



**IAS**

Innovation Advisory Service **South East**

## **Innovation Action™ Tools**

**Open Innovation  
Buyer's Stepladder**



# Open Innovation Buyer's Stepladder

## Introduction

The Open Innovation Buyer's Stepladder has been designed (i) to enable you to assess where your company is positioned on the **Buyer's Stepladder of Open Innovation**, and (ii) to help you decide how to increase its effectiveness by moving the company to a higher position on the Stepladder

There are twenty sections in the buyer's questionnaire, with four statements in each section. Read each set of statements, and then try to decide which of them best describes your company. Circle the appropriate score in the adjacent column.

Statement (a)	Score = 3
Statement (b)	Score = 2
Statement (c)	Score = 1
Statement (d)	Score = 0

## History of Open Innovation

a) Our company has an excellent record for finding and utilising external ideas	3
b) A few of our new product ideas have originated from external sources	2
c) We have reviewed, but never actively progressed, some external ideas	1
d) Our company has never considered accessing external sources for ideas	0

## Academic Links

a) We have established very strong links with several academic institutions	3
b) We are trying to expand our links with the university sector	2
c) We have only limited contacts with the higher education sectors	1
d) Our company has no links to any colleges or universities	0

## R&D Collaborations

a) Our new product strategy is underpinned by several collaborative R&D projects	3
b) We are trying to increase our involvement in strategic R&D collaborations	2
c) We have been involved in a few non-strategic collaborative R&D projects	1
d) We do not collaborate with any external partners on R&D	0

## External Expertise

a) We work frequently with technology experts who provide an input to our strategy	3
b) We sometimes use experts who provide an external input to our technology strategy	2
c) We have rarely obtained technology advice from external experts	1
d) We never use external technology experts to complement our internal knowledge	0

### Technology Networking

a) Our company is very active in several strategically managed technology networks	3
b) Part of our strategy is to increase participation in key technology networks	2
c) Some individuals are involved with technology networks on an ad hoc basis	1
d) Our company has had no participation in any technology networks	0

### Business and Investment Networks

a) We participate in, and source ideas from, several business and investment networks	3
b) We are starting to seek innovation from business and investment networks	2
c) We are considering participation in business and investment networks	1
d) We haven't considered participation in business and investment networks	0

### Use of Intermediaries

a) We use intermediaries that help us scout for innovations in our areas of interest	3
b) We are starting to explore innovations that have been suggested by intermediaries	2
c) We have limited contact with intermediaries could help us source external ideas	1
d) We have not considered using intermediaries to source external innovations	0

### Encouraging Providers

a) We promote our interest in external ideas and make full use of web-based services	3
b) We have made several attempts to promote our areas of interest to providers	2
c) We have occasionally indicated our areas of interest to potential providers	1
d) We have made no efforts to promote our interests to potential providers	0

### Open Innovation Champions

a) Open Innovation is publicly supported and driven through our company from the top	3
b) Open Innovation is being championed by a specific part of the company (e.g. R&D)	2
c) Open Innovation is being encouraged in our company by a few individuals	1
d) Open Innovation is not championed by anyone within our company	0

### Management Structures

a) We have restructured our management and incentives to maximise Open Innovation	3
b) We are making a significant changes to encourage and facilitate Open Innovation	2
c) We are considering how best to restructure our company for Open Innovation	1
d) We are unlikely to change our management structures to facilitate Open Innovation	0

### **Interdepartmental Working**

a) We always involve a cross-functional team when considering external opportunities	3
b) We often involve people from other departments when considering external ideas	2
c) We sometimes involve other departments when considering external opportunities	1
d) We never involve people from outside R&D when reviewing external opportunities	0

### **Resource Allocation**

a) We have a dedicated budget for finding, assessing and purchasing external ideas	3
b) We intend to ring-fence part of our R&D budget for investing in external ideas	2
c) Although we have no budget, in exceptional cases we may invest in external ideas	1
d) It is highly unlikely that we would have any resources for investing in external ideas	0

### **Technology and Business Awareness**

a) We conduct regular audits to identify gaps in our technology and business portfolios	3
b) We have made attempts to identify gaps in our technology and business portfolios	2
c) Gaps in our portfolios are assessed by individuals on an ad hoc basis	1
d) We are entirely focused on the development of our existing product lines	0

### **Opportunity Assessment**

a) We use a proven system for screening and evaluating external opportunities	3
b) We are trying to introduce new systems for screening and evaluating opportunities	2
c) We evaluate potential opportunities on an ad hoc basis	1
d) We have no systematic way for screening or evaluating opportunities	0

### **Knowledge Transfer Systems**

a) Our procedures ensure that externally-sourced ideas are developed effectively	3
b) Processes to effective knowledge transfer are established on a case-by-case basis	2
c) We have not developed any formal knowledge transfer processes for external ideas	1
d) We do not develop/exploit knowledge, research or technology from external sources	0

