

Collaborative innovation benefits from alliances

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Top executives of a number of multinational companies with deep experience in forming alliances across cultures and borders came together today at the World Economic Forum Annual Meeting 2008 to pass on tips about collaborative innovation.

For Advanced Micro Devices (AMD) chief Hector de J. Ruiz, his company's alliance with IBM has been a shining example of collaborative innovation. Ruiz said trust is the key element in building an inter-corporate relationship. Once initial trust has been tried and tested, it is possible to move to a higher level. "With IBM, it was initially narrow, then it broadened. We learned that by restricting cooperation we were making it difficult to initiate things."

He said of the alliance, formed in 2002: "I believe that it is a very successful example of collaborative innovation, but it took years. It took time to fall in love."

Renault/Nissan chief Carlos Ghosn said that the successful link-up between France's Renault and Japan's Nissan was forged through innovation because "there was no textbook" for how the alliance ought to function. The key to its success was the existence of a shared strategy, he said. "Without a shared goal, diversity is a handicap," stressed Ghosn.

For Nike President and Chief Executive Officer Mark G. Parker, there has been a profound change in the relationship between corporations and their consumers. It has turned into more of a dialogue. "There has been a shift in the power of the consumer," he said. But this transformation presents more of an opportunity than a threat to a company.

On alliances, Parker said: "There is a lot of dating that goes on before marriage and a lot of good things can come out of that."

Nevertheless, all collaboration between companies involves a trade-off, with each side needing to know exactly what it stands to gain, said Reuters Chief Executive Officer Thomas H. Glocer. "If you own 100% of the next incredible idea, you are not going to phone around your friends with it," he said. "But on balance, you need to have a healthy collaboration in your corporate toolkit."

"The question of intellectual property can present problems in any corporate relationship and sometimes it is necessary to make clear what can and what cannot be shared," Ghosn noted.

But collaborative innovation is a concept that extends beyond the relationship between corporations to include a company's links to its own employees and the attitude of those employees towards their work, the panellists underlined. Swiss Re Chief Executive Officer Jacques Aigrain said that old companies, such as his own, face a day-to-day battle against getting stuck in conservative ways.

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