

# Efficient Use of Internet and Social Media Tools in Innovation Processes

Mikko Ahonen  
Researcher  
University of Tampere  
Department of Computer Sciences, CIRCMI

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## Background – Mikko Ahonen

Tekes PARTECO, Innovation and social media research (2006-2008)

Tekes Digital Learning –project (2001-2003)



EU IST MOBIlearn –project, research group leader (2003-2006)

TeliaSonera Ltd, service provider, program manager (2000-2001)

Currently: Researcher at the University of Tampere  
(Open Innovation, Design, Information Systems, Ergonomics, Green IT).

Finalising PhD thesis "Information Systems in Innovation Management"

Father Antti Ahonen = serial entrepreneur  
Newest start-up: Sustainable Mobile Ltd

## Setting the Scene

Opportunities

or...

Obstacles?



Marketing company sells clients Facebook friends

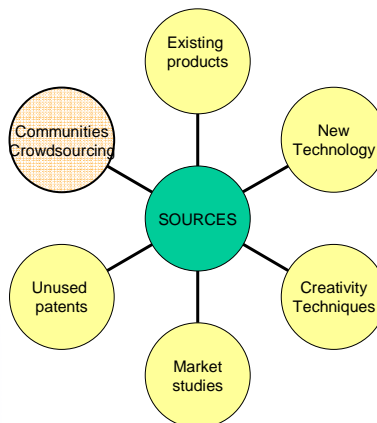
The service from uSocial is mostly meant for businesses, celebrities and other individuals looking to expand on the social network, and Facebook isn't happy about it.

# Innovation? Creativity? Entrepreneurship?

# Sources of Inspiration

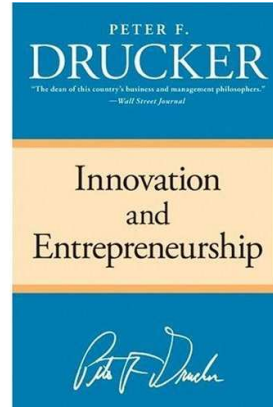
(Trott 1998, Clark *et al.* 2005)

CASE!!



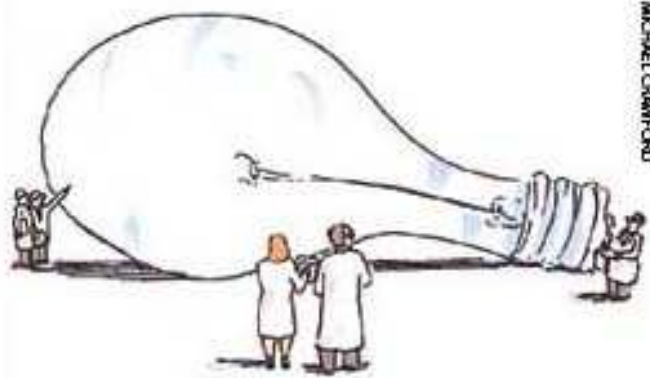
*Systematic innovation ... consists in the purposeful and organized search for changes, and in the systematic analysis of the opportunities such changes might offer for economic and social innovation.*  
(Drucker, 1985, 31)

Interactive Value Creation  
→ Reichwald&Piller (2006)  
<http://mass-customization.blogs.com/>



Entrepreneurship =  
Systematic Search for Innovative Opportunities

Source: Peter Drucker, Innovation and Entrepreneurship (1985)



"We can't teach people how to come up with ideas,  
but we can teach them how to analyze ideas already  
available to them."

## Disruptive Innovation

"All truth passes through three stages. First, it is ridiculed. Second, it is violently opposed. Third, it is accepted as being self-evident."

- Arthur Schopenhauer, German philosopher (1788-1860)

"Don't worry about people stealing your ideas. If your ideas are any good, you'll have to ram them down people's throats".

