New Institutions for Innovation
- Changing Practices for Development

ISSS 2012
July 15th - 20th 2012, San Jose, California, USA
INSCO - Innovation in Sourcing Competencies / Aalto University
Minna Takala
Outline

– Views to Innovation & Institutions

– Emerging New Institutions for Innovation
  – Living Labs and Development Labs
  – FabLabs and Entrepreneurial Hubs

– Examples – RLabs, Design Factory, Tanzict, Linna BikeShop

– Observations and steps forward
Views to Innovation

* Novelty

Schumpeter 1934:
1) The introduction of a new good — that is one with which consumers are not yet familiar — or of a new quality of a good.
2) The introduction of a new method of production, which need by no means be founded upon a discovery scientifically new, and can also exist in a new way of handling a commodity commercially.
3) The opening of a new market, that is a market into which the particular branch of manufacture of the country in question has not previously entered, whether or not this market has existed before.
4) The conquest of a new source of supply of raw materials or half-manufactured goods, again irrespective of whether this source already exists or whether it has first to be created.
5) The carrying out of the new organization of any industry, like the creation of a monopoly position (for example through trustification) or the breaking up of a monopoly position.

OECD, Oslo Manual 1995:
Technological product and process (TPP) innovations comprise implemented technologically new products and processes and significant technological improvements in products and processes. A TPP innovation has been implemented if it has been introduced on the market (product innovation) or used within a production process (process innovation). TPP innovations involve a series of scientific, technological, organisational, financial and commercial activities. The TPP innovating firm is one that has implemented technologically new or significantly technologically improved products or processes during the period under review.

...many innovation definitions...
Definitions ...

**Systemic Innovation** -

“An innovation whose benefits can be realized only in conjunction with related complementary innovations” Chesbrough and Teece (1996)

... requires coordination throughout the system in order to realize the gains from innovations.

... requires significant adjustment of parts in the business system they are embedded in. Teece (1996)

**Institution** -

“A complex of positions, roles, norms and values lodged in particular types of social structures and organizing relatively stable patterns of human activity with respect to fundamental problems in producing life-sustaining resources, in reproducing individuals, and in sustaining viable societal structures within a given environment.” Turner (1997)
New emerging institutions for innovation

- **Living Labs**
  - Focus on people
  - Local / regional Labs
  - Thematic Labs
  - Community Labs

- **Development Labs**
  - Focus on Innovation
  - Mobile App Labs
  - Fab Labs
  - Hackerspaces

- **Entrepreneurial Hubs**
  - Focus on start-ups
  - Hub Network
  - Venture Garages

New emerging institutions for innovation
Global Network of Living Labs

Place Lab in MIT
2004

Over 300 LivingLabs globally

+ 50 under development
Global Network of FABLABs

Started in MIT 2002

~ 100 FabLabs globally

+ 30 under development
Global HUB Network

Started in London 2005
+ 25 Hubs globally
+ 50 under development
+ 4000 members

Source: http://www.the-hub.net/about
HUBs in Africa

Ø Technology hubs
Ø Business incubators
Ø University tech labs
Ø Hackerspaces

https://africahubs.crowdmap.com/
Images of Change

1 Spatial change
2 Temporal change
3 Relational change
4 Personal change
5 Value change
6 Emotional change
7 Conscious, unconscious & subconscious change
8 Certain / uncertain, clear / vague change
9 Real / unreal change
10 Public / private change

Source: Boulding (1956)
<table>
<thead>
<tr>
<th></th>
<th>R Labs</th>
<th>Design Factory / Aalto University</th>
<th>Tanzict/Innovation Space</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Started</strong></td>
<td>2008</td>
<td>2008</td>
<td>2011</td>
</tr>
<tr>
<td><strong>Initiated by</strong></td>
<td>Community</td>
<td>University</td>
<td>Government</td>
</tr>
<tr>
<td><strong>Expansion</strong></td>
<td>15 countries</td>
<td>3 countries</td>
<td></td>
</tr>
<tr>
<td><strong>Activities</strong></td>
<td>Events</td>
<td>Events</td>
<td>Events</td>
</tr>
<tr>
<td></td>
<td>Training sessions</td>
<td>Training sessions</td>
<td>Training sessions</td>
</tr>
<tr>
<td></td>
<td>Projects</td>
<td>Projects</td>
<td>Preincubation</td>
</tr>
<tr>
<td></td>
<td>Incubation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Volunteer culture</td>
<td>Prototype production</td>
<td>Community space</td>
</tr>
<tr>
<td></td>
<td>Extensive use of social media</td>
<td>Company collaboration</td>
<td>Community driven events</td>
</tr>
</tbody>
</table>
Welcome to RLabs

RLabs is a global movement that provides innovative solutions to address various complex problems. It creates an environment where people are empowered to make a difference in the lives of others.

The core values of RLabs are:
- it is a movement by people for people
- it is a movement of HOPE
- it is a movement of CHANGE
- it is a movement of OPPORTUNITY
- it is a movement of LEARNING
- it is a movement of INNOVATION
- it is a Social Revolution

Tanzania: Breaking technological barriers—Social media excite rural Tanzania

The contribution below by Yusuf Ssessanga of Iringa Living Lab in Tanzania: What started as a far...

Undertaking Second Semester – RLabs Academy

Yesterday the second semester for RLabs Academy kick started with two courses, Introduction to Social Media and Advance Social Media. The two courses, with...

A WORLDWIDE REVOLUTION

A!
Design Principle
1 or 2

Desing Principle 2 – DP 2
Responsibility of Co-ordination, control and goal → negotiated and shared

Desing Principle 1 – DP 1
Responsibility of Co-ordination, control and goal → Individual and given
Active use of social media
Vickers’s Appreciative System

… the flux of events and ideas \( \text{desired relationships} \) …

Ø Readiness to See
- Reality Judgment based on facts (true or false)

Ø Readiness to Value
- Value Judgment based on values

Ø Readiness to Act
Linnan Pyöräverstas – Linna BikeShop as a Bicycle Living Lab

http://www.facebook.com/LinnaBikeShop
Observations and steps forward

Ø New institution for innovation are emerging globally, by local communities collaborating both locally and globally with various stakeholders – universities, firms, NGO’s etc.

Ø Usually organized by Design Principle 2 - democratic, voluntary and flexible principles, enabling fast development patterns

Ø Level of openness varies – open for members, open for all

Ø Active use of social media for organizing practicalities, for learning and sharing

Ø New institutions provide interesting and meaningful research topics and themes on social systems for action research projects
Minna Takala
www.minnatakala.com -
Twitter/@MinLii & @INSCOproject & @LinnaBikeShop
SlideShare/MinLii, Delicious/MinLii, SecondLife/ MinLii Hanson