

Corporate Entrepreneurship and Open Innovation

Creating New Businesses Based on Open Innovation

A high quality course for corporate and start-up entrepreneurs on entrepreneurship, intrapreneurship and corporate venturing, focusing on new product - new market combinations including a marketing, sales, finance, technology and human capital framework

Led by:

HENRY W. CHESBROUGH

Executive Director of the Center for Open Innovation, Haas School of Business -
University of California, Berkeley - USA

KENNETH P. MORSE

Senior Lecturer and Managing Director, MIT Entrepreneurship Center, Sloan School of
Management - Massachusetts Institute of Technology - USA

WIM VANHAVERBEKE

Lecturer at the Department of Business Studies, Hasselt University - Belgium

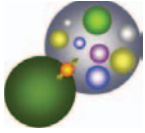
RONALD M. WOLF

Senior Business Development Manager, Philips Research Strategy and Business Development
Office - The Netherlands

Sunday - Friday, 24 - 29 September, 2006 - EINDHOVEN, THE NETHERLANDS

An initiative of Philips Research and the Technical University Eindhoven

PHILIPS **TU/e**



Creating New Businesses Based on Open Innovation

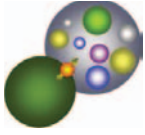
Identifying new customer segments and creating new markets within established business units and traditional corporate environments is a daunting task. Almost all established companies recognize the strategic importance of innovation, intrapreneurship, corporate venturing and the creation of new markets. However, most large companies, especially those in Europe, have failed to realize the anticipated growth they need to remain significant global players. They all face the difficult task of launching and professionalizing new business development initiatives in a world that is becoming more open to joint innovation.

■ This course focuses on entrepreneurship, intrapreneurship and corporate venturing with a focus on new product/new market combinations including a marketing, sales, finance, technology and human capital framework relevant for start-up ventures. During the course, Open Innovation is introduced as a tool to create a meeting ground for corporate environments, universities and start-ups where resources, knowledge, and especially new business options can be developed in unison.

■ Led by two internationally renowned experts in innovation and entrepreneurial management, Henry W. Chesbrough from the UC Berkeley Haas School of Business and Kenneth P. Morse from the MIT Entrepreneurship Center, this Corporate Entrepreneurship course teaches the fundamentals of Open Innovation as applied to develop new venturing options for global corporations. The participants will be given the opportunity to develop and refine their business case, which will be evaluated during the last day of the course by an objective and demanding team of experts.

■ The combination of world-class teaching and business case development will strengthen each participant's new business development and venturing abilities as well as their "elevator pitch" skills.

■ This course will also provide the participants with an Open Innovation framework where through collaboration with a variety of partners, new ventures can be created from a perspective outside their current corporate or start-up environment.



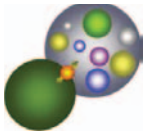
The Course Objectives

The course provides insights into the key aspects of entrepreneurship, intrapreneurship and corporate venturing:

- How to organize and leverage the corporate setting to start and grow new, significant, globally competitive businesses
- How to generate successful (corporate) start-ups in an Open Innovation setting
 - Searching for complementarity: the role of partners
 - The role of incubators, spin-ins, spin-outs, and corporate venture capital
- How to use new business development and venturing as a tool in strategy making processes and corporate transformations

The course addresses critical issues related to growing new business start-ups:

- Starting the venture
 - The Team, and the Customers
 - Entrepreneurship/Intrapreneurship
 - Opportunity scouting
 - Creating value through technology
 - The role of intellectual property
- Marketing, sales, financials
 - Sales and marketing for entrepreneurs
 - Venture capital: corporate venturing, public venturing
- Setting up a business plan
 - Elements of the plan
 - Getting your message across
 - The importance of global ambition
- How to build your team: Stages and evolution of the organization
- How to scan the environment for new ideas
- How to create and recognize new opportunities for innovation
- How to organize the corporation to optimally embrace, assimilate, and integrate new technologies and business ideas
- How best to negotiate deals with technology providers (small start-ups and research institutes). What is the role of flexibility and complementary competences in these negotiations?
- The will to win: the importance of leadership, and the team
- Global ambition means planning global sales from the start



Henry W. Chesbrough

- Executive Director,
Center for Open Innovation -
Haas School of Business -
University of California, Berkeley

Henry Chesbrough directs the Center for Open Innovation, focused on research and teaching on the impact of intangible assets and globally distributed knowledge on firm strategy and industrial innovation. He is doing research in innovation. More specifically he is interesting in organizing, structuring and managing internal and external research and development.

