg 1982; Tidd et al. 2000)
- **Lead users** are a “**product feedstock for manufacturers**” (von Hippel 2005); task of firm is to capture **autonomous user inventions** (e.g. Anderson & Crocca 1993; Ciborra 1991; Enos 1962; Freeman 1968; Urban & von Hippel 1988; Ramirez 1999; Rice & Rogers 1980; Rosenberg 1976; von Hippel 1976, 1982)
- **firms can organize** the process of distributed / open user innovation (Gassmann/Enkel 2004; Jeppesen & Molin 2003; Lakhani 2005; Ogawa & Piller 2005; Piller & von Hippel 2005; Prahalad & Ramaswamy 2000, 2004; Reichwald & Piller 2006)

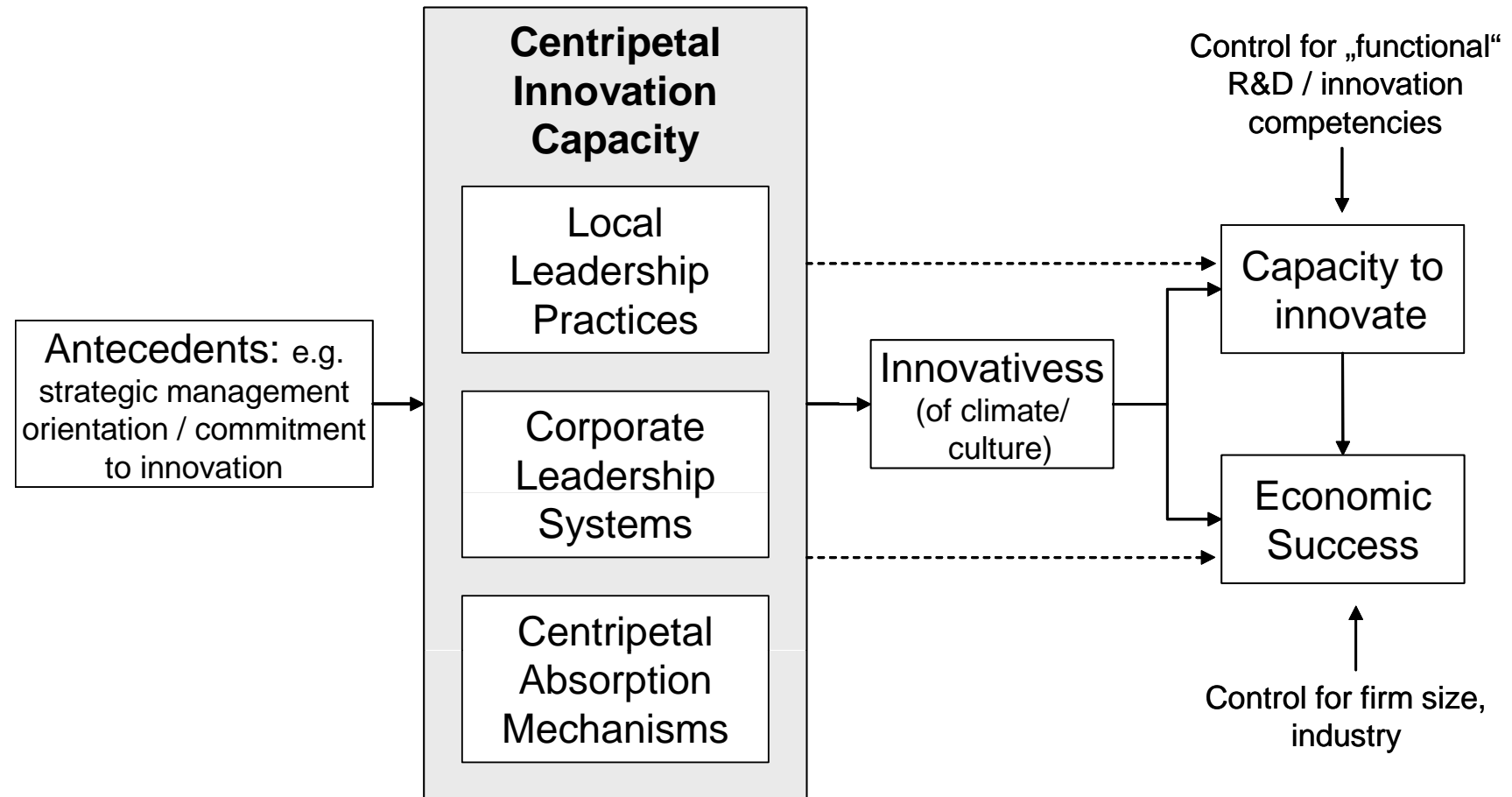
## Main contribution of CIC: Once unexpected innovation is brought within the firm, how is it connected to internal R&D activity?

- While firms are much better at becoming open for outside innovation, their **capability to deal with discontinuous change has not increased**
- Research is needed on the trajectory of outside inputs – case studies indicate high rejection.
- There is need for “centripetal forces” that can relate distributed innovations to overall objectives, and help them grow to the point where they can affect overall organizational competitiveness.

## Two underlying theoretical perspectives of CIC

- **Resource-based view of the firm** (Barney, 1991):  
“Ability to Innovate” is an increasingly important source of advantage
  
- **Social network theory** (Granovetter 1973, 1982):
  - “Social side” of creativity and innovation.
  - Employees located in the network periphery are proposed to be in an especially favorable position to contribute to radical innovations because of their links to outside networks (Perry-Smith & Shalley, 2003).

## A preliminary model of CIC and its influence on innovation performance



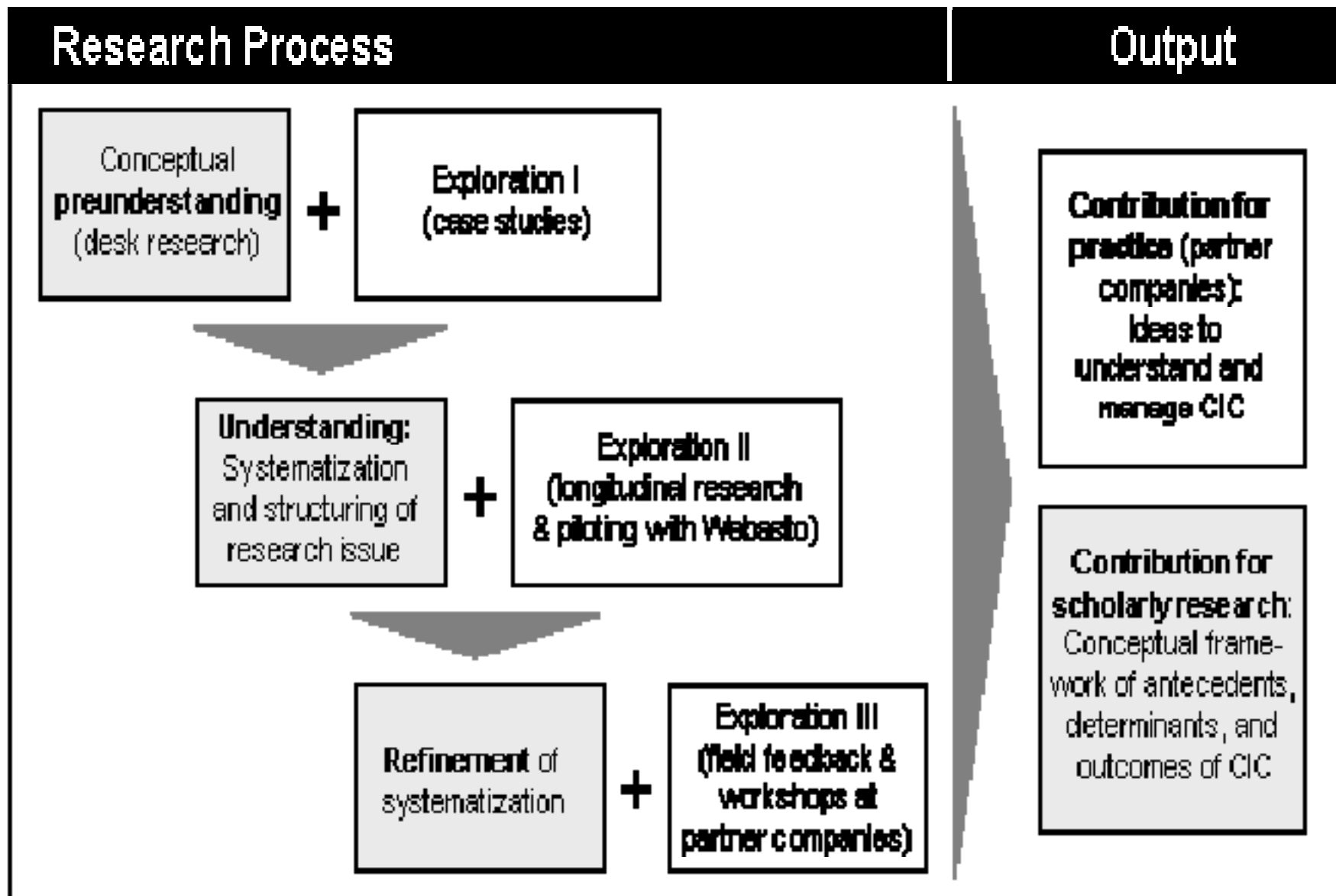
## Method: Grounded theory building

- Grounded theory building (Glaser & Strauss 1967)
- German tradition of exploratory research: (a) Desk research  
(b) work with companies (study panel, group interviews, larger surveys)

## Philosophy: Management research as a design science

- Pilot and evaluate **design suggestions in field experiments** to generate real world experience as a basis for theory development (Witte 1997; Gummesson 2000; van Aken 2001; Tranfield 2002).
- **Longitudinal research** in order to detect cause-effect-relationships in real world settings (Van de Ven 2002)
- Early attempt “**in search of mode 3**” (Huff / Huff 2001):  
co-construction of management knowledge in real world settings

**Objective: Large study** based on in-depth projects with a few companies over a period of several years (work in progress)



## Results from Exploration: Directory of methods to CIC

(from a workshop with case study panel)

	ALLIANCE <sup>+</sup>	ARVATO <sup>+</sup>	BMW	Bayer <sup>+</sup>	EON	EOS <sup>+</sup>	Fluglinien München <sup>+</sup>	Herbolz <sup>+</sup>	ITQ <sup>+</sup>	Microsoft <sup>+</sup>	OR <sup>+</sup>	SAP <sup>+</sup>	VALEANT <sup>+</sup>	VOITH	WEBATO <sup>+</sup>
IDEA HUNTERS	•	•				•	•				•	•	•		•
DIFFERENT FUTURES		•		•		•	•		•	•	•	•			•
USE THE WEB		•		•			•		•	•	•	•			•
ACTIVE USERS		•		•		•	•		•	•	•	•			•
DEEP DIVE						•	•		•	•	•	•			•
DELIB. DIVERSITY							•		•						•
HYPOTHESIS/EXPERIMENT	•						•			•	•	•			
MOBILISE PARTNERSHIP	•			•		•	•		•	•		•			•
OBSERVATORIES	•						•			•		•			
BOOKERS, GATE...	•	•					•					•			•
COLP. VENTURING	•	•				•	•		•			•		•	
INTRAPRENEURSHIP						•	•			•		•		•	
DATA MINING		•					•			•	•	•			
OPPORTUNITIES TO FAILURE		•		•			•				•	•			•
WHAT ELSE...?							•								•

- Betreuung  
- Dipl. auf  
- Punkte auf  
- Design etc.

