

The Transformation from Imitation to Innovation

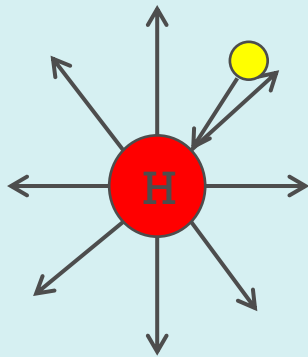
Professor Yves Doz

The Solvay Chaired Professor of Technological Innovation
Professor of Business Strategy INSEAD

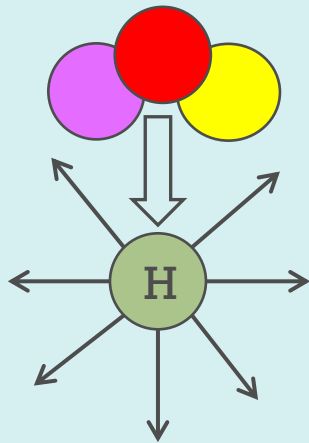
Academy of Innovation and Entrepreneurship 2013
Oxford, August 29, 2013

The Global Innovation Process: Western Stages in Transformation

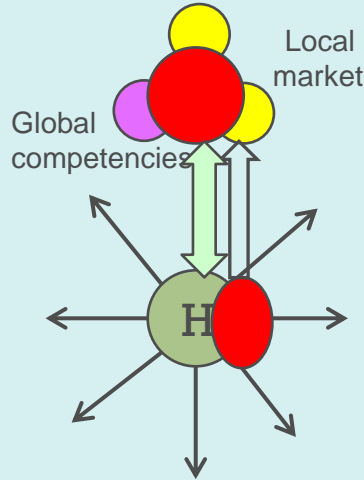
Traditional



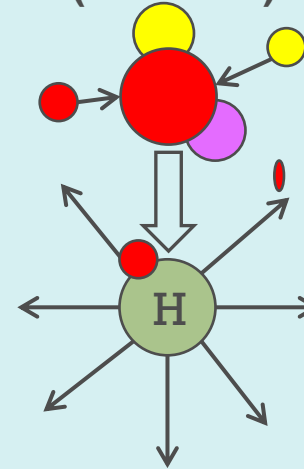
Reverse



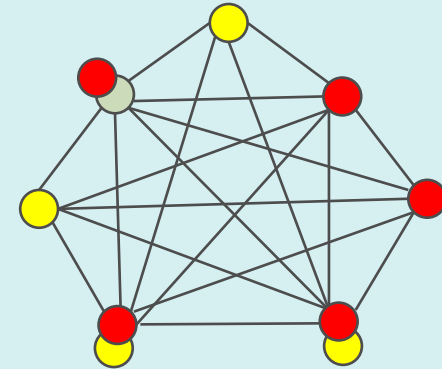
Frugal



Reverse (enriched)



Global



“Home”-centric

“Host”-centric

“Host”-centric

Host-centric

Poly-centric networked

Ethnocentric

Challenge to Innovate

Quantum breakthrough in cost reduction

Market insights and technological contributions from multiple sources

Markets and competencies from the world over

“Project” innovations into the world (export, invest, license)

- Performance
- Cost

Interactive knowledge exchange

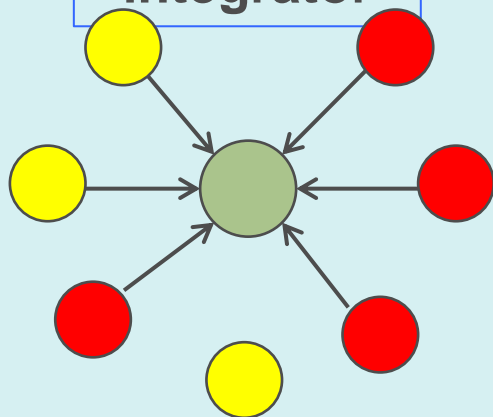
Knowledge attractor in host country

Reversing the knowledge flow

Transnational:
Multiple homes, but traditional model

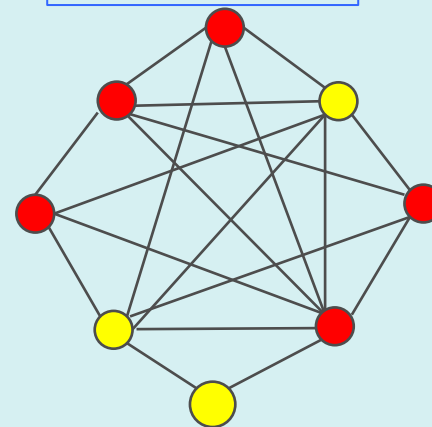
From Imitation to Innovation: New Knowledge Flows

