

## Mgmt 6050, Managing Innovation and Change Managing External Relations in Innovation Journey

### Student teams discuss questions about 3M CIP's relationships With HEI, Hochmair, Nucleus and FDA

- What should 3M have done in managing each relationship?
- How did these relationships affect the industry infrastructure for CI?
- In what conditions and issues should 3M have "run in packs" vs. alone?

### Presentation by

Team 4: Michael Dalsgaard, Marcus Christensen, & Christian Ruffin

Team 5: Alec Dilan, Jan Marek, and David Norelius

### Readings:

- Chapter 5 of *The Innovation Journey*
- Van de Ven & Ring, *Relying on Trust in Cooperative IORs*

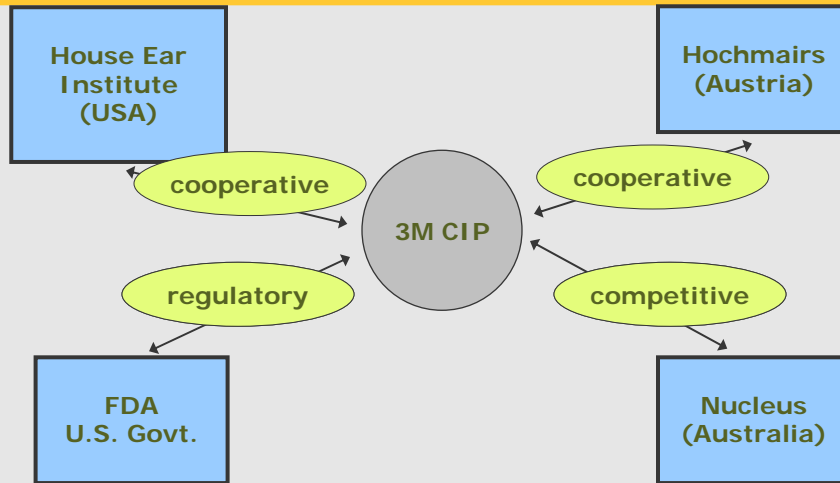
Mid-Term Case Comparison Report due Wed. Nov. 23 – bring to class

## Research Findings on Dynamics Outside of the Innovating Company

No individual firm has the resources to go it alone (chpt 5).

- It must engage in cooperative & competitive relations with others
- Firms experience many unintended consequences of relationships:
  1. Partnerships & joint ventures often produce "hung juries."
  2. Aborted attempts at cooperation may produce competitors.
  3. Close relationships over years may produce "group think."
  4. Firms become "locked into" interdependent webs of relationships

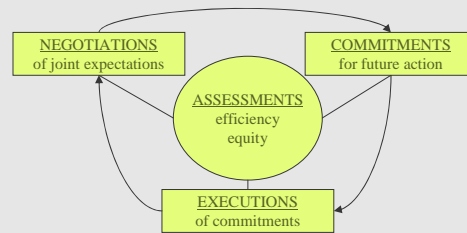
## Example: 3M Relationships to develop Cochlear Implant Program (CIP)



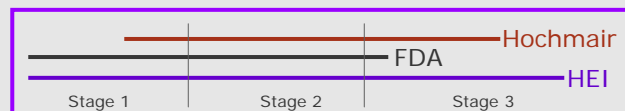
## Process Framework Development of Cooperative (IR's)

