

# InnovationXchange Ltd

## THE INNOVATION LANDSCAPE IN THE UK

AN SME PRACTITIONER'S PERSPECTIVE

# 2019



# WELCOME

FROM THE INNOVATIONXCHANGE

## INNOVATION... ESPECIALLY FOR SMES

This paper enables busy executives to get an update all in one place about what is going on in the innovation space today.

More importantly, it flags for you resources that can help deliver what you need to do quicker and more effectively.

All based on the 12 years of experience we have in this space and the recent significant research study we commissioned to identify and pull together what the UK innovation landscape looks like for SMEs today.

We will guide you through critical questions including:

- What's going on?
- What's actually useful?
- How can you get help?
- How can you get support for your innovation strategy?
- Best practice: what do the most innovative companies do, and how are they different?
- Why is it important to innovate?
- How can working with those outside your company help you?
- How can you measure the return on investment?
- What are the current trends in the leading companies and public sector institutes that could also help you?

Whilst the term 'Open Innovation' was coined over 15 years ago, it is now accepted that open innovation is the norm. Companies, charities and public sector bodies cannot work in isolation and need to work with others - we show you how.

*Yours in innovation,*



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# THE INNOVATION LANDSCAPE TODAY



**THE CONCEPT  
OF OPEN  
INNOVATION  
PROMOTES THE  
FLOW OF  
KNOWLEDGE  
INTO AND OUT  
OF COMPANIES**

# THE INNOVATION LANDSCAPE TODAY

FIRSTLY, WHERE HAVE WE COME FROM?

It is 15 years since the term 'Open Innovation' was defined:



**...THE ACT OF CONNECTING INSIGHTS, RESOURCES AND CAPABILITIES ACROSS SOCIAL AND INSTITUTIONAL BORDERS TO ACHIEVE AND CONCEIVE WHAT WE CAN'T DO ON OUR OWN"**

- THE DEFINITION OF OPEN INNOVATION by academic, and the 'father of open innovation,' Henry Chesbrough 2003

## Since 2003...

- Innovation has evolved from the preserve of high-tech companies, to nearly every sector, and more and more SMEs:
  - ...Tech companies ...  
Software ... Electronics...  
Telecomms... Pharma...  
Biotech... FMCG ... ..  
Medical tools ... Food ...  
Architecture ... Logistics...
- Many companies are investing in collaborative partnerships with universities, competitors, and specific innovation support consultancies to develop innovation.
- Both local and regional governments have created mechanisms to support innovation in business.

**...Innovation has moved from the pioneers ... to mainstream**

## Did you know?

- Companies underuse both their own knowledge and that of external organisations.
- Knowledge can be specific intellectual property (IP) such as design rights, copyright, trademarks, patents, etc.  
It can also be 'know-how'- the tacit knowledge contained within a company that must be considered a valuable resource.
- Once, leading industrial companies held knowledge monopolies, hiring the brightest & best, but this is no longer the case.
- No company can generate enough ideas internally to compete with the number of potential ideas available in the wider world: Companies need to develop innovation processes to leverage external pools of knowledge.
- Investing in collaborative partnerships with universities, competitors, and OI support consultancies to deliver innovation, enhances value creation and spreads risk & cost on complex projects- particularly valuable for SMEs.
- Companies do not fully benefit from the knowledge derived from their internal R&D: many patents lie underused & significant amounts of tacit knowledge underutilised.

## An Open Innovation Approach:

... reduces one or both of the two sources of uncertainties every organisation faces during the innovation process, but to which SMEs are most vulnerable:

### 1) Uncertainties of market environment

what are untapped needs of users? How can the needs of customers be translated into tangible requirements? Which market developments can be expected?

### 2) Uncertainties of technological issues

does the applied technology offer an advantage to fulfill customer requirements? What technology makes the production process more efficient & effective?

**To gather this info, use:  
internal teams; processes;  
and external consultancies.**



# WHY IS IT IMPORTANT TO INNOVATE?

# THE IMPORTANCE OF INNOVATING

## Emissions monitoring device for power stations

Traditionally, particulate emissions from coal-fired power stations were monitored using a method based on decay of a radioactive isotope.

Licensing issues started to arise due to the radioactivity which started to spell the end for this SME's monitoring device.

Cambridge-based PCME had to innovate, and innovate fast if it was to survive: although the radioactive method was acceptable when it was founded back in the 90s, a different approach had to be found.

PCME developed and marketed a device based on light scattering that has reduced purchase price by 20% and has operational benefits. The device needed to be highly reliable, not susceptible to blocking and fouling, able to operate in the challenging environment of the flue stack and meet strict regulatory standards in US, China and Europe.



Development of the device has established PCME as one of the leading suppliers of emissions monitors to this market.

The device now represents 23% of company sales and has driven a turnover increase of 39% over the past five years.

