Innovation: Classroom to Boardroom

In yet another demonstration of the talents of Berkeley students and the large number of opportunities provided by the program, students were granted the prospect to take the skills developed in the classroom into industry and offer fresh perspectives to major multinational corporations.  

What is the Garwood Center?

The Garwood Center for Corporate Innovation is an emerging center for large-enterprise innovation within the Institute for Business Innovation, Haas School of Business, UC Berkeley. As announced by Dean Rich Lyons in 2011, the Garwood Center was created thanks to a $4.5 million endowment from alumnus the late Ed Garwood (BS 31) along with his wife Elsie. The Garwood Center focuses on the key topics: open innovation - the use of purposive inflows and outflows of knowledge to accelerate innovation; business model innovation - creating and capturing more value by innovating business models and coordinating them with key partners; open services innovation - extending the open innovation and open business models concepts to services; and applied corporate innovation - developing innovative solutions to business problems using MBA student teams.

Given his previous leadership at the Haas School’s Center for Open Innovation and his track record as the ‘Father of Open Innovation’, Professor Henry Chesbrough was chosen to lead the Garwood Center, “Globalization and commoditization are creating significant challenges for corporate innovation,” Chesbrough observes, “To sustain growth and profits in today’s world, corporations will need to extend innovation beyond their products and technologies to business models and services. The Garwood Center will focus on both academic research and management practices that address these challenges.”

The Garwood Center is also home to the Program in Open Innovation, Berkeley Innovation Forum, and Haas@Work Program.
Berkeley Innovation Forum—Fall 2012

In October 2012, the Garwood Center for Corporate Innovation hosted the bi-annual Berkeley Innovation Forum at the Berkeley Skydeck located near the university. This year’s fall meeting was a two-day event focused on discussing open innovation trends and challenges within company business models, the economy, and global affairs.

At our pre-conference event, dinner included table topics on open innovation and an introductory talk given by Mr. Duncan Logan, CEO of RocketSpace, a technology community that provides real estate for tech startups. The agenda for the first day of the conference started with Special Speaker, Professor David Teece, Faculty Director of the Institute for Business Innovation, Haas School of Business, who discussed IP Strategy and Open Innovation. Afterwards, a new member panel discussion was held on the topic of Trends and Challenges in Open Innovation which included representatives from FedEx, Mattel, Applied Materials, Huawei, Lockheed Martin, Ajinomoto, Goodyear, Royal Caribbean, Nestle and Lancaster University. Next, Emil Nyberg of Ericsson and Deborah Stokes of Huawei shared their ideas and applications of open innovation within their respective companies. Another panel discussion was held on the topic of global innovation challenges: China vs. United States with speakers Vivek Wadhwa, VP of Academics & Innovation at Singularity University, Ann Lee, Professor of Economics & Global Affairs, New York University and author of “What the U.S. Can Learn From China” with BIF members Intel, DuPont, Wipro, Goodyear, Lockheed Martin & Hitachi. Lastly, we had a special presentation where seven groups from an UC Berkeley undergraduate course of Open Innovation and Business Models taught by Professor Solomon Darwin, Associate Director of the Program in Open Innovation, shared their ideas to innovate current BIF members’ companies to solve real world problems.

The following day, the Berkeley Innovation Forum continued with a presentation on Global Trends in Open Innovation and Business models by Professor Henry Chesbrough, Faculty Director of the Garwood Center for Corporate Innovation. Afterwards, breakout sessions were held which included discussions on Exploring Opportunities in the Emerging Data Economy by Dr. Brandon Barnett, Director of Business Innovation of Intel; Approaches to Managing Innovation Challenges in your Ecosystem by Sohyeong Kim, PhD Candidate of UC Berkeley; IP Issues in OI by Professor Henry Chesbrough; and Overcoming OI Organization and Implementation Barriers Within Your Company by Professor Solomon Darwin. The final presentation to the forum was presented by Sharon Wong and Deepu Rathi on how their company explored new business models and technology trends to innovate Cisco Systems.