**Imitator and
Knowledge
integrator**



**Acquisitions
Licencing
Technology agreements
Demanding markets**

**Global
Innovation
Network**



**Polycentric
Multiple HQs
Deliberate diversity**

Pioneers of a new globally integrated model

Tata Communications

(2012)

- **Born in India**
- **Dispersed organisation with no headquarters**
- **Distributed top management team**
 - **CEO based in Singapore**
 - **Head of voice business in Montreal**
 - **Head of data business in London**
 - **Head of services business in New Jersey**
 - **Head of strategy in Mumbai**
- **In just over a decade has grown to carry**
 - **60% global mobile traffic**
 - **20% international voice traffic**
 - **6% global internet traffic**
 - **Owns 25% global submarine fibre optic cables**



Not just R&D and innovation, now the whole company

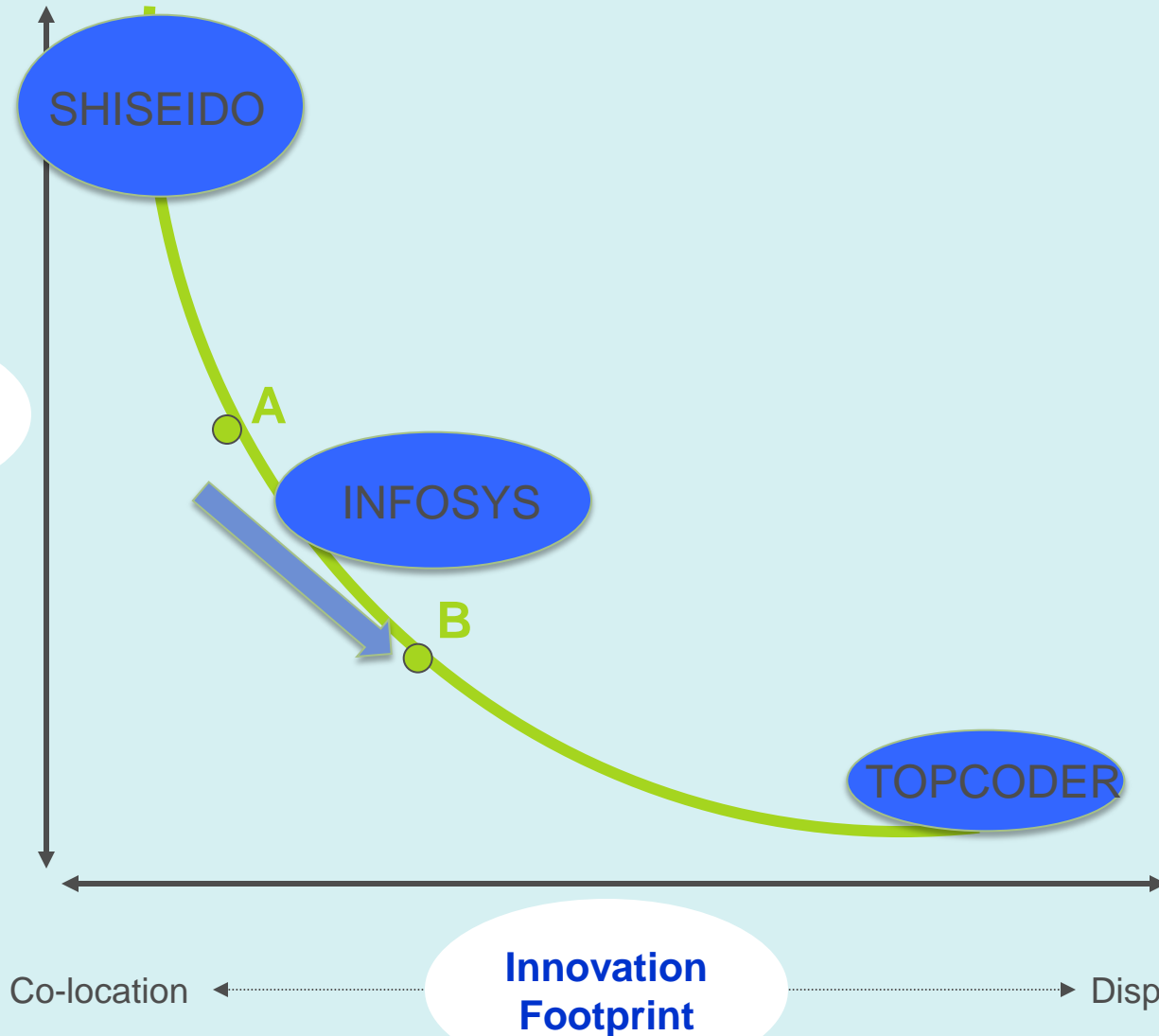
INSEAD

The Knowledge complexity and dispersion trade-off

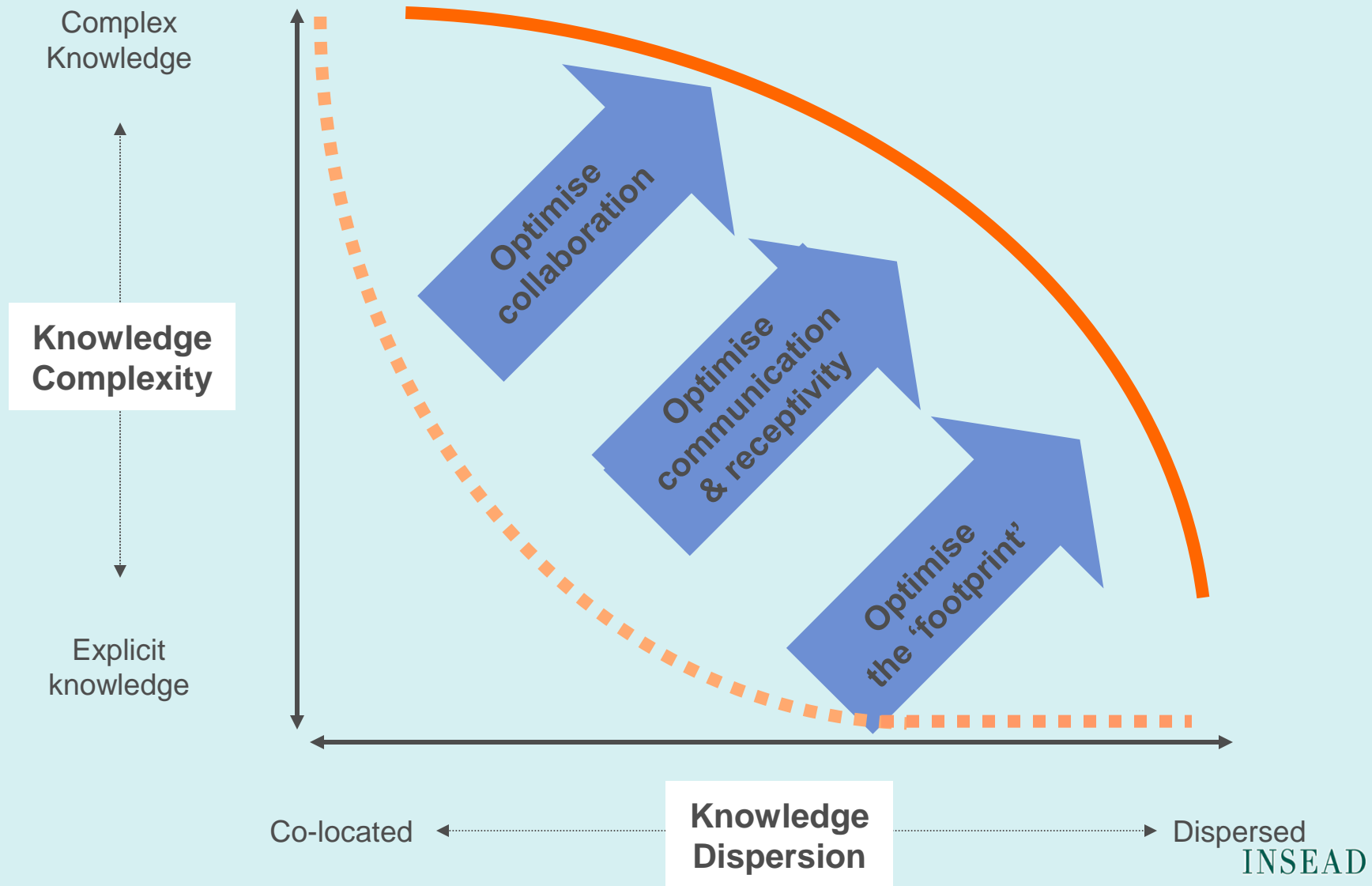
Complex knowledge

Knowledge Complexity

Explicit knowledge



How to transcend the knowledge complexity and dispersion trade-off ?

