

# Collaborate to compete: co-innovation as an organisational capability

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Postdoctoral Research Fellow

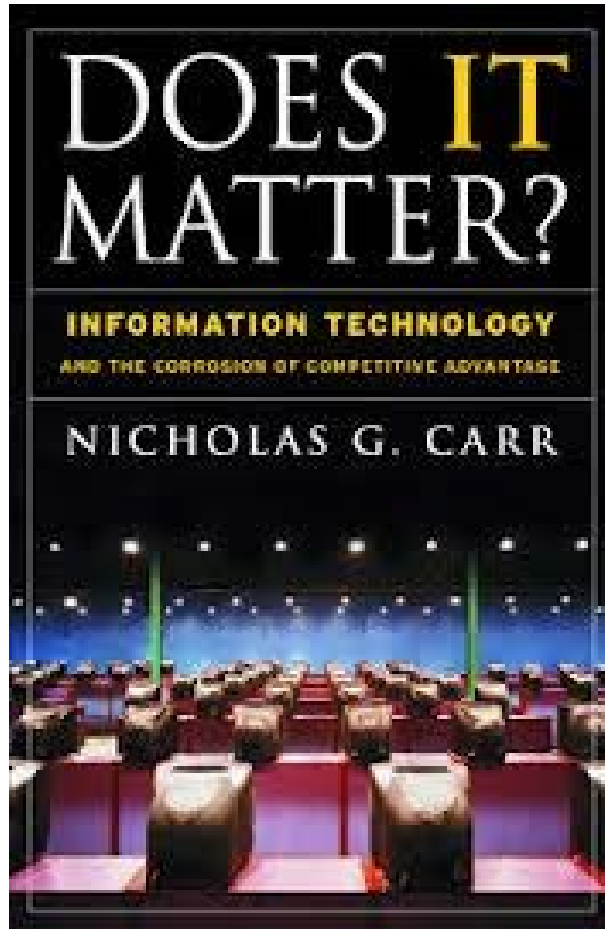
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*Member institutions will **collaborate** to advance an agreed ICT agenda within the region, whilst preserving their independence and ability **to compete** with each other as necessary.*



QUDIT Projects

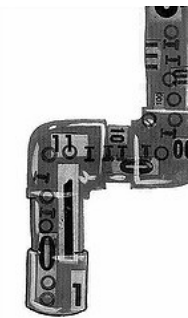
Membership



**MIT Sloan**  
Management Review

Nicholas G. Carr

The End of Corporate  
Computing



IT  
Doesn't  
Matter

by Nicholas G. Carr

*As information technology's power and ubiquity have grown, its strategic importance has diminished. The way you approach IT investment and management will need to change dramatically.*

In 1968, a young Intel engineer named Ted Hoff found a way to put the circuits necessary for computer processing, a fact clearly reflected in their spending habits. In 1965, according to a study by the U.S. Department of Com-