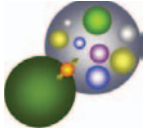
Furthermore, he is specialized in technology-based spin-offs, corporate venture capital and managing intellectual property. He is the author of *Open Innovation* (HBS Press, 2003) which was awarded Best Business Book of 2003 by Strategy & Business Magazine. Henry Chesbrough is also editor of a new, more academically oriented book *Open Innovation: Researching a Paradigm* (2006 – OUP, co-edited by Wim Vanhaverbeke and Joel West). Chesbrough's next book *Open Business Models* will be published in November 2006.



Kenneth P. Morse

- Senior Lecturer and Managing Director,
MIT Entrepreneurship Center
Sloan School of Management -
Massachusetts Institute of Technology

Ken Morse is a serial entrepreneur, having played a key role in launching several high-tech start-ups, including 3Com Corporation, Aspen Technology, an expert systems company, and a biotech firm. As head of the MIT Entrepreneurship Center, he is responsible for inspiring and coaching new generations of entrepreneurs from all parts of MIT. Ken has been profiled and quoted in numerous publications, including the *Wall Street Journal*, *Financial Times*, *Economist*, and *Red Herring*. Since Ken joined the MIT Entrepreneurship Center in 1996, the number of students taking Entrepreneurship Courses has increased from 220 to 1,500 per year while the number of professors and lecturers has grown from two to thirty. He serves as an advisor to several Venture Capital Funds around the world, and has taught global sales strategies workshops in several European cities. He is a co-founder of the Corporate Venturing Consortium (CVC) which includes Danfoss, Hewlett-Packard, IHI, Intel, Motorola, and others.



Wim Vanhaverbeke

- Lecturer “Strategy and Organisation” at the Department of Business Studies, Hasselt University - Belgium

Wim Vanhaverbeke is Professor “Strategy and Organisation” at the Hasselt University (Belgium) in the Department of Business Studies and is a research fellow at the Eindhoven University of Technology in the Department of Technology Management and ECIS. His work has been published in international journals such as *Organization Science*, *Organization Studies*, *R&D Management*. He teaches Strategy, Innovation Management, Change Management and International Management.

Wim serves on the editorial board of the *Journal of Engineering and Technology Management* and the *International Journal of Technology Marketing*.

He is co-editor (with Henry Chesbrough and Joel West) of *Open Innovation: Researching a New Paradigm*, a new book about research challenges. The book will be published by Oxford University Press in August 2006.



Ronald M. Wolf

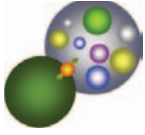
- Senior Business Development Manager, Philips Research Strategy and Business Development Office - The Netherlands

Ronald M. Wolf has a PhD in Chemistry and Physics and joined Philips Research in 1990 as a research scientist focusing on advanced materials based device research.

In 1995 Ronald moved to the Philips Research Labs in Briarcliff, US, initiating miniaturisation efforts in the field of magnetic power devices.

In 1999 he became Research Director and subsequently headed several research groups within Philips Research.

Currently Ronald Wolf is Senior Business Development Manager in the Philips Research Strategy and Business Development office in Eindhoven focusing on new technology based new business creation.