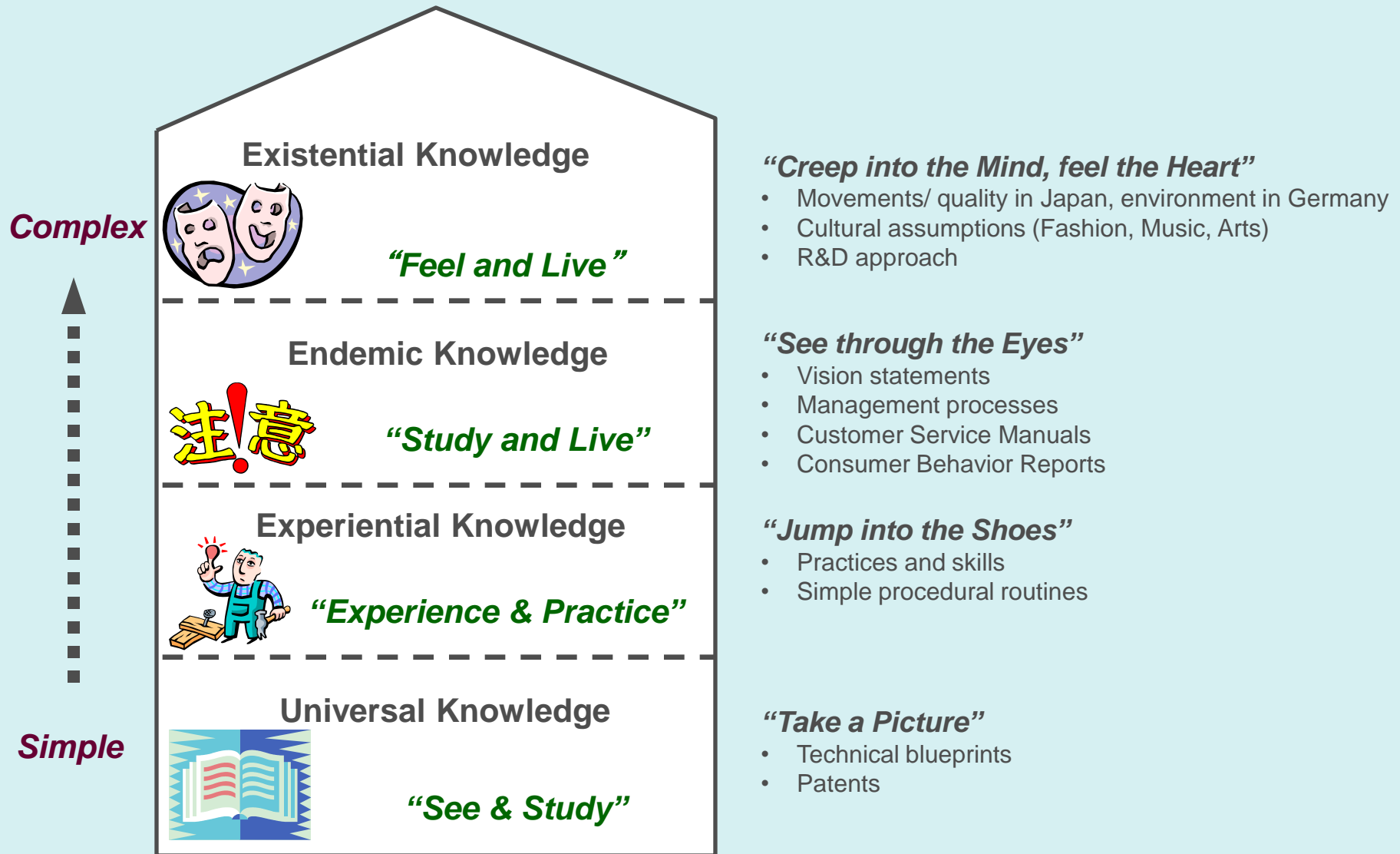


Asian Advantage?

- Context-rich cultures, wider learning scope
- Used to knowledge complexity, knowledge ladder adept
- From “Market server” to “Need seeker”
- Intensely internally competitive and integrative (e.g., Haier’s team system, Lenovo’s toast promises)

Deliberate Diversity

Not all Knowledge is equally easy to gain



Teams in Multinational Organizations