## Supporting research presented in this symposium: Results from earlier studies of the panelists

- **Fredberg 2005:** Innovation management in the media industry (extensive case studies of 10 international media companies)
- **Reichwald & Moeslein 2005, 2006:** TUM Study on Corporate Leadership Systems (exploratory two-year study across 37 large multinationals in Germany, Great Britain, the Netherlands and the U.S)
- **Innovation Lab Germany 2006:** Collaborative research project of managing discontinuous innovation (German sample: 21 German companies)
- **Neyer 2005 & Fink, Neyer & Koelling 2006:** Going beyond cultural values to understand the impact of cultural differences on cooperation

# Local Leadership Practices that Foster CIC

**Tobias Fredberg**

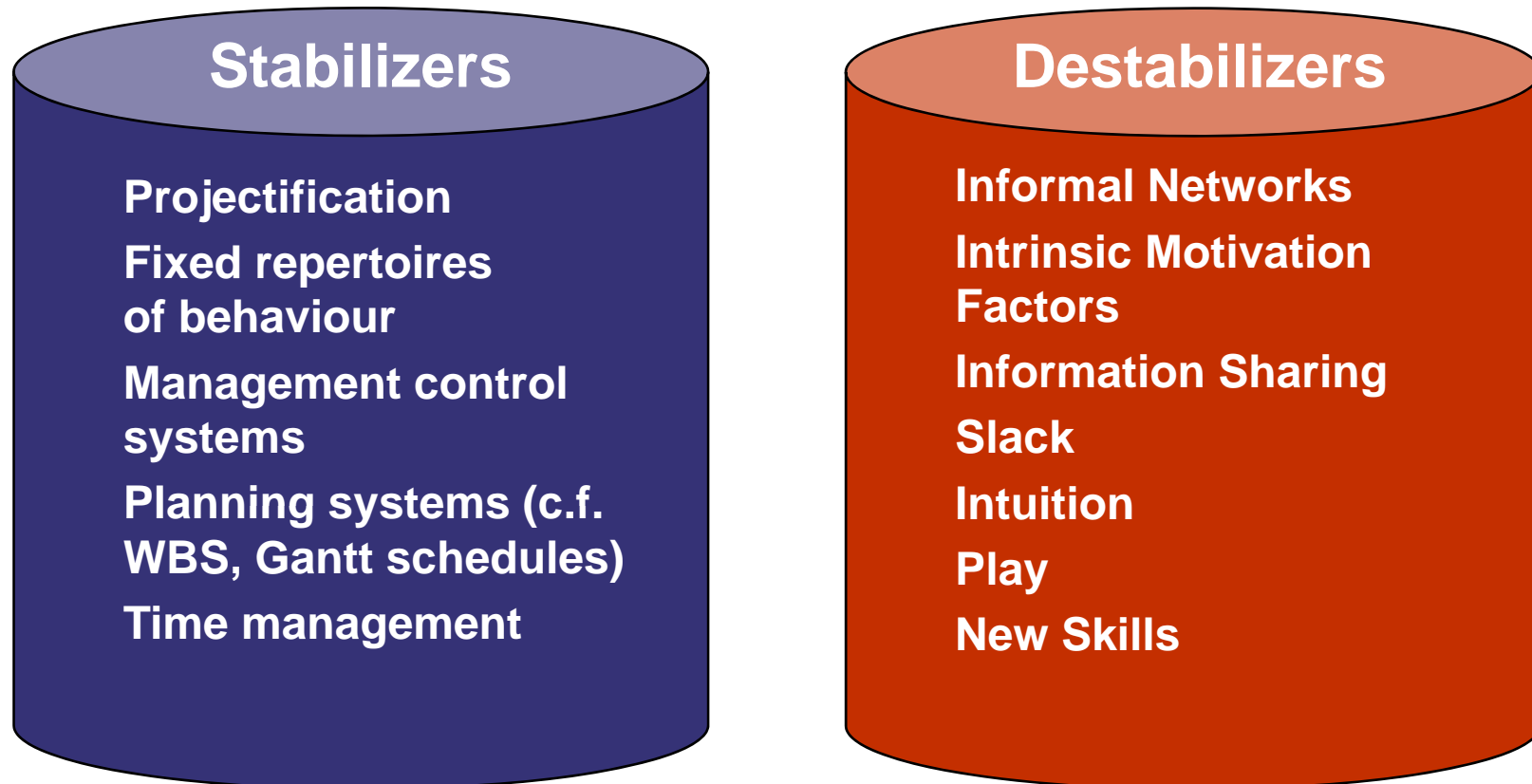
Chalmers University of Technology  
SWEDEN

# What influences local behaviour as a part of CIC?

- **What may create control may work against creativity and innovation**
- Managerial tasks:
  - Allowing creativity
  - Create settings to move creative acts toward innovations
- Changes have to be made on all levels
- Central problems in the management of innovation (Van de Ven, 1985)
  - Managing attention towards new initiatives
  - Managing ideas into good currency
  - Managing part-whole relationships
  - Creating an infrastructure that allows innovation
- We need to move from an analysis **explaining innovation** to a model describing **managerial work to nurture innovations**

# Stabilizers vs. Destabilizers in Management

- Company systems are created for stability and control
- ... but often lack enough destabilizers (Hedberg & Jönsson, 1978; Sundgren, 2004)

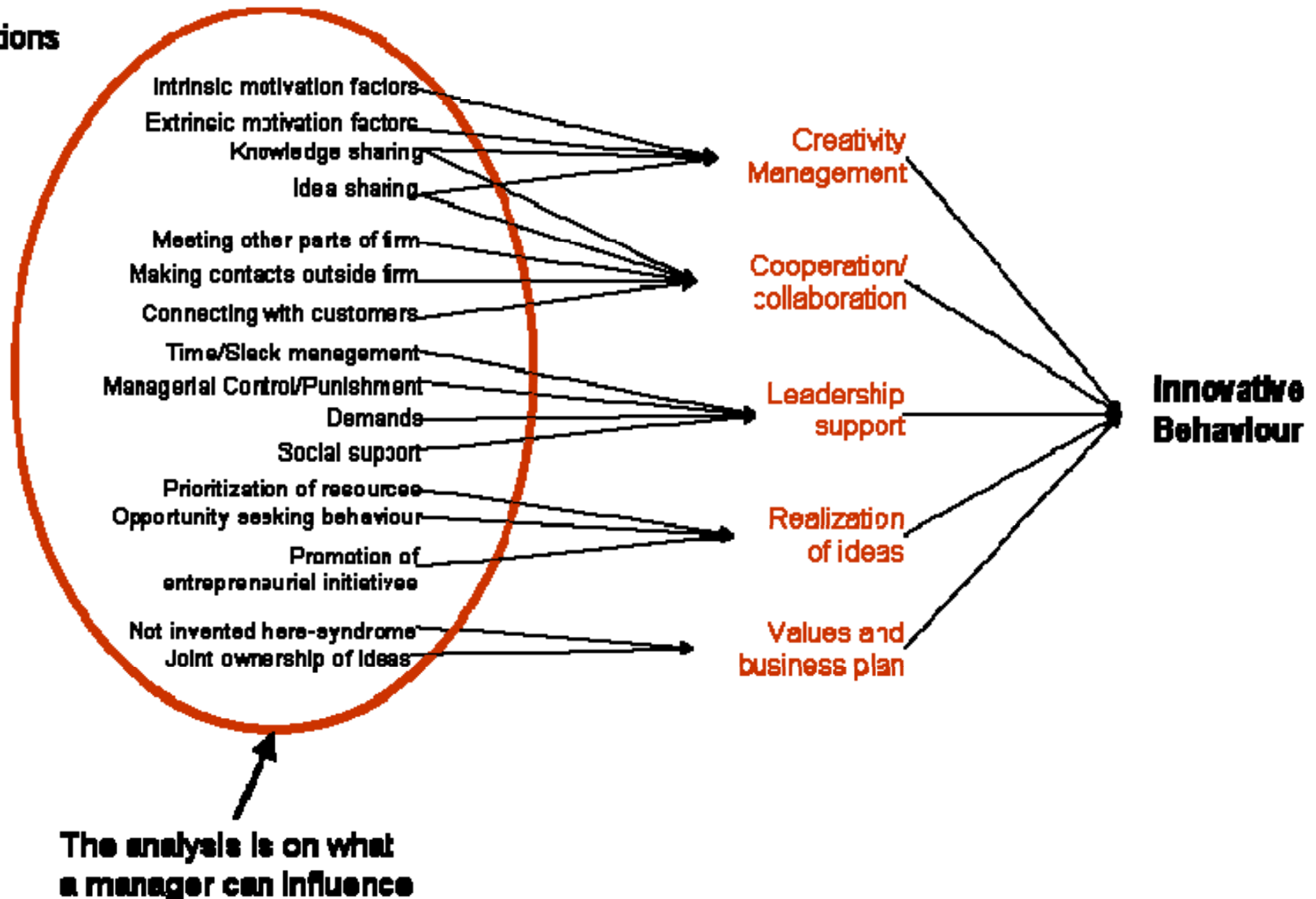


# How does management influence innovative behaviour?

- How can we organize (act of stabilization) for destabilization?
- What creates innovation?
  - Attention towards the “new” – influencing local decisions
  - Motivators – intrinsic and extrinsic have different results
  - Cooperation and weak ties to other departments
  - Management support and encouragement
  - Belief in the realization of ideas
  - Future oriented values
  - Time
- What inhibits innovation?
  - Stress
  - No system for taking care of innovative ideas
  - Fear of punishment
  - Group think/silo attitude

## Model for analysis for local behaviour for CIC

### Suggestions

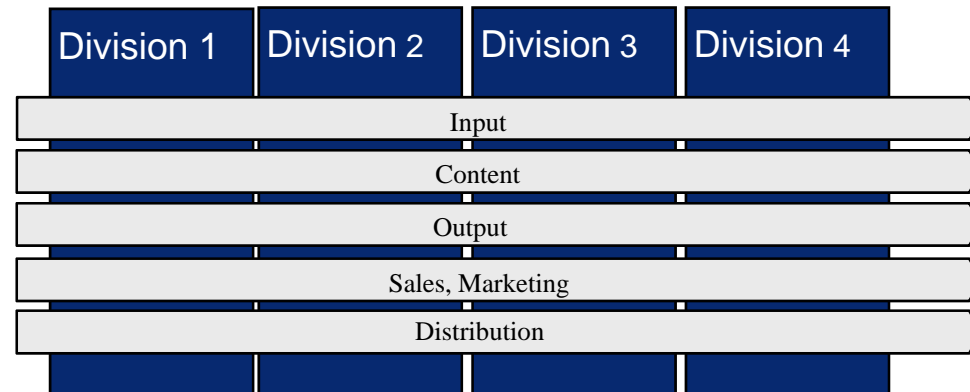


# Innovating what?

## Innovation on operational and strategic level

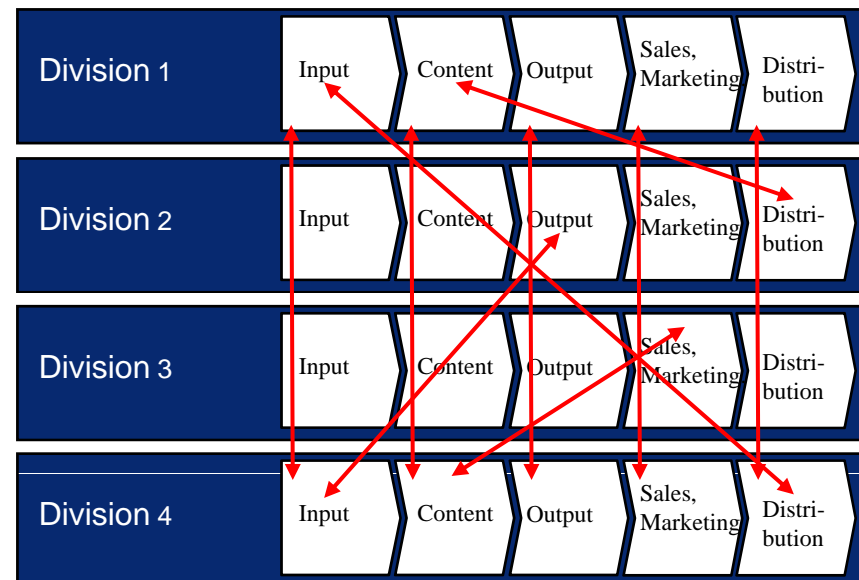
### Operational level

- Incremental innovations
- Improves current work
- Impact either locally or in one specialization



### Strategic level

- Radical innovations have impact on a larger part of the organisation
- Is eased by internal cooperation between units – formal or informal
- Weak relationship ties are important
- Needs political entrepreneurship