Glimpse at Approaching Innovation Forum

On April 23-25, the Spring 2013 Berkeley Innovation Forum will be held at Lockheed Martin Center for Innovation located in Suffolk, Virginia. We would like to welcome new members Fidelity, Autodesk, Tyco and Visa Corporation. During this year’s Spring forum, members will have the opportunity to have a special tour of Lockheed Martin’s State-of-the-Art Flight Simulators and Technologies, solicit possible solutions and best practices from BIF members during presentations led by Mattel, Intel, Wipro, and interactively exchange with members best practices on open innovation from the academic and corporate world.
In yet another demonstration of the talents of Berkeley students and the large number of opportunities provided by the program, students were granted the prospect to take the skills developed in the classroom into industry and offer fresh perspectives to major multinational corporations.

In the course UGBA 190T: Open Innovations in Business taught by Professor Solomon Darwin, Associate Director of the Program in Open Innovation, students were challenged to address real world business issues and to assess the current state of the business models of several Fortune 500 level firms in terms of how they could help provide open innovation solutions to challenges in their current business paradigms. Students were charged to address these concerns while working alongside executives throughout the creative process, rising to this challenge in a final pitch competition among student teams to the executives of these firms.

The student team working with Standard Chartered Bank proved particularly innovative and effective in their presentation and approach in assessing the needs of the firm and offering solutions and particular and specific avenues the company could further cultivate. Executives were so impressed with the student team that they planned to explore the project in a context beyond the classroom.

Executives of Standard Chartered invited James An, Jeremy Fiance, Caleb Linden, David Motamed, and Stanford Stickney to present a refined presentation, which was well received and led to further development of the concept beyond the classroom. As clearly stated by Mr. Todd Schofield, Managing Director, SC Studios, “The Open Innovation and Business Models course at Berkeley-Haas has been a valuable experience for Standard Chartered Bank. The students utilized open innovation approaches to address our business challenges. We are a global bank and have operated for over 150 years in some of the world’s fastest-growing markets. We lead the way in Asia, Africa and the Middle East, and innovation is essential to our expansion and sustainability. The students not only came up with a business model, but also built a prototype of an app (a proof of concept) that goes beyond a PowerPoint pitch. The Haas students were given an opportunity to present to our C-suite level executives which resulted in internship offers to take their ideas further to benefit the Bank. We look forward to working with Haas students on an ongoing basis to solicit new ideas in the changing landscape.”

As Berkeley students continue to innovate and leverage the full resources of the Garwood Center and the unique aspects of the culture and learning environment that UC Berkeley has to offer, it is certain that collaborations of this nature will continue in the future and demonstrate the institution’s ideals of bringing together students and business professionals into mutually beneficial relationships that allow for further creativity and innovation.
In the Fall 2012 Semester, the Haas School of Business provided students with an unparalleled opportunity to interact with industry professionals both inside the classroom and beyond its confines. Students in UGBA 190T: Open Innovations in Business were offered the opportunity for experiential learning through the development of business models that were immediately relevant and applicable to changing business environments by working in tandem with major companies such as Johnson & Johnson, SAP, Mattel, Ericsson, Cisco, Huawei and Standard Chartered Bank.

The goal of the course was to create functional business models of a dynamic nature that leveraged the open innovation mindset and framework set in place by the Garwood Center. The course was a great success, providing both a mutually rewarding experience for students as well as the executives who participated.

The conclusion of the course consisted of student teams competing in pitching their ideas to executives from these firms, with the teams which represented Standard Chartered and Johnson and Johnson tying for the top position. Professor Solomon Darwin, Associate Director for the Program in Open Innovation and the instructor for the course, provided students with a challenging opportunity for learning and growth. The students were excited to take on this challenge and Professor Darwin is eager for the additional creativity and innovation that is expected in the next course to be offered this Fall Semester 2013.

“Since its earliest days, Mattel has been focused on innovation. Just like everyone else, we are continuously searching for disruptive innovation. In the Fall Semester of 2012, we turned to the Berkeley-Haas students from the Open Innovation and Business Models course, tasking them with a disruptive innovation idea for Mattel. The team put a lot of hard work into the project, surprising us with a new business model at the end. We asked for open-minded thinking and we got it! We are looking forward to another project!”

