



## XVIII International RESER Conference

New horizons for the role and production of services

September 25<sup>th</sup>-26<sup>th</sup> 2008, Stuttgart, Germany

**TITLE:**

**Service Innovation in Business Value Networks**

**ABSTRACT****OBJECTIVES:**

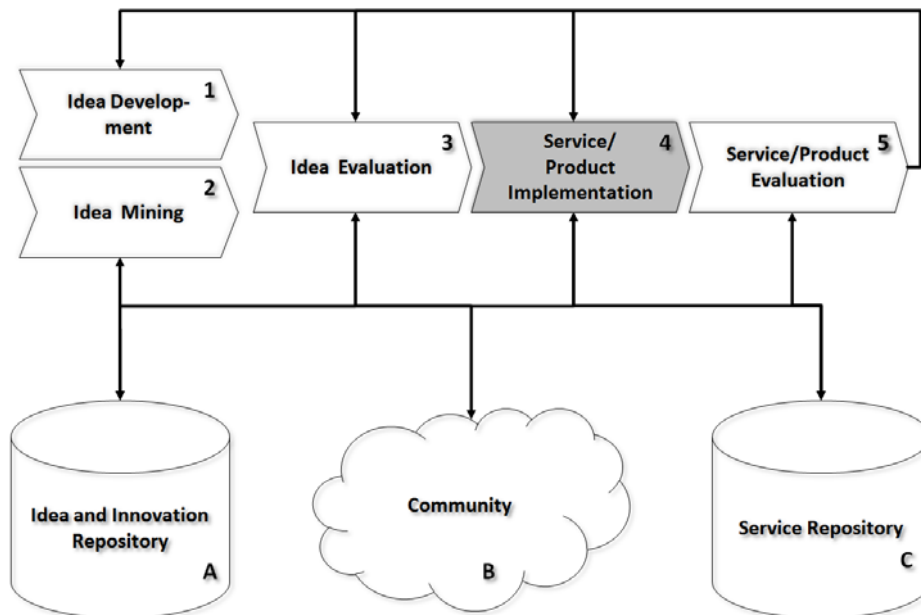
“Companies, that do not innovate, die”, says Chesbrough [Ches06], thereby drastically summarising a fact, that gains more and more importance considering the challenges of international competition, rising customer expectations and shorter time to markets. Having the next generation of inter organisational value creation, so called “Business Value Networks” in mind, state of the art innovation management cannot be applied due to several shortcomings, e.g., inflexibility for inter organisational usage. Therefore, new methodologies are necessary in order to consider aspects required in fast changing, highly flexible value creating networks recently arising. In this paper, we develop a holistic service innovation lifecycle which involves customers, partners and even competitors to co-operatively foster service innovation in Business Value Networks.

**METHODOLOGY:**

In order to support new requirements in Business Value Networks, our proposed process starts with an idea development phase (1), where new ideas are being created in cooperation with customers or partners, e.g., by using brainstorming techniques. The idea development is supported by idea mining, i.e. by systematically scanning innovation related sources of information (like press releases, forums, or patent databases) in order to discover undeveloped ideas, which can be pursued (2). All results are stored in an innovation repository for further documentation and refinement. Moreover, the innovation repository collects all improvements on ideas and supports the whole idea life cycle. It offers an intuitive web frontend as well as web service interfaces to grant access to the other software tools. A market based mechanism is provided to evaluate promising ideas by integrating the community (3). Interesting ideas are represented as products in a virtual stock market where invited market participants trade virtual products (ideas) following their individual judgement about the fruitfulness of alternatives [Span02]. After being implemented (4), the innovative service is available in a service repository ready for usage. During usage by customers and partners, implicit and explicit usage information is collected and fed back to previous phases for further improvement (5). Integrating partners and customers into each phase of the process from idea creation and idea evaluation to service usage helps to utilize

external knowledge and rise customer satisfaction.

### RESULTS:



Our developed process overcomes shortcomings of state of the art innovation management mechanisms and is applicable in the next generation of value creating networks.

### BIBLIOGRAPHICAL REFERENCES (if applicable):

- [Ches06] Chesbrough, H. W. (2006): Open innovation. The new imperative for creating and profiting from technology. Boston, Mass.: Harvard Business School Press.
- [Fama70] Fama, E. (1970). Efficient capital markets. A review of theory and empirical work. Journal of Finance 25. S. 383-417.
- [Span02] Spann, M. (2002). Virtuelle Börsen als Instrument zur Marktforschung, Deutscher Universitäts-Verlag, Beiträge zur betriebswirtschaftlichen Forschung, Bd. 104, Wiesbaden.

Max 2 pages!