## From the group and outwards

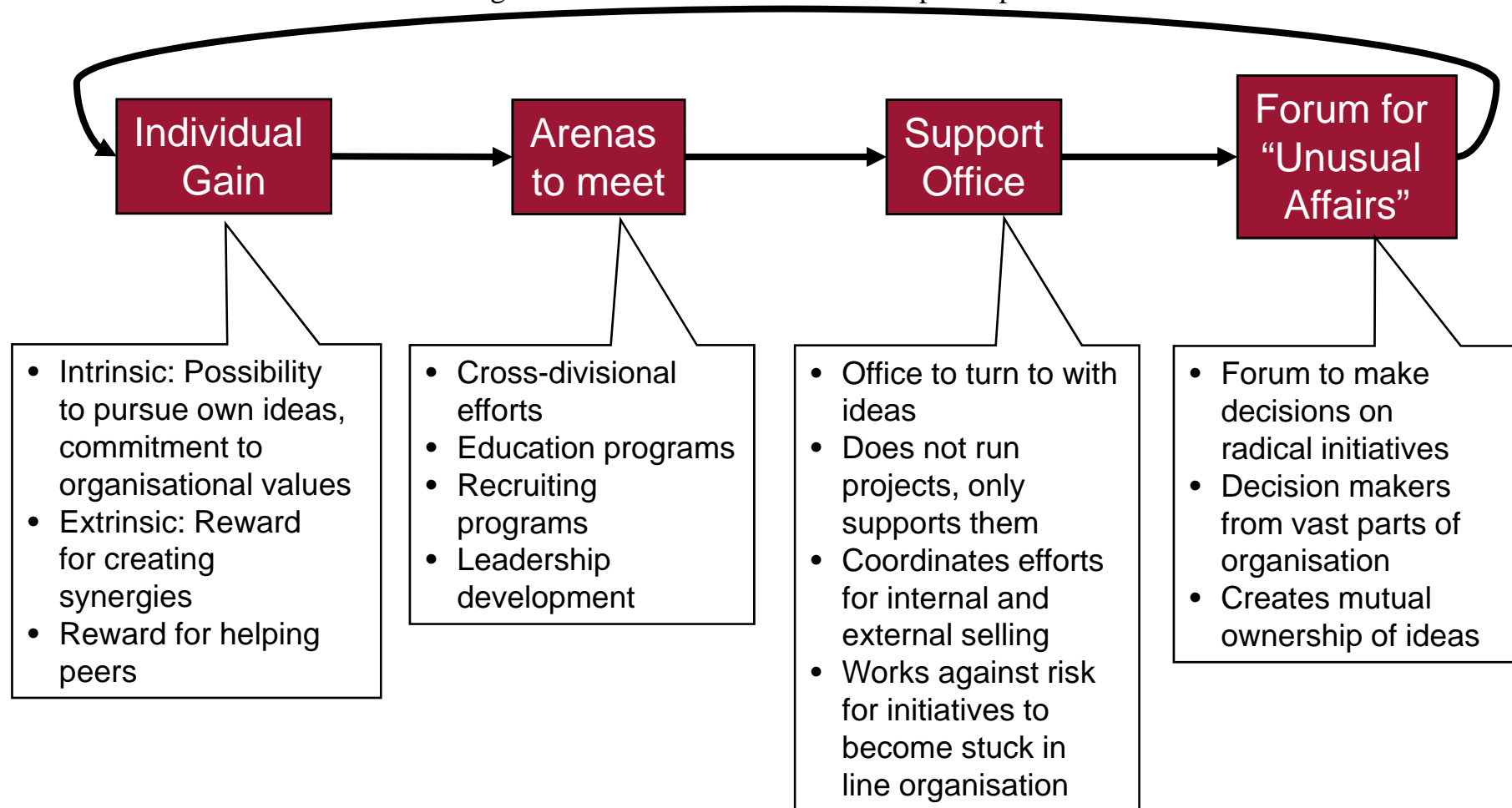
- Not all Van de Ven's problems can be solved in the work group
  - Managing attention towards new initiatives
  - Managing ideas into good currency
  - Managing part-whole relationships
  - Creating an infrastructure that allows innovation
- Needed: Expectation that ideas can be realized
  - Give license to people to move forward on their own ideas
  - Need for rewarding system also for leaders and peers
  - More than continuous improvements (mostly local)
  - As innovation outside the current line of business destabilizes – put this outside of the current work group

## Study of media companies

- Traditional silo structure
- No R&D departments
- Mature markets but changing
  
- Case studies and analysis of secondary data
  - Bertelsmann
  - Bonnier Group
  - Kanal5
  - Stampen
  - BBC
  - Disney
  - NewsCorp
  - TimeWarner
  - ... ongoing

## Rudimentary model for CIC (from media industry)

Increasing commitment and motivation for participation



# Corporate Leadership Systems

**Kathrin Moeslein**

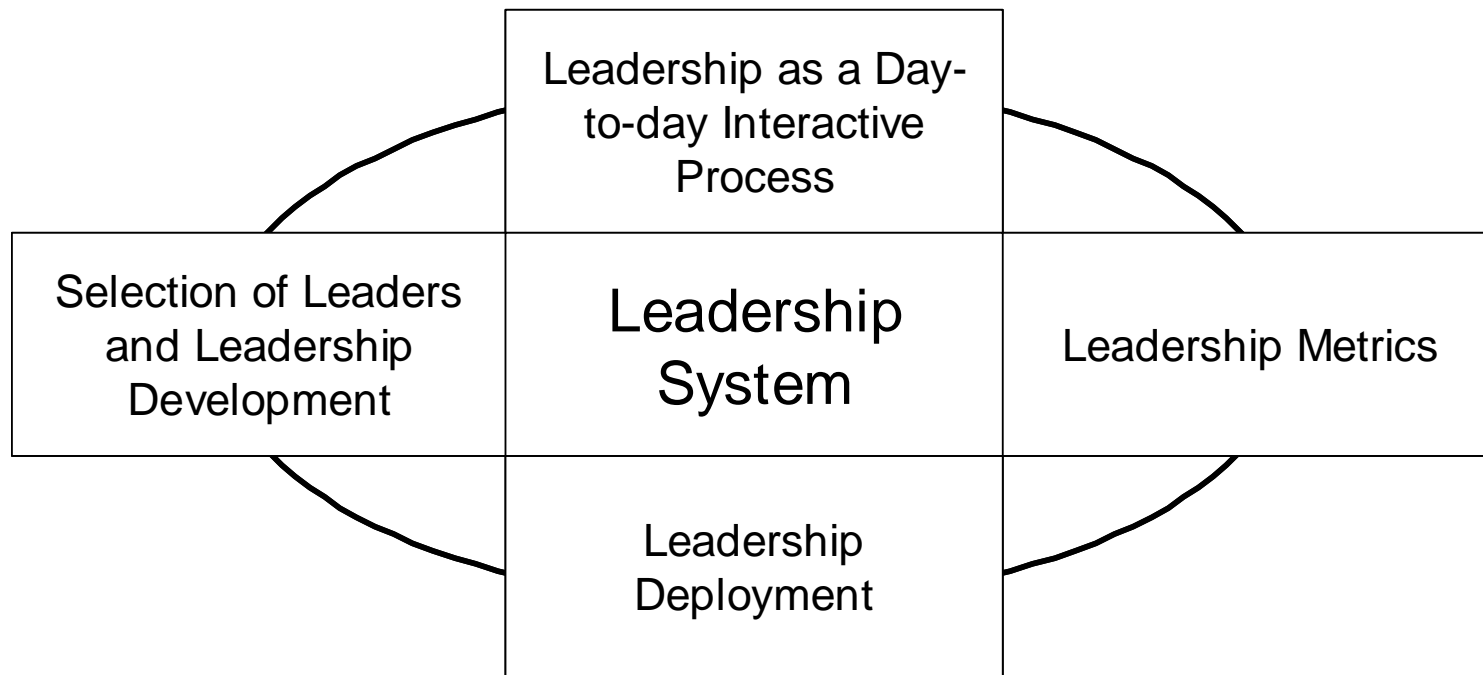
HHL - Leipzig Graduate School of Management  
GERMANY

## How to foster CIC through Corporate Leadership Systems

- Focus is on how to create organizational contexts that support innovation of different degrees of novelty, originating from different sources and locations
- **Proposition:** Developing CIC in large organizations requires going beyond the individual leader
- Innovation is impacted by **corporate leadership systems**, structures, processes, culture, competencies and networks
- **Key question:** Are there **design principles** for innovation-oriented leadership systems and categories of contextual predictors for the generation of CIC in corporate settings?

## Corporate Leadership Systems

- encompass the organizational processes and practices to (1) select, (2) support, (3) evaluate, (4) incentivate and (5) develop leaders on all levels (Reichwald et al. 2003; Huff / Möslein 2005).



## Challenges for Corporate Leadership Systems that aim for supporting the capacity to innovate:

- The **Control Challenge**: how to balance between stabilization and destabilization as to allow for innovation (e.g. Burns / Stalker 1961; Lawrence/Lorsch 1967; Neuberger 1990; Johnson/Huff 1998; Boland 2004)
- The **Ambidexterity Challenge**: how to balance between continuous and discontinuous innovation capacity (e.g. March / Simon 1958; Duncan 1976; Tushman / O'Reilly 1996; Gibson / Birkinshaw 2004; Tushman et al. 2004)
- The **Boundary-Spanning Challenge**: how to balance between openness and closedness in the innovation process (e.g. Thompson 1967; Ahuja 2000; Rosenkopf / Nerkar 2001; Sethi et al. 2001; Keller 2001; Williams 2002)

## TUM Study on Corporate Leadership Systems

- Exploratory two-year study across 37 large multi-nationals in Germany, Great Britain, the Netherlands and the U.S.
- Participating firms:

Allianz Group	Deutsche Börse	MAN Gruppe
Audi	Deutsche Telekom	Marsh
BAE Systems	E.ON	Munich Re
Bayerische LB	Fairchild Dornier	Philip Holzmann
BayWa	Hewlett Packard	Philips
Bertelsmann	HypoVereinsbank	Roland Berger
BMW Group	IBM	SAP
BSH	INA Schaeffler	Siemens
British Telecom	JPMorgan Chase	Südchemie
ChevronTexaco	Krones	Transco
Cisco Systems	Leoni	TUI Group
DaimlerChrysler	Liberty Mutual	
Deutsche Bank	Lufthansa	

# TUM Study on Corporate Leadership Systems

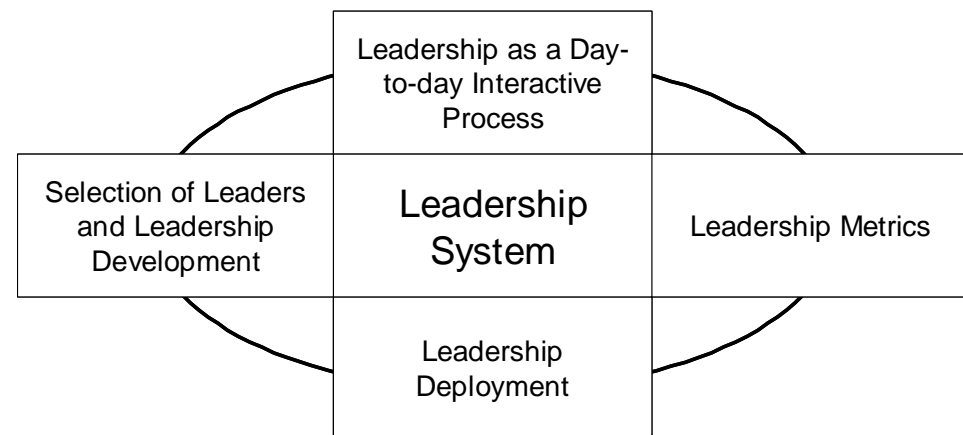
## Data:

Detailed descriptive profiles (20-25 pages each) of the leadership system of each of the 37 participating companies based on a triangulation of different data sources:

- (1) Interviews (112 top managers; each interview approx. two hours)
- (2) Published material
- (3) Confidential corporate documents

## Goal:

Identification of the practices, processes and strategies behind leadership systems of large multinationals



## TUM Study focused on the question

- How corporate leadership systems support activities of corporate leaders to balance between stabilization and destabilization as to allow for innovation (addressing the “Control Challenge”)

## Key learnings

- Design recommendations to address the “Control challenge”:
  - (1) tight focus,
  - (2) goal-oriented structurization,
  - (3) integration without standardization and
  - (4) institutionalized communication
- Organizational practices and processes for the selection and promotion of leaders are mainly **inward focused** (partly driven by corporate governance codices).
- This focus is replicated for leadership performance metrics and deployment practices which are mainly designed as to **support inward orientation**.