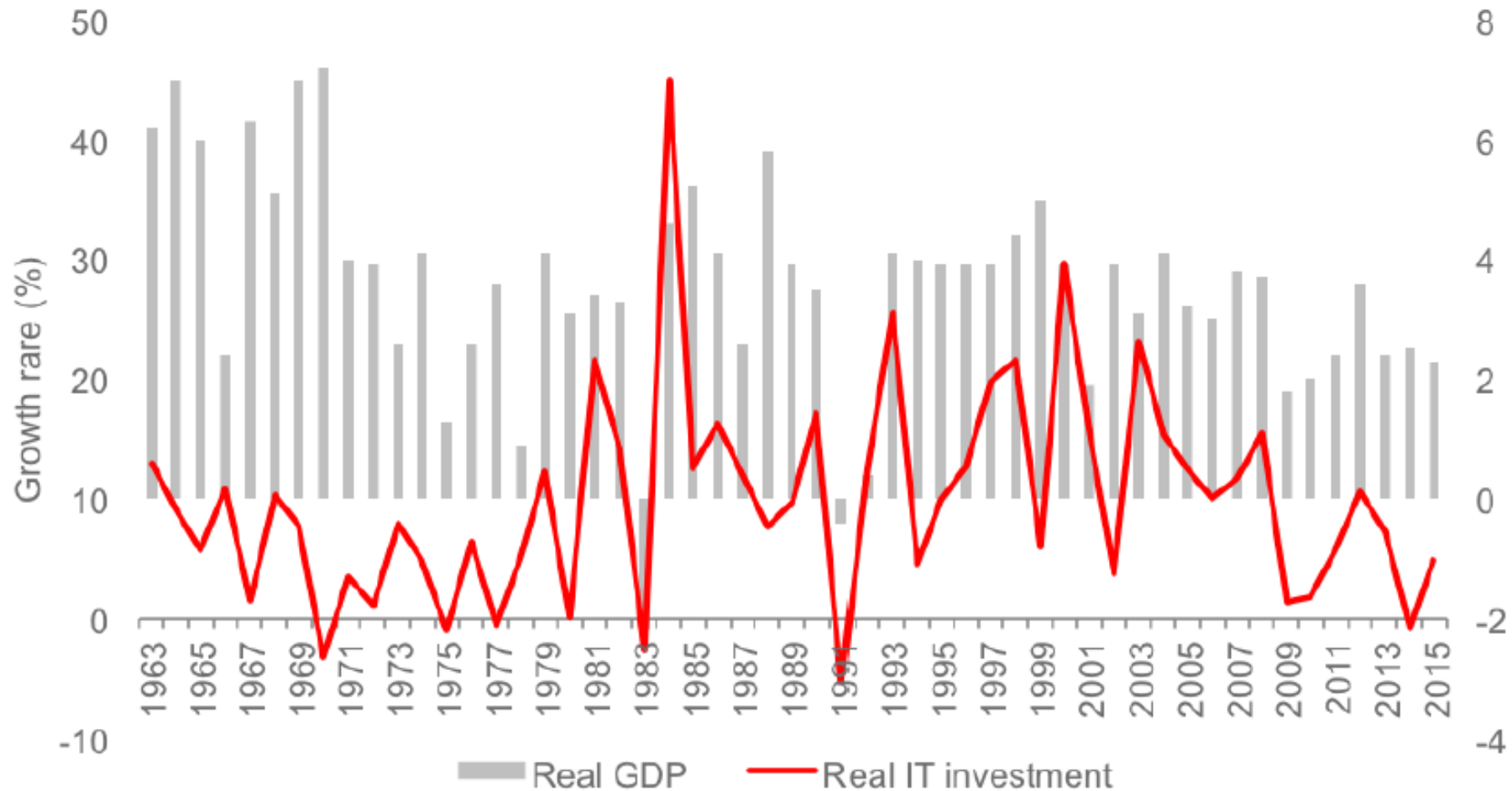


**Technology investment  
is not enough:**

**Growing Australia's Productive  
Digital Economy**

**December 2015**





**Figure 3.2: Growth of IT investment and GDP**

# Digital Economy: shifting perspectives

## **The age of automation**

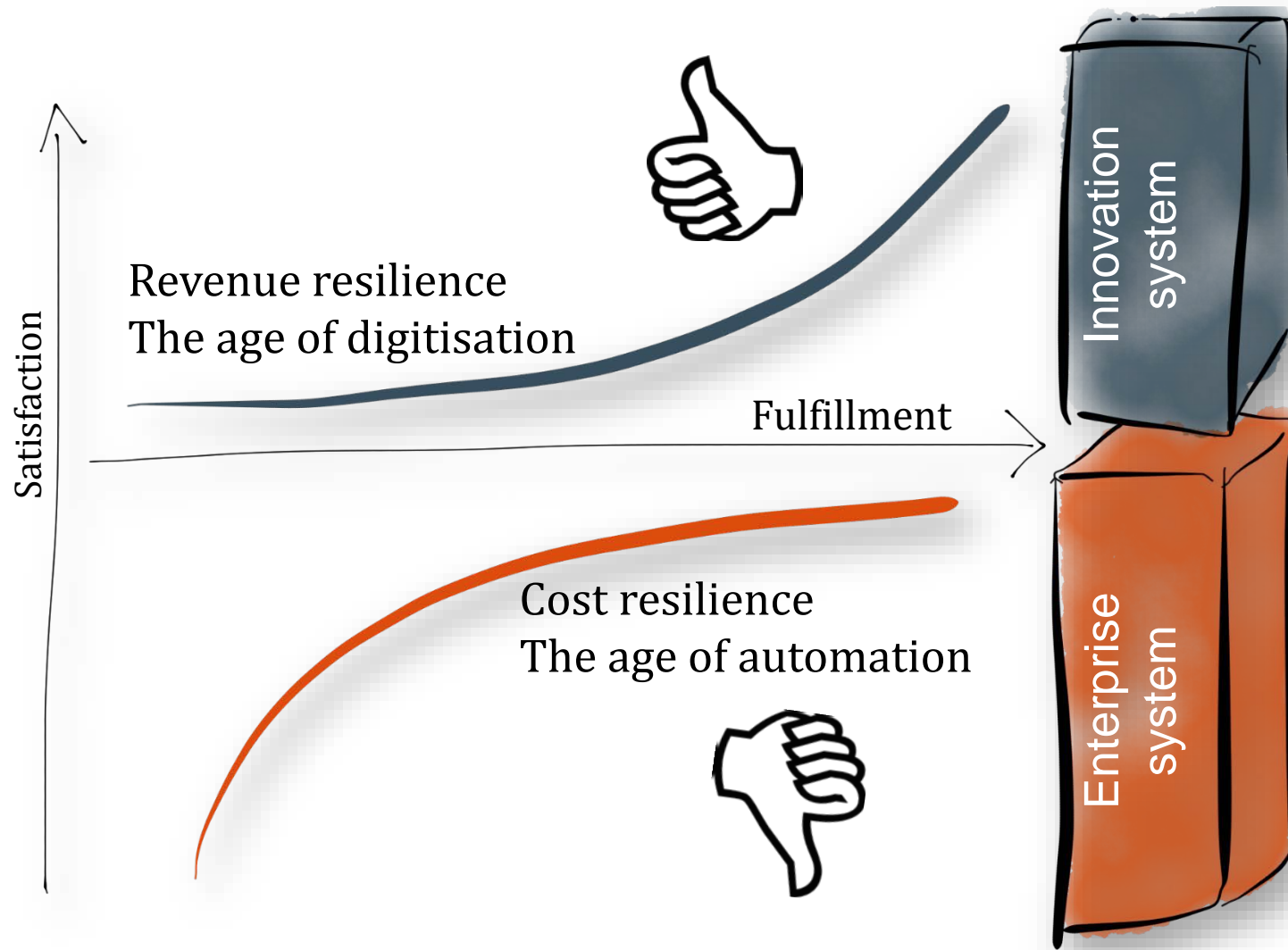
Economies of scale  
Cost efficiency  
Strategic planning  
Value=Production  
Sequential value chains

