



start-ups, typically lack the strategic and operational rigidities that can stifle innovation in established firms but they struggle to access the assets needed to get their ideas to market (Minshall, Mortara et al, 2008).

This is particularly true in the food sector where thousands of food and household products are introduced each year. In the food and, more generically, in the FMCG sectors, major corporations have embraced OI models consciously and implement them through dedicated teams (Mortara and Minshall, 2011). Firms in FMCG have traditionally relied on internal resources to innovate but revolutionary innovation is difficult to achieve. A trend is noticeable whereby, as a result of the difficulty in achieving sustained high growth and containing the innovation, costs force many firms to adopt OI. Furthermore, FMCG's innovation is strongly dominated by brands and adopting OI helps reinforce the branding message.

The battle to become the 'partner of choice' is important, with each food industry giant vying for the best innovators, in a seeming reversal of the power roles. An awareness of the inherent asymmetry in the power relationship of the two parties, and a proactive approach to rebalancing this to deliver shared reward and risk, will pay long-term dividends.

Winning as a small company in this OI environment requires specific skills – having an appreciation of how large companies work and their culture is vital, perhaps through enlisting support from advisors or non-executives.

Forming and communicating a realistic assessment of technology readiness and the effort required to go to market will provide a strong platform for managed expectations and delivering success. Central to the importance of establishing long-term, win-win partnerships is a sharing of success and risk.

Helping to guide companies is the Open Innovation Forum in the Food & FMCG Value Chain, operated by IfM Education and Consultancy Services (IfM ECS). It was created in 2010 to offer a programme of structured support and opportunity. It is a membership group for companies from all stages of the food and FMCG value chain to explore 'hot topics' and participate in optional OI collaborations.

It benefits all members, regardless of their position in the value chain, from ingredients and packaging, through brand owner, manufacturing and the final link: retail. Key to its success is the Practice Self-Assessment model which allows individuals and companies to assess the maturity of their current practice.

In times when the global business environment is becoming ever more complex, and uncertainty in the global marketplace has given rise to a fundamental change in organisational innovation strategy, the forum continues to attract leading brand names – members include Unilever, GlaxoSmithKline, Mars, Bacardi and Tate & Lyle.

The forum holds pitching events where innovators, technology spin-outs, start-ups and SMEs can showcase business solutions to challenges faced by specialist suppliers and global brand owners.

Senior decision-makers from these companies come to scout for, and acquire, innovation and technology through licensing, acquisition or research funding. They target areas such as life sciences, including ingredients, health, food safety and synthetic biology; materials, including packaging, waste reduction and sustainability; manufacturing, including customisation, batch-of-one and novel food processing; and IT/electronics, including smart packaging, communications and tagging.

What innovation needs are they hoping to satisfy? In

“In the FMCG sector, OI is an opportunity to innovate and increase competitive advantage”

consumer experience, interactive packaging and applications of mobile technology to drive impulse purchases. In the area of ingredients, health and nutrition, forum members want to reduce sugar and salt in products, ingredients that allow you to exercise for longer or aid muscle recovery, nutrition interventions that enable normal cognitive development in pre-school and school age, and natural food ingredients with clinical evidence that enable muscle recovery after illness.

Anti-theft tags which work on metal and anti-counterfeit technology are sought, along with manufacturing and processing innovations for food oil spray technology and fresh microwavable crumb that delivers an oven-baked experience.

In packaging and materials, industry scouts want to hear about reclosing technology for

metal beverage cans, cheap UV protection for transparent glass bottles, self-cooling containers and fast-dry, water-based ink technology. And with sustainability assuming ever-greater importance in all facets of life, innovations are sought to provide low-energy laundry washing, with lower water use.

While there are many lessons to be learnt by both large and small companies, it is inevitably the larger partners who have the advantage of scale to build ad-hoc experiences into a systematic process for successful OI. Building an efficient 'OI machine' is a major organisational and cultural challenge. Achieving the right balance of expediency and humility to carve out a position as partner of choice will be a tough road to travel – but projections of the benefit of OI would suggest it is a road worth travelling. ■

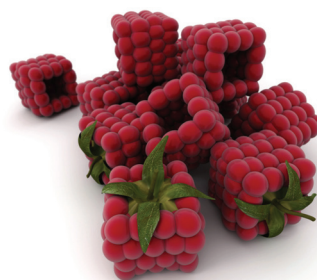
Pictured: Front cover of a flyer for an Open Innovation Forum Pitch Event held in Cambridge in March 2013

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