*Such innovation led this SME to become a Queen's Award for Enterprise (Innovation) winner*



**IF YOU WANT TO  
STAY ALIVE IN  
BUSINESS, YOU MIGHT  
BE DOING SOMETHING  
COMPLETELY  
DIFFERENT  
TOMORROW THAN  
TODAY**

# WHAT'S NEW?

KEY  
TAKEAWAYS  
FOR THE SME  
INNOVATION  
PRACTITIONER

# SINCE THE TERM 'OPEN INNOVATION' WAS COINED IN 2003...

... there has been an increase in innovation support companies, to help companies in their experimentation and measuring of innovation activities. (e.g. Innocentive, InnovationXchange, NineSigma)

... more and more sectors have all increased their systematic use of universities & knowledge brokers to support innovation

... accumulation of knowledge has allowed industries to identify & leverage opportunities, **but a process is required**

... innovation processes have changed from highly structured, to iterative and interactive- this particularly suits the lean and agile attributes of SMEs

... large multinationals have well developed business models to support their innovation

... SME's are increasingly adopting innovation to overcome their 'liability of smallness'

... the majority of SMEs find the benefits of both inbound and outbound innovation does not necessarily outweigh the costs of these initiatives; however the costs are not detrimental to the companies either

... intellectual property (IP) dealing (e.g. outbound innovation) into new markets is more sophisticated.

... the service sector is still underdeveloped in its adoption of innovation processes

... joint corporate R&D and university collaborations are more common among high-tech manufacturers

# WHAT'S NEW?

# CORPORATE INNOVATION

WHAT RESEARCH  
TELLS US THE BEST  
COMPANIES DO TO  
STAY AHEAD:  
hints & tips for SMEs

# HOW COMPANIES DO "BIG I" INNOVATION

## Best practice: how are the most innovative companies different?

A truly innovative organisation values new and workable ideas in ALL aspects of its operation... not just product & technology innovation.

Truly new recipes to achieve organic growth are difficult- these are the **'BIG I INNOVATIONS.'**

Most rely on continuous improvement to fulfill their growth needs- the **'small i innovation.'** Such organic growth is difficult to sustain though.

The need for innovation applies to the whole organisation:



# HOW COMPANIES DO 'BIG I INNOVATION'

## Best practice: how are the most innovative companies different?

Ways to collaborate to strengthen innovation capability:

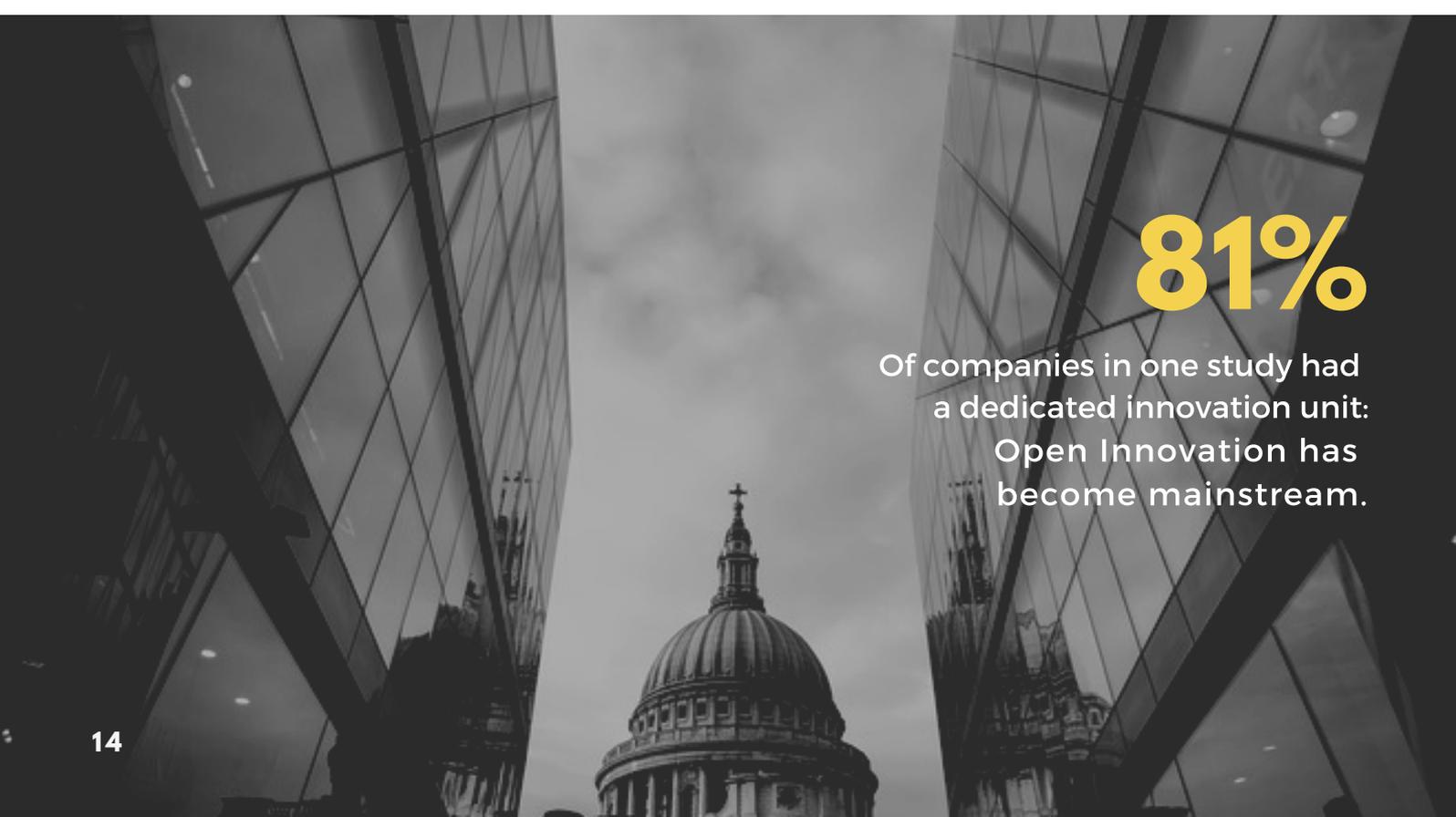
- include subcontractors/suppliers in the supply chain
- integrate external knowledge into the company's innovation processes
- projects with equal (development) partners