**ECONOMY OF  
CORPORATIONS**

## **The age of digitisation**

Personalisation  
Digital ecosystems  
Effectuation  
Value=Usage  
Value co-creation

**ECONOMY OF PEOPLE**

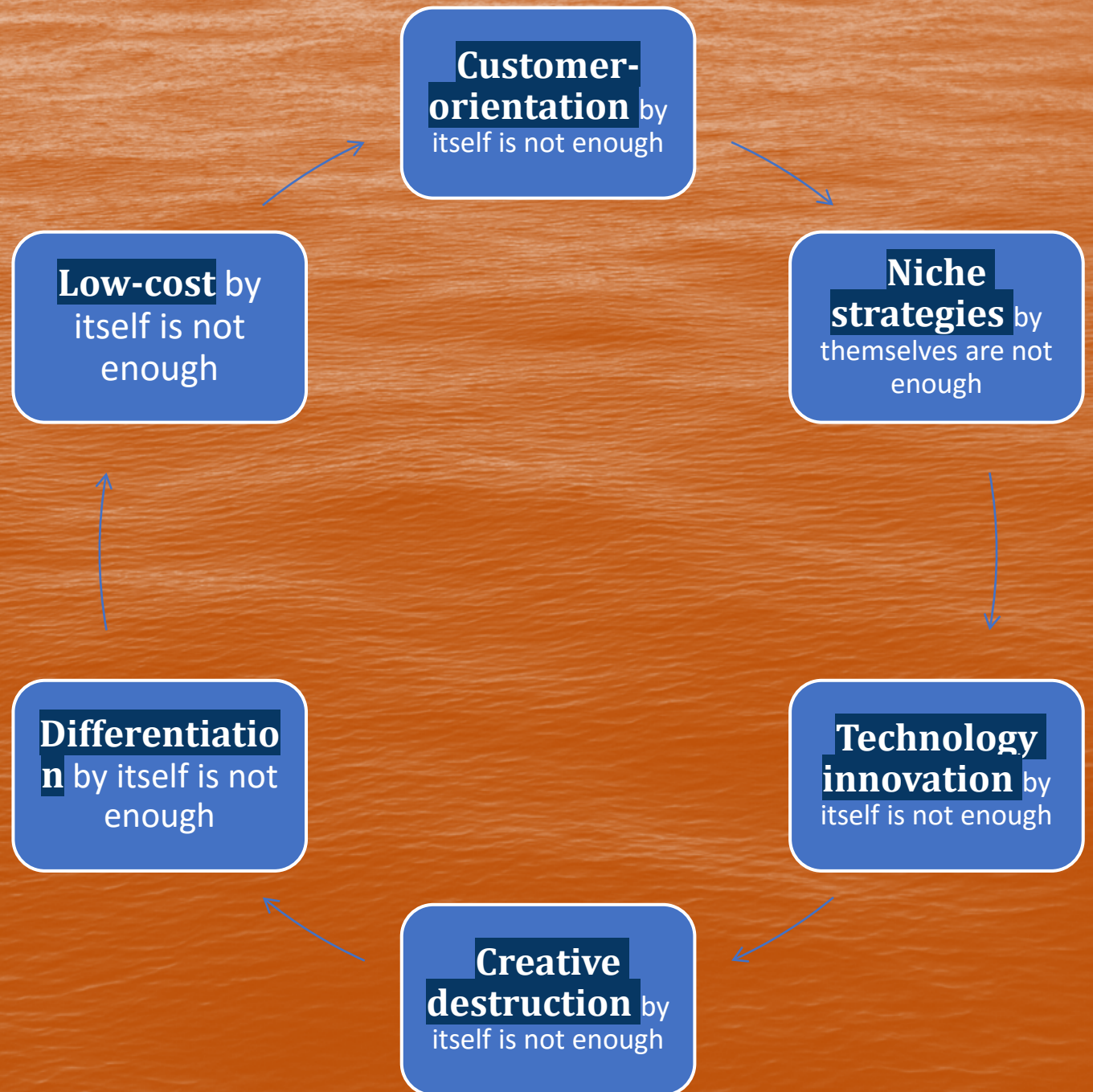




**Escape the Red Ocean...**



# Six common traps of Red Oceans



(Kim and Mauborgne, 2017)



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## DIGITS

## From Hype to Disaster: Segway's Timeline

## Technological Innovation

found dead after falling off a cliff ... on a Segway. It's a gruesome chapter in the history of an invention that was supposed to revolutionize the way we get around, but ended up going nowhere. Below, a look back at the key events for the Segway:

≠

## Value Innovation



ASSOCIATED PRESS President George W. Bush famously lost his balance while on a Segway.

the car what the car was to the horse and buggy."

