

Innovation @ Berkeley



OPEN INNOVATION RESULTS:

GOING BEYOND THE HYPE AND
GETTING DOWN TO BUSINESS

Henry Chesbrough: Open Innovation Results

We live in an age of exponential technology, where the future is developing faster and faster. But this is not so new. Indeed, innovation has been promoted so assiduously for so long that there is a fairly robust pattern to its emergence called the Gartner Hype Cycle. In *Open Innovation Results*, Henry Chesbrough examines how companies can move beyond the hype to achieve real business results.

Chesbrough begins with an exponential paradox: many new technologies are emerging at an accelerating rate. But the economic productivity data and the (lack of) wage growth are hard to reconcile with the promise of exponential technologies. A closer look suggests that exponential advocates are paying too little attention to the broad dissemination and absorption of a new technology, before it delivers real profit and social benefit. Chesbrough suggests that we must not only create new technologies, but must also disseminate them broadly, and increase our capacity to absorb them, in order to advance prosperity. The same is true for companies: Companies need to generate, disseminate, and absorb innovation before they can really profit from it.



HENRY
CHESBROUGH

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Amazon, here:



How the Garwood Center adds Value by Incubating the New Center for Growth Markets



Ganesh Iyer
Faculty Director



Solomon Darwin
Executive Director



Under the leadership of Ann E. Harrison, dean of the Haas School of Business, the Center for Growth Markets (CGM) was established in August 2019 to focus on growth and development challenges in fast-growing economies across the world. In early 2019, Solomon Darwin organized a listening tour for Haas faculty to New Delhi, India, to survey companies' interest and vision in working with UC Berkeley in support of the CGM. Companies included Hero Group, Birla Group, Mahindra Group, and WIPRO. Corporate executives expressed their strong interest in welcoming UC Berkeley to India on a mission to launch a Berkeley Innovation Forum India and establish a physical presence for research faculty and companies to engage in promoting socioeconomic growth. The Smart Village Movement that originally started at the Garwood Center for Corporate Innovation has now moved to the CGM. Ganesh Iyer serves as the faculty director, while Solomon Darwin has a dual appointment with CGM and the Garwood Center for Corporate Innovation as the executive director in both centers. The CGM represents a world-class platform that provides intellectual leadership and creates actionable research and knowledge to solve the grand challenges related to business and economic development in growth markets. CGM facilitates collaboration between UC Berkeley researchers and corporate partners, academic institutions, and policy makers in growth markets.

CGM's advisory board within Berkeley Haas consists of: Dean Ann Harrison; Rich Lyons, Chief Innovation Officer of UC Berkeley and former Dean of Haas; Sunil Dutta, Associate Dean for Academic Affairs; Paul Gertler, Professor of Economics and former Chief Economist of the Human Development Network of the World Bank; Catherine Wolfram, Associate Dean for Academic Affairs & Chair of Faculty; David Levine, Professor of Business Administration.

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**“Enhancing your Brand with Open Innovation:
Co-creating with Customers”**



The Spring 2019 Berkeley Innovation Forum was hosted by Wipro Technologies in San Jose. The forum aimed to understand, share, and learn Open Innovation best practices with other practitioners facing the same implementation challenges.

Highlights and Takeaways:

1. Open Innovation is a dynamic practice that needs to continue evolving. Open Innovation is not only about outside-in technology but inside-out technology as well.
2. Use the TWIST framework: Thinking about unwanted practices within the company can unlock new ideas.
3. We need to develop customized KPIs for Open Innovation. One promising area is to extend these KPIs by introducing different technology horizons.
4. Training employees in Silicon Valley unlocks value only if the frozen middle managers are defrosted.

Chief Innovation Officer’s Roundtable at IBM

“The State of Artificial Intelligence in 2019 and Challenges Beyond”

Speaker: Stratos Davlos, VP, IBM Watson, AI & Data



IBM Almaden Research Center hosted a Chief Innovation Officer’s Roundtable with Stratos Davlos – VP at IBM Watson, AI and Data. More than 40 senior executives attended the roundtable where Davlos presented about how AI can extend human capabilities.

Two key learnings:

1. IBM has developed AI tools to identify the bias in the data before using any AI algorithm on them.
2. It is possible to share AI algorithms between different companies without sharing the data.