## Re-examination of the TUM Study database to better understand

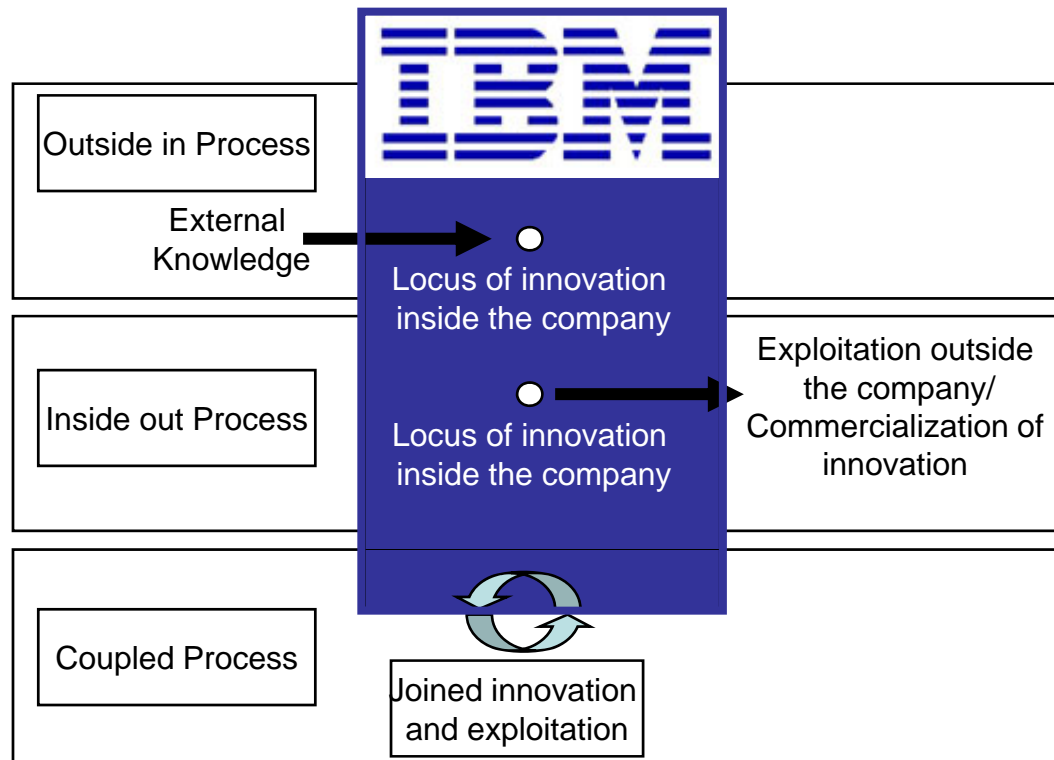
- How corporate leadership systems support activities of corporate leaders to balance between continuous and discontinuous innovation capacity (addressing the “**Ambidexterity Challenge**”)
- How corporate leadership systems support activities of corporate leaders to balance between openness and closedness in the innovation process (addressing the “**Boundary-Spanning Challenge**”)

## Preliminary findings

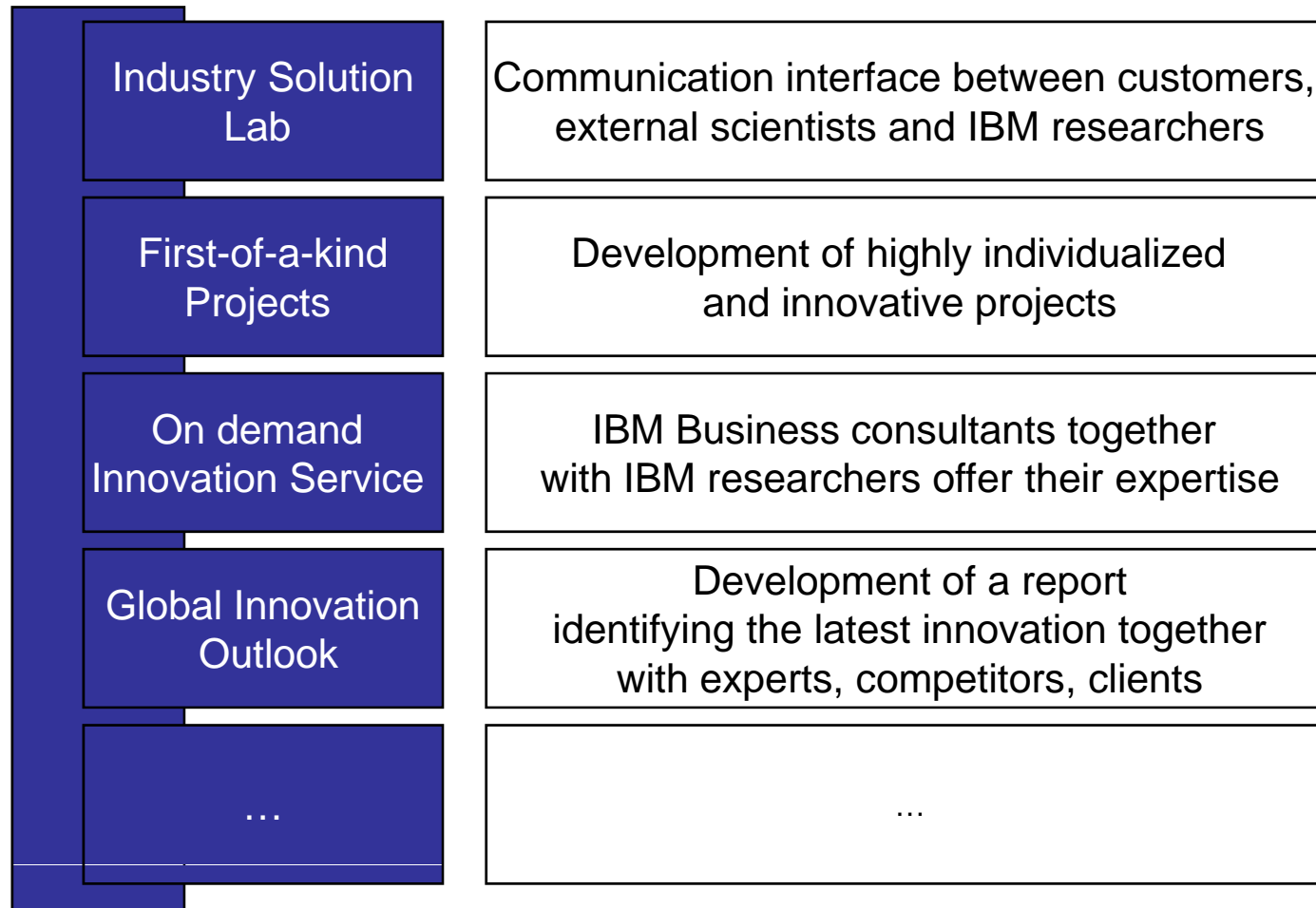
- “Openness” challenges the established systems and routines in similar ways as “Discontinuity” does.
- The “**Dealing with Discontinuity**” research initiative (Bessant et al. 2006) tries to address this challenge.

## The IBM boundary spanning approach to innovation

“Opening up corporate boundaries to let knowledge flow in from the outside in order to create opportunities for co-operative innovation processes with partners, customers and/or suppliers” (Ehlers et al. 2006)

