Opening up the Agile Innovation Process

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The objective of this panel is to discuss how firms can operate both an open and agile innovation process. In an era of unprecedented changes, companies need to be open and agile in order to adapt rapidly and maximize their innovation processes. Proponents of agile methods claim that one of the main distinctions between agile methods and their traditional bureaucratic counterparts is their drive toward creativity and innovation. However, agile methods are rarely adopted in their textbook, "vanilla" format, and are usually adopted in part or are tailored or modified to suit the organization. While we are aware that this happens, there is still limited understanding of what is actually happening in practice. Using innovation adoption theory, this panel will discuss the issues and challenges surrounding the successful adoption of agile practices. In addition, this panel will report on the obstacles and benefits reported by over 20 industrial partners engaged in a pan-European research project into agile practices between 2006 and 2009.

The panel will also discuss the benefits and implications of a more open agile innovation process. While teamwork and the role of the customer play an essential part in the agile innovation process, which in turn leads to creativity and increased innovativeness, it is useful to consider how the agile innovation process can benefit from becoming more "open," for instance, by networking with other stakeholders besides the customer. For example, it has been found that companies must increasingly work with each other to enhance their agility in adapting to market developments and developing new products and services cheaper and faster. Thus, elements of the open innovation paradigm will be considered in the panel. In this model, firms commercialize both external and internal ideas and use both external and internal resources to generate and maximize value. Innovation occurs across the boundaries of the firm and both value creation and capture processes are spread across a value network, rather than being controlled within the boundaries of a single firm. Networks are viewed as vehicles for producing, synthesizing, and distributing ideas and increasingly the success of a firm is linked to the depth of their ties to other stakeholders (Powell et al. 1998). This open concept challenges the dominant view of closed innovation, where it was assumed that it was the experts *within* the company that invented and designed innovative new products to meet customer needs. However, unprecedented changes such as decreasing product life cycles, industrial research, and the rising costs of development, in addition to a lack of resources, have motivated a change toward a more open approach. As Chesbrough (2006) suggests, ideal businesses now search outside their own companies for the best ideas and knowledge, seeking input from other companies, including competitors, as well as from customers, suppliers, and vendors.

However, a more open and networked approach to agile innovation will present some major challenges for firms. For example, a shift in focus from ownership and control to a more open approach will require firms to rethink their value creation and value capture strategies. Thus, the panel will be beneficial in discussing some of the consequences of embracing a more open agile approach. In addition, it will provide knowledge and expertise in the area of agile adoption and open innovation, while promoting the exchange of information, ideas, and experiences on common issues, challenges, and benefits pertinent to agile and open innovation adoption in various work environments.

References

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