

nu Angle Newsletter



nu Angle Ltd.

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Open Innovation: learnings from Philips

By Dr John Bell,
Head Strategy and Partnerships of Philips Research

For over 95 years, Philips Research has been the innovation engine for Philips, a Health and Well-being company focused on improving people's lives through timely innovations. The uniqueness of Philips Research lies in its creativity and IP-generation capability combined with understanding of manufacturability.

Open Innovation, inside-out and outside-in

Over the past decades, Open Innovation has become an integral part of the DNA of Philips Research, using both an outside-in and an inside-out approach.

Outside-in Open Innovation is mainly applied to make use of brains and competences of others as well as to get access to top talent.



Examples are cooperation with universities and research institutes, and public-private partnerships in EU frameworks.

An **inside-out approach** is more novel for large companies. It means that in-company competences and brains are being shared with other companies, institutes and universities. Recently, we created Philips Research Open Labs for this purpose. In this new step in Open Innovation, Philips Research works with other innovation companies like nu Angle to generate new open networks and options for innovation for its customers. However, for both of these approaches to work it requires a change of culture and mindset, and this takes time and management.

Like playing in a sandpit

The benefits of open innovation can be illustrated by thinking back to your childhood and imagining yourself playing with other children in a sandpit. In this picture, the child represents a business wishing to serve a customer need while each



PHILIPS

sense and simplicity

toy is IP or know-how or even a good business model which can offer a means of serving that need. Children playing in the sandpit, don't have to bring along all the toys themselves, can use the toys that others don't want anymore, and can even negotiate to play with new toys others have and they suddenly need. However, there are some specific rules of the sandpit that all children have to observe: the toys must be shared, you can't necessarily have a specific toy exactly when you want it, and last but not least, you must behave well.

Speeding up innovation

Companies, institutes and foundations with challenging innovation needs in the areas of electronics, informatics, life sciences, physics, chemistry, humanities, design and mechatronics can contact Philips Research Open Labs. Both the customer and Philips benefit from the cooperation, speeding up innovation by sharing capabilities and facilities, while strengthening and developing new competences.

POINTS OF INTEREST:

- PHILIPS AND THE MOVE TOWARDS OPEN INNOVATION
- SOFT DRINKS COMPANY LOOKING FOR INNOVATIONS
- MAKING INNOVATION HAPPEN ACROSS SECTORS
- CONNECTING IP STRATEGY TO TECHNOLOGY ROADMAPS

ALL AUTHORS ARE PART OF OUR NETWORK AND ARE AVAILABLE FOR CONTACT ON REQUEST

OTHER NEWS

- nu Angle and Aligned Agility join forces to combine 'organisational learning' with 'technology and innovation management': see next newsletter for more details
- nu Angle has recently completed two Webinar sessions on Technology Road mapping aimed at the challenges that many forget: getting the right external experts involved and then converting roadmaps into implementable R&D plans. The next Webinar is on 4th February 2010
- In January, nu Angle ran a one-day Innovation master class on 'Building a Customer-Focused Technology Strategy'. Another is taking place on 11th March 2010. See: <http://www.pure-insight.com/> for next Webinar and master class or call Xanthe Hay at Pure Insight on +44 (0)1325 345810



nu Angle assists a soft drinks Company looking for innovations

Considerable effort had already been made internally within the company to consolidate development projects and focus on key technologies of commercial relevance.

However the Company's internal innovation team were finding it difficult to focus on those technologies that delivered real unmet consumer needs. It was also very worried about missing important 'fit-for-purpose' technologies outside its own industry sector and sphere of influence. Getting the marketing team's attention also proved extremely difficult as they tended to lose interest as soon as technology was mentioned. The consequence was too many of the wrong or uninspiring technologies with no internal team alignment.

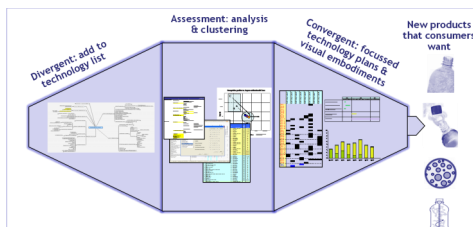


nu Angle worked with the innovation team to create a tailored technology strategy process. Once developed and refined we also trained the internal team in the approach. The approach had several successive elements:

- **A divergent phase:** the team found and used external experts (some far removed from the sector and some used as wild-cards) to broaden the list of technologies already considered.
- **An analysis phase:** using strategic, commercial and technical criteria to first prioritise the list and then cluster into a much smaller set of business relevant technology areas.