The New Enlightenment: Reshaping Capitalism & the Global Order in a Neo-Mercantilist World

Festschrift with David Teece



More than 60 scholars gathered in Edinburgh, Scotland, after a larger conference on The New Enlightenment, to celebrate the scholarship of Professor David Teece. The festschrift featured panel presentations on a variety of topics where Teece has made important contributions: the theory of the firm, innovation studies, and business strategy. Henry Chesbrough moderated the day’s presentations, which were held at Panmure House, where the economist Adam Smith spent his last years. Professor Teece was presented with a second edition copy of *The Wealth of Nations* by Adam Smith, in honor of his achievements and in recognition of our venue.

Professor Henry Chesbrough receives PICMET Award



Professor Henry Chesbrough was nominated for the PICMET (Portland International Center for Management of Engineering and Technology) Leadership in Technology Management Award. The award recognizes and honors individuals who have provided leadership in managing technology by establishing a vision, providing a strategic direction, and facilitating the implementation strategies for that vision.

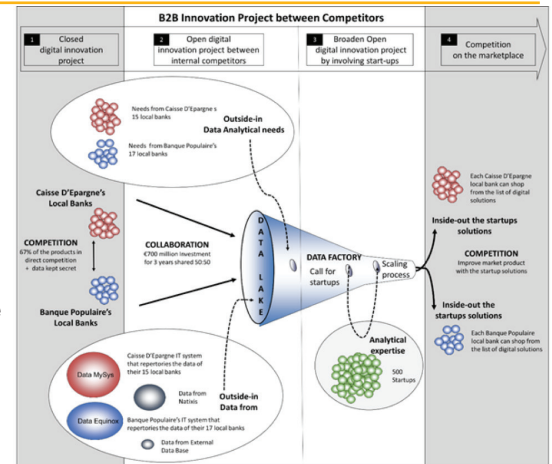


Open Innovation Research

Banque populaire & Caisse d'épargne Case Study by Matilda Bez & Thuy Seran



Garwood Center's post-doc, Sea Matilda Bez, and visiting scholar Thuy Seran explored in one of their research projects the link between Open Innovation and digitalization. Their findings concluded that competitors are relevant partners for digitalization that involve data analytics. Indeed, joining similar data together can improve the quality of the prediction done through data analytic practices. The higher volume of data can be attractive for external start-ups. Moreover, by collaborating, they attracted more external start-ups to develop product and services based on their data collection.



Winter is Coming

Open Innovation in the Next Recession



Open Innovation can help address the challenges and allow organizations to continue innovating during economic recessions. Often, budgets for innovation are cut first, causing innovation to become a luxury good and raising the question, how can growth be preserved for tomorrow with very limited innovation budgets?

Henry Chesbrough demonstrates how applying Open Innovation strategies can turn internally dying and withering projects into new growth opportunities. Inside-out Open Innovation practices such as spinning out internal knowledge assets as non-strategic initiatives, can attract new, external capital. People outside the organization now spend time and resources for project development. This outsources costs, sharpens focus, and reduces distractions while creating a future option to reacquire the spinoff or become its customer or supplier.

Chesbrough concludes that sharing downside costs requires also sharing upside benefits with outside parties. However, this Open Innovation strategy leads to increased value compared with keeping internal assets unutilized. "Fifty percent of something is worth more than one-hundred percent of nothing," Chesbrough states in this context.

He recommends companies create contingency plans and stress tests for their major innovation projects in case budgets are cut because of a sudden recession. Internal processes with legal and financial teams should be created and contingency plans with key partners, suppliers, and customers should be tested before the innovation budget gets tight.



Sea Matilda Bez, post-doc at the Garwood Center, attended the AOM (Academy of Management Conference) where she presented a book chapter on "Fear of Looking Foolish." At this conference, the Open Innovation community sits among more than 10,000 researchers. Sessions moderated by the Open Innovation community prove there is still more to uncover in the field. Topics represented included:

- Researching Open Innovation
- Open Innovation: Knowledge Sourcing and Flows
- Open Innovation: Crowd-based funding & evaluation
- Open Innovation: Modes of IP Rights Protection
- Micro-foundations of Open Innovation
- Open Innovation Studies
- Open Innovation and Climate Change
- Open Innovation: Protecting and Disclosing IP
- Open Innovation: Technology Sourcing