AGENDA OF THE PROGRAM

WELCOME - Sunday, 24 September, 2006

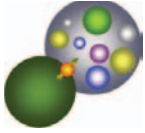
- 14:00 – 18:00 *Optional* - Visiting the first Lighting Factory in Eindhoven: a High Tech Start-up founded in 1890
- 18:00 – 20:00 Registration and Welcome at the Strip - High Tech Campus Eindhoven

DAY 1 - Monday, 25 September, 2006

- Open Innovation and the Business Model - Henry Chesbrough -

In this first day, we will examine the strengths and weaknesses of corporate innovation as it is practiced in advanced economies around the world. As we shall see, the traditional model is based upon a logic of internal vertical integration. As we shall discuss, the surrounding innovation environment no longer supports this internal logic, because the knowledge landscape has become too diverse and distributed for any one company to monopolize useful ideas in a given technology area. We will then present a new and different model of corporate innovation, called Open Innovation, and show how this model fits better with this more diverse and distributed environment.

- 07:30 – 08:45 Welcome Breakfast at the Strip - High Tech Campus Eindhoven
- 09:00 – 10:30 The Changing Context of Industrial Innovation: Lessons from Xerox's Experience with Its Palo Alto Research Center
Case: Inxight - Incubating a Xerox Technology Project
- 10:30 – 11:00 Break
- 11:00 – 12:30 Open Innovation and the Business Model
- 12:30 – 14:00 Lunch
- 14:00 – 15:30 Developing Innovative Ideas in Your Business Model
Case: HP - The Flight of the Kittyhawk
Case: Eli Lilly - Innovation in Diabetes Care
- 15:30 – 16:00 Break
- 16:00 – 17:30 Innovating Beyond the Business Model
Case: Cisco - Managing the Integration of External Technology
Case: Intel Capital - Corporate Venture Capital as a Learning Mechanism
- 17:30 – 18:00 Break
- 18:00 – 19:30 Workshop: Defining your Business Opportunity
Each NBD-group generates a Business Model in the workshop, utilizing the concepts presented during the day's lectures. The teams will prepare their Business Model concept using the 6 point working definition offered in the second session.

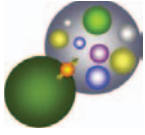


AGENDA OF THE PROGRAM

DAY 2 - Tuesday, 26 September, 2006

- Opening Up your Business Model for Innovation -

- | | |
|---------------|---|
| 07:30 – 08:45 | Breakfast at the Strip - High Tech Campus Eindhoven |
| 09:00 – 10:30 | Moving Innovation from Outside into the Business
Case: Procter and Gamble - Nabil Sakkab,
RTM 2002 (Article) |
| 10:30 – 11:00 | Break |
| 11:00 – 12:30 | Utilizing Innovation Intermediaries to Identify Outside Opportunities
Case: InnoCentive - Henry Chesbrough |
| 12:30 – 14:00 | Lunch |
| 14:00 – 15:30 | Leveraging Underutilized Technology in other Business Models
Inside-out
Case: Lucent New Ventures Group |
| 15:30 – 16:00 | Break |
| 16:00 – 17:30 | External Venturing and Cooperation with Start-ups :
How to Improve your External Venturing Practices
by Yvonne Engelen (DSM)
Case: Sanus - Wim Vanhaverbeke and Yvonne Engelen |
| 17:30 – 18:00 | Break |
| 18:00 – 19:30 | The Many Roles of New Business Venturers -
Chris Winters, Co-founder of New Venture Partners LLP |
| 20:00 – 22:00 | Networking Dinner |