**Dec. 3, 2001:** Mr. Kamen unveils the "human transporter," now known as the Segway, and predicts he will sell 50,000 vehicles in the first year. The two-wheeled device, which uses a complicated system of gyroscopes and other technology to balance, is supposed to fill the gap between walking and using a car. It goes about 12 miles an hour and uses relatively small amounts of power.

1. Autos at the Cutting Edge: Bugatti, Mercedes and Borgward



2. Ferrari Peels Back the Canopy on Its 'Affordable'





32,000  
2,055



4,100  
700



35,000  
1,500



46,000  
4,000

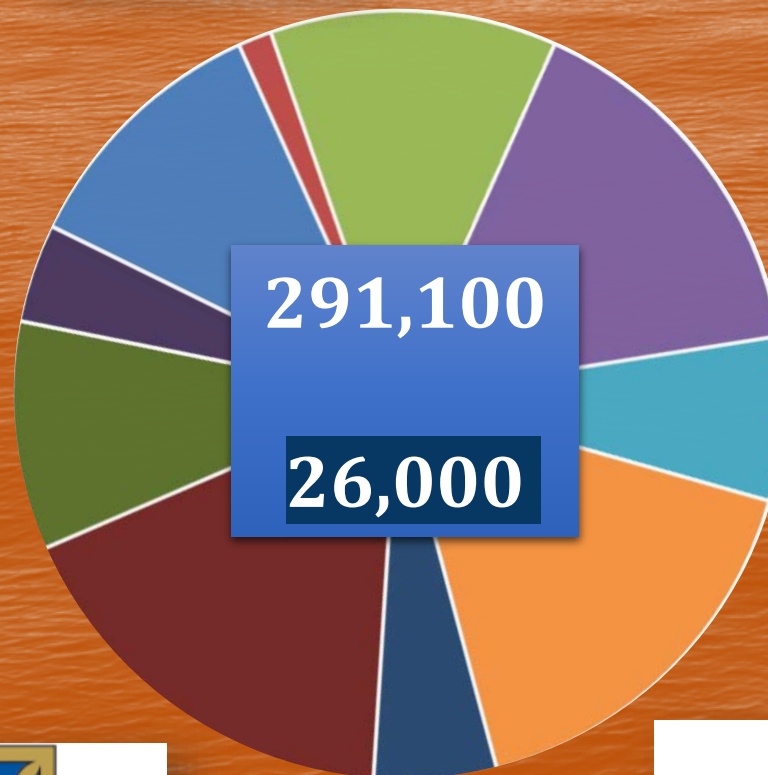


12,000  
990



291,100

26,000



20,000  
2,000



28,000  
1,600



51,000  
7,200