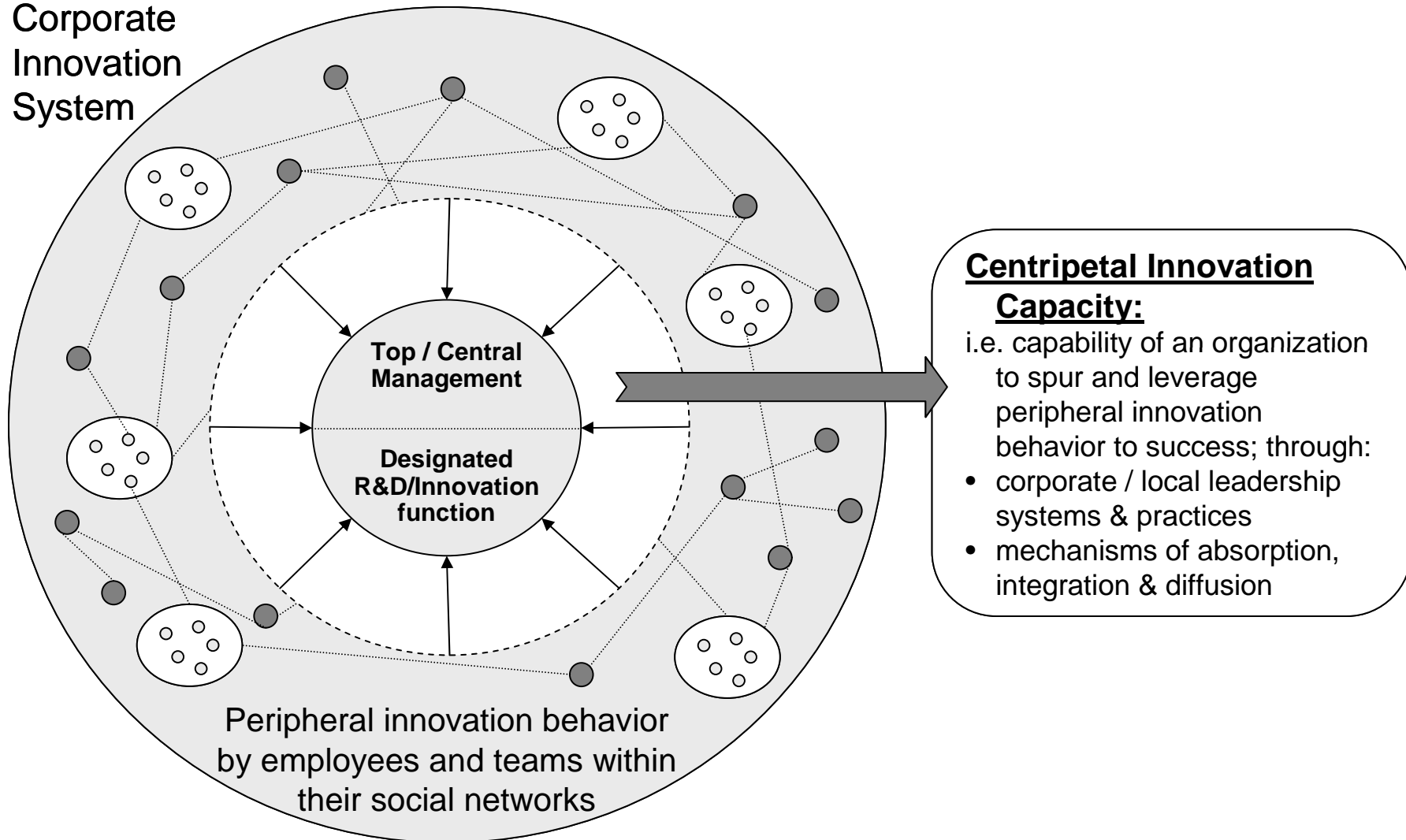


## The IBM boundary spanning approach to innovation



# Designing organizational contexts & leadership systems for Centripetal Innovation Capacity

Corporate  
Innovation  
System

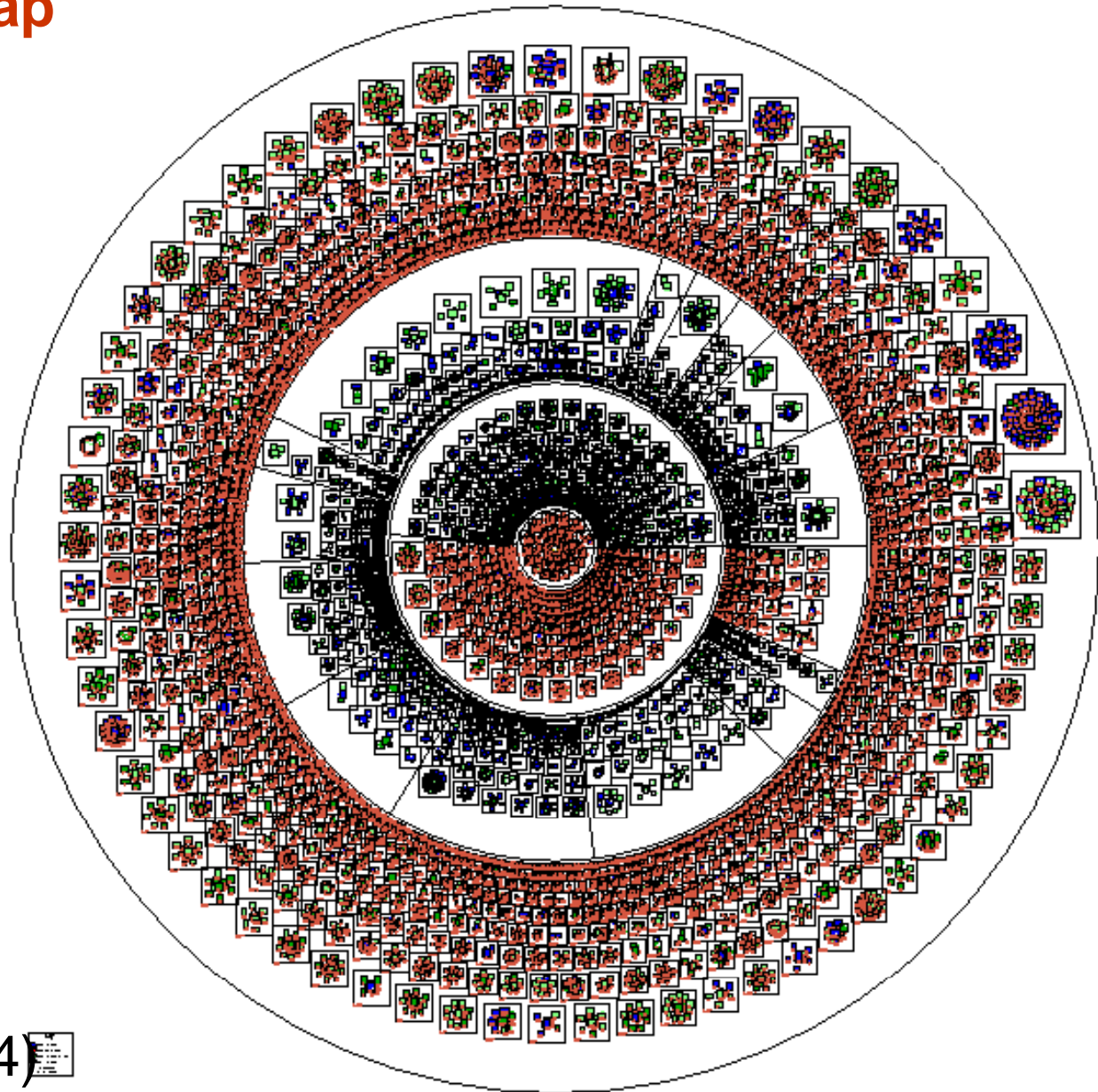


## Centripetal Innovation Capacity:

i.e. capability of an organization to spur and leverage peripheral innovation behavior to success; through:

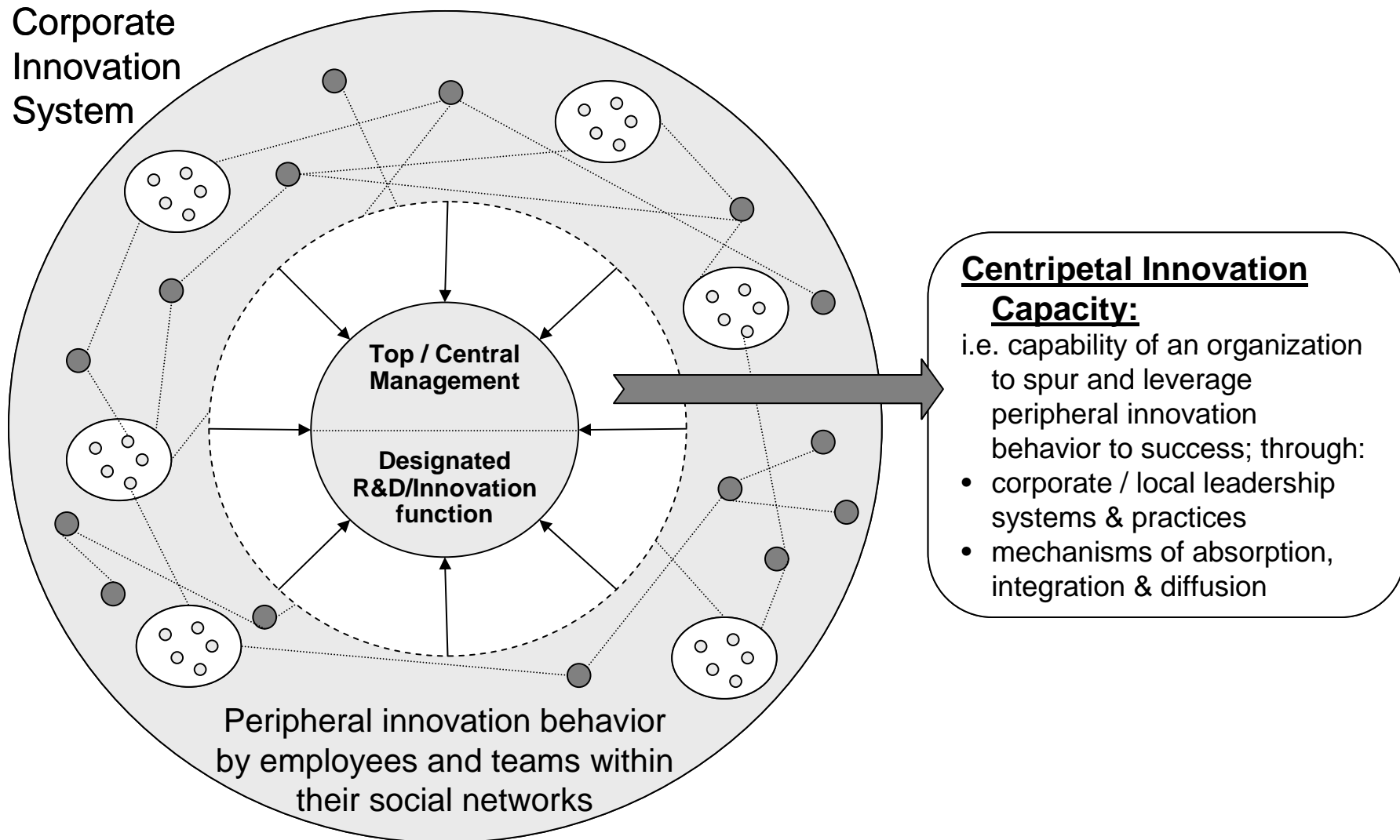
- corporate / local leadership systems & practices
- mechanisms of absorption, integration & diffusion

## Inspired by the Open Source & Linux Kernel Map



(BCG / OSDN 2004)

# CIC: Systems of practices and processes to identify, absorb and exploit innovation at the organization's periphery



# Building Centripetal Innovation Capacity (CIC) in a multinational context

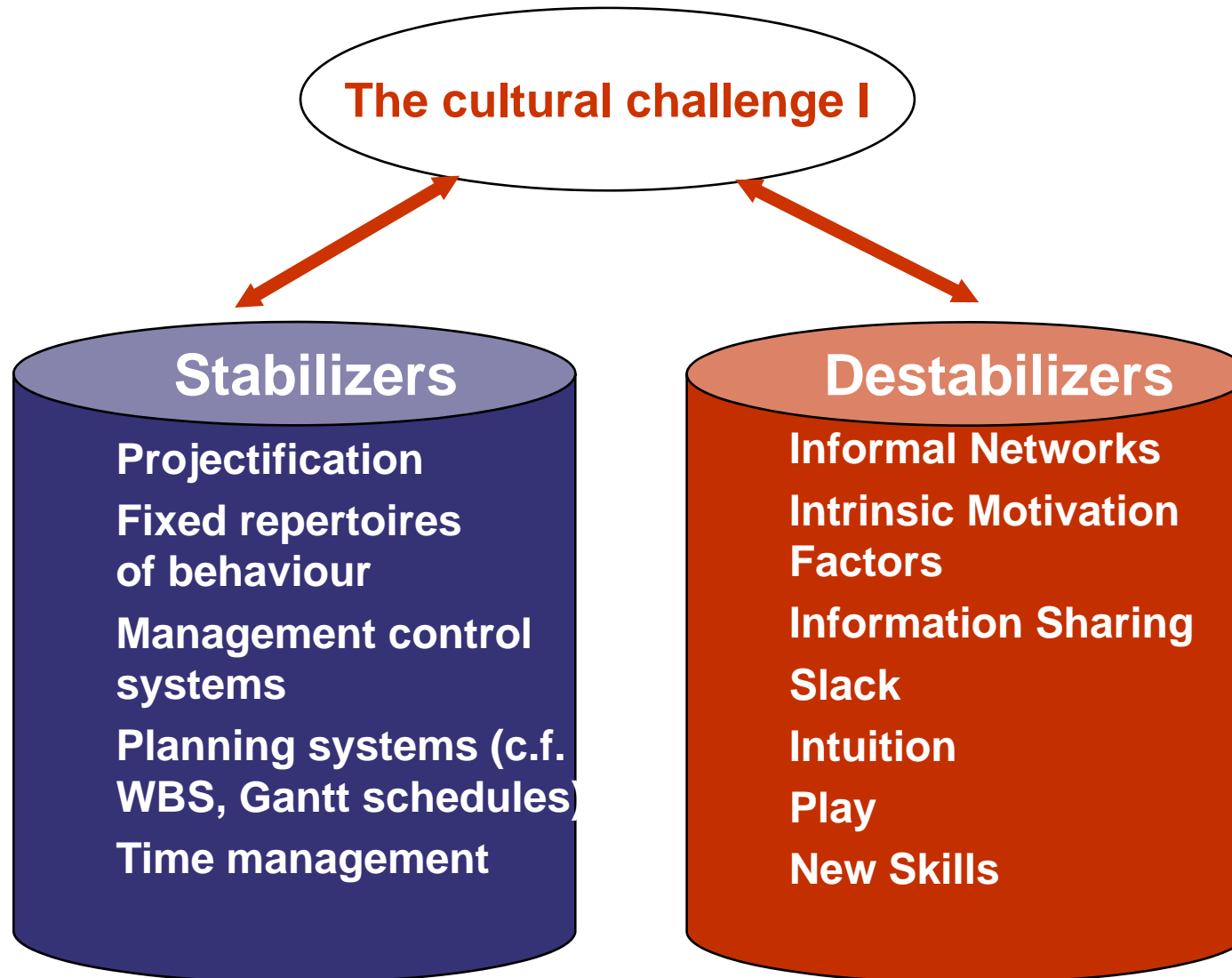
**Anne-Katrin Neyer**

Advanced Institute of Management Research  
London Business School  
United Kingdom

## How to foster CIC in a multinational context

- Focus is on how to create organizational contexts that support innovation of different degrees of novelty, originating from different sources and locations
- **Proposition:** Developing CIC in large organizations requires being aware of the “cultural challenges”
- Innovation is impacted by **working across (cultural) boundaries**
- **Key question:** Are there particular **culturally-based challenges** for the generation of CIC in corporate settings?

