



Association X achats

Open innovation and purchasing

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We operate in 5 major fields

INNOVATION

Invent offerings and organizations for sustainable success

BRAND

Define your brand's essence

STRATEGY

Set up best direction,
Provide sense
Define the route

PROSPECTIVE

Decipher the future and anticipate opportunities

PERFORMANCE

Increase efficiency of global value chain, offerings and processes



We “team-build up” innovative solutions !

Enhance teamwork efficiency

Interpersonal relationship,
team dynamic, motivation,
management

through a
systemic,
global company
approach

Granting cross functional
buy in, securing effective
& sustainable results

Operational
solutions, real life
experience,
tangible /
replicable benefit

focusing on real
business situations



- 100 projects a year since 1968 !
- All types of business sectors, company sizes, corporate cultures ...
- 80 % year to year loyalty rate
- Our major clients :

Consumer goods



Services



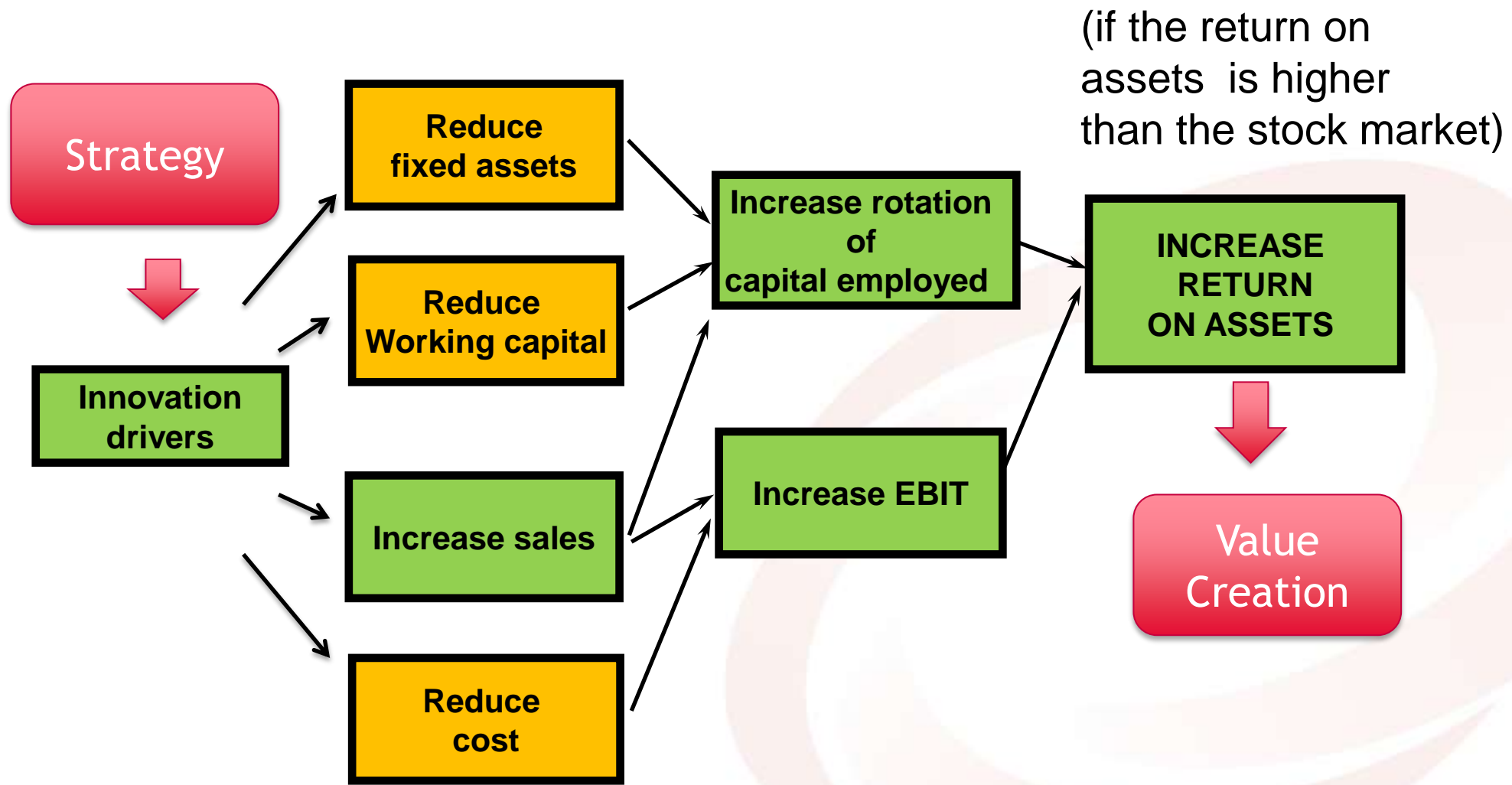
Industry



