

How to Leverage Online Communities as an Innovation Capability

In a world where innovative solutions can emerge from anyone, anywhere at any time, it has become imperative for companies to learn how to take advantage of this widespread abundance of knowledge. One way, through which organizations can access this external expertise, is by hosting online communities that facilitates interactions with external stakeholders. The master's thesis conducted by Brandt & Dimberg (2015) therefore aims at shedding light on how these initiatives should be organized, in order to deliver successful outcomes that can be used to establish competitive advantage.

Over the past years, many markets have become increasingly turbulent due to heavy competition, shorter product life cycles and rapidly changing customer needs. Because of this, companies must find new ways for effectively managing their innovation processes, in order to sustain a competitive advantage over time. Only relying on a small group of people to continuously discover and deliver superior offerings is no longer a viable solution, why companies need to expand their innovation activities outside the Research and Development department, but also outside the organizational boundaries. As a result, companies are more frequently leveraging the concept of *Open Innovation*, which suggests that ideas and possible solutions should also be collected from external parties such as customers and suppliers. One way to facilitate this knowledge exchange is by setting up online websites, where organizations can interact with virtual communities comprising whichever audience they wish to reach. These virtual communities can be hosted by the organizations themselves, or by third parties who are creating online spots where companies can ask the audience for help with solving business problems that they are facing. Often, these undertakings take the form of innovation challenges or design contests, where the community can submit their ideas and suggested solutions to the problems defined, and potentially win prizes for their participation.

The research performed by Brandt & Dimberg (2015) therefore aimed at exploring how these online websites should be set up and managed, in order to establish a successful online community that delivers innovative solutions that offer competitive advantage for the companies. The result of the study comprise of eight critical success factors that explain how an organization, or a third party, should organize their open innovation initiatives to achieve the desired result. More specifically it has become evident that it is vital to establish what one wish to achieve by leveraging this type of community, as it impacts which audience one should target as well as how the website and the activities around it should be structured. The research conducted also suggest that there are some specific challenges that arise for third parties hosting these types of websites, why additional guidelines have been outlined for these entities.

Consequently, the result of this thesis is intended as a guide for parties looking to implement this type of open innovation strategy, in order to expand their innovation capabilities to also include external stakeholders. This strategy is built on the belief that no matter how many smart people you have working for you, there will always be plenty more who don't. Therefore, organizations must find ways to exploit the abundance of widespread knowledge that characterize today's society. The result of

this thesis has important managerial implications as it provides well-defined guidelines that will help managers in charge of employing online open innovation communities, to navigate the jungle of alternative configurations that must be made when setting up the website.

Works Cited

Brandt, C. & Dimberg, C., 2015. *Critical Success Factors for Leveraging Online Platforms for Open Innovation - A Case Study of the Innovation Intermediary Hosted by Skåne Food Innovation Network*. Master's Thesis. Lund: Lund University, Department of Design Sciences.