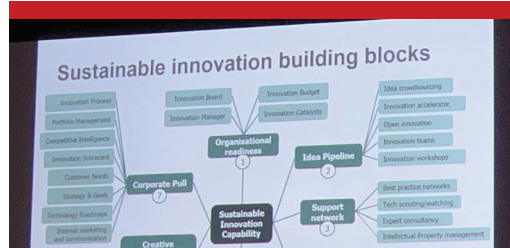
Marcel Bogers, professor at University of Copenhagen and Garwood Research Fellow at UC Berkeley, pushed for a session dedicated to Open Innovation and Climate Change. More work is expected to derive from Open Innovation as a tool for sustainability.



CANADA April 2019



Solomon Darwin gave a talk at the University of Toronto, Canada, about Smart Villages - The Next Emerging Platforms Leveraging Open Innovation and Digital Technologies.



ITALY May 2019



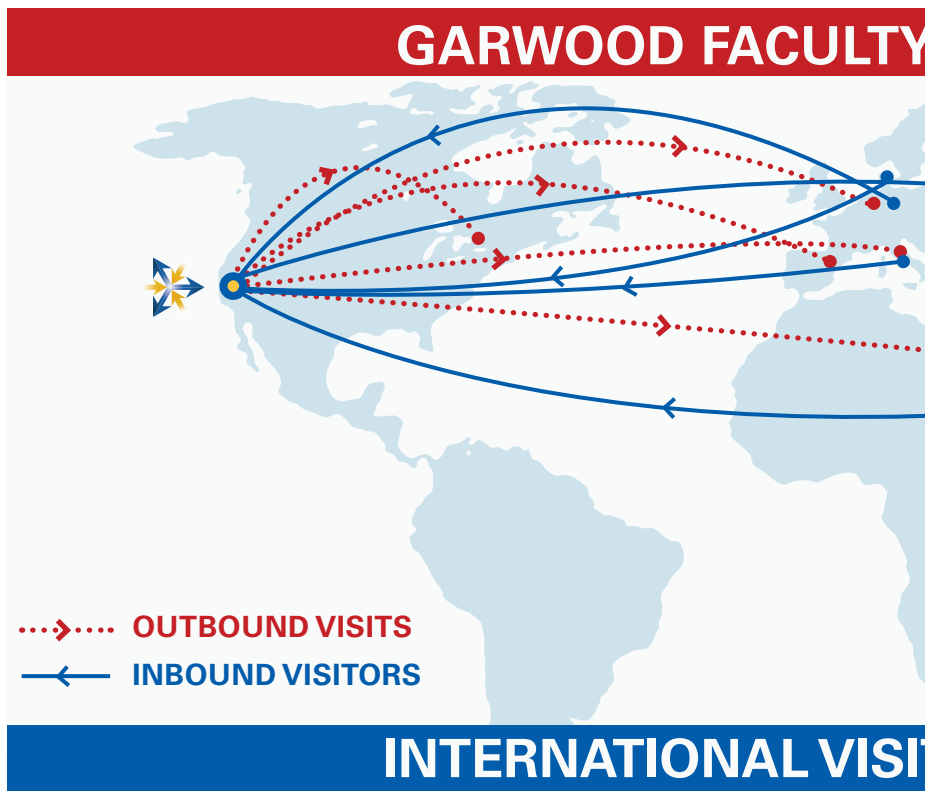
Henry Chesbrough gave a speech on sustainable innovation building blocks at the Front-end of Innovation workshop.



NETHERLANDS May 2019

Henry Chesbrough visited the University of Delft, Netherlands, to discuss their entrepreneurship initiatives.

INTERNATIONAL COMPANIES VISITED BY GARWOOD LEADERS



ITALY May 2019



Milan Poidl, manager at Enel Innovation Hub Silicon Valley met with Henry Chesbrough to exchange ideas on how to best collaborate with start-ups.

DANISH PATENT AND TRADEMARK OFFICE

IP Marketplace: Trading in knowledge

IP Marketplace is a venue for buyers and sellers of IP rights

DENMARK May 2019



The Danish Patent and Trademark Office representative met Henry Chesbrough at the Haas School of Business for a talk on Open Innovation and Intellectual Property.