### **Intellectual Property Management**

a) Our dedicated team manages internally-generated and externally purchased IP	3
b) Our IP team is beginning to consider the purchase/management of external IP	2
c) The main role of our IP team is the protection and management of our own IP	1
d) We do not have anyone that is dedicated to managing intellectual property	0

**Responsiveness**

a) Our systems ensure that we provide an effective response to all external ideas	3
b) Our staff do their best to ensure that we respond effectively to external opportunities	2
c) It can take a long time for us to respond effectively to external opportunities	1
d) We have missed out on external opportunities due to our lack of responsiveness	0

**Openness to Ideas**

a) We ensure that every opportunity is judged on its merits, irrespective of its origin	3
b) We actively encourage our staff to be more open to external ideas	2
c) Our staff tend to show some reluctance to working on ideas from external sources	1
d) Our company sources all of its innovation opportunities from internal ideas	0

**Incentives**

a) We provide clear incentives and rewards that encourage Open Innovation	3
b) We have provided some incentives but they are formalised into the reward system	2
c) Collaborative working is encouraged by a few key individuals within the company	1
d) We have no processes in place to encourage or reward Open Innovation	0

**Staff Training**

a) All key staff are trained to ensure that the company benefits from Open Innovation	3
b) Several members of staff have been briefed about the benefits of Open Innovation	2
c) A few individuals are believed to have received some training in Open Innovation	1
d) No member of staff has received any training in Open Innovation	0

## Analysing the Results

1. Transfer your answers for the twenty sections to the table below; then determine the totals for each column.
2. Complete the frequency chart using the totals for each column.
3. Calculate your position on the stepladder according to the formula provided on the section headed 'Calculating Your Position'.
4. Answer the two questions in the 'Follow Up' section.

	0	1	2	3
History of Open Innovation				
Academic Links				
R&D Collaborations				
External Expertise				
Technology Networking				
Business and Investment Networks				
Use of Intermediaries				
Encouraging Providers				
Open Innovation Champions				
Management Structures				
Interdepartmental Working				
Resource Allocation				
Technology and Business Awareness				
Opportunity Assessment				
Knowledge Transfer Systems				
Intellectual Property Management				
Responsiveness				
Openness to Ideas				
Incentives				
Staff Training				

**Total at each 'Step'**

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## Calculating Your Position

Number at Step 3

× 3 =

Number at Step 2

× 2 =

Number at Step 1

× 1 =

Number at Step 0

× 0 =

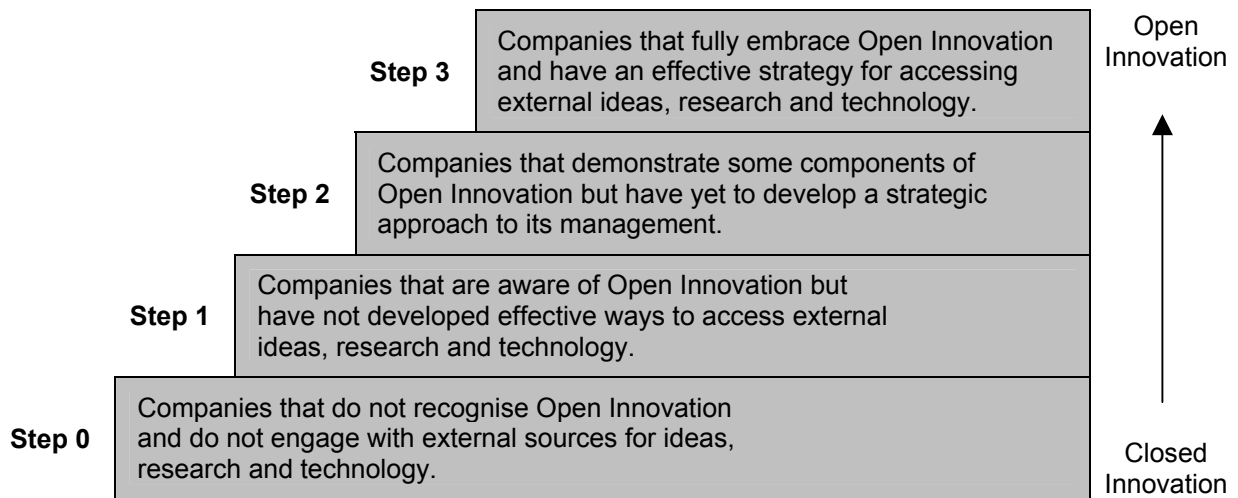
Subtotal

÷ 20

Position

## Characterising Your Company

This diagnostic tool characterises four types of company as shown below.



The *integral part* of the calculated position determines which of these steps your company is on (i.e. 1.75 is a Step 1 company), while the *fractional part* indicates how close you are to reaching the next step on the ladder.

## Follow Up

Ask yourself the following questions:

1. Do you believe the score accurately reflects your type of company? If not, why not?

2. Do you want your company to move up the Buyer's Stepladder of Innovation? If the answer is 'Yes', list some things below (at least three) that you could change to make a difference.