Introduction



Beyond cost reduction : value creation

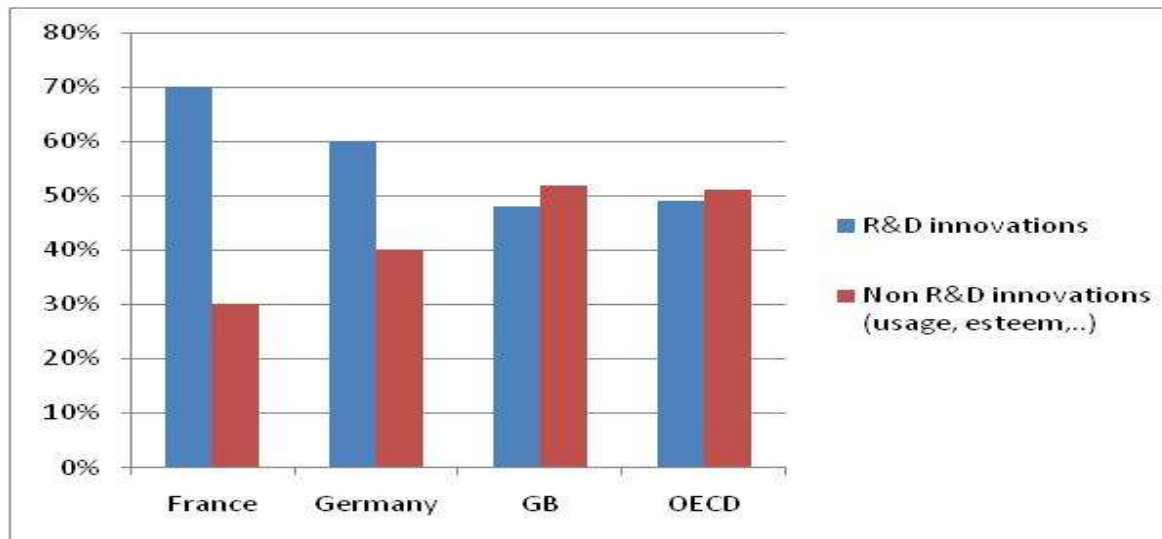


1. About innovation



Innovation, R&D & market

- According to OECD (2008), 51% of innovations are not R&D driven.



R&D is one ingredient among others (marketing, design, creativity,...)

- Innovation means market adoption => Ex : the mouse was invented in 1963 by Xerox and only became a true innovation with the Apple Macintosh in 1984.



Innovation definition



"Fred, we need you to think up another ridiculously crazy out-of-the-box idea like you did there."

- Global process involving R and D, marketing, design, creativity, design, .. dedicated to identifying news ideas of products, services, processus, or business model and successfully launching them on the market.



Follow a structured process for innovation

1 to 4 hours by subject

Impregnation

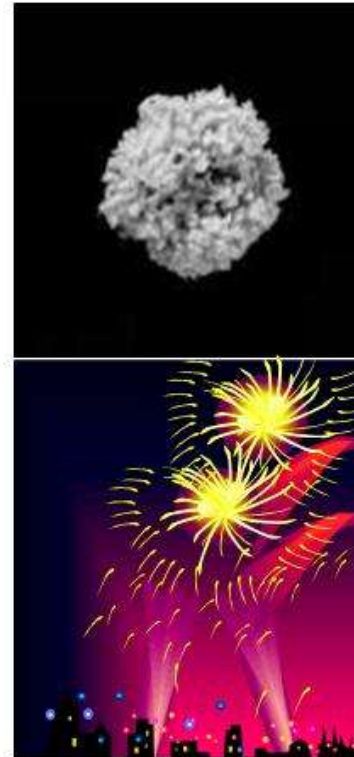
Sharing the
Diagnosis and objective

Illumination

Purge
Ideas Generation
Ideas enrichment

Crystallization

Selection
Evaluation plan



Innovation fields : not only technology !