*Great tips for SMEs*

You can ensure successful open innovation (OI) collaboration via clear and open communications.

Specifically:

- **cultural change:** the open approach must be accepted and used when interacting with external bodies
- **structure and processes:** need to be in place to allow OI to work effectively
- **training:** a blend of skills is required to enable OI
- **motivation:** appropriate changes to incentive structure are essential to implement OI successfully



**81%**

Of companies in one study had a dedicated innovation unit: Open Innovation has become mainstream.

# SMEs HAVE THE CAPACITY FOR RADICAL, NEW-TO-THE WORLD INNOVATION

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Small and medium size enterprises (SMEs) are adopting open innovation (OI) mechanisms.

They do this in a flexible, less-formalised approach:

## Hunting

searching for knowledge through customers & suppliers

## Cultivating

collaborations both informal & formal

## Exploiting

bring products to market through external transfer of knowledge through spin-outs and licencing



# SMEs

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# SMEs ARE AN IMPORTANT SOURCE OF INNOVATION

SMEs are embracing open innovation because:

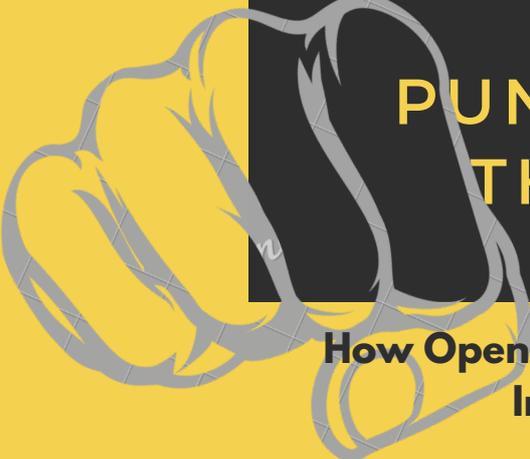
- collaboration with research organisations spreads the risk of diminishing technology cycles
- increasing complexity (& costs) of developments
- need for additional expertise
- they can overcome their 'liability of smallness' by opening up their innovation process.

OI strategies enable product improvement, cost reductions, solving technology challenges, new product and service development, and opening up new markets.

OI mechanisms help corporates interact with SMEs, because SMEs are an important source of innovation.



# SMEs



# PUNCHING ABOVE THEIR WEIGHT

**How Open Innovation companies help SMEs  
Innovate like Corporates**

## **PARTNER SEARCH**

Discover, vet, broker and manage equal development partners and/or corporate venture opportunities. Also assist with relationship management of subcontractors/suppliers.

## **KNOWLEDGE SEARCH**

Source and integrate external knowledge into the company's innovation processes. Determine needs with stakeholders: help ask the right questions. Also identify funding opportunities.

## **INNOVATION AUDIT**

Assess existing innovation status and introduce best structures and processes needed to allow open innovation to work effectively.

## **TRAINING**

A blend of skills is required to enable OI. Cultural change and motivation are essential when interacting with external bodies and implementing OI successfully.

# LARGE CORPORATES HAVE A PORTFOLIO OF ACTIVITIES SUPPORTING THEIR OPEN INNOVATION

Large corporates approach Open Innovation (OI) through four mechanisms:

1. **One-off events**
2. **Incubators & accelerators**
3. **Procurement innovation**
4. **Corporate venturing**



# LARGE CORPORATES

# LARGE CORPORATE OPEN INNOVATION MECHANISM 1:

## ONE-OFF EVENTS

**One-off Events** share resources and reach broad audiences for little financial cost.

They are the establishing of networks to access external knowledge and innovative products and services.

Traditionally, they can be networking events and conferences- often supported by corporates, governments, and incubators.

More recent formats are webinars, competitions, innovation portals, or collaborative crowd working space.

**"Targeting the immune system through open innovation"**



**"An uncommon collaboration of diversely skilled Mars Associates"**



**"We need to innovate at scale to have meaningful and lasting impact"**

**- Mars**

**"The Immunology Network will give us access to the brightest scientists in the world who are free in their thinking and who can go into paths we've not thought of yet"**

**- GSK**

# LARGE CORPORATE OPEN INNOVATION MECHANISM 1:

## ONE-OFF EVENTS

### CROWDSOURCING SOFTWARE & INNOVATION PORTALS

“The Portal trend is current and strong”



Crowdsourcing software and Open Innovation Portals are useful ways for larger companies to engage with the outside world and/or initiate one-off interactions with smaller companies by posting their needs and wants and actively soliciting ideas solutions