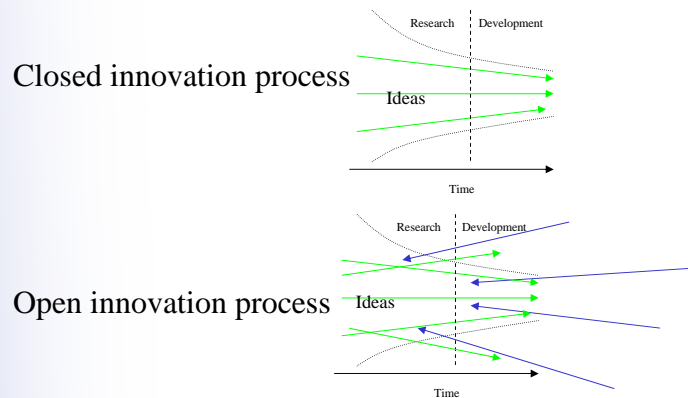
- Howard Aiken, US computer scientist (1900-1973)

"Discovery consists of seeing what everybody has seen and thinking what nobody has thought."

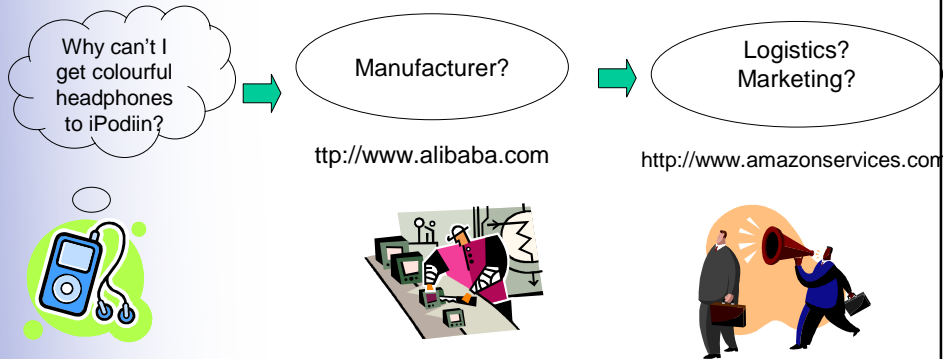
- Albert Szent-Gyorgyi, biochemist (1893 - 1986)

# Open Innovation

## Closed versus Open Innovation (Chesbrough, 2003)



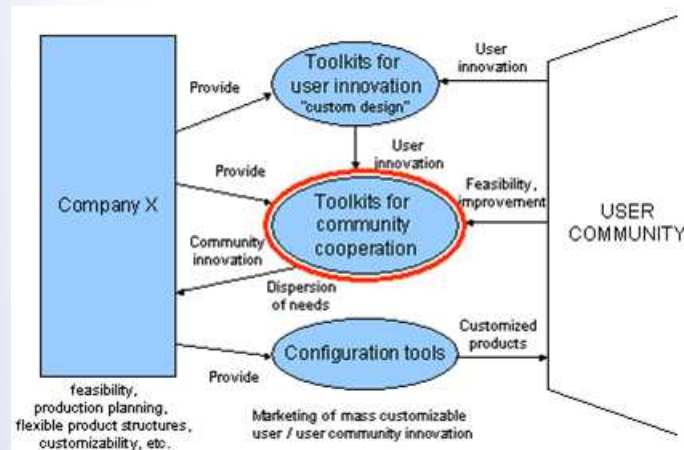
## Thomas Friedman: World is Flat



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## Mass-Customization vs. User Innovation



Source: Antikainen, Ahonen & Mäkipää (2007)

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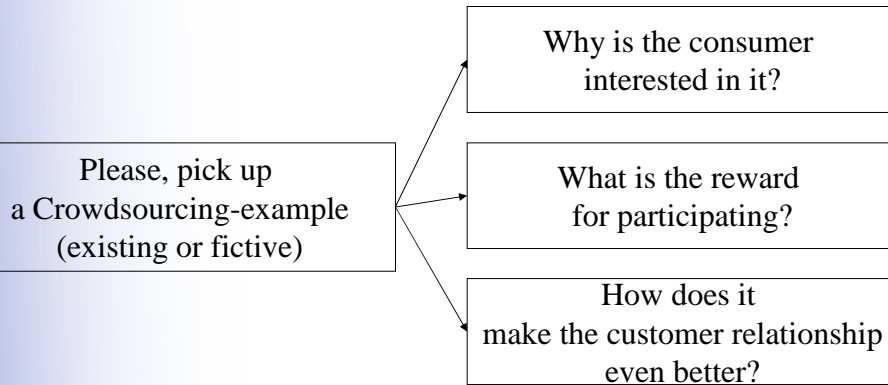
## Crowdsourcing