Olga Patel
Manager of Open Innovation
Mattel Corporation

Participating Firms:
Open Innovation Speaker Series

The Open Innovation Speaker Series is a weekly series intended to provide both academic and managerial perspectives on open innovation and related subjects. The organizers are Henry Chesbrough and Solomon Darwin of the Program in Open Innovation at UC Berkeley. It is open to students, faculty, staff, and the general public. We had the privilege of having many great speakers present during our 2012 Fall Series which included, but were not limited to: VMware, DuPont, Google, and visiting scholars from Zeppelin University, Germany, USC, UC Berkeley, and the University of Oxford.

Highlights included Dr. Ann Majchrzak, Professor of Information and Operations Management at the University of Southern California Marshall School of Business, who discussed the practical problem of enterprise-wide innovation challenges yielding only incremental ideas. She proposed the solution of a virtual community that would shape and combine other ideas and encourage discussion based on a voting system. Julia Austin, VP of Innovation at VMware, discussed innovation programs that their company offers, such as allowing their employees to shadow other departments to learn and bring back ideas to their home department, academic programs, seminars, innovation challenges, and funding for ideas that would expand, or improve VMware’s product line.

Through this Speaker Series, students, faculty, staff, and the general public obtain real world knowledge and applications of open innovation.

CIO and CFO Roundtables

The Garwood Center for Corporate Innovation uses open innovation to assist mature companies. The center pays particular attention to implementation issues and development of new business models to capture the value of innovative products and services. These topics are discussed at The Chief Innovation Officer Roundtable, led by Professor Solomon Darwin, where six to seven Chief Technology Officers from various corporations meet to learn about the latest innovative ideas and business models once a month. Between November 2012 and March 2013, four roundtables have been held to discuss the following topics: the emergence of 3D printing and its possible impact on future economic activity, disruptive innovation and

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CIO and CFO Roundtables

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new business models in the changing economic landscape, exponential technologies, and exploring opportunities in the emerging personal data economy to establish effective ecosystems that create an economic win-win. Each roundtable has also had the opportunity to include the following guest speakers: Mark Hatch, CEO of TechShop; Manjula Talreja, VP of Head of Global Cloud Business Development at Cisco; Vivek Wadhwa, VP of Innovation and Research at NASA Singularity; and Brandon Barnett, Director of Business Innovation at Intel.

Open Innovation Adoption and Practices–A Growing Trend

A recent survey conducted by Henry Chesbrough reveals a growing trend in the adoption and practice of Open Innovation. There is no doubt that the term “open innovation” is a business buzz word common to boardrooms, but the question is whether it reflects a true paradigm shift in the minds of business managers and its practices are being applied in an industry setting. The sample set included US and European firms whose sales exceeded $US 250 million. Preliminary results show that of those firms surveyed, 72% were using open innovation and none had stopped after starting to use it. Of those using open innovation, approximately 72% have increased support of their respective programs of open innovation, 3% have decreased support, and 25% have maintained their support. The conclusions of the study and subsequent survey fielded to U.S. and European firms with a larger than $US 250 million are abundantly clear. The results serve as yet another testament of trends toward greater acceptance among established firms to adopt the open innovation paradigm championed by Henry Chesbrough, Faculty Director of the Garwood Center for Corporate Innovation.

Based on the survey, 72% percent of companies were using open innovation drawing on the definition of Henry Chesbrough: “Open innovation is the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and expand the markets for external use of innovation, respectively.”

What is the Garwood Center?

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The Program in Open Innovation conducts research, publishes articles and develops teaching materials around a more distributed model of industry innovation called “Open Innovation.” The goal is to make the Program in Open Innovation as externally connected as possible, to identify important ideas and information from outside, and to share ideas with interested parties on the outside. The Berkeley Innovation Forum is a membership organization dedicated to sharing knowledge about innovation challenges. Haas@Work is an applied innovation program employing student consulting teams to develop innovative solutions to business problems.
Professor Darwin Mentors Students at the Global Summit of Kairos Society

Professor Solomon Darwin, Associate Director of the Program in Open Innovation, Professor Bernt Wahl, Industry Fellow at the Center for Entrepreneurship & Technology, and Berkeley SkyDeck’s Executive Director Jeff Burton were invited to attend the Kairos Society Global Summit 2013 as mentors.

The Kairos Society is a non-profit student-run entrepreneurial organization founded in 2008. The Global Summit was organized with the vision of bringing together the world’s brightest collegiate entrepreneurs, and pairing them with today’s globally influential leaders to develop pioneering solutions to the most challenging problems across various industries.