	Usage	Technology	Usage and technology
OFFER	Importance of marketing and creativity Ex : yogurt to drink	Importance of R&D Ex : GEOX	Importance of the design for the attractiveness of the technology + marketing for usage analysis Ex : hydrating leggings
PROCESSES	New labour organization and production processes. Ex : relais de l'entrecôte.	New process based a new technology. Ex : ZARA	New activities/new competences Ex : customization of NIKE shoes
BUSINESS MODELS	New price architecture Ex : low cost models	Redefinition of actors role and modification of revenue sources. Ex : E business	Ex : video on demand



Key success factors for innovation

- ❑ Cross functional organization and team diversity (ethnical, social, cultural,..)
Ex : techno centre ORANGE : équipe 3 P (R&D, technical,marketing), 16 different nationalities.

- ❑ Need for constraints and contact with the real world
 - ❑ Accept failure : (Dyson : 5127 unsuccessful attempts before the bagless vacuum system ended up working properly !)

 - ❑ Increasing role of partnership : company networks and open innovation
Ex : PROCTER « connect & develop (1999) » => double the share of innovation coming from outside



2. Open innovation



What is open innovation

(Henry Chesbrough-Berkeley)

Open innovation : Innovation mode based on sharing, cooperation and surrendipity (1) with the external environment in order to collect and/or generate interesting ideas leading to Innovation (or use of « off the shelf » innovations).

2 visions :

- **Non profit oriented** (fair trade,...): free sharing of knowledge and know-how. Ex : free licences, open data, open sources, open standards,..
- **Profit oriented** : cooperation, and partenership

(1) When unexpected combinations of ideas create interesting opportunities.



Fundamental principles of open innovation

□ Key statements :

- Innovation can no longer rely only on internal resources. It is much more efficient and fast to cooperate and share with the « outside world »
- Conversely many ideas may not be relevant for the company but could potentially be used and sold to other innovators.