*Remember outsourcing? Sending jobs to India and China is so 2003. The new pool of cheap labor: everyday people using their spare cycles to create content, solve problems, even do corporate R & D. (Howe 2006)*

## Crowdsourcing – Utilising the wisdom of crowds



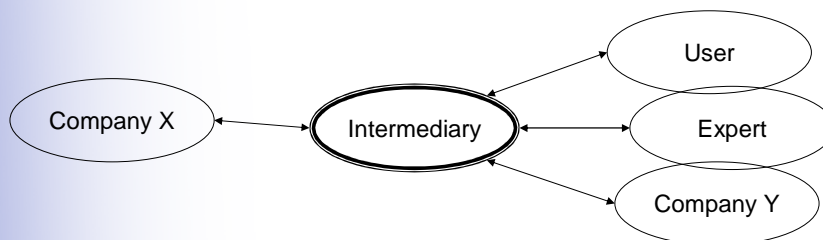
## A Thought Exercise:



## Open Innovation and Intermediaries

“Intermediaries could facilitate the exchange of information about innovation among companies etc while keeping their secrets.”

(Wolpert, 4, 2002)



## Innovation Intermediaries (examples)

- InnoCentive – <http://www.innocentive.com>
- Dell Ideastorm – <http://www.ideastorm.com>
- FellowForce – <http://www.fellowforce.com>
- Tynax – <http://www.tynax.com>

## Knowledge Brokering (Hargadon & Sutton, 2000)

- 1) Constantly Capture ideas  
→ for example: <http://delicious.com>
- 2) Keep them alive
- 3) Explore new uses for them
- 4) Build prototypes to test them out

## Web 2.0 and Communities

## Web 2.0 - success factors

**1. Early entry / first mover**

**2. Constant improvement, innovation and value**

**3. Local and global support**

**4. A platform for others**

**5. User content as an attraction**

Source: Armapartners (2006)  
[http://www.arnapartners.com/files/admin/uploads/W17\\_F\\_1873\\_34977.pdf](http://www.arnapartners.com/files/admin/uploads/W17_F_1873_34977.pdf)

# Web 2.0 – Tim O'Reilly (2006)

[http://www.longtail.com/the\\_long\\_tail/2005/10/web\\_20\\_and\\_the\\_.html?cid=9907757](http://www.longtail.com/the_long_tail/2005/10/web_20_and_the_.html?cid=9907757)

The Long Tail

Data is the Next Intel Inside

Users Add Value

Network Effects by Default

Some Rights Reserved

The Perpetual Beta

Cooperate, Don't Control


Software Above the Level of a Single Device


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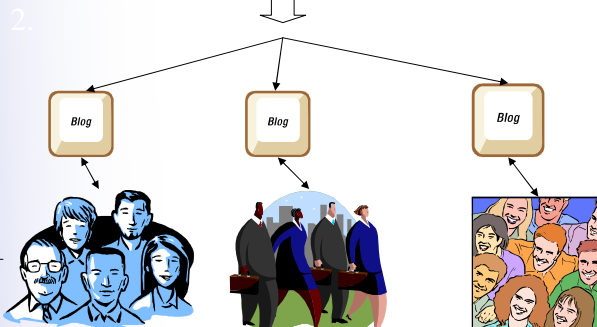
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## Case: Word-of-Mouth -marketing

