

How open innovation can help you cope in lean times critical thinking examples

[Business](#), [Company](#)



Leaders who focus on future achievements of their organizations place certain assets and projects on other company's during challenging economic times. The organization makes use of other companies in preserving their wealth as they cope with the tough economic times. According to Chesbrough and Garman (2009), the process whereby organizations place part of their assets or projects outside their walls is referred to Inside-out open innovation. This innovation saves an organization a lot of time and money because it ensures effective cost management and promotes future growth. The article analyses various approaches that an organization could take in order to implement the inside-out open innovation.

First, in case the organization has no capability of sustaining its investments, then it becomes the supplier or customer of its former projects. In doing so, the organization plays a part in funding the project and makes it an independent business. On the second approach, the organization allows others to develop its nonstrategic projects as it focuses on the core activities with high returns. The article gives an example of Lucent Digital Video Company that outsources some of its services to outside investors in order to offload future digital traffic in China. On the third approach, an organization can allow outside companies to benefit from unused properties through generating income from these assets. The owner is saved the cost of paying for unnecessary fees associated with these properties. Fourthly, to achieve future organization growth the company needs continuous innovations, interaction with customers, and trade experts in order to identify future growth opportunities. Finally, the fifth approach involves reducing costs and expanding participation through creating open domains. The domains help in

exchanging information that provides an opportunity for future changes within an organization (Chesbrough and Garman, 2009).

Open innovations have assisted many organizations thrive during the cultural and political challenges during harsh economic situations. Good leadership and perfect management aim contribute a lot in placing an organization in a better place to undertake any development necessary for future growth (Chesbrough and Garman, 2009).

References

Chesbrough, W. Henry and Garman, R. Andrew. (2009). How Open Innovation Can Help You

Cope in Lean Times. Harvard Business Review. pp. 1-9