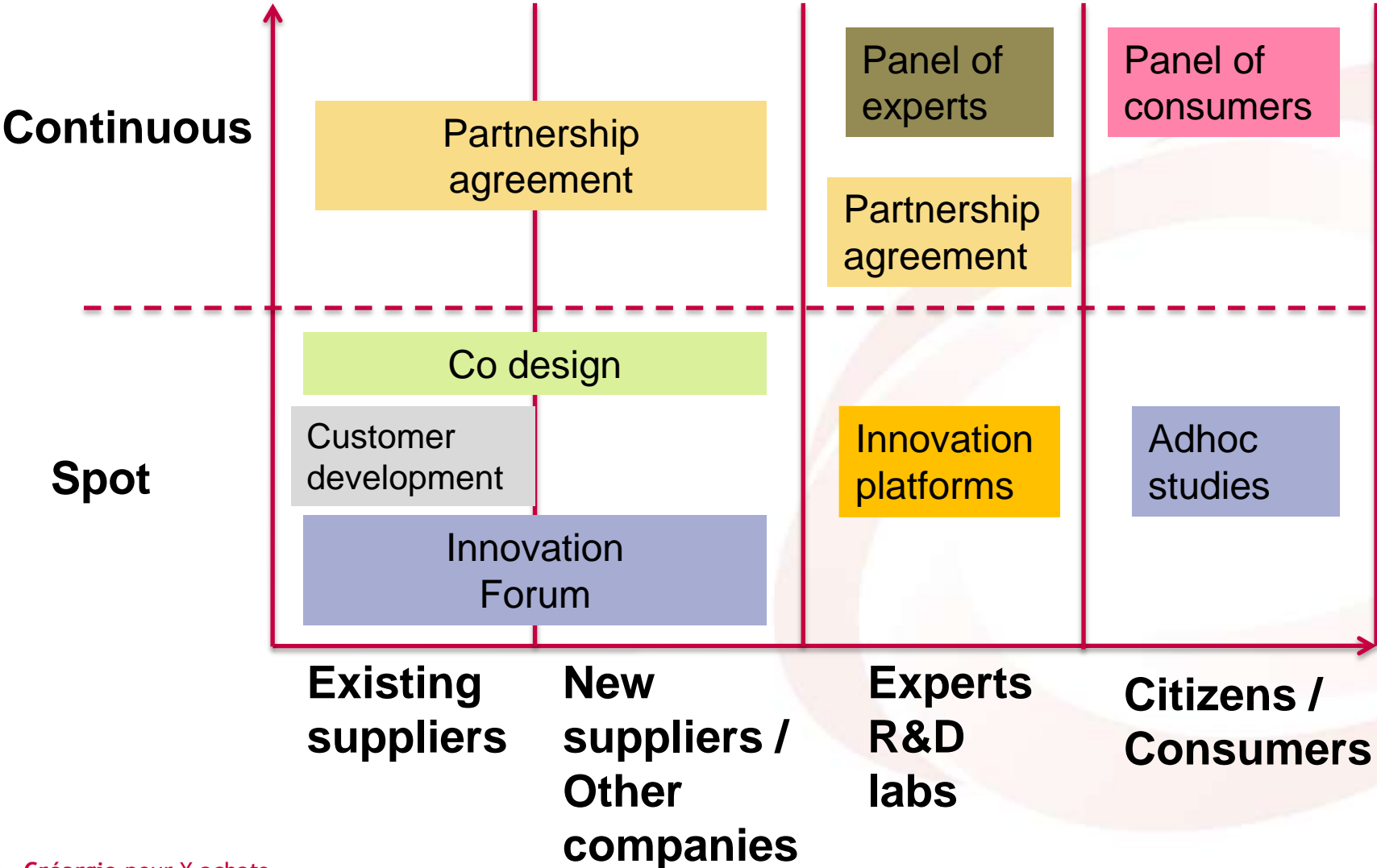
□ Paradigm :

- With open innovation, companies must open their R&D and their innovation process to many outside sources.
- Thus the NIH syndrome must be overcome
- Cooperation, and open sources for innovation doesn't mean no industria property protection.