# CIC: The cultural challenge I

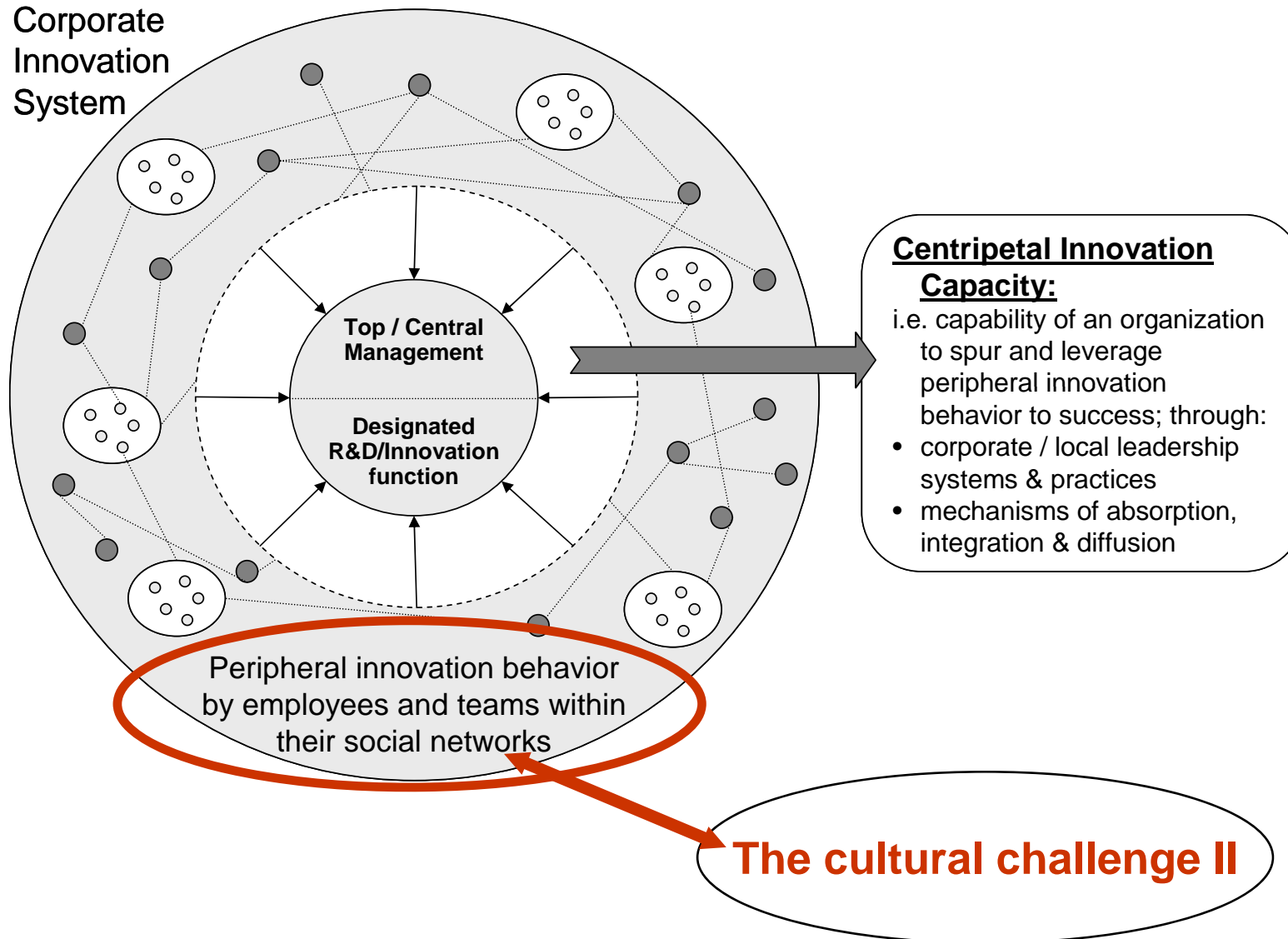


## How do cultural challenges influence the balance between stabilisation and destabilisation?

- **Culture does not matter in every single situation:**
  - **Need to study *when* (= situational factors) and *how* culture matters (Leung et al., 2005)**

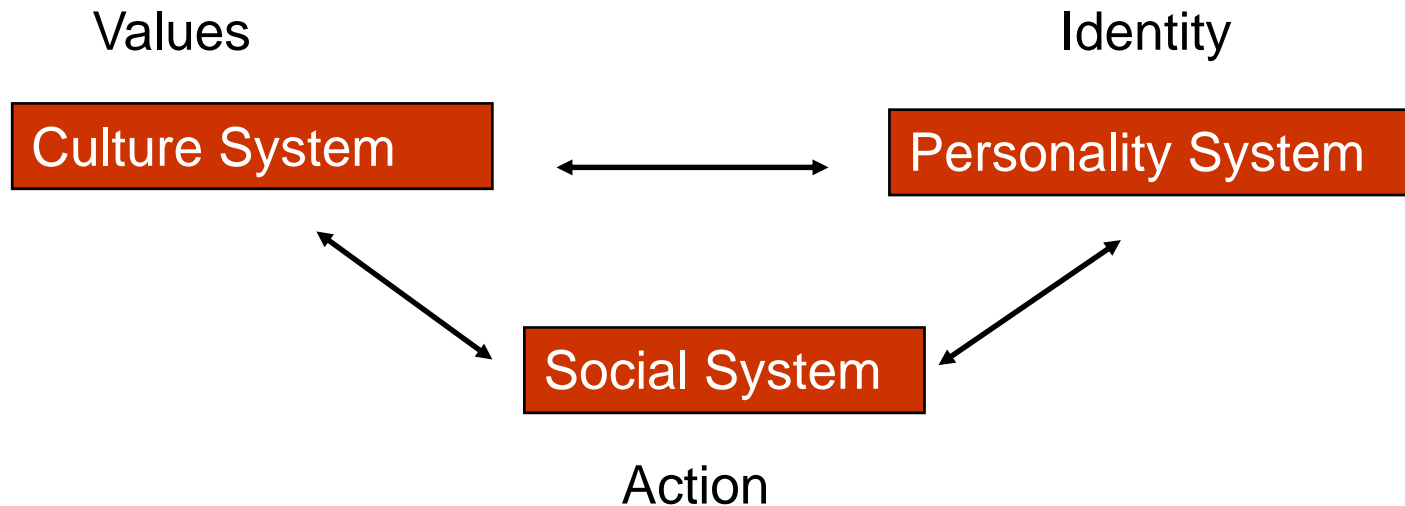
<b>Stabilisation</b>	<b>Management Control System</b>
<i>When does culture matter?</i>	
Situational Factor	Anglo-Saxon cultures prefer impersonal control types and mechanisms (Harzing, 1999)
<b>Destabilisation</b>	<b>Information Sharing</b>
<i>How does culture matter?</i>	
Behavioural Factors	Different preferred working styles (e.g. Neyer, 2005)
	Different ways of criticising (e.g. Neyer, 2005)

## CIC: The cultural challenge II



## How do cultural challenges influence the peripheral innovative behaviour?

- **The relation between cultural values, personality and actual culturally determined behaviour:**



Parsons, T./Shils, E. (1962): Values, Motives and System of Action

Fink, G./ Neyer, A.K./ Koelling, M. (2006). Understanding Cross-Cultural Management Interaction: Research into Cultural Standards to Complement Cultural Value Dimensions and Personality Traits

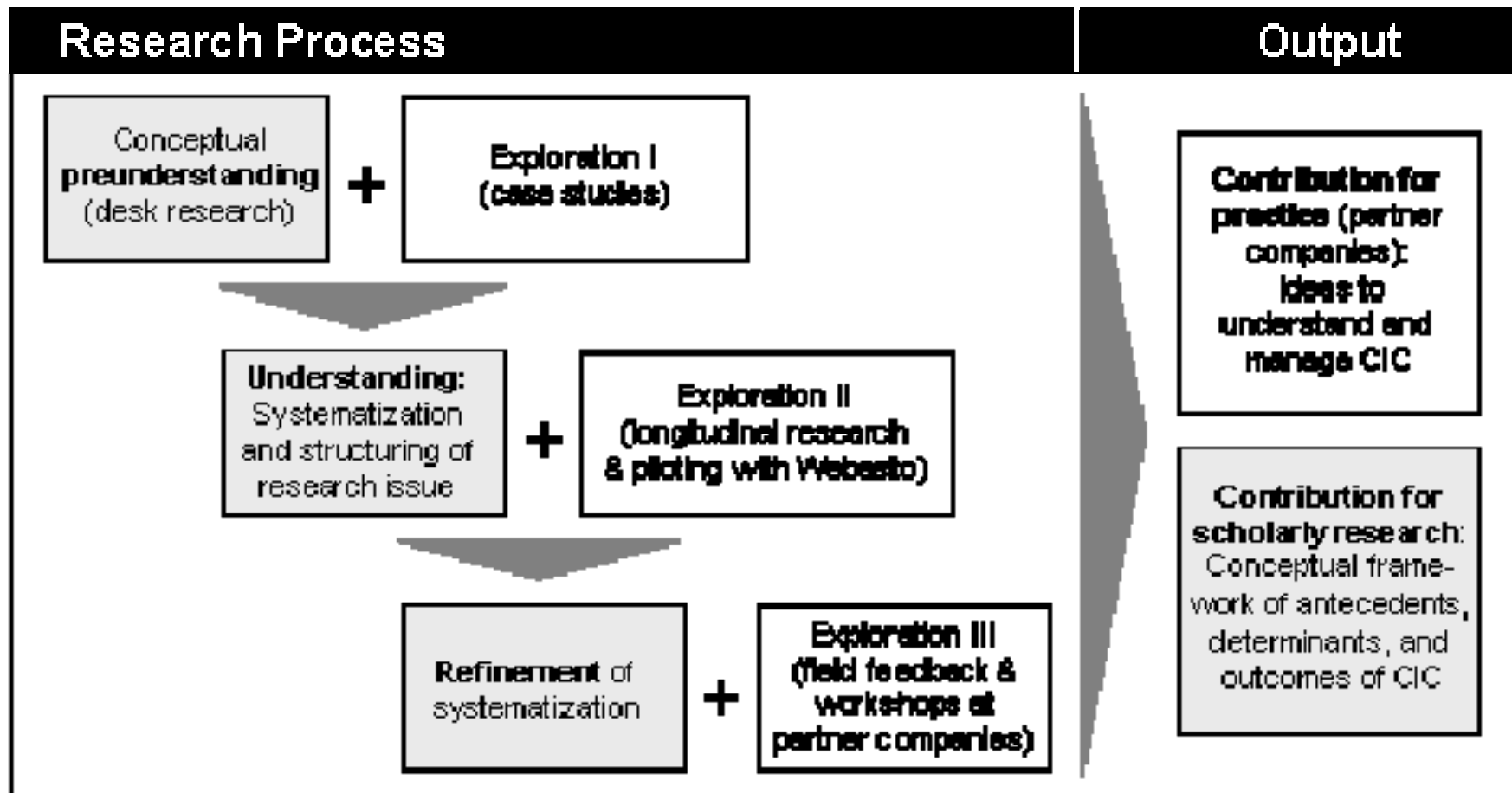
# Building centripetal absorptive capacity

**Frank T. Piller**

Technische Universität München &  
Massachusetts Institute of Technology  
GERMANY / USA

## Method: Grounded theory building and “design science”

(Argyris & Schön 1978 (“theory of action”), based on Lewin 1946, as interpreted by Gummesson 2000)



## Absorptive capacity

The ability of a firm to access, value, and utilize new external resources (information) which are needed for long-term survival (Cohen & Levinthal 1990)

Zahra and George (2002) argue that four distinctive, but complementary, capabilities compose a firm's absorptive capacity:

- **Acquisition** is a firm's capability to **identify and acquire peripheral information** and knowledge that is critical to its operations
- **Assimilation** describes a firm's routines and processes allowing the firm to **process, analyze, interpret and understand this peripheral information** and knowledge
- **Transformation** is the capability to **design and re-design the routines** that facilitate combining existing knowledge and the newly acquired and assimilated knowledge.
- **Exploitation** capability is based on the routines that allow firms to **refine, extend, and leverage existing competencies or to create new ones** by incorporating acquired and transformed knowledge into its operations

## Absorptive capacity

The ability of a firm to access, value, and utilize new external resources (information) which are needed for long-term survival (Cohen & Levinthal 1990)

Zahra and  
capabilities

- **Acq**  
info
- **Ass**  
to p  
info
- **Tran**

**How do firms build absorptive capacity to access and utilize innovation at their periphery?**

**Why do they fail to do so?**

that facilitate combining existing knowledge and the newly acquired and assimilated knowledge.

