

# A SWEET TOOTH FOR INNOVATIONS

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*To stay competitive and achieve long-term success, innovation is a crucial part of an organisation and innovation also plays a major role for any company's future growth. This is why innovation is, and should be, an important subject in today's industries. But how can innovation be managed successfully, and how does one give rise to truly successful innovations in an industry that seems to have reached the limit of how innovative one can be?*

## A Case Study of Upstream Collaboration at Leaf

The innovation process at Leaf follows a traditional design, and through participation in the Front End Innovation project "New starches – New textures" the author's could gain an important understanding for how innovation is performed within the company.

Being a result of a supplier involvement in the idea phase, the observed

*"INNOVATION IS NOW THE  
PRIMARY DRIVER OF  
GROWTH, PROSPERITY AND  
QUALITY OF LIFE"*

project was considered to be of great interest for this study, with the purpose to increase the understanding of how

to best manage supplier participation in the innovation process.

As a starting point, three theoretical perspectives were studied. These theoretical perspectives covered *open innovation, front end of innovation and strategic alliances.*

These theories together with interviews with Leaf employees formed the basis for *The License to Ally Framework*

(figure 1), which is a model describing what companies should keep in mind in order to successfully involve suppliers in the innovation process.

### Implications for Leaf

- ☑ Differences in cultural abilities and attitude towards increased long-term cooperation indicate that the ability to assimilate should be stressed.
- ☑ Create a platform for innovation where both people from Leaf as well as suppliers can contribute with ideas.
- ☑ Establish a level of structure and an agenda for innovation ensuring that all participants are aware of the aims and goals with different activities. Suppliers might become more eager to participate if risks are shared.
- ☑ Clarify the benefits with the cooperation for both parties.
- ☑ Establish an innovative mind-set that permeates the organisation.
- ☑ Anchor support for innovation on executive level.

The L.A. Framework reflects the findings from the study at Leaf and illustrates how a company can facilitate the cooperation with suppliers in order to develop successful innovations. The framework is built upon three dimensions, *Availability, Cognitive Abilities and Cultural Abilities*. Availability is described with regards to the aspects of *openness and proximity* where the extent of these aspects, individually or combined, affects how smoothly the collaboration will turn out. The factors included in the dimension of availability are *contract management, communication, power balance, risk sharing, supplier selection, low transaction costs, trust and long-term relationship*. The starting point for *cognitive abilities* is that each partner possesses over knowledge, resources and information that indeed are valuable when separated, however, even more valuable when merged through collaboration. In order to utilise this value both partners must hold certain cognitive abilities directly linked to *core competencies, resource and knowledge fit, synergies and cross-fertilisation, information sharing and comprehension*. The third dimension includes factors that are directly connected to the respective partners way of organising themselves in order to create the best conditions from which an upstream collaboration with innovation purpose can grow. By that, the cultural abilities involve *internal structure, commitment, culture fit, innovation purpose and value-adding activities*.

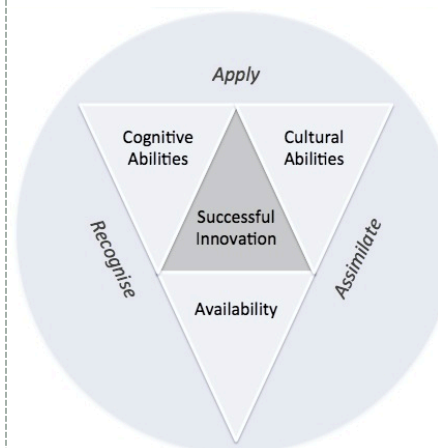


Figure 1. The L.A. Framework