Various forms of open innovation

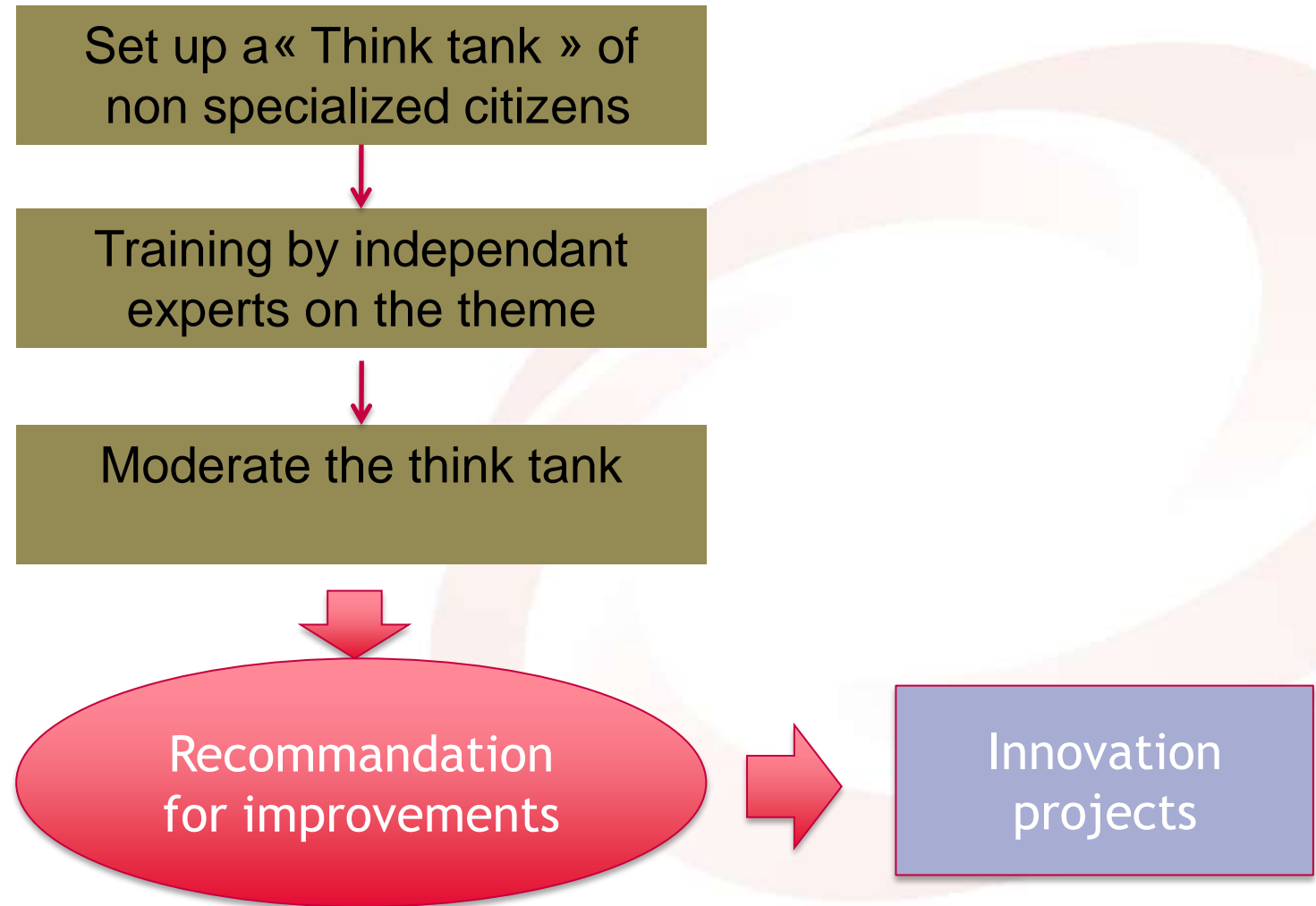
(not exhaustive)



The various forms of open innovation

1. Involve the citizens in the identification of innovative solutions

Example : ISOVER (Saint Gobain)



The various forms of open innovation

2. Innovation forum with suppliers

Example : IRIBUS

Format : 2 day seminar with 10 suppliers (1 / key function)

Mix teams supplier / IRIBUS

Agenda :

Day 1

Morning : consumer and expert insights

Afternoon : brainstorming on key innovation axis (directions) and 'best off' selection

Day 2 :

Morning : creative session on the innovation axis

Afternoon : cross presentation of team results and conclusions



Innovative projects



2. Innovation partnership with the suppliers



German company
 CA: 3400M€
 Health and nutrition: 320M€
 R&D: 100M€, 740 people,
 2000 patents (40 around sterols)

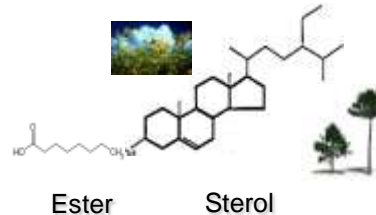
2004 - 2006

Vegapure

Launch of Danacol in 2003 with Raisio
 To avoid direct competition, increase quality and security of supply screen for alternative suppliers.