- **Exploitation** capability is based on the routines that allow firms to **refine, extend, and leverage existing competencies or to create new ones** by incorporating acquired and transformed knowledge into its operations

# Surftech: Building a world market leader by focusing on the periphery



SHORTBOARDS LONGBOARDS SOFTOPS ABOUT DEALERS TEAM TECHNOLOGY STORE

## Brands

Board Height

All Boards

### Bear

Randy Rarick

### Byrne

Dave Byrne

### Channin

Tony Channin

### Gordon & Smith

Larry Gordon

### Hamilton

Bill Hamilton

### Haut

Doug Haut

### Hobie

Hobie Alter  
Mark Johnson

### Infinity

Steve Boehne

### Jacobs

Hap Jacobs

### Johnny Rice

Johnny Rice

### McTavish

Bob McTavish

## LONGBOARDS



Surftech is a company with its roots firmly planted in surfboard shaping. From Tom Blake to Dale Velzy, its heritage is the noble pursuit of building a better surfboard. It is the soul-quest of our company. **Shapers deserve Tuflite because it frees them up from production shaping and allows them to create!** Surfers deserve Tuflite because it gives them performance that lasts. Tuflite - it is more than a core, it is exactly what the shaper shaped for you. *Randy French*

# Learning from Surftech

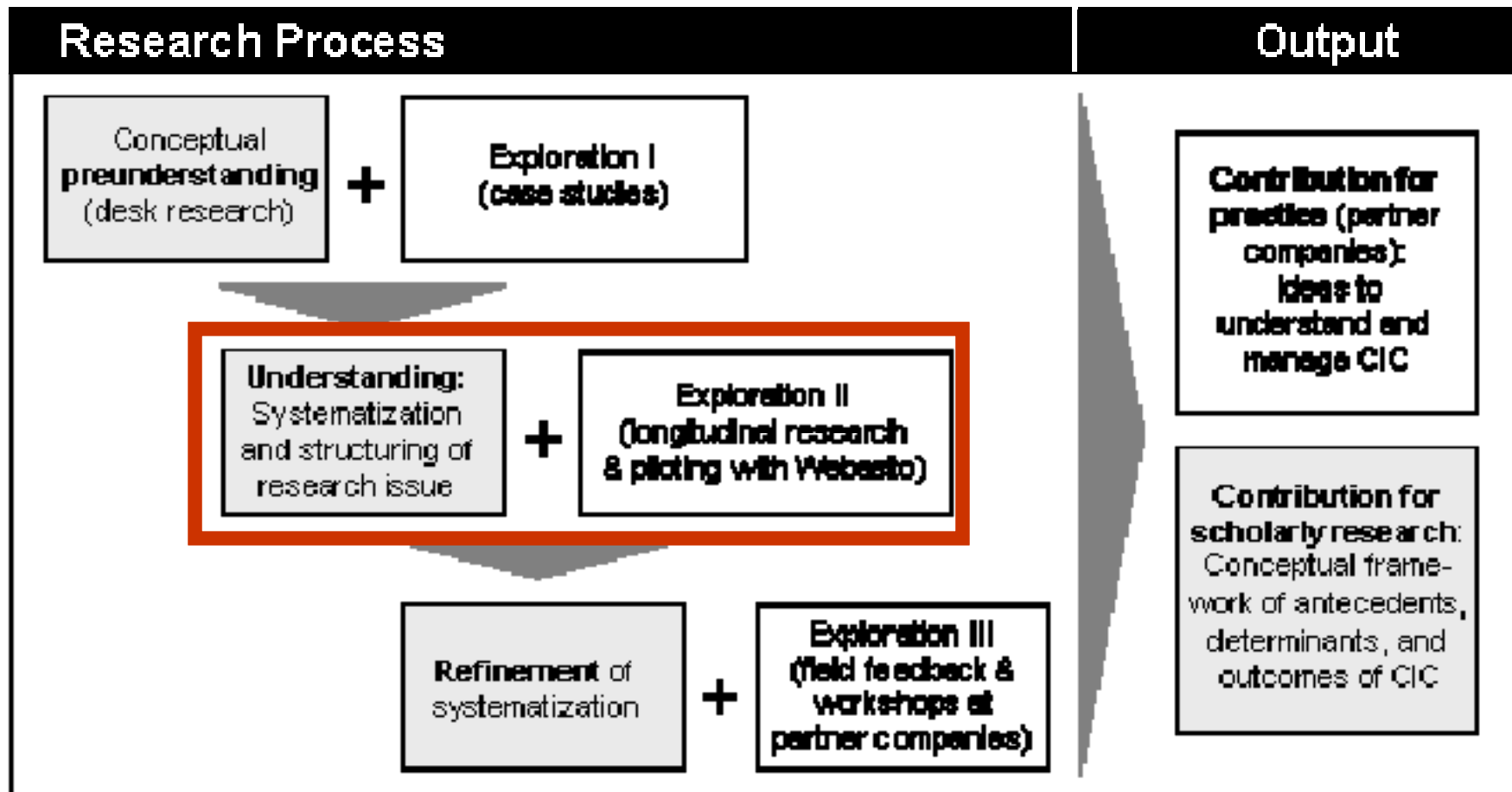
- **New arrangement of division of labor**
  - “lead users” create (but do not manufacture anymore)
  - manufacturer manufactures (but does not design anymore)
- Innovation function seen in the periphery of the firm, but not in its center (Jeppesen & Lakhani 2006; Lakhani 2005; von Hippel 2005)
- New capability set required (new kind of manufacturing technology; new materials; co-branding)
- Efficient provision of flexibility and variety (**postponement**), but different way to access need information

## Absorptive capacity for CIC at Surftech

- **Acquisition:** Signaling (self selection) of bearer of innovative information (competitions); strong integration of firm in user community
- **Assimilation:** Strong integration in community; manufacturer is also user; use of technology (scanning, molding) to extract design innovation
- **Transformation:** Established routines to transfer new designs into stable production system (disruptive process innovation)
- **Exploitation:** Strong cooperation with innovative users and integration in company activities beyond design. Co-branding between firm and periphery creates culture of participation and can be seen as anchor of continuous development of product and market

# Method: Grounded theory building and “design science”

(Argyris & Schön 1978 (“theory of action”), based on Lewin 1946, as interpreted by Gummesson 2000)



# Exploring CIC at Webasto

Feel the drive

Leading German automotive supplier (*more than 50% worldwide market share in their categories*) of roof systems & auxiliary heating systems -- products which are optional equipment and ordered either via OEM or in the after-sales market

