Abstract for the 11th INSME Annual Meeting

Session III

“User driven innovation for sustainable growth in a collaborative and international innovation eco-system”

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How will Startups successfully leverage on multinationals from the old economy when building the new?

Today’s hyper-competitive, über-connected, and globally integrated economy requires companies to develop and launch new products and services faster than you can spell to; silo-based-research-and-development! The innovation force required for renewing and adapt their businesses to the new circumstance are no longer inside the enterprise itself, but outside.

Not only will the large traditional companies have to find a strategy to open up and learn how to work with other companies and entrepreneurs - through providing its established brands, distribution channels, subcontractor relations, CRM databases, premises, attorneys, and more - but they must also learn how to work as if they were entrepreneurs themselves.

The new generation labour and talents will not be employees of large companies that comes with limited freedom, zero ownership, nor the opportunity to take part in the added value they stand for or ability to influence corporate strategy. On the other side, new Startups need large companies financial strength, business experience, distribution channels, relationships, strong brands and administrative muscles they grow fast. This may prove to be the opening the old "dinosaurs" and what big business need for its renewal, if they want to remain relevant.
Take the giant Unilever as an example. More than half of all Unilever innovation and business development project is currently based on open innovation and collaboration with external innovators and Startups. Their goal is 70%.

US Quirky has a network of over 40,000 innovators who constitute their total innovation department. General Electric, the world's largest company, has signed a strategic partnership with Quirky to find the next generation innovators and bestselling white goods products. Chinese Haier has more than 650,000 innovators and Startups in their open innovation network! In the future, the cost of corporate innovation will be decreasing to zero.

We now see a new generation of entrepreneurs who in a short time creates profits the old industry has trouble even getting close to. Nevertheless, the government’s efforts are still mostly focused on keeping the old industry alive through large-scale loans, subsidies and tax cuts, in a time when our government’s revenues are becoming addicted to the new industry’s tax money.

We have to foster and drive the creation of ecosystems for Start up companies and entrepreneurs so they can find each other, gain access to and exploit local and national synergies (access to capital among others) in cooperation with established businesses and the public sector.

What can your region learn from those who have success in creating such Startup ecosystems - such as Stockholm and Helsinki? Can your region foster the new valuable players and establish the basis for the new economy fast enough?

Content of presentation:

- What makes Stockholm and Helsinki drivers of the new economy? What does a successful Startup ecosystem look like? What role will the multinationals play in the Startup ecosystem in the future?
- The cost of innovation for multinationals will increase to zero, what will be the impact?
- When all multinationals are working with open innovation, how will they have to make themselves attractive to the innovative forces outside? What will it look like?
- What role will the governments play in the future Startup ecosystems around the world?
- How will Startups successfully leverage on multinationals from the old economy when building the new?