Chapter 13
E-Novation in Large Corporations

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ABSTRACT

This chapter explores the lessons learned by large corporations that have been pioneers of e-novation. These pioneers have much to teach us about the opportunities for competitive impact and business value. These are explored within the framework of Porter’s Five Forces model. The impact of e-novation on employees and, especially on the employee-employer relationship is explored to reveal possible insights. Although a significant portion of these pioneers are in the high tech sector, many of the insights are broadly applicable to all sectors of the economy. A case is made that e-novation is well on its way to broad adoption in the business community. Recommendations are offered for those wishing to take up the challenge of e-novation.

INTRODUCTION

Pity the poor CIO confronted with a raft of decisions. Is Web 2.0, just a fad? Is this new collaborative platform the real deal or is it a flash in the pan? Are the examples cited throughout this book real? And if so, are they expressions of business and end users driving traditional IT decision making or subverting it? How do you take control of technologies that appear to have little underlying structure, few contractual controls, and costs approaching zero? Are these dangerous developments? Are they inevitable? Is IT losing control over its traditional domain? Is this a business revolution or a train wreck waiting to happen?

For many CIOs, the answers are not self-evident. What’s worse, sometimes the technologies themselves are often not evident to executives. A lot of these new technologies are entering the enterprise through the backdoor, with little or no
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executive awareness. Approvals? What approvals? Many of these technologies are free or nearly so, available on a single-user subscription basis. Anyone with a web browser can get access, and they do.

Consider this scenario at a hypothetical consumer products firm.

A product development team is in the final stages of preparing a product for launch. Some team members, who began using Second Life at home, convinced their colleagues to use it for team meetings at work. Because it compensated for the geographic dispersion of the team, Second Life has become their de facto collaboration tool. They use it extensively in their meetings to review product performance, efficacy and safety.

They supplement Second Life with mash-ups of geospatial data sourced free online, combined with Census data (ditto), weather and climate data (ditto) and their own internal testing data from the field and labs. The results all show that a few worrisome incidents can be accounted for by environmental factors. They decide to release the product, and target distribution for those geographic regions where there won’t be any complications.

Meanwhile, a few months later…product liability claims begin to come in from the field. A staff attorney from the legal affairs department meets with the research team. Here’s how the meeting goes:

**Attorney:** Please start by walking me through the meeting minutes of your final reviews.

**Team:** We don’t have any meeting minutes. We met in Second Life.

**Attorney:** What’s that?

**Team:** You know, Second Life. On the web. The meetings were so much more fun that we didn’t want to get bogged down in taking minutes.

**Attorney:** You didn’t take any minutes?

About 30 minutes later…

**Attorney:** You know what, forget Second Life. Just show me your data.

**Team:** OK, Give us a couple a hours to recreate the mash-ups.

**Attorney:** Mash ups? What are…hey did you just say “recreate”? You mean you don’t have the original data you worked from? And you can’t show me the supporting audit trail?

**Team:** Heck who needs to store this stuff? It only took us a few minutes to pull it together. The only real delays were the web searches.

**Attorney:** Please tell me you didn’t use uncertified data from the internet.

**Team:** But it was free! And it’s updated everyday.

**Attorney:** So you can’t retrieve the actual data you mashed up in your meetings?

**Team:** No. hey, where are you going?

**Attorney:** I’m going to the CIOs office to have a very unpleasant conversation!

**Team:** Why would you do that? We didn’t work with the IT department on any of this. Who needs them anyway? They don’t know much about these new tools.

To repeat, pity the poor CIO. In large corporations the CIO either controlled or directly influenced all major spending on IT until now. Web 2.0 technologies are a marked departure from this control, and this stuff is everywhere. Depending on the survey you look at, somewhere between 5% - 10% of employees in large organisations are already experimenting with the WEB 2.0 technologies that make up the new collaborative information platform. If you’ve got 50,000 people in your organisation then 2,500-5,000 of them are playing with these new technologies now.

Meanwhile, the edge of the enterprise will create an exponential growth of new content and context information. The early signs of this flood are everywhere. Leading companies, who successfully harness this information, will cre-