This year’s Global Summit was held in New York City on February 22nd-23rd; with 350 student attendees representing 100 universities from over 20 countries. Invitations were sent to 250 world leaders to participate and serve as mentors, including: Duncan Niederauer, CEO of NYSE; Beth Comstock, CMO & EVP of General Electric; Alex Gorsky, CEO of Johnson & Johnson; Howard Buffett, Executive Director of the Howard Buffett Foundation; Vivek Wadhwa, VP of Innovation and Research at NASA Singularity; Judy Rodin, President of the Rockefeller Foundation; and Mark Rockefeller of Rockefeller Consulting.

In addition to hosting intimate breakout discussions between world leaders and young entrepreneurs, the Kairos Summit also acknowledged the top 50 undergraduate student-led startups from the Kairos Society, known as the Kairos 50. UC Berkeley students have founded six of these distinguished companies:

- Omar Haroun (UC Berkeley) and Reuben Doetsch (Columbia University): Sportaneous - a marketplace for fitness classes.
- Will Drevno and Richard Berwick: Dreambox - creators of a 3D printing vending machine.
- Georgy Ramonov and Sabrina Atienza: M3D - a search engine for medical researchers that pulls data in hours versus days.
- Nanxi Liu: Nanoly Bioscience – created a polymer that allows vaccines to survive without refrigeration.
- Harshil Goel, Timothy Lee, Matt Fay, Zachary Hargreaves, Jordan Greene (UC Berkeley), and Jason Forslin (University of the Pacific): VIRES (Virtually Infinite Rotary Exponentiation System) – a transmission design that increases efficiency and torque.
- Nikita Bier and Jeremy Blalock:

The Kairos Society believes that young entrepreneurs possess new perspectives and diverse experiences that set the platform for disruptive, groundbreaking ventures. With insight from experienced global leaders and technological programs provided by the world’s top innovative companies, the Kairos Society is hopeful that these student leaders will help to change the world.

Politify, Inc. – an outline for government, a simulator that models how policies and budgets will affect citizens.

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Global Engagement: China’s CEOs Get Trained in Open Innovation Strategies

On April 16-19, the Center for UC Berkeley Executive Education (CEE) hosted the International CEO Program. According to Solomon Darwin, Faculty Director of the program, the purpose of this conference is to provide CEOs the tools to navigate their companies around rapid changes in economic landscape, geopolitical shifts, new technologies, shortened product life cycles, cross-cultural communications, global competition, and changing consumer behavior. Expert faculty members and special guest speakers will address economic and business trends, latest models, provide insight and solutions to business problems, and address strategies to capitalize on new opportunities. This year’s conference consists of five modules: global economic trends, sustainability management in the new era, open innovation in the changing landscape, business model innovation, and cross-cultural negotiations in a global setting. Professor Henry Chesbrough and Professor Solomon Darwin were invited to give presentations on open innovation in a changing landscape and business model innovation. Highlights from this event included a keynote speech and recognition ceremony for Shanghai Jiao-Tong University as a global leader in business education and included special guests Mark Chandler, Director of San Francisco Mayor’s Office of International Trade and Commerce; Thomas T. Chan, internationally known lawyer, mediator, and expert on intellectual property law and china trade; and John Chiang, California State Controller.

Garwood Participates in The Open Innovations Forum in Moscow

Professor Solomon Darwin was invited as a speaker to the Open Innovations Forum to Russia on behalf of the Garwood Center of Corporate Innovation and the Haas School’s Program in Open Innovation. The Moscow International Forum on “Open Innovations”, supported by the Russian Federation government, took place in Moscow from October 31 to November 2, 2012. The Forum was an important business event in Russia, attended by more than 10,000 people from 31 countries, including top level Russian and foreign authorities, top managers of the largest corporations from different countries, leaders and initiators of high-technology projects, venture investors, and representatives from the scientific community. Over 150 meetings, discussions and roundtables were held during the Forum. The large-scale exhibition “Open Innovations Expo 2012” and the special Youth Program were key components to the overall dynamics of the event. Professor Darwin spoke about the need for incorporating open innovation into Russian business models in order to better compete in the changing global business landscape.