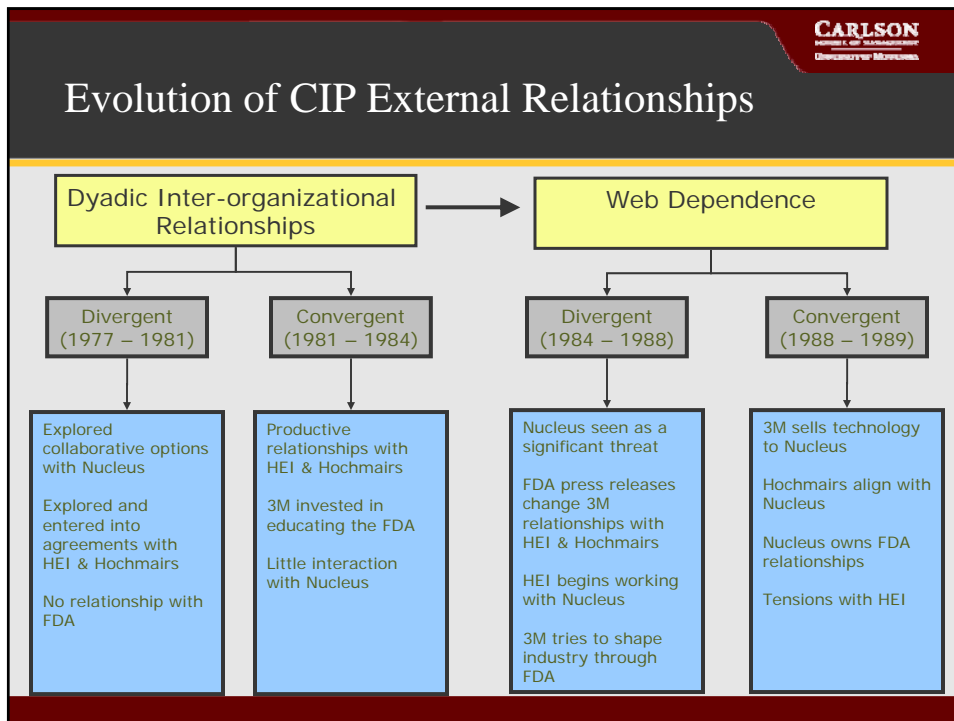
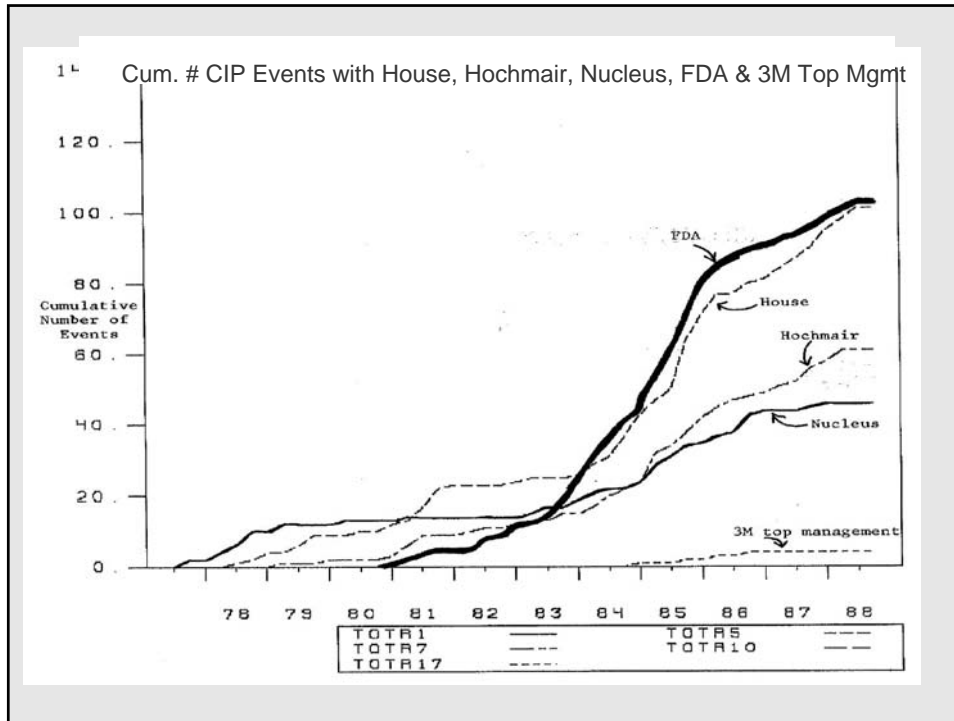
> Typical evolution of IRs:

- > Negotiation
- > Commitment
- > Execution
- >

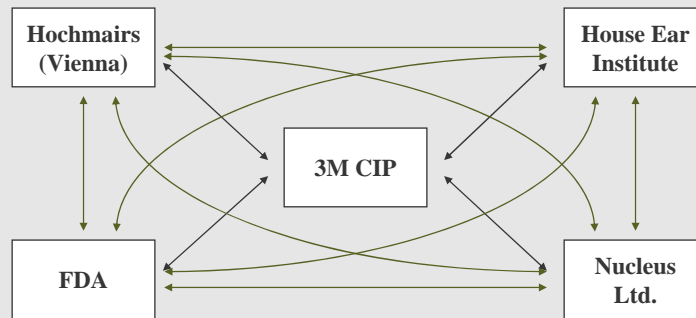


> 3M CIP's relationships evolved through multiple, parallel cycles of negotiation, commitment and execution events.