**fellowforce**  
open for participation

1.  Who is writing about open innovation?

2.  Request: "Please, could you test our service and write about it?"



4. Contacts, new users

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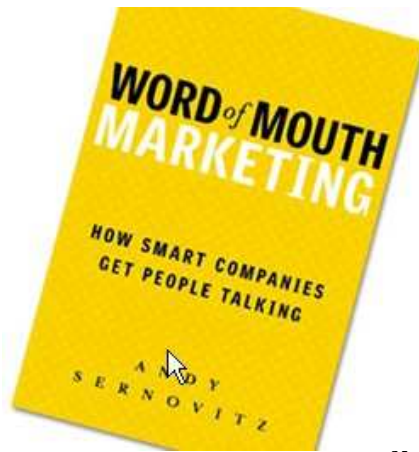
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## "3 Reasons Why People Talk About You"

*Reason #1: You. They  
Like You and Your  
Stuff.*

*Reason #2: Them.  
Talking Makes Them  
Feel Good.*

*Reason #3: Us. They  
Feel Connected to the  
Group*



## Social Network Analysis

## Manual exercise - first

### How to Map Your Network

Name of Contact	Who introduced you to the contact?	To whom did you introduce the contact?
Mark Granovetter	Me	
Greg Duncan	Steve Alltop	
Deb Gruenfeld	Me	
Henry Bienen	Steve Alltop	
John Wolken	Mitch Petersen	

Uzzi & Dunlap (2005)

## SNA - Social Network Analysis

A **social network** is a social structure made of nodes (which are generally individuals or organizations) that are tied by one or more specific types of interdependency, such as values, visions, ideas, financial exchange, friendship, sexual relationships, kinship, dislike, conflict or trade.

Social network analysis views social relationships in terms of *nodes* and *ties*. Nodes are the individual actors within the networks, and ties are the relationships between the actors. The resulting graph-based structures are often very complex.

[http://en.wikipedia.org/wiki/Social\\_Network\\_Analysis](http://en.wikipedia.org/wiki/Social_Network_Analysis)

## Challenges: Islands and Clicks

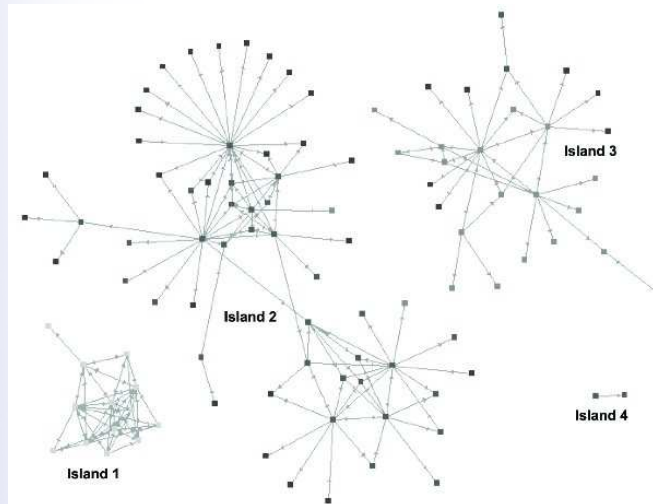


Figure 3 Social network analysis ([www.orgnet.com](http://www.orgnet.com)) – org. mapping depicting departments

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## Innovation and SNA?

- "To enhance the knowledge flows between people to stimulate innovative thinking, organizations should first conduct a knowledge audit and develop a knowledge map of the sources, sinks, and flows of knowledge in the organization. In other words, whom do people go to in the organization for answers to questions or how are departments in the organization interacting within and between each other? "

Liebowitz (2005)

## Analysing SNA-maps – What to look for?

- **Bottlenecks**
- **Number of links**
- **Average distance**
- **Isolation**
- **Highly expert people**
- **Organizational subgroups or cliques**

Cross *et al.* (2001)

## Thank you! Questions and comments welcome!



**Mikko Ahonen**  
Researcher  
University of Tampere  
Finland

**Telephone**      +358-3-3551 8069

**E-mail**            mikko.ahonen [at] uta.fi

**Blog**                <http://beyondcreativity.blogs.com>

**Info**                 <http://www.uta.fi/~mikko.ahonen/>