Cognis: Challenger
 Saving: X M€
 Better ingredient

2007 - 2008



Sterol 95 MC

To improve quality, cost and the protection of the product, develop a tailor made ingredient for Danacol

Cognis: Key supplier
 Saving: Y M€
 Better taste and exclusive specifications

Leverage Cognis R&D:

- Improve constantly the product
- Find affordable option
- Develop new generation for Cardio

2007 - 2010
 Connect to Cardio Stream



Citrus Extract



Olive Leaf Extract

To reinforce cardio benefit with new type of ingredients

Cognis: R&D Partner
 5 R&D membres dedicated to Danone Scouting delegated to Cognis



2. Innovation partnership with the suppliers



Firewall

DIFFERENTIATION

Build differentiation and firewall

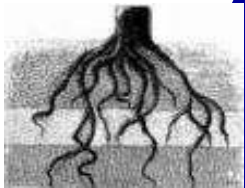
- Exclusivity
- Slowdown competition
- Most favorable conditions (1st refusal)



RESOURCES

Amplify and complete internal resources

- Dedicated teams
- Expertize: Science, technique, Consumer knowledge
- Ideas stimulation, creativity



BASICS

Ensure basics:

- quality, safety, security,
- Productivity improvement
- Price competitiveness
- Time to market. (T2M)

- ★ Suppliers involvement doesn't replace internal R&D, t's complementary while :
 - 🌐 Internal research can't cover whole scope of technologies involved in the products
 - 🌐 Benchmark helps to know what is happening outside
 - 🌐 Benefit from suppliers R&D budgets and teams



Benefits of open innovation

- ❑ Significantly enlarge and enrich the inputs needed for innovation => new ideas, concepts, and solutions from
 - different sectors
 - different countries
- ❑ Better optimization of innovation resources : reduce R&D expenses and create new revenues by selling or licensing “irrelevant” innovative solutions.
- ❑ Speed up the innovation process (use “off the shelf” solutions rather than develop your own).
- ❑ Challenge / boost internal teams



3. Zoom on : Innovation platforms (Expert networks)



Innovation platforms : what is it ?

- Objective : connect companies seeking innovation on a given topic and solvers proposing solutions :



Companies

- Anyone (« crowd sourcing »)
- Experts
- Other companies
- Labs
-



Innovation platforms : How does it work ?

- ❑ A seeking company must **open a challenge** including
 - ❑ A precise description of the objective and the environment of the problem to solve (application, constraints,...)
 - ❑ A reward (\$ amount)
 - ❑ A deadline

- ❑ The platform is offering :
 - ❑ Hosting of the project / offer display
 - ❑ Format of answer
 - ❑ Transfer of proposals from solvers to seekers
 - ❑ Standard contract framework regarding intellectual property





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welcome

InnoCentive® is an exciting web-based community matching top scientists to relevant R&D challenges facing leading companies from around the globe. We provide a powerful online forum enabling major companies to reward scientific innovation through financial incentives.

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Around the world, uniquely prepared minds are waiting to solve your toughest scientific problems.

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SOLVERS

I have a solution...

World class companies are offering financial awards for solutions to their scientific challenges.

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I Found The Answer

InnoCentive matches top scientists to relevant research and development challenges facing leading companies around the globe, for rewards up to \$100,000 USD.

FEATURED

InnoCentive Challenges



[INNOCENTIVE 4035417](#)
STABLE SOLID PEROXIDE (S) TO WITHSTAND EXTREME CONDITIONS
DEADLINE: NOV 26, 2006
\$25,000 USD



[INNOCENTIVE 3962971](#)
PAIN BIOMARKER
DEADLINE: OCT 23, 2006
\$15,000 USD

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[biology](#)