- **A convergent phase:** technology plans were focused to deliver these important technologies in real products. Technologies were also converted into 'visual embodiments' for commercial teams so that they could understand their potential and sign onto the plans.

We delivered 4 new 'technology platforms'. These were aligned with the commercial brand roadmaps through a structured analytical process. Several new innovative products, incorporating these technology platforms, have emerged as a result of this work.





Creating value growth through innovation

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Making innovation happen across sectors

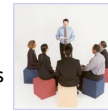
by Dr. David Coates, Head of Knowledge Exchange for The Technology Strategy Board and close Partner with nu Angle



The Technology Strategy Board believes that innovation is one key to the UK's future competitiveness and it continually attempts to catalyse innovation in many ways. For innovation to become the cornerstone of wealth creation it is crucial that UK companies firmly grasp open innovation both within and across all sectors.

However, for open innovation to be truly effective there must be a willingness to readily share knowledge where, in this context, knowledge is information put into useful context. Within-sector knowledge sharing is quite commonly achieved but cross-sector, almost impossible unless three basic principles are recognised and acted upon at the same time.

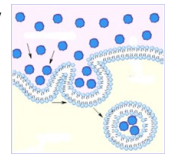
- Languages need translating - every sector has a language that is not only specific to the technology base and business but will also encompass the way companies communicate internal issues, problems and challenges. For open innovation to be truly effective across all sectors, translation and clarity of meaning are necessary to ensure the matching of solutions with needs.



- Sector "Clockspeeds" need to be matched - every sector has a natural speed at which things happen. "Clockspeed" is an indication of the rates of change in product development, process creation, and organisational renewal. If cross-sector open innovation is to be effected, there must be an appreciation of respective sector "Clockspeeds".



- Absorptive capacities must be appreciated and understood - where absorptive capacity refers to a company's ability to value, assimilate, and apply new knowledge. It has long been recognised that some industries have the ability to assimilate new knowledge and use this knowledge appropriately whilst others have little appetite for anything new.



The Technology Strategy Board addresses the above by making companies aware of these potential barriers. Knowledge Transfer Networks (KTNs) can facilitate new innovations across sectors by taking account of these issues in conjunction with Companies like nu Angle. Once these principles are recognised and addressed, in all relationships innovation is more likely to flourish and create wealth.

* A full paper on technology roadmapping and other papers on technology management techniques appear on our website:

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nu Angle & ipCapital connect IP Strategy to Technology Roadmaps with impactful outcomes*

By Kate Shore (ipCapital Group) and Dr Peter Allen (nu Angle)

We have recently carried out joint roadmapping and IP work. We have found that the intersection of intellectual property (IP) with technology roadmapping increases the value and relevancy of the output and ensures that the preferred options can be 'protected' before any investments are made. It also allows for IP white spaces to be identified that are ripe for exploitation.

IP is utilized in the three phases of technology roadmaps as follows:

Phase 1 Define Scope

IP is leveraged as an input...

- Captures the current technologies and key players to be added to a growing list
- Develops understanding of the IP strategies currently used in the space (e.g. types of IP, filing strategies, is litigation common?)
- Helps to identify and bring outside experts up to speed for Phase 2

Phase 2 Draft Roadmap

IP provides an additional filter...

- First pass look at "early leaders" of new technologies with objective data thus adding insights into nu Angle's roadmap process
- Identifies if new technologies have crossed into the market(s) of interest yet, supporting timeline development. This, combined with the external experts structured input into the roadmap, is important
- Adds a new perspective to expert input and technical research
- IP metrics integrate with other metric types to create an overall evaluation score for each option (group of technologies)

Phase 3 Option Plan Development

IP strategy reinforces action plans...

- Discovers potential partners with early stake in the space or from peripheral industries

- Influences decisions on where to develop, partner or acquire and is one input into the choices to be made by the executive
- Provides flexible plan for each option that can be deployed independently and adjusted
- IP process impact and resource needs explicitly mapped out in project plans - no surprises later!

The outcome of integrating IP with technology roadmapping is a more 'robust set of options supported with objective data'. This allows for detailed action plans that include specific steps for managing IP to protect innovations, achieve a strong return on investment, and attain sustainable competitive advantage.