# 2002

the year Proctor & Gamble launched their own innovation portal to:  
achieve future growth;  
tap into more than their 7500 scientists;  
acquire 50% of innovations outside the company;  
and create better & cheaper products faster

# LARGE CORPORATE OPEN INNOVATION MECHANISM 1:

## ONE-OFF EVENTS INNOVATION PORTALS

### SO YOU THINK YOU WANT AN OI PORTAL?

Whether you are a large corporate, SME, or microbusiness, make sure you consider:

- Outcome goals- are you looking for ideas, or solutions?
- Your methodology preference- direct (more confidential) or collaborative (more building upon ideas)?
- Management- will you do this internally, or outsource?
- Intellectual Property protection- using a specialist provider can minimise IP contamination.
- Commitment to marketing- any OI portal requires publicising or it won't get the traffic and ideas to justify its cost.

Portals can be used as lead-ins to Accelerators

### OI PORTAL

Idea submissions

For developed solutions. A starting place for collaborations.

### OI PLATFORM

Suggestions & voting on ideas

Provide ideation & market data.

### CASE STUDY: HEINEKEN

BruVue won Heineken's Brewhouse Challenge to connect THE SUB- Heineken's home draft system- to the Cloud.

Heineken's SUB gets its name from its submarine-like appearance. The SUB team searched the world for creative ideas and solutions to offer an enhanced home draft experience.

BruVue developed a sensor and app with its technology for tracking keg levels to track how much beer a user has left in their SUB.



# LARGE CORPORATE OPEN INNOVATION MECHANISM 2:

## INCUBATORS AND ACCELERATORS

### INCUBATORS

- Provide business and workspace on flexible terms, charging rent rather than taking equity.
- Provide entrepreneur training, access to networks, investors & specialist equipment.
- Often aligned with a university-supporting spin-outs, along with other local businesses.
- Support 3,450 new businesses a year, and their model allows them to support businesses that are unlikely to scale rapidly.

### ACCELERATORS

- A newer model than incubators, with most created since 2011.
- Characterised by seed funding, and assist with business plan, investor pitch deck, prototypes, and initial market testing.
- Funded primarily by venture capitalists.
- Can be highly selective programme of 3-12 months.
- Method for large corporates to collaborate with start-ups & buying equity: therefore growth-driven - scale rapidly or fail fast.
- Expose large firms to emerging trends & tech as well as infusing employees with entrepreneurial mindset & positively influencing corporate culture.

**205**

incubators active in UK

**163**

accelerators active in UK

**32%**

of top European corporates have accelerators run by third parties

**52%**

of top European corporates run an accelerator

# LARGE CORPORATE OPEN INNOVATION MECHANISM 2:

## INCUBATORS AND ACCELERATORS



### CASE STUDY: BT

BT Sport ran an Infinity Lab competition to identify new production technology that would benefit fans/viewers.

Video collaboration platform, Seenit, won- giving the start-up the opportunity to work closely with Infinity Lab to trial their products with BT Sport.

Seenit, The Infinity Lab, and BT Sport began working together soon after the competition.

The Seenit team looked at how they could create the optimum platform solution for BT Sport programming while the Infinity Lab ran trials of the app at Moto GP events and European Rugby Union matches.

The UK dominates accelerator activity, especially in:

- finance
- utilities
- telecommunications
- food

There is often a broad focus on digital, and incubators are more likely to focus on science-based areas.

# The UK dominates accelerator activity

# LARGE CORPORATE OPEN INNOVATION MECHANISM 3:

## PROCUREMENT

### START-UP PERSPECTIVE

a corporate client can be a critical step for validation, gaining stability and scaling-up



### CORPORATE PERSPECTIVE

a way of placing validated innovations deeper within the organisation or incorporating innovations into their supply chains



Procurement innovation is the most adopted open innovation (OI) strategy.

The innovations which have occurred in this approach are due to the fact that procurements from start-ups are often non-standard.

The majority of corporates engaging in procurement with start-ups have set up at least one 'start-up-friendly' procedure.

#### TRADITIONAL PROCUREMENT

supplier persuades purchaser to buy

#### MODERN PROCUREMENT

buying firms persuade innovative supplier to provide

**Firms that include their suppliers in the early stages of innovation projects substantially outperform their peers that do not.**

## CASE STUDY: Virgin Trains East Coast (VTEC) & Pointr Labs

VTEC was able to bring indoor location technology into their stations and thus reduce customers' travel anxiety.

Although Pointr's technology had been used in retailers and airports, it was the first time being deployed in this setting.

Pointr Labs and VTEC worked together for two months to develop a multi-platform standalone app.

Through this partnership, the start-up obtained access to station owners, cut through significant paperwork, and installed the technology in a matter of days.

Meanwhile, VTEC gained insight into customer behaviour, enabling them to enhance consumers' overall experience.



The NHS Innovation Hubs and the Academic Health Science Networks both support the development of innovations through their procurement activities.

Maistro Plc makes corporate buying of business services fast, agile, and cost-effective.

It uses AI-driven technology and a dynamic marketplace to streamline the procurement of business services, recognising that both people and process create procurement excellence.