Open Source Archetypes

A Framework For Purposeful Open Source

GERMANY May 2019

George Roter from the Fraunhofer Innovation group, Germany, met with Henry Chesbrough for a talk on Open Source.



July 2019



visited the Technical University of Delft for a tour of an incubator.



SPAIN June 2019



Henry Chesbrough visited Telefonica in Barcelona for a talk on Open Innovation in R&D and Intrapreneurship.



INDIA July 2019



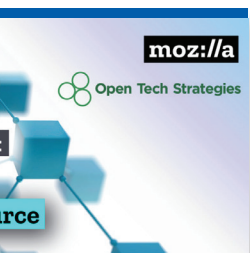
Solomon Darwin updated chief ministers of Arunachal Pradesh and Meghalaya on Smart Village Movement initiatives. Indian corporations welcomed Haas faculty in New Delhi to engage with the CGM.

INVITED TO SPEAK



VISITORS TO GARWOOD

INTERNATIONAL CORPORATE VISITORS TO GARWOOD



2019



visited Mozilla's Open Tech Strategies, met with Henry Chesbrough on Business Models



INDIA June 2019



AIMA/ India Delegation attended a one-day seminar with Solomon Darwin to learn about Open Innovation.



CHINA June 2019



Under the leadership of Henry Chesbrough and Solomon Darwin, five Garwood Innovation Fellows from China finalized their research proposal on how to expand their markets globally through Open Innovation initiatives.



Chris Bush | Executive Director, Institute for Business Innovation

Chris Bush is the executive director of the Institute for Business Innovation (IBI) at UC Berkeley's Haas School of Business. Prior to joining the IBI, he served as the CEO of Monarch Media, an educational technology start-up, for five years before overseeing the sale of the company at the end of 2016. He previously managed online marketing teams at Saba Software and Sybase. Chris also has had a long professional relationship with UC Berkeley, having previously served as program operations director at the Graduate School of Journalism, a consultant for the School of Public Health, and the content services manager at the School of Law. He holds an MBA from the UC Davis Graduate School of Management and a bachelor of science degree from the University of Wisconsin.



Jialei Yang

Visiting Scholar
sponsored by
Professor Henry Chesbrough

Ph.D. candidate at Oulu
Business School, University
of Oulu (Finland)

Jialei Yang is a Ph.D. candidate at Oulu Business School, University of Oulu (Finland), supervised by Professor Pia Hurmelinna-Laukkanen and Professor Minna Pikkarainen. Her research interests include innovation management (especially innovation appropriability and Open Innovation) and network management. Her current research is about dynamics existing in appropriating value from innovation and inter-organizational collaborations. Her research is set in the healthcare industry.



Asta Pundziene

Visiting Scholar sponsored by
Professor David J Teece

Professor in strategic management and organisational psychology in the School of Economics and Business, Kaunas University of Technology, Lithuania

Asta Pundziene is a full professor in strategic management and organisational psychology in the School of Economics and Business, Kaunas University of Technology, Lithuania. She has more than 15 years of experience in executive management of research and innovation at universities. She is a founding editor of the *Baltic Journal of Management*. Her current research is related to dynamic capabilities and competitiveness of the digital health programs, as well as manifestation of dynamic capabilities of the technological SMEs across countries. Asta's research focuses on multiple levels of challenges in the healthcare sector: "First, we argue that to pursue value-based healthcare innovations, healthcare providers should demonstrate strong dynamic capabilities that encompass sensing, seizing, and reconfiguring, including value creation, business model innovations, and organizational change. However, it is also important to achieve value-based healthcare innovations and the maturity of the healthcare ecosystem, thus we study the architecture of the digital healthcare ecosystem, inter-organizational cooperation, and other related issues.

Corporate Business Model Innovation

An Executive Education Course with
Henry Chesbrough and Andre Marquis



Corporate Business Model Innovation continues to be a sought-after topic - evident by the number of registrations to Henry Chesbrough's executive class, for which many senior executives were waitlisted. The executive class was taught in collaboration with André Marquis who specializes in bringing agility and lean start-up mindset into corporations. Executives learned how Open Innovation is not only a mindset but a tool to unlock corporation's agility and lean start-up mindset.

India Day in Oslo, Norway



European markets are looking for new areas of growth. A group of angel investors from Scandinavia therefore reached out to Solomon Darwin on how to unlock new growth with global Open Innovation projects. Solomon Darwin gave a talk on this topic around Nordic Day, endorsed by the king and prince of Norway, who were chief guests at the event.

