

When Innovations Precipitate Secondary Opportunities

by John Di Frances

Frequently corporations strive hard to create breakthrough innovations in order to move their organization ahead of the competition. In doing so, they commit the necessary resources to their innovation effort. When a desirable innovation results, the organization moves on, rarely giving any further thought to what may be a potential gold mine.

You obtained what you wanted, a successful innovation that resulted in a multifold payback of the resources invested. But wait — what other potential innovations are still lurking within that effort? Just because one important or even blockbuster innovation resulted, is that all the payoff that can be obtained.

You may even have analyzed the work for any additional innovations that could be utilized in your business. But, did you look further, beyond the boundaries of your business. There is an old adage; 'One man's junk is another's treasure.'

Those upward tipped winglets that you see today on the ends of airplane wings were not the result of an innovation effort on the part of one of the large aircraft manufacturers. Instead, they are the result of an innovation effort on the part of racing car designers to increase high speed stability and increase fuel economy. What worked in auto racing also works for jet aircraft.

Although there may be no further benefits available to your business in applying any of the component innovation ideas, there may well be other industries that could greatly benefit from them. Your payback can take several different forms, each yielding its own distinctive dividends to the corporation. These include:

Joint Venturing - Offering the component innovation(s) to other companies with the further development and benefits accruing to both organizations on a shared basis.

Licensing - Offering the component innovation(s) to other organizations on a pay to use basis.

Free Sharing - Offering the component innovation(s) to other organizations on a 'free to use' basis, with the caveat that they also share back with your organization any further refinements or developments. Corporations such as IBM, Nokia, Pitney Bowes and Sony are among many organizations already doing so. Together they are sharing 'Green Technologies' within the structure of the Economic Patent Commons in conjunction with the World Council for Sustainable Development.

This reciprocal sharing can over time pay tremendous dividends to the participants, as they can also draw from the ever expanding pool of knowledge. For a more immediate bottom line impact, there is the example a few years back of Mercedes Benz.

After developing several highly innovative automotive braking and control safety technologies and integrating them into their own production models, they launched a massive advertising campaign touting their new safety breakthroughs and stating that “Some innovations are just too good NOT to share”. In these ads, they announced that they had offered these patented technologies ‘free of charge’ to all of the other auto makers, in order to improve safety for ALL drivers.

Doing so established them as the industry leader in developing these breakthrough safety systems and positioned them as a company more interested in the safety of the driving public at large than in corporate profits. Not a bad payback for a technology that was already winning them new car sales.

Successful ideation and innovation require clear focus and the discipline to stay on target. However, once an innovation is implemented, we are remiss if we do not consider the wider range of opportunities which are available to capitalize upon the investment already made. In some cases, the benefits to be derived outside of our organization or industry may well ultimately overshadow those which the innovation originally produced.