



DAIMLER'S OPEN INNOVATION NETWORK

The automotive giant has drawn inspiration from consumer Web 2.0 collaboration tools to create a new approach to innovation

DATE: *April 2010*

CASE STUDY

When Daimler decided that innovation was going to be key to addressing many of the serious challenges faced by the automotive industry, it took a hard look at what was happening in consumer IT. Its interest was drawn in particular to Web 2.0-style collaboration tools and how some of the techniques used to drive consumer interaction might be adapted for use in the enterprise.

Says Peter Schneider, chief technology officer and director of enterprise architecture management and governance at Daimler, "The good thing about crises is they allow you to question long-standing procedures." And that's exactly what he did with the introduction of the company's global Open Innovation Network (OIN).

The main issue he encountered, though, was not technology but people-based. With a global sales infrastructure, manufacturing facilities at 72 different locations and IT deployed across all five continents, the challenge was to get Daimler's employees worldwide to start communicating and collaborating on ideas through the new network tool rather than the traditional "silo" structures.

"Innovation doesn't happen in councils. [Here] colleagues often spend a lot of energy simply avoiding new ideas because they get in the way of daily business, rather than adopting them and driving them forward," says Schneider.

The reality, he maintains, is that true innovation happens at the intersection between disciplines – so the aim with the innovation network was to provide a platform that would encourage people from different disciplines to talk to each other, whatever their location.

The end result is a web-based collaborative platform that can be likened to a sequence of rooms. The entrance is open for everybody to register and brainstorm with colleagues. Users then comment on and rate the ideas posted. If an idea gains enough support and meets certain quality thresholds

with relevant community members, it passes into more exclusive rooms where it is refined by peer groups. At an intermediate stage of development, the idea needs to be adopted by an internal sponsor – someone who plans to implement the innovation in their area of the business.

A key element to all this, says Schneider, is to ensure that, at all times, the ideas are being focused towards business goals and the creation of real value – "otherwise you have great coffee conversations, but no results," he says. "You need to focus your thinking on delivering something you value as a company at a given point in time."

And that is only achieved by applying rigorous processes through the OIN and investing in effective organisational support – namely, individuals who will keep the processes continually moving forward, he says.

However, the true challenge has been to manage the cultural change, Schneider says, citing a personal example. "When we started the community platforms, I began a thread to motivate my organisation to come back to me with comments. But I received those comments as emails, which only I could read. Working in a visible way, sharing instead of hiding, is a new concept, and this is true for an individual as well as for the company. And we need to make our company adapt to this new concept."

The OIN so far has been piloted in two areas: IT and process optimisation. But, says Schneider, the approach is generic. "It is not dependent on what type of innovation we're looking at, so we plan to roll it out on a Daimler-wide basis during the course of this year."

And Schneider even plans to go further than that. "In a second wave, we really want to open it up to include important partners," he says. ●

● For more on Daimler's OIN, see video: tinyurl.com/yds7tpc