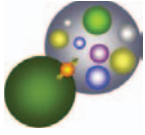


AGENDA OF THE PROGRAM

DAY 3 - Wednesday, 27 September, 2006

- Creating New Ventures - Ken Morse -

- | | |
|---------------|--|
| 07:30 – 08:45 | Breakfast at the Strip - High Tech Campus Eindhoven |
| 09:00 – 10:30 | Welcome by Ken Morse
Framework and Definition of High Tech Sales, Sales Management
and Building Predictable Strategic Customer Relationships
Case Example: Quantifying the Customer Value Proposition |
| 10:30 – 11:00 | Break |
| 11:00 – 12:30 | Communicating your Value Proposition to Prospective Customers
by Ken Morse |
| 12:30 – 14:00 | Lunch |
| 14:00 – 15:30 | What Makes a Great Elevator Pitch (with Practice) by Ken Morse |
| 15:30 – 16:00 | Break |
| 16:00 – 17:30 | What Makes a Great Elevator Pitch (with Practice) by Ken Morse |
| 17:30 – 18:00 | Break |
| 18:00 – 19:30 | Reception and Live Graded Networking Exercise with Top Sales
Executives and Potential “Customers” |
| 20:00 – 22:00 | Walking Dinner and possibility for a Networking Event for the
Participants, selected Start-up Companies and
Venture Capital Funds |



AGENDA OF THE PROGRAM

DAY 4 - Thursday, 28 September, 2006

- Start-up Partnering and Building the New Venture - Ken Morse -

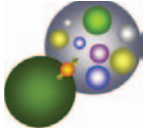
07:30 – 08:45	Breakfast at the Strip - High Tech Campus Eindhoven with time to practice presentations
09:00 – 10:30	Global Sales Strategy Case: Spotfire - How a Swedish Software Company Built their Global Sales Strategy: Lessons Learned
10:30 – 11:00	Break
11:00 – 12:30	Creating a Sales and Customer Focused Culture in Your Company and with Your Customers
12:30 – 14:00	Lunch
14:00 – 15:30	Managing a Global Sales Organization: Making a Successful Close
15:30 – 16:00	Break
16:00 – 17:30	Closing Session: Elevator Pitches and Conclusions
20:00 –	An Informal Social Event

DAY 5 - Friday, 29 September, 2006

- Presentations of the Cases -

In this last session we will focus on the Business Cases. The various cases will be presented before an experienced panel and the fellow course attendees. The learning is in the feedback given and the discussions that will follow.

07:30 – 08:45	Breakfast at the Strip - High Tech Campus Eindhoven
09:00 – 10:00	Team Presentations and Feedback
10:00 – 10:30	Break
10:30 – 12:30	Team Presentations and Feedback
12:30 – 14:00	Lunch and Speech by the Organizers



Who Should Attend?

This “Corporate Entrepreneurship and Open Innovation” course is directed toward Corporate and Start-up Entrepreneurs interacting in an Open Innovation setting, responsible for building new businesses based on breakthrough technologies. It is also designed for managers responsible for new business model implementation in an Open Innovation context targeting long-term corporate growth, including:

- Corporate R&D
- New Business Development
- Internal and External Venturing, and Incubators

Since successful business development, intrapreneurship and venturing is based on the integration of several business activities, we encourage companies to send teams of 2-4 persons with a cross-functional or intra-departmental background.

Tuition Fee

- 4500,00 Euro per participant
- Start-ups and Universities pay 2500,00 Euro per participant

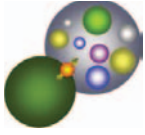
The Tuition Fee includes:

1. Five-day *Corporate Entrepreneurship and Open Innovation* course
2. Course Book (including all case studies, articles and presentations)
3. Photo Book of Attendees
4. Networking and Walking Dinner
5. Breakfast and Lunch during the course days

Registration and Payment

O n l i n e at <http://www.extra.research.philips.com/summerschool/registration.htm>

- Registration and Payment Deadline: 10 September, 2006 -



Location

The seminar will be held at the High Tech Campus Eindhoven, Auditorium The Strip, Prof. Holstlaan, 4 in 5656 AA Eindhoven - THE NETHERLANDS



Hotel Reservations

If you require a hotel reservation in Eindhoven, please contact one of the following preferred hotels for availabilities and conditions:

Best Western Hotel Pierre, Crown Hotel Eindhoven,
Hotel Holiday Inn Eindhoven, Hotel Sofitel Dorint Cocagne

Contact

For general information and questions, please contact Margot Franken or Elize Harmelink from Philips Research, Eindhoven - Tel: +31 (0) 40 27 47575

An initiative of Philips Research and the Technical University Eindhoven

PHILIPS **TU/e**