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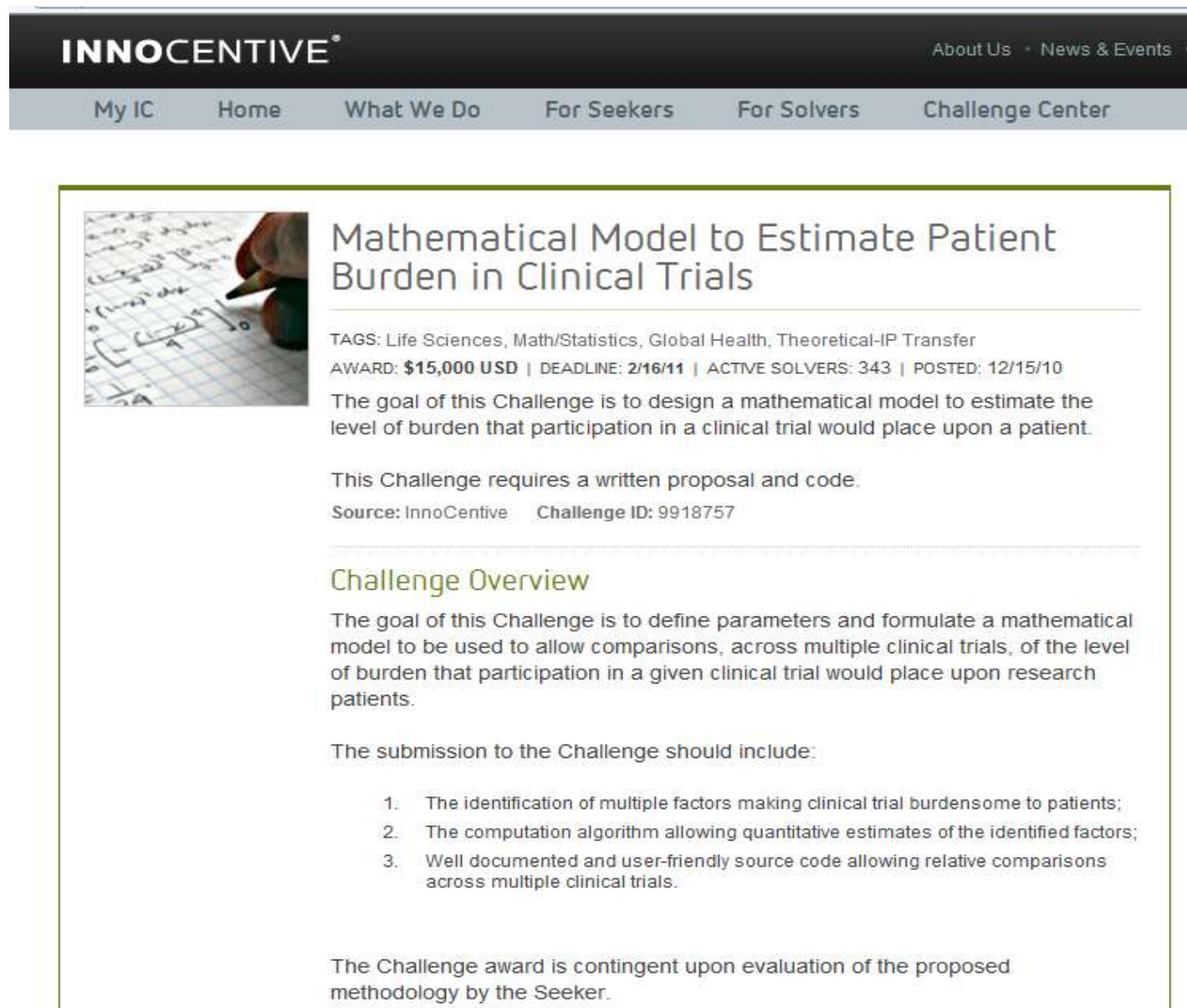
TRACK AND MANAGE YOUR ACCOUNT

User Name

Password


Please Remember My Sign-In Name

Illustration 1 : tool for organization purposes



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Mathematical Model to Estimate Patient Burden in Clinical Trials

TAGS: Life Sciences, Math/Statistics, Global Health, Theoretical-IP Transfer
AWARD: **\$15,000 USD** | DEADLINE: 2/16/11 | ACTIVE SOLVERS: 343 | POSTED: 12/15/10

The goal of this Challenge is to design a mathematical model to estimate the level of burden that participation in a clinical trial would place upon a patient.

This Challenge requires a written proposal and code.
Source: InnoCentive Challenge ID: 9918757

Challenge Overview

The goal of this Challenge is to define parameters and formulate a mathematical model to be used to allow comparisons, across multiple clinical trials, of the level of burden that participation in a given clinical trial would place upon research patients.