15,000  
870



48,000  
5,000

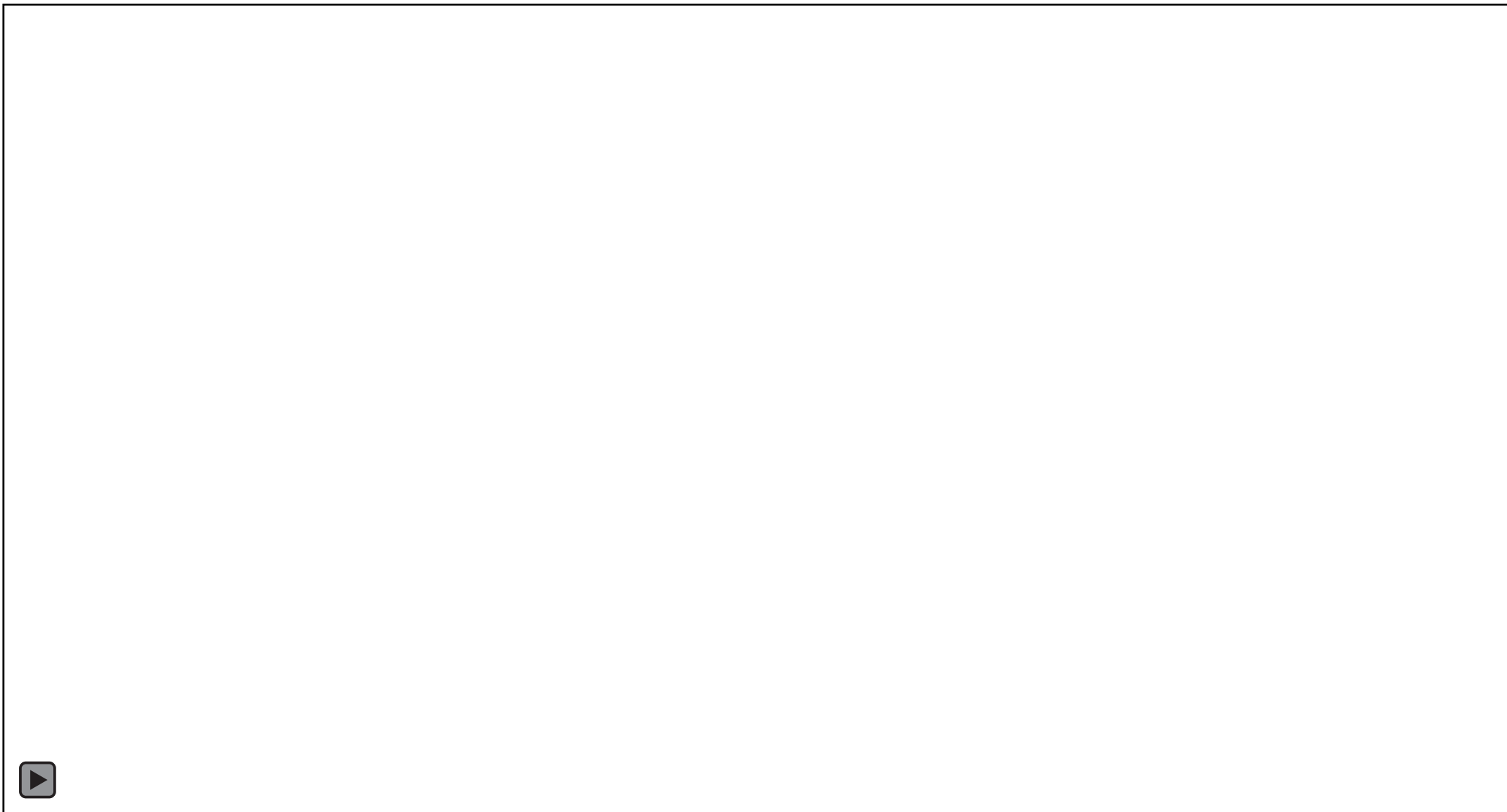






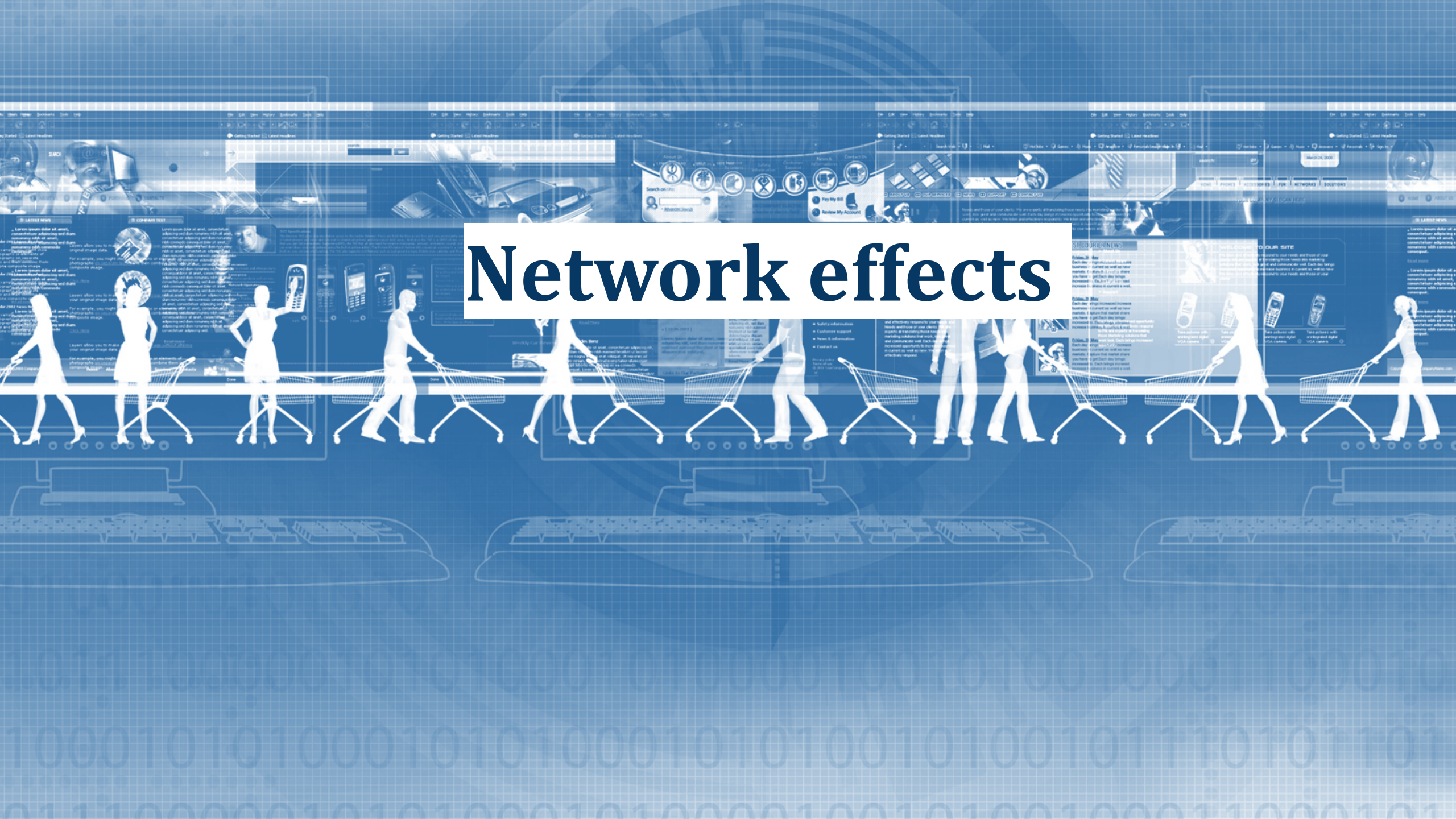
**Find your Blue Ocean**







# Network effects





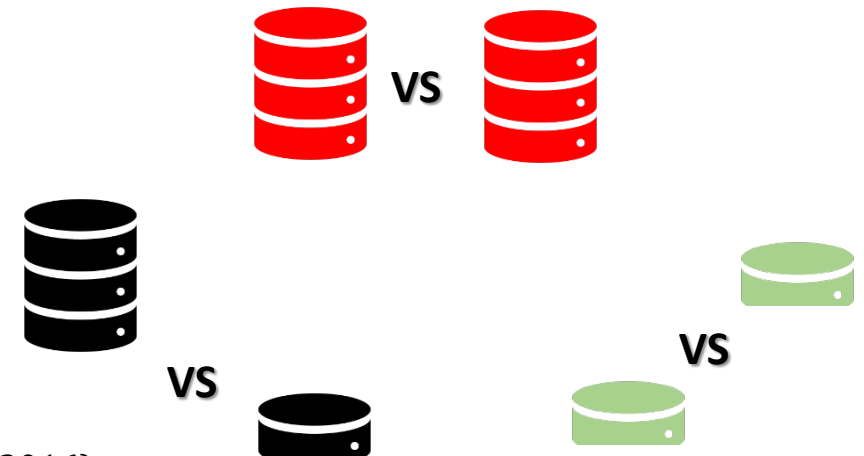
# Platform Revolution

**Flexibility**, not ownership of infrastructure, creates competitive advantage

Network effects allow you to **remake markets**, not just respond to them

Managerial influence needs to move **outwards**

**Competition?**





# Co-opetition

- Focus shifts from protecting value within the firm to **creating value outside** the firm
- Focus on **opportunity** over ownership; on **persuasion** over dictation
- Customers and suppliers are **value-creating partners**
