The surprising secret to success in innovation?
Collaboration—even with your competitors.

New sections to guide you through each article:
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Every executive understands the need for innovation—generating great ideas and turning them into profitable products and services. The question is: how? What practices will help ensure that your company achieves this feat?

For some of the most successfully innovative companies, the answer lies in reinventing the innovation process itself. As this HBR OnPoint collection reveals, reinventing innovation may hinge on counterintuitive forms of collaboration conducted at ever-widening frontiers—within your company, with your customers, and, most radically, with your competitors.

Before raising a skeptical eyebrow, consider this: When you openly share insights, technologies, and capabilities with competitors early in the innovation process, you also share the costs, risks—and benefits—of bringing your best ideas to market.

**THE ARTICLES**

“Research That Reinvents the Corporation” by John Seely Brown

To reinvent your company’s innovation process, start with a new vision of your research department. As this article about Xerox PARC demonstrates, R&D can do much more than just crank out new products—it can also develop cutting-edge work processes to enhance your company’s ingenuity and flexibility, enabling continual, organization-wide innovation.

How? Through four powerful principles:
1) Improve existing work processes by studying “technology in use”; e.g., Xerox PARC customized behind-the-scenes information technology to create a copier that predicts and arranges for repairs before a breakdown—so customers never see a machine fail.
2) Harvest and spread local innovations by enabling employees to disseminate creative “workarounds” to vexing problems. 3) Reach beyond the R&D walls to co-produce new technologies and work practices with partners throughout your company. 4) Innovate with R&D’s ultimate partner—customers—to co-produce systems they’ll need in the future.

“Customers as Innovators: A New Way to Create Value” by Stefan Thomke and Eric von Hippel

You’ve honed your collaborative innovation powers within your company—now advance to the next frontier: collaborating with customers to develop products.

The traditional product-development process—dependent on imprecise, incomplete information about customers’ needs—entails costly and time-consuming trial-and-error. Here’s a better way: Turn customers into “do-it-yourself” innovators by equipping them with high-tech but user-friendly tool kits featuring computer simulation and rapid prototyping. The payoffs? Speedier, more precise, and cheaper product development, as customers design exactly what they want—fast.

“Breaking Out of the Innovation Box” by John D. Wolpert

Collaborating with competitors—the newest frontier—contradicts old assumptions about the need for innovation secrecy. This article describes a counterintuitive approach that nevertheless draws from a well-established practice: the use of independent information intermediaries. These trusted middlemen facilitate the exchange of sensitive information among competitive companies without revealing the principals’ identities or motives.

How might it work? Through an annual fee, you hire a group of intermediaries and brief them on your internal innovation programs. Bound by nondisclosure agreements, they share information with other agents representing other companies. When collaboration appears mutually beneficial—e.g., several firms pooling investments to pursue a hot opportunity—the agents signal their client companies and help structure the engagement terms.

Positioned squarely amid new ideas, intermediaries can visualize opportunities synthesized from multiple companies’ insights and technologies—opportunities that the individual companies themselves might never have seen.