National Innovation Centre 

*The* **AHSN** Network



# PROCUREMENT INNOVATIONS: EXAMPLES

# LARGE CORPORATE OPEN INNOVATION MECHANISM 4:

## CORPORATE VENTURING

Corporate venturing is a method to collaborate with SMEs and early-stage ventures.

Investing in venture funds and incubators can be critical to expanding technology scanning capabilities, making introductions to great companies, and potential investment opportunities.

The financial investment can include access to specialist facilities and expertise, as well as customers and supply chains- in return for a stake in the SME/start-up.

This approach requires significantly more resource, analysis & expertise from the corporates, but the benefits are significant.

One clear success metric used is if the technologies invested in become incorporated into their core business.

Companies active in Corporate Venturing as an Open Innovation mechanism:



**BAE SYSTEMS**



# 71%

of corporates made investments in start-ups in 2016

# GOVERNMENT INNOVATION

WHAT IS THE  
GOVERNMENT DOING?  
HOW DO YOU ACCESS  
SUPPORT?

# INNOVATION IS A MAJOR MEANS OF ACHIEVING ECONOMIC GROWTH

The UK Government has decided to increase funding substantially: an extra £2.4 billion by 2020/21 to increase UK productivity.

THE MAIN RATIONALE FOR GOVERNMENT SUPPORT IS BASED ON THE ASSUMPTION THAT R&D CONDUCTED WITHIN FIRMS WILL DIRECTLY OR INDIRECTLY STIMULATE INNOVATION THAT LEADS TO THE PRODUCTION OF NEW MARKETABLE PRODUCTS, PROCESSES OR SERVICES

Economic growth occurs whenever people take resources and rearrange them in ways that are more valuable... Human history teaches us that economic growth springs from better recipes, not just from more cooking... Every generation has perceived the limits to growth that finite resources and undesirable side effects would pose if no new recipes or ideas are discovered, and every generation has underestimated the potential for finding new recipes or ideas."

- Concise Encyclopaedia of Economics

**£2.4bn**

of extra Government research funding to increase UK productivity

**2.4% GDP**

10 year target of raising R&D intensity of the economy

# GOVERNMENTS AROUND THE GLOBE RECOGNISE INNOVATION AS CRITICAL FOR NATIONAL ECONOMIES: THEY IMPLEMENT POLICIES TO ENSURE ACHIEVING INNOVATION

Current innovation initiatives using government funding show clear priorities for challenges to the UK economy:

- Artificial Intelligence and Data Economy
- Future of Mobility
- Clean Growth
- Ageing Society

These initiatives include:

- investment in infrastructure & facilities
- collaborative research portfolios
- skills training & mentoring
- exploitation & commercialisation

Funding is accessed via different points, with a combined budget of £6bn, including:

- UK Research & Innovation (UKRI)
- InnovateUK
- 7 Research Councils
- Research England
- British Business Bank
- Regional government (LEPs, Councils & Authorities)



**30%**

of Government public  
R&D national funding is  
taken by Oxford,  
Cambridge & London



Studies of the impact of government support for R&D and innovation found that direct grants and subsidies seem to leverage more R&D yet actually generate less added value, than indirect tax incentives.

## Direct government support

Direct support can impact innovation outcomes, e.g. increased number of patents; sales of new products; and introductions of new processes- but not always.

The greater impact on firm innovation output is generally found in SMEs.

## Indirect government support

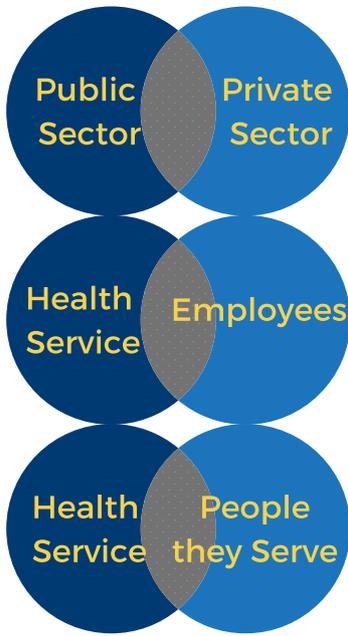
Indirect support (e.g. tax incentives) increases overall spending for private R&D.

The additionality effect is highest for SMEs, young firms, and firms with high R&D orientation.

# IMPACT OF GOVERNMENT SUPPORT

# PUBLIC SECTOR HEALTH

The three forms of collaboration in health innovation:



## Success within healthcare initiatives is due to:

- responding to gaps in the innovation ecosystem
- capitalising on existing strengths and resources
- support from the health leadership
- providing opportunities for interdisciplinary working
- a focus on innovators as well as simply innovation

Generally the key objective for each healthcare innovation initiative can be either:

- increasing efficiency
- improving an understanding of needs
- providing a more democratic approach

Guy's and St Thomas' Bright Ideas Fund  
Boosting and supporting innovation with commercial potential



The AHSN Network

NHS Innovation Accelerator





# HOW DO YOU ACCESS GOVERNMENT SUPPORT?

The information is publicly available, yet frequently dispersed and always ever-changing.

To keep informed means mining a vast array of Government sources such as .gov.uk, Innovate UK, DBEIS, UKTI, Research England, seven Research Councils, Knowledge Transfer Networks, Office of National Statistics, etc.