- The important thing is not owning assets, but having **access to customer-producer networks** and related interactions



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# IT departments as co-opeting platforms

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@chairdigeconomy

a university for the **real** world®



# Flexibility VS ownership of infrastructure & physical assets



VS



# Network effects from users: 290k students + 26k staff + EDUROAM + research centres



VS



# Competition

**Uni1 vs Uni2?**

**Uni1 vs IT Dept2?**

**Uni1+Uni2 vs Uni3+Uni4?**

**IT Dept1 vs IT Dept2?**

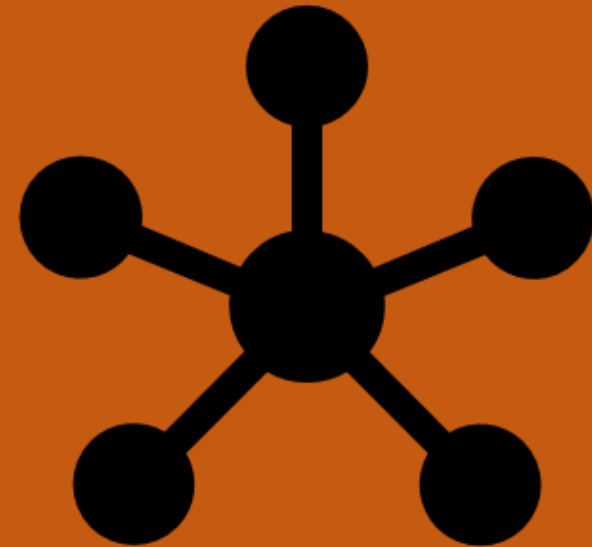
**Uni1+Research Centre1 vs Uni2+Research Centre2?**