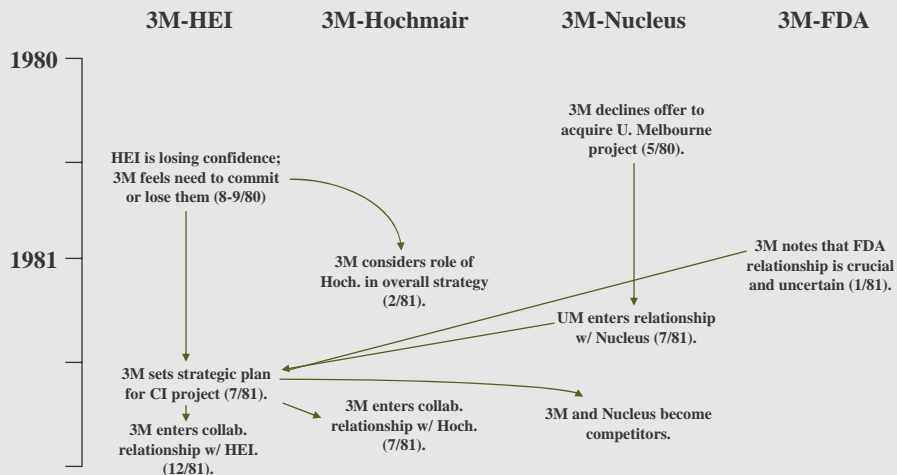




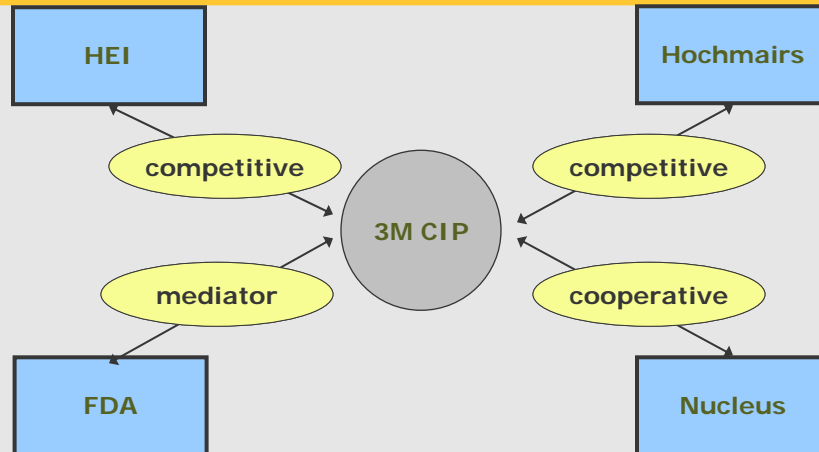
*As each relationship developed it was interrupted and shaped by events occurring in the other relationships*



## The Web of 3M-CIP External Relationships



*...and cooperators became competitors & vice versa*



## Discussion of External Relationships in Cases

Discuss the development of 3M CIP's relationships with HEI, Hochmair, Nucleus and FDA:

1. What more or less should 3M-CIP have done in managing each relationship?
2. How did these relationships affect the development of the cochlear implant industry infrastructure?
3. Under what conditions and on what issues should 3M have "run in packs" and not alone?"

## Those who “run in packs” will be more successful than those who go it alone

### Reasons:

- > Innovation is a collective achievement.
  - No single firm can do it alone.
- > Costs of many innovations exceed proprietary benefits
- > Pack behavior is central to innovation adoption & diffusion

## When Run in Packs vs. Go Alone

### Running in Packs

- Highly innovative
- None/little existing regulation
- Scope & nature of market is unknown/questionable
  - Culture, lack of legitimacy & trust
- High research costs required
- Vendor/Supplier/Distributor Channels need to be established

### Running Alone

- Well-known technologies
- Strong patent protection
- Strong property rights
  - Scope & nature of market is clearly defined
- Research costs minimal
- Vendor/Supplier/Distributor Channels already established

## Next Class: Industry Infrastructure for Innovation

### Audio tape of Thomas Friedman's *The World is Flat* (2005)

#### Student teams discuss

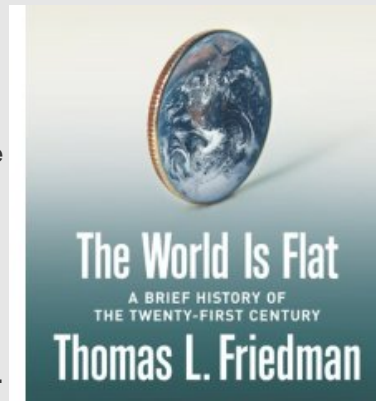
- How does a "flat world" influence the management of innovation?
- Design an innovation infrastructure for a flat world.

#### Class discussion of Innovation Infrastructure in a Flat World

#### Readings:

Chapter 6 of *The Innovation Journey*  
 Van de Ven, *The context-Specific Nature of Competence*

**Mid-Term Case Comparison Report due Wed.  
 Nov. 23 – bring to class**



## Mid-Term Report Due Nov. 23 – Any Questions?

#### Case comparison report questions

1. How is your case similar and different to Qnetics (TAP) and CIP in terms of the common elements of the innovation journey, learning, leadership, or external relationships?  
 (Suggestion: present answer in a table, and discuss the most interesting comparisons in 2 pages or less.)
2. Diagnose a key problem or issue that was common to your three cases.  
 (Make your diagnosis explicit by listing the data or symptoms, your analysis, and your inference of the problem in 2 pages or less.)
3. Propose a recommendation for managing this problem.  
 (Support your recommendation with an argument by stating your claim, reasons, evidence, reservations, and qualifiers in 2 pages or less.)

Please attach this [Midterm Report Evaluation Form](#) as the cover page of your report.