Addressing Social Challenges

A Collaboration between UC Berkeley, Government of India, Start-ups & Industry



Solomon Darwin met with the Chief Minister of Arunachal Pradesh Pema Kandhu to provide an update on the Smart Village initiative in his state. This was followed by a meeting with Chief Minister of Meghalaya Conrad Sangma to discuss the MoU arrangement between UC Berkeley, and the state government of Meghalaya for the upcoming Smart Village implementation. Mr. Conrad Sangma will sign this MoU at the BIF and US India Conference at Berkeley in September 2019. Solomon Darwin also gave talks at major universities in India: IIM Shilong, Ashoka University, Munjal University and Fore School of Management to inspire students to take on Smart Village project-based classes in India. At Berkeley, Solomon Darwin is co-teaching a class on Smart Villages this fall semester where business and engineering students create products or start-up ideas to address social challenges from India. Students will work with governments, start-ups, and companies and will have access to a rich stockpile of IP through a newly formed partnership between Haas and NASA. This will allow students to apply relevant IP from NASA's research to create value.



The Mike Huckabee Show

Governor Mike Huckabee, the 44th Governor of Arkansas and candidate in the United States Republican presidential primaries in both 2008 and 2016, invited Solomon Darwin on his political commentary talk show in August 2019 to talk about Solomon's personal story and his work on Smart Villages. Mike Huckabee is an advocate for innovation to empower people. He has seen innovation come alive when countries like Israel transformed from a desert into a blossoming food-producing nation. He learned about the concept of Open Innovation and the Smart Village Movement through Solomon Darwin's book. This made him curious to understand how India's potential could be transformed through innovation. Darwin talked about the need and aspiration of Smart Villages - he illustrated the touching story of his grandmother overcoming a multitude of challenges in India and in Burma through her entrepreneurial and innovative thinking. He explained how Open Innovation platforms and digital technologies are the foundation to amplify sustainable development in Indian villages and how the Smart Village Movement is carrying out these objectives. Mike Huckabee was so impressed and intrigued that he invited Solomon Darwin for an extended interview later this year.



Former President of India, Pranab Mukherjee

Interest in partnering with UC Berkeley

To promote the CGM, Solomon Darwin made a tour of India in July 2019 to align interested parties with the Smart Village initiative and BIF India. He met with the former Indian president, Pranab Mukherjee who, inspired by the Smart Village vision, expressed interest in UC Berkeley's collaboration with his own foundation, which has adopted 100 villages to empower its rural constituents.

Expanding Markets: From India to Silicon Valley



In June 2019, 20 senior corporate executives from India spent one week at Berkeley and in Silicon Valley to extensively learn about how Open Innovation principles and strategies could be part of their business models. The group included verticals from manufacturing, banking, fintech, and public sector energy. Teaching from Solomon Darwin and site visits to various Silicon Valley companies provided the executives with education on latest technologies and business models.



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DECEMBER 12 -13, 2019

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TOPIC: OPENING UP FOR MANAGING BUSINESS AND SOCIETAL CHALLENGES



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ANITA MCGAHAN
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University of Toronto



ANDREA PRENCIPE
Rector & Professor
Luiss University

Early Bird Registration Closes Oct. 15

Register today!



Solving Corporate Challenges: MBA Open Innovation Fellows 2019 -2020

The MBA Open Innovation Fellows will be solving 11 corporate challenges from BIF member companies and partners.

Participating Companies & MBA Students:

Andrew Blute Ana Dai Colton Helms	Alex Severin Thibaud de Tréglodé	Satwak Sahoo Cindy Shen Johannes Engelhardt	Murch Ewings Nabil Ganouni Maksat Zhalel Asif Mohammad	Maxime Pham-Van Mihir Mehan Arpan Soparkar	Michelle Jiang Tian Wang Valerie Huang

Louis Sallerson Deborah Tan Cynthia Sobral	Srinivas Manthas Aditya kistemasetty Ram Bommavaram	Aditya kistemasetty Srinivas Manthas Yogesh Pingle	Hyunjin Kim (Jin) Karolina Wezyk Adam Joseph	Hiroki Sugimoto Alan Southworth Steven Brisley Kair Duisenov