## Roof & Body



## Cabrio



## Thermo



## Engineering Services



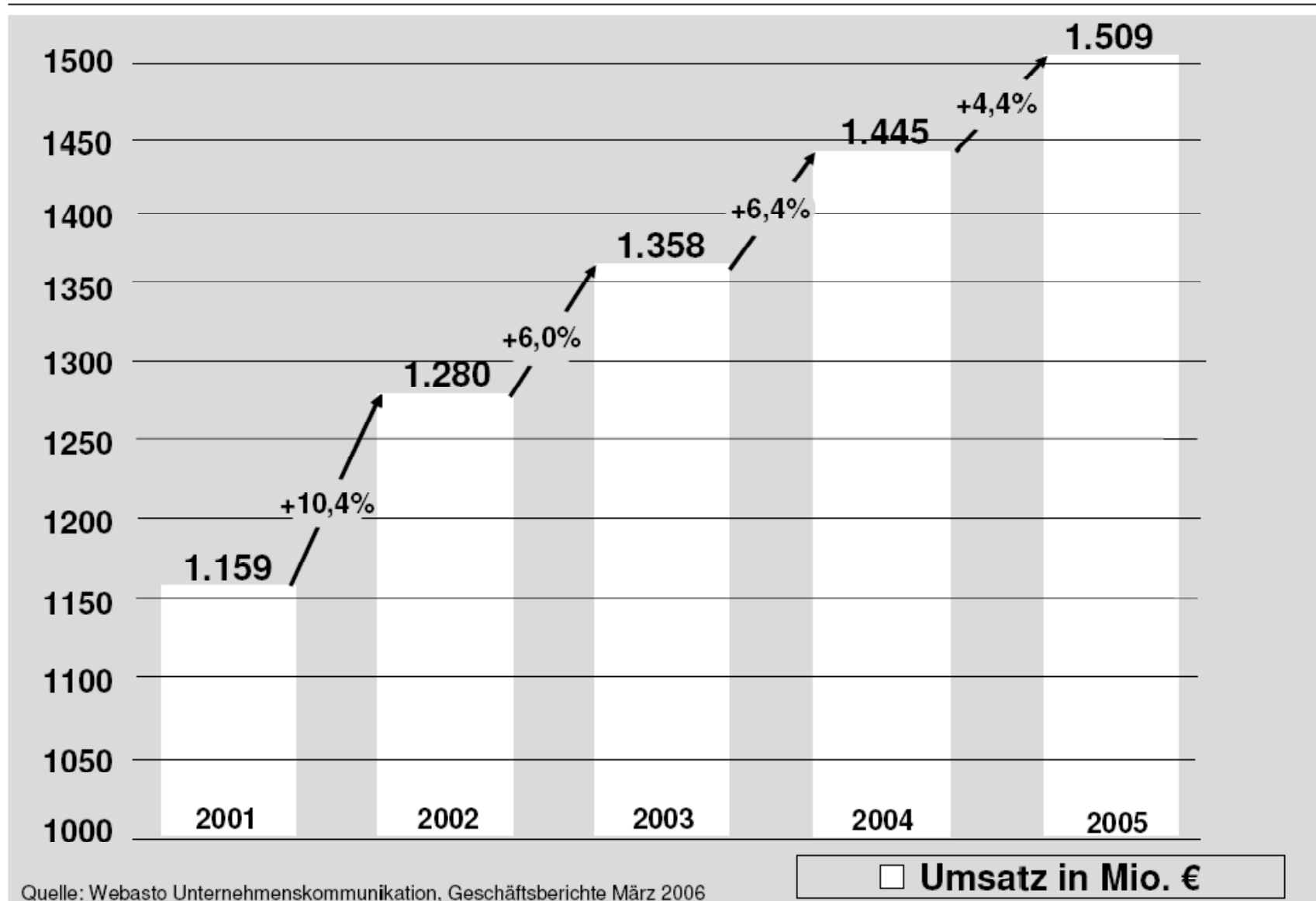
## Global Comfort Solutions



## Truck

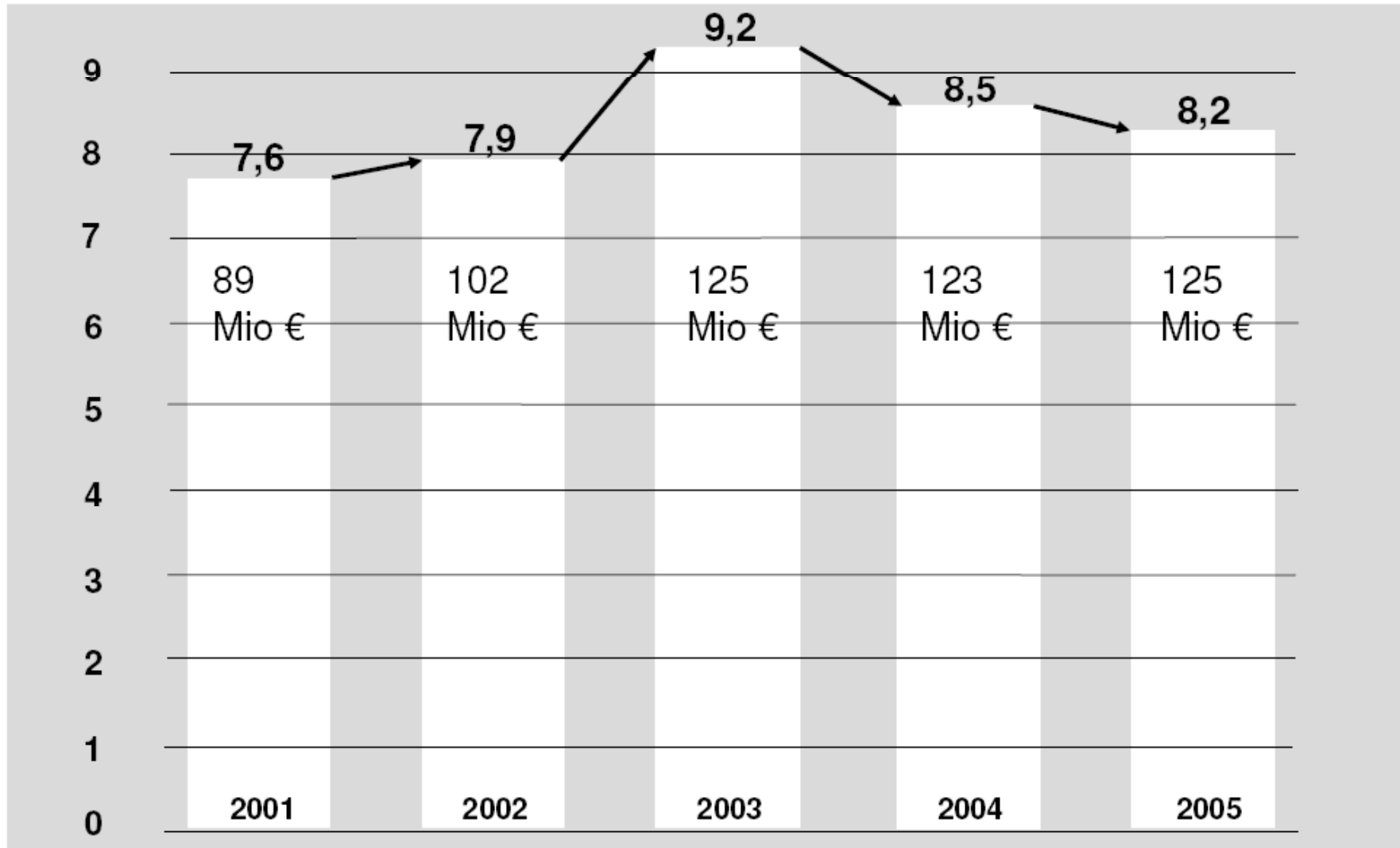


## Sales of Webasto 2001 - 2005 (in Million Euro)



## R&D Expenditures in % of sales 2001 – 2005

Webasto's R&D expenditures are 2-3 times higher as industry average

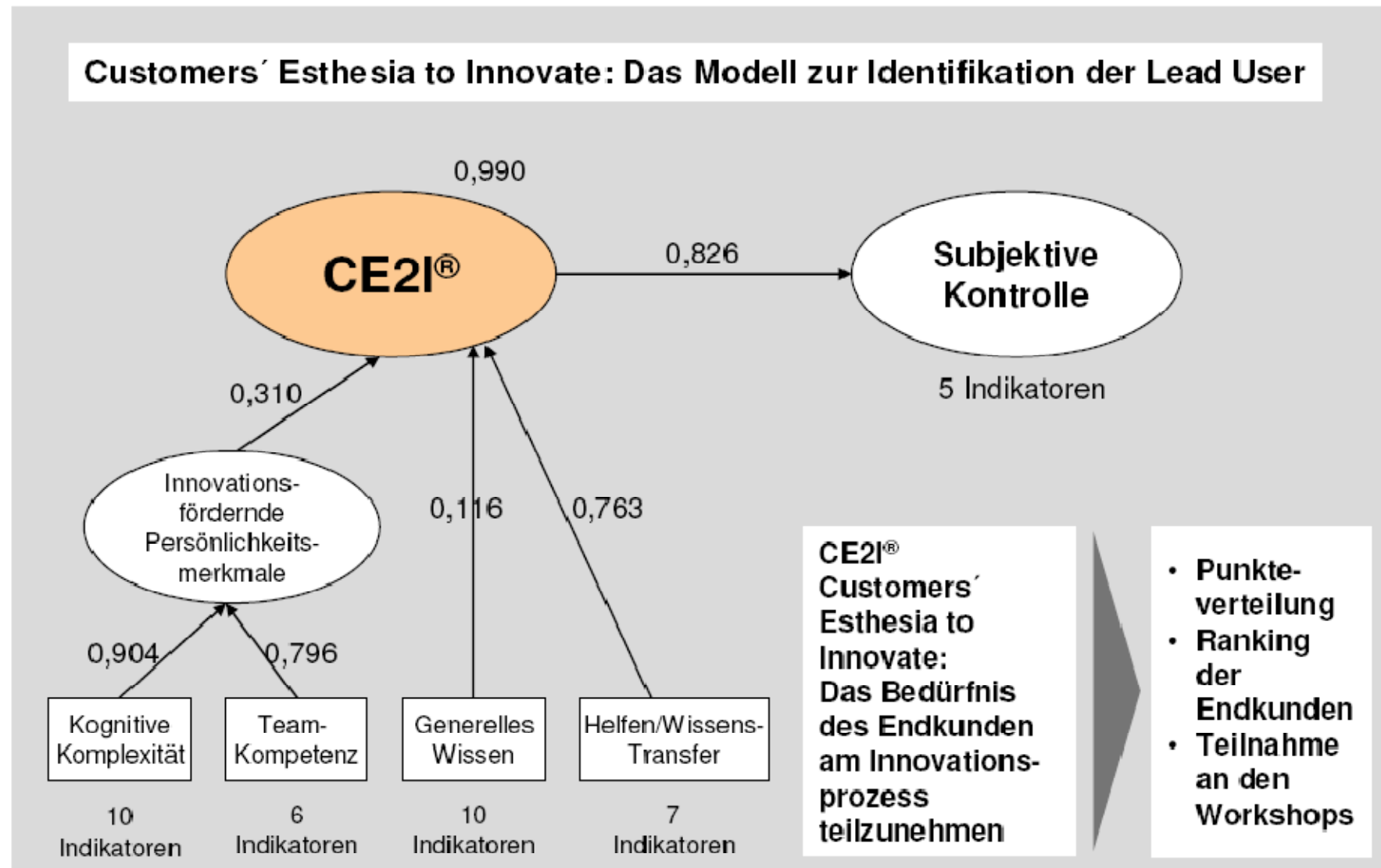


## Webasto built a strong tool box to acquire information for innovation at the periphery (internal & external) (I)

- **1999: Critical incident:** almost bankruptcy due to misjudgment of market demand for new roof system (Mercedes E-Class)
- **2001: Driven by “Marketing-Innovation” function,** strong investments in **conventional market research** at NPD frontend like **QFD** (Akao 1992) or **product clinics** (Wildemann 1999)
- **2002: Intra-organizational change:** Establishing of **cross-functional innovation team** to facilitate exchange and idea evaluation, coordinated by “marketing innovation” function
- **2004: Lead User method:** Adaptation of **lead user method** (von Hippel 1988). Refinement of method and academic achievements in LU selection methodology (Seifert & Ihl 2005; Seifert 2006)

## Webasto's screening tool to identify innovative customers

(Lang 2005, 2006; Seifert & Ihl 2004; Seifert 2006)



## Webasto built a strong tool box to acquire information for innovation at the periphery (II)

- **2005: *Exploitation***: Increased application of revised **lead user method (“articulated customers”)**; further refinement of participant selection & workshop methodology (“learning by doing”);  
External coaching and training; **workshop series** (“Webasto Open House”)
- **2006: *Continuous experimentation***: Piloting of **communities for user innovation** for Chinese market (Franke & Shah 2003; Sawhney & Prandelli 2000; von Hippel & Tyre 1995);  
Implementation of **toolkit for idea contests** (Piller & Walcher 2006) at the company’s periphery

# Webasto's community concept to integrate Chinese auto enthusiasts in development of products for local markets

### Home - Community China

### Idea pool – Post new ideas, make suggestions and assess

**Evaluation**

Idee x, 1114 P

Idee y, 12 P

Idee z, 9 P


Idee n, 3P

...

...




# Webasto's Toolkit for Employee Idea Competitions

IDEEN	BEWERTUNG	PORTFOLIO	PROFIL	IMPRESSUM			
Ideen eingeben	Ideen bewerten	Screening High Potentials	mein Profil	Nutzungshinweise Kontakt	HILFE	FAQs	EXIT
Ideenliste							
Suchen							



ICH BIN

Ideengeber    Erreicher    Mitideengeber

BESCHREIBUNG
KATEGORISIERUNG
EIGENE BEWERTUNG

**i** **IDEEN BESCHREIBEN**

**Titel**  (max. 45 Zeichen)

**Beschreibung**

**Wie funktioniert es? (eingesetzte Technologie)**

***i* Was ist das Besondere?**

***i* Für wen ergibt sich ein Nutzen?**

**Anhang hinzufügen** Es werden nur folgende Dateitypen akzeptiert: GIF, JPG, PDF (max. 5MB)

**ABMELDEN**
**WEITER**

## Absorptive capacity for CIC at Webasto (I)

- **Acquisition:** Leading example in industry, strong practice to **identify and acquire peripheral information** and knowledge from end user domain (no standard practice in industry)
- **Assimilation:** Integration of internal designers in LU workshops, // “**Lead manager**” as internal **innovation champion** (Griffin 2005) with strong intrinsic motivation // **Paradox** of stronger external than internal assimilation (*“Webasto Open House” workshop series*)

## Absorptive capacity for CIC at Webasto (II)

- **Transformation:** Integration of “open innovation function” in **sales practice**; LU input proofed to be unique **source of differentiation with OEMs**; bridging between innovation and sales (*LU method becomes relationship marketing tool*)  
**but: No top management support** (“*external ideas are not objected, we do not have a problem with NIH, but no one feels responsible for discontinuous or external ideas*”)
- **Exploitation:** Focus on continuous improvement, but not **refinement and extension**; “Engineering” culture as a strong barrier to overcome “NIH mentality”;  
however: *Piloting and co-construction process of knowledge between research team & Webasto just at the beginning*

## Absorptive capacity for CIC at Webasto

- Acquisition (++)
- Assimilation (+)
- Transformation (-)
- Exploitation (--)

## Conclusions from the Webasto Case

- **Role of internal innovation champions to foster CIC**
  - How to find or grow them?
  - How to provide incentives, but at the same time control?
  
- **Develop mentality of “solution seeking” instead of “problem solving”**
  - „**Broadcasting**“ of problems as way to get access to external knowledge (Lakhani 2006; Jeppesen & Lakhani 2005)
  - What are the capabilities required for “problem broadcasting”?
  - **Evaluation:** How can we overcome the “local search bias” in evaluating ideas? (Duncker 1945; Allen & Marquis 1964; Sorensen & Stuart 2000)
  
- **Get top management commitment**
  - **Peripheral input is often discontinuous**
  - How can a firm build “**organizational slack**” as part of CIC?

## DISCUSSION

How can we master the challenge of leading open Innovation and cooperation?

**Ralf Reichwald**

Technische Universität München  
GERMANY

## Questions: why, when, how, who, where, what

- **When: Is CIC particularly important at specific points in the innovation/market life cycle?**
  - Frank
- **How: Is cross organizational learning linked to CIC?**
  - Anne-Katrin
- **Who: Are certain industries more likely to use open innovation and CIC?**
  - Tobias
- **Where: Is CIC showing up in predictable places?**
  - Kathrin
- **What is the first step to increase CIC in practice?**
  - Anne

## Centripetal Innovation Capacity” (CIC)

Preliminary definition:

- *The capacity to initiate, assimilate and leverage innovation behavior from inside and outside the organization for economic success.*
- CIC explicitly includes peripheral innovation behavior that occurs outside of designated R&D.
- It considers new products/services/experiences as well as new administrative processes and business models that radically depart from past practice.
- We propose that CIC is an important antecedent of a firm’s innovation performance and ability to deal with discontinuous innovation