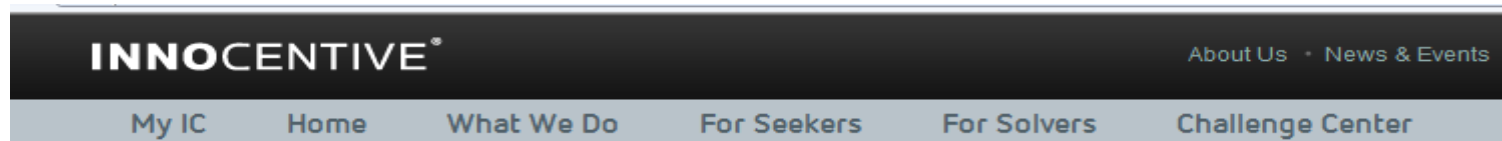
The submission to the Challenge should include:

1. The identification of multiple factors making clinical trial burdensome to patients;
2. The computation algorithm allowing quantitative estimates of the identified factors;
3. Well documented and user-friendly source code allowing relative comparisons across multiple clinical trials.

The Challenge award is contingent upon evaluation of the proposed methodology by the Seeker.



Illustration 2 : handling efficiency



Please note that the details of this Challenge are no longer open. This challenge is under evaluation and is no longer accepting new submissions. You can:

- Browse for a new Challenge in the [Challenge Browser](#)



Improving Material Handling Efficiency

TAGS: Engineering/Design, Business/Entrepreneurship, Math/Statistics, Theoretical-IP Transfer

AWARD: **\$10,000 USD** | STATUS: **Under Eval** | ACTIVE SOLVERS: 804 | POSTED: 11/10/10

We are looking for creative ways to safely improve the manual loading/unloading rate of boxes from a large truck to a staging area to a small truck. We are not looking for a fully automated system, but ideas for procedural and equipment changes to speed up the unloading rate, decrease the drivers amount of work while keeping them safe from injury.

Source: InnoCentive Challenge ID: 9833154

Challenge Overview

We are looking for creative ways to safely improve the manual loading/unloading rate of boxes from a large truck to a staging area to a small truck. We are not looking for a fully automated system, but ideas for procedural and equipment changes to speed up the unloading rate, decrease the drivers amount of work while keeping them safe from injury.

This is a Theoretical Challenge which requires a written proposal only. The Solver will propose a method and associated equipment that meets the requirements and justify it with arguments and relevant references. Evidence



Illustration 3 : odor inhibitor

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What We Do

For Seekers

For Solvers

Challenge Center

Please note that the details of this Challenge are no longer open. This challenge is under evaluation and is no longer accepting new submissions. You can:

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Odor Inhibition

TAGS: Business/Entrepreneurship, Engineering/Design, Life Sciences, Chemistry, Physical Sciences, Ideation

AWARD: **\$7,500 USD** | STATUS: **Under Eval** | ACTIVE SOLVERS: 188 | POSTED: 9/29/10

The Seeker requests novel ideas and concepts for the inhibition, or elimination, of odors caused by sulfides, aldehydes, ketones and phenols. Masking of odors using fragrances is not of interest.

This is an Ideation Challenge with a guaranteed award of \$7,500.

Source: InnoCentive Challenge ID: 9731373

Challenge Overview

The Seeker requires suggestions of novel methods for the inhibition, or elimination, of odors caused by a range of compounds. Proposals should be truly novel or combine existing technologies to provide better performance. The Seeker is looking to develop promising solutions and integrate them into personal care products in the short to medium term.

Of special interest to the Solver are technologies that reduce odors caused by sulfides (e.g. DMDS and DMTS).



Créa
Inno

Innovation platforms : pro's and con's ?

Pro's

- Good way to gather a state of the art vision on a given topic
- Limited risk (but disclose innovation directions ?)
- Quick and cheap

Con's

- Not always relevant
- Require resources to manage the process and later provide a true feed back to « solvers »,
- Sometimes perceived as a « gadget ».



Conclusion

- Companies, through open innovation, must manage the paradigm of gathering a sustainable uniqueness while opening their innovation process to a large environment
(This is sometimes culturally difficult for companies highly technology driven).
- Purchasing should be a main player in the management of the open innovation process and therefore build up a **true “innovation sourcing strategy”** based on business innovation directions