# Create value outside the firm

ITDept.1 +

ITDept.2 +

ITDept.3





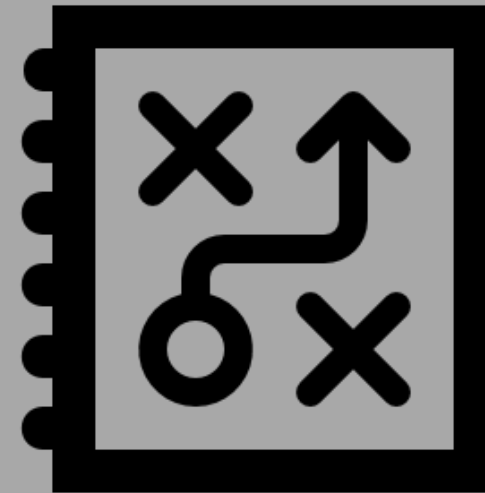
# Outwards managerial influence



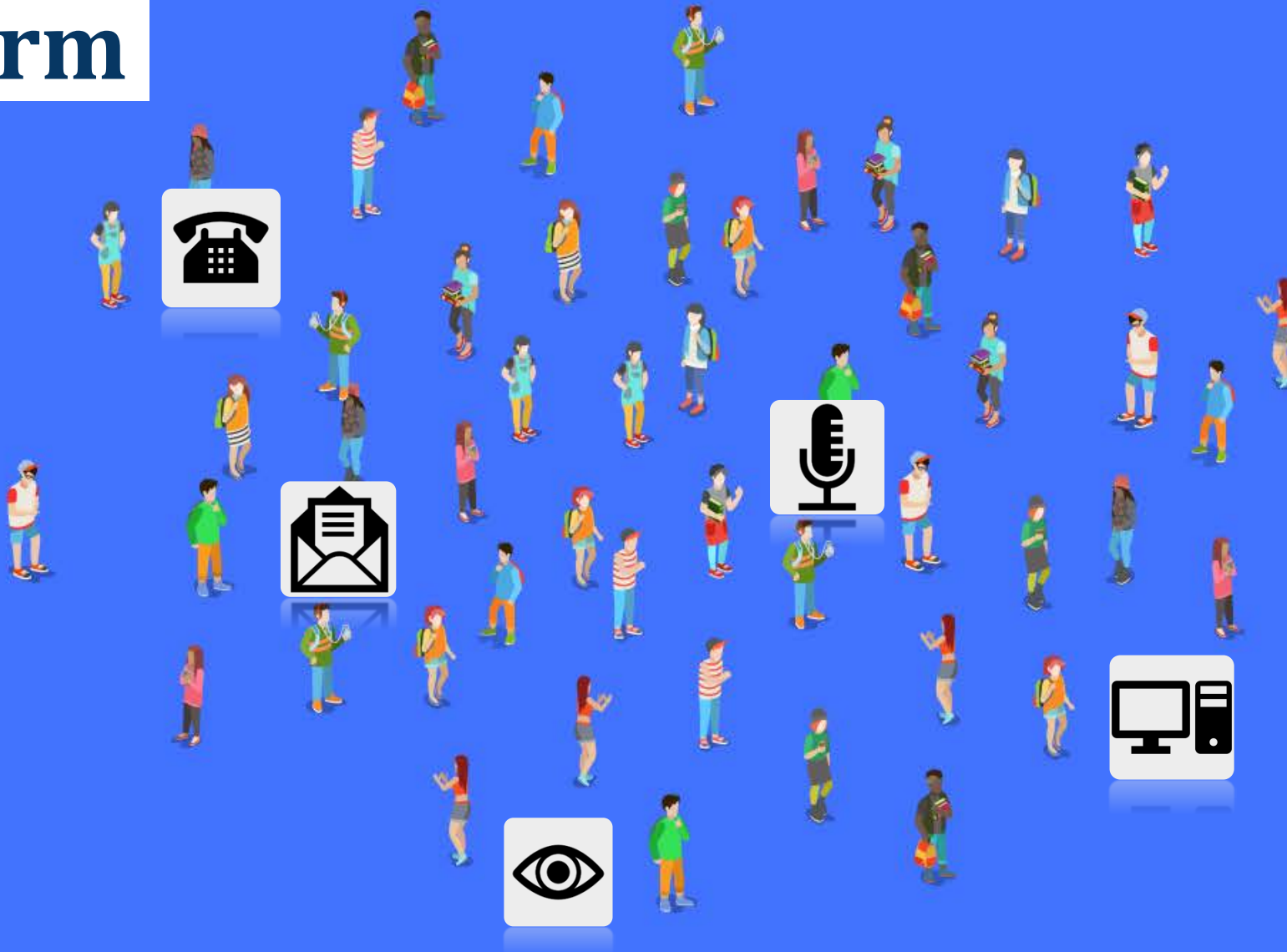
VS



# Leverage the real value of data



# Blackboard as a platform



# First-year business students / +290k



# Echo360

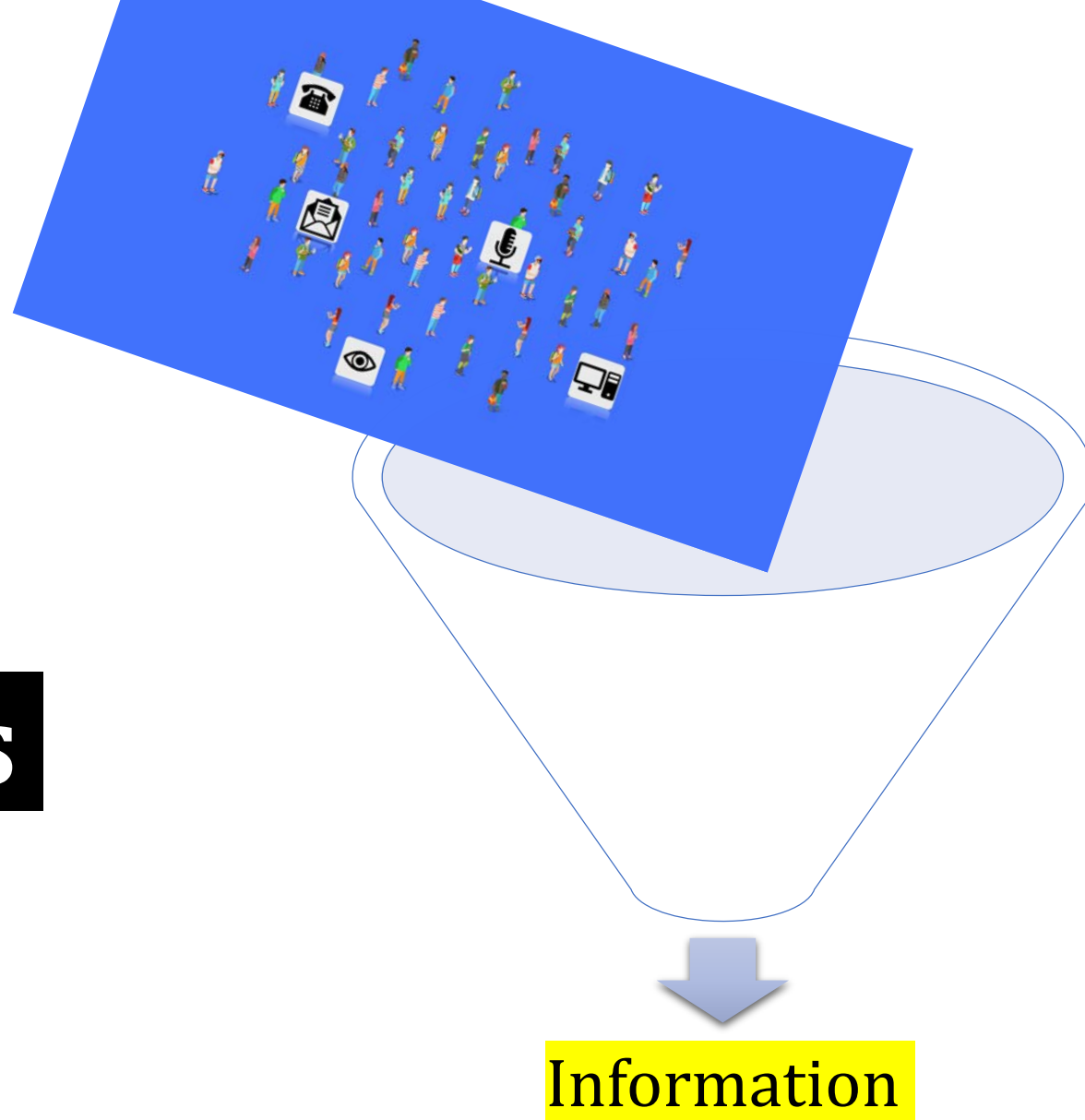


# Newly hired Health academics / +26k





# IT Departments as Data Hubs



# A platform-based service portfolio



**Services A**



**Services B**



**Services C**



**Services D**

How do we



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- 1) Oppositional Thinking (what if, on the contrary ....?)
- 2) Derive (how would Google, Amazon, FB do?) Stakeholder
- 3) [unclear] (steps to change)
- 4) [unclear] (underutilised Resources)
- 5) Scale-up (leverage/create network effects)
- 6) Coupling (use lateral opportunities to develop your idea)

**Ideation: A Six-Way Framework**

- 5 lectures
- Probation/E

# How do we ideate?

- 1) **Oppositional Thinking** (what if, on the contrary ....?)
- 2) **Derive** (how would Google, Amazon, FB do?)
- 3) **Enhance** (incremental steps to change)
- 4) **Utilise** (underutilised Resources)
- 5) **Scale-up** (leverage/create network effects)
- 6) **Coupling** (use lateral opportunities to develop your idea)

Stakeholders

- 5 lectures
- Probation/E



# When is our business at risk?

1. Your product becomes a digital public good
2. Your customers become your competitors
3. New digital products / channels emerge
4. Your customers want a platform, not a corporation
5. Your customers are no longer locked in
6. Your customers are aging with you
7. Your customers' revenue is in danger



# Proactive IT Platforms

1. **Customer centricity**: Obsession about putting customer first
2. **Initiative**: Not waiting for customers to start the conversation
3. **Data focus**: Ability to capture and understand digital signals
4. **Transparency**: Providing context of each of its decisions
5. **Trustworthiness**: Aiming to be relied upon by customers
6. **Agility**: Willing to experiment and quickly use opportunities
7. **Environmental awareness**: Continuously scanning the environment

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