It means staying up to date with regional innovation bodies such as LEPs, councils, the Northern Powerhouse, the Midlands Roundabout, public and private sector initiatives, innovation campuses and hubs, e.g. innovation

parks; sector innovation groups, e.g. NHS Innovation Hub; industry trade bodies e.g. SMMT automotive.

It means staying up to date with innovation competitions and grand challenges which may pop up anywhere, anytime- launched by government, independent organisations, charities (e.g. Nesta), companies, or entire sectors.

Valuable opportunities may be launched at innovation events such as the Chief Innovation Officer (CIO) summit; innovation interest groups & bodies; Open Innovation publications, journals & proceedings.

## RELAX, WORK SMART:

## INNOVATION SUPPORT ORGANISATIONS IDENTIFY & ALERT YOU TO INITIATIVES & FUNDING OPPORTUNITIES

FIND OUT MORE FROM THE NEXT PAGE  
ONWARDS

# OPEN INNOVATION SUPPORT ORGANISATIONS

WHAT THEY  
DO  
AND  
HOW TO  
SELECT THE  
RIGHT ONE  
FOR YOU

# THE DEDICATED INNOVATORS HELPING CORPORATES INNOVATE

Organisations dedicated to supporting OI strategy & delivery in corporates are called "**Open Innovation Accelerators (OIAs).**"

## What do OIAs do?

- Provide tools & structures to enable collaborations at all points along the innovation journey
- Curators of information
- Help companies design permeable organisational boundaries
- Help companies benefit from different knowledge sources
- Provide advice, manage risk, track IP, educate participants, track performance

## Profile of a typical OIA

- Geographically likely to be in Greater London- and to a lesser degree, Cambridge, Manchester, or Liverpool
- An SME
- 47% established after 2006
- Generally sector-neutral: innovation support can be universal
- Of the 260 identified, only those with a UK base and directly positioning themselves as providing innovation support have been included here: i.e. 67



# 260

The number of companies classed as Open Innovation Accelerators (OIAs)

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Different methods are applied for projects searching for market/need information, compared to technological/solution information.

Therefore, OI services can be split into 4 types:

## 1. Open Innovation Contests

- Widespread
- Generate ideas & information on market needs by integrating customers, users & other experts
- E.g. Innocentive, 100%Open

## 2. Open Innovation Workshops

- Traditional form of collaborative activity
- Enhanced by digital
- Apply different ways of recruiting & participants beyond the "usual suspects"
- E.g. Enterprise Europe Network, NineSigma

## 3. Technology Search

- Looks for specialised information usually through virtual market places for technology trading
- Can trade special expertise localised within individuals
- Request can be listed & broadcast among community
- E.g. Yet2, 100%Open, NineSigma, InnovationXchange

## 4. Market Search

- Traditional market research methods are being extended by applying new collaborative & social tools
- E.g. online discussion, etc



# OPEN INNOVATION SUPPORT TRENDS

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Open Innovation Accelerators  
can be clearly distinguished  
into:

Build client's  
own OI  
competencies

Run OI projects  
on behalf of  
client

## Software...

is dominant and may be via web-based service or traditional licence model. Yet, human interaction is still required: clear problem definition is paramount to ensuring effective ideation and problem solving. This is done most effectively through clear, facilitated workshops with multiple stakeholders in the company.

## Crowdsourcing...

is the dominant software-based approach to OI services and can be utilised across the entire innovation lifecycle:

Insights

Challenges

Ideation

Selection

Implementation

# TRENDS IN OI DELIVERY

# CROWDSOURCING

Types of the dominant software-based approach to Innovation:

*Most popular*

1

open call

2

timed

3

internal

4

external

5

idea tracking

6

live innovation

7

rewards

8

dragon's den

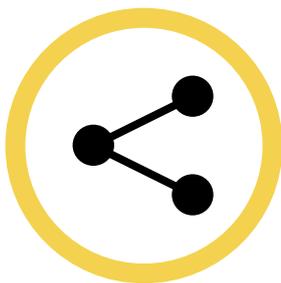
9

hackathon

10

pair-wise

## OPEN CALL



### COOPERATIVE

Continuous calls enabling information share, collect proposals & ideas

*E.g. Unilever & Mondelez (Yet2)*



### COMPETITIVE

Short-term competitions with economic reward. Collaboration still important

*E.g. Topcoder, TaskCn*



### CANDIDATE

Long term cooperation between companies & specific partners

*E.g. Innocentive, NineSigma*



**CROWDSOURCING  
IS JUST ONE  
MEMBER OF THE  
INNOVATION  
SERVICE FAMILY...**

**...LET'S MEET THE  
REST...**

## 1. Business strategy & support

- Help clients build their own OI competencies
- Tend to provide capability building workshops & market searches
- Define value by companies/projects undertaken
- E.g. Room44, YourEncore

## 2. Crowdsourcing platforms

- Portals for ideation or to provide a marketplace for new products
- Tend to provide contests & workshops
- Define value by number of ideas generated.
- E.g. Spigit, InnoCentive

## 3. Market research

- Provide market research specifically as part of innovation support
- Tend to naturally focus on market research
- Mainly in retail space & accessible through online portals
- E.g. GDR Creative Intelligence, Trendwatching, System1 Group

