7 NEW APPROACHES IN SELECTING THE RIGHT OPEN INNOVATION METHOD

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The variety of Open Innovation methods is growing with the ongoing digitalization and the evolving possibilities of the internet. For companies, this means that there is a suitable solution to fit exactly their situation, capabilities, and expectations for innovation projects. But how can one select the right method amongst the different options? In many cases, this is the first obstacle that companies have to face when thinking about implementing Open Innovation strategies. And it is a crucial one. The selection method sets the foundation for the success as well as potential shortcomings and complications of the entire project. This chapter provides a brief outline of factors that should be considered in the selection process and suggests the inclusion of a previously neglected dimension.

The Conventional Selection Process

Typically, when planning the implementation of Crowdsourcing or Open Innovation processes in a company, the factors determining their extent and method are set by the company's specific context, capacities and goals. Among the essential parameters are company size, available monetary budget, time frame, the degree of openness, the scope of application, and the manageable complexity. These factors are mostly quantifiable and objective items, which can be derived from the company's current state. Naturally, matching potential approaches with these factors is an essential step. It is however no guarantee for the success of the project or the quality of the final outcome. Sometimes, Crowdsourcing and Open Innovation do not yield the desired result, even though the

method was carefully aligned with the company's parameters. But what is the source of these shortcomings and how can one prevent such flaws?

The Crucial Role of the Project Leader

In most companies Open Innovation projects are performed by an external consultant or an agency and in most cases by one project leader employed by the company carrying out the project. This creates a central bottleneck. The outcome of the project and the implementation of the results will mainly depend on the performance of the project leader. More precisely, it depends on his or her attitude towards the project. Consequently, the method not only has to match the company's parameter, it also has to fit the project leader.

In the newly developed logic (Socially Indicated Match Making Method: SIM3) methods and employees are characterized by sociological criteria following the hypothesis: Methods and people with similar characteristics of criteria are predicted to fit. Not every single participant in an Open Innovation project has to be open, innovative, and curious about new ideas, there are different methods for different kinds of people with different personalities.

Defining and Matching Criteria for Methods and Project Leaders

Matching methods and project leaders requires predefined parameters. They provide the basis on which possible methods are assigned to potential project leaders: a set of the capabilities of the project leaders are compared with the same parameters assigned to the different methods. Those parameters include culture, habits, interaction between participants, or the personality of the employees involved. The following criteria are used to describe methods and the individual project leaders.

OPENNESS

- Individual: receptiveness to new input; communicative ability
- Method: amount of additional input needed; level of communication involved

NATURE OF WORK

- Individual: adaptability to changes; goal-orientation; big-picture perspective
- Method: structure of tasks; level of consistency and stability

RISK

- Individual: risk affinity or risk aversion; dealing with uncertainty and unpredictable outcomes
- Method: level of uncertainty; level of unfamiliarity

ENJOYMENT

- Individual: intrinsic/extrinsic motivation; importance of success and achievement
- Method: perceptibility of success and outcomes; immediacy of interaction and impact

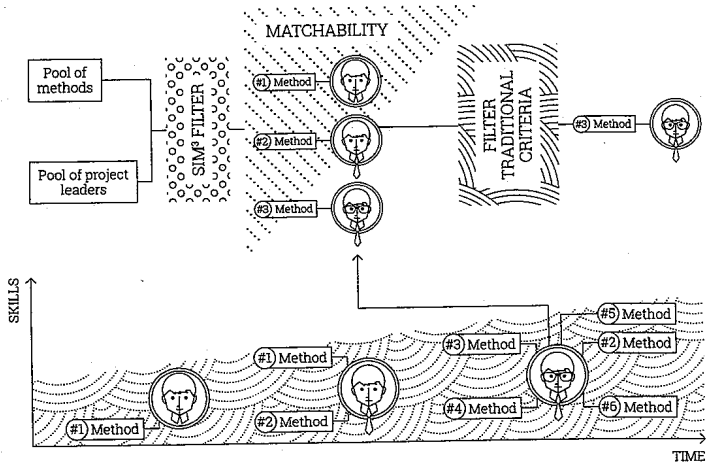
Following the stated hypothesis, potential project leaders and methods can be matched along these criteria. For example, a person characterized as open in terms of receptiveness to new input can be considered more suitable for a method with a high degree

of openness than a "closed" person. Following the same argument, a method with high levels of uncertainty might not be the ideal choice, if the project leader is risk averse. The better method and project leaders match along these parameters, the better the matchability and the higher the chances to achieve the desired results. Of course, the fitment rate alone does not guarantee the success of the project. The coupling of method and project leader still has to be suitable for the company's parameters and traditional criteria.

Applying the Matching Process

To put this logic into practice, potential project leaders are interviewed with a standardized questionnaire at the beginning of an Open Innovation project. The questionnaire characterizes the individuals according to the criteria mentioned above. In a second step all methods are characterized by the same set of criteria. In the match making step the methods and the employees are coupled and a prioritized list of matching methods is generated for each decisive project leader. In the last step, using the traditional approach of matching the method to the company's parameters helps to select the best possible couple of method and project leader in order to fulfill the overall project tasks.

As companies very often have only a limited number of project leaders, the qualification of the skills and competencies of each prospective candidate are one way of enlarging the amount of suitable couples. The qualification level of the candidate is constantly increased by training and experience. By doing so the number of possible matches between methods and project leaders will increase. Finally the management picks the coupling, which is most promising to fulfill the company's needs.



Matching method and project leader is the central part of the new approach. The number of possible methods increases over time with the growing skills of the individual.

Selecting the Right Method: Towards a People Related Approach

Future research will concentrate on a more organizational aspect. Looking at the problem from a different angle, not only methods can be selected but also employees, who then perform the projects and implement the results. Following this logic, the problem dictates the Open Innovation method used, but the method dictates the person who should be involved. Instead of qualifying existing employees, using internal resources only, opening the organizations, using external resources, e.g. retired ex-employees, students,

start-ups, external companies, or engineering services might also be a suitable approach. In the near future, the development of an open employment market with the right person for a particular project from external sources could be a solution.

The newly developed logic (SIM3) reduces the risk in Open Innovation projects by matching the right method to the employees involved. Companies will be able to absorb the acquired knowledge better and the projects will have a higher probability of success. The new logic changes the selection process for the Open Innovation method from a problem-related to a people-related approach.

»The great thing about Crowdsourced Innovation is its potential to find the unknown. Ideas, needs, or solutions you were not looking for in the first place. We have worked on a new business model in the area of smart factories and were able to get in touch with many factory workers who brainstormed new ideas with us.«

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