## 4. Open innovation

- Provide different combinations of: tech scouting/landscaping; market research; tech transfer; training; crowdsourcing
- Tend to provide tech & market searches, & workshops, & some contests
- Most indicate innovation is still a "contact sport" where consultants meet with clients to fully understand & articulate their strategygoals \* needs.
- Larger companies are able to define value such as 10xROI, or incremental value generation since inception of \$4.2bn
- E.g. IXC UK/InnovationXchange, Yet2, 100%Open, Happen, NineSigma, Imaginatik

## 5. Product Design & Service Development

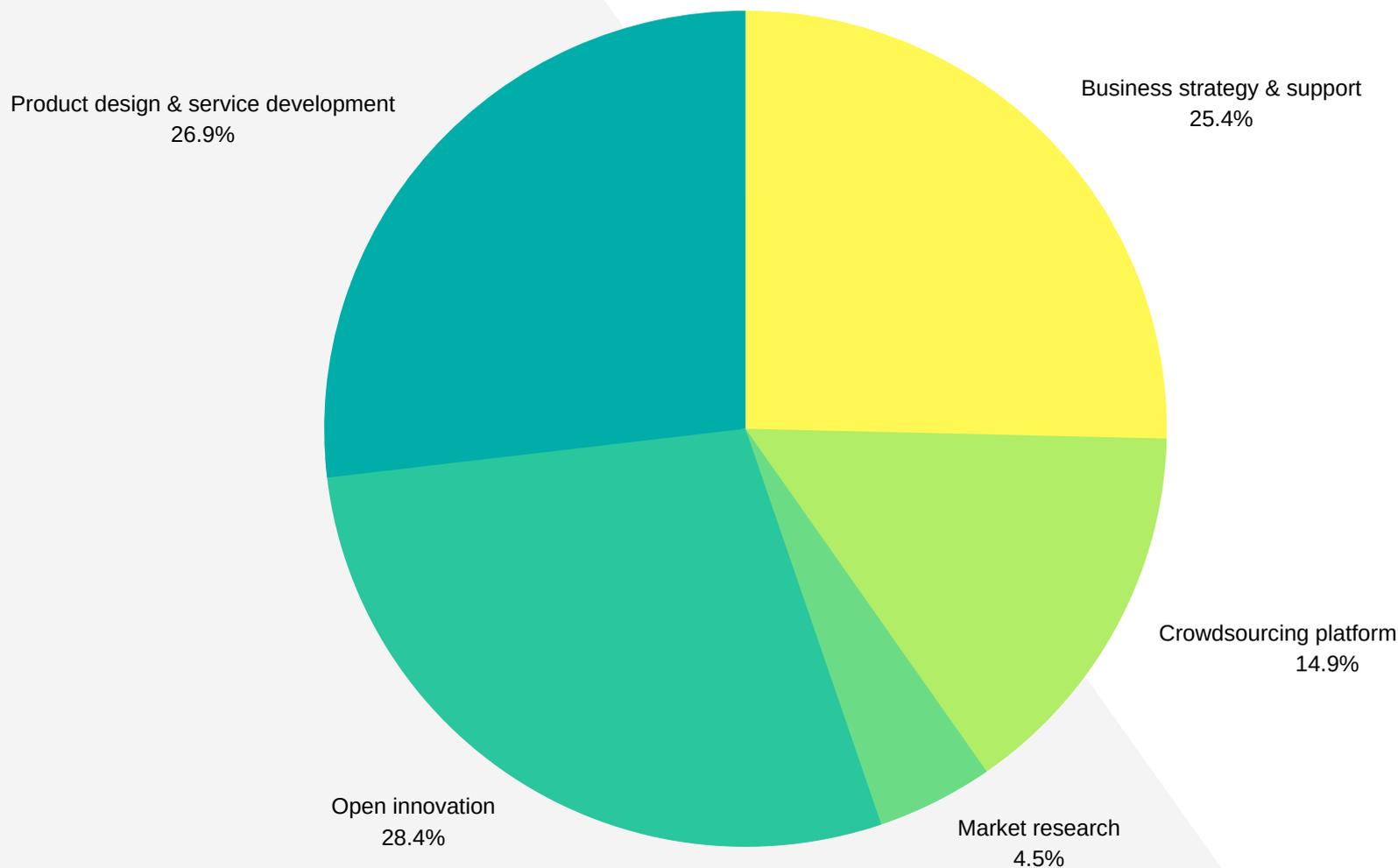
- Run OI projects on behalf of clients.
- Tend to do market research & workshops
- May include: new product design; prototyping; new service design; market research; unstructured tech scouting
- E.g. The Strategy Distillery, Cambridge Consultants, PA Consulting

# ROLES OF OPEN INNOVATION ACCELERATORS

# INNOVATION SERVICES

## TYPES & PROVISION

TYPES OF OPEN INNOVATION  
COMPANIES' SERVICES & AVAILABILITY



# SERVICE CASE STUDIES

## Supporting Innovation development in the UK

Real-world examples of how different types of Open Innovation accelerators (OIAs) use their services to help companies with innovation



### BUSINESS STRATEGY & SUPPORT:

Fuel Included was exclusively a retail broker of electric vehicles: it's participation in a room44 design sprint brought into focus a range of adjacent market options



### CROWDSOURCING PLATFORM:

The UK Water Industry Research (UKWIR) ran a challenge with InnoCentive to find solutions to monitor complex sewer networks for blockages before flooding & pollution occurs: \$10K prize won by engineering consultants MCA GROUPE



### MARKET RESEARCH:

GDR supported Macy's strategy to elevate its digital & physical offering: Their quarterly presentations to >120 people in merchandising, buying, shop floor & executive teams now contextualise key trends, explore possibilities & open up the potential for leading retail innovation



### OPEN INNOVATION:

Nu Angle was asked: "can copper be used in other large volume applications at the intersection between its properties and potentials new market trends?" I.e. client was asking for a major new growth platform for a very old material



### PRODUCT DESIGN & SERVICE DEVELOPMENT:

The Leading Edge helped McCafé synthesise masses of research to identify best opportunities for growth: identified takeaway coffee should be key focus & to build McCafé sub-brand to build their coffee credentials



# CONCLUSIONS

SUMMARY & KEY  
TAKEAWAYS



**YOU HAVE TO  
INNOVATE.  
YOU CANNOT  
STAND STILL**



# CONCLUSIONS

## INCREASING UK PRODUCTIVITY

The future of innovation in the UK looks bright, and indeed necessary.

Government research spending is increasing substantially- rising to £2.3 billion by 2021- to **increase UK productivity.**

## TAKING A PROACTIVE, STRATEGIC APPROACH TO INNOVATION

Research shows that this type of support helps the **SME and microbusiness community** most readily: therefore, it is a strong opportunity for such companies to take an even more proactive strategic approach to innovation.

## THINKING BIGGER

Large corporates display a suite of innovation activities (e.g. one-off events, incubators & accelerators, procurement initiatives, corporate venturing & acquisitions).

Open Innovation Accelerators (OIAs) help SMEs emulate such innovation capability by providing open innovation contests, workshops, technical & market information searches.

For example, Open Innovation Accelerator InnovationXchange can provide innovation support to SMEs & microbusinesses by:

- identifying & alerting them to appropriate innovation initiatives & funding
- negotiating with regional initiatives on their behalf (e.g. identification, prioritisation of challenges, and articulation)
- Ensuring value for money via group activities (e.g. events, workshops, training, innovation mentoring) rather than just 1:1. Also collaborate with complementary OI providers to get the best results.



Technology is advancing and there are plenty of opportunities for SMEs to find new markets...

...but you need to think not only about what you do today, but what you could do tomorrow.

Many successful companies have used their skills and resources to create an entirely different business.

SMEs need to seek engagement with the big government initiatives:  
we- and other Open Innovation Accelerators in the UK innovation space- can help with that."

- Caroline Bishop  
Director  
InnovationXchange

# ABOUT US

INNOVATIONXCHANGE



**INNOVATIONXCHANGE  
HAS BROUGHT THE  
BUSINESS A VITAL,  
BUT TOTALLY  
UNANTICIPATED,  
NEW REVENUE STREAM  
FROM A COMPLETELY  
NEW SECTOR,  
REPAYING OUR  
INVESTMENT MANY  
TIMES OVER**

# InnovationXchange Ltd

## 12 YEARS' OF INNOVATION EXPERTISE

### YOUR LEADING UK INNOVATION CONSULTANCY

InnovationXchange's extensive innovation expertise has been sought by the UK Government, the rail industry, academic papers & textbooks, and key events such as those held by the Institute of Knowledge Transfer, and the Chief Innovation Officer Summit.

We have been trusted innovation partner to companies in all sectors such as Jaguar Land Rover, Boots, Marks and Spencer, Mondelez, Johnson & Johnson, Kraft, L'Oreal, and Mars.

Now...

## ...HOW CAN WE HELP YOU INNOVATE?

CONTACT US TODAY TO SEE HOW WE CAN HELP YOUR INNOVATION STRATEGY

+44 (0) 121 250 5717  
CONNECT@INNOVATIONXCHANGE.CO.UK

# INNOVATIONXCHANGE

PROVIDING INFORMATION & INSIGHTS

SUPPORTING INDUSTRY'S INNOVATION STRATEGIES & IMPLEMENTATION

## SECTOR EXPERIENCE:

- automotive
- retail
- FMCG
- energy
- utilities
- telecommunications
- defence
- food & beverage
- pharma & medical devices
- aviation & aerospace
- and many more...

Innovation managers  
(both SME & Corporate)

typically state that they are able to:

- reduce the costs of their internal R&D processes
- limit the risks associated with R&D
- speed up the pace with which innovations reach the marketplace
- and obtain access to interesting new ideas...

... by using OI services.

SUPERCHARGE YOUR OWN INNOVATION CAPABILITIES TODAY:

[innovationxchange.co.uk](https://innovationxchange.co.uk)

0121 250 5717

[connect@innovationxchange.co.uk](mailto:connect@innovationxchange.co.uk)



**A VALUABLE  
CONTRIBUTION,  
INNOVATIONXCHANGE  
HAS THE ABILITY TO  
OPEN NETWORKS  
WITH POTENTIAL  
PARTNERS BEYOND  
THE USUAL BUSINESS  
DEVELOPMENT  
BOUNDARIES**

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RESOURCES &  
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# SMEs!



## TO INNOVATE!

InnovationXchange Ltd