

Open Innovation: what's in it beyond the hype

**Conferencia Anual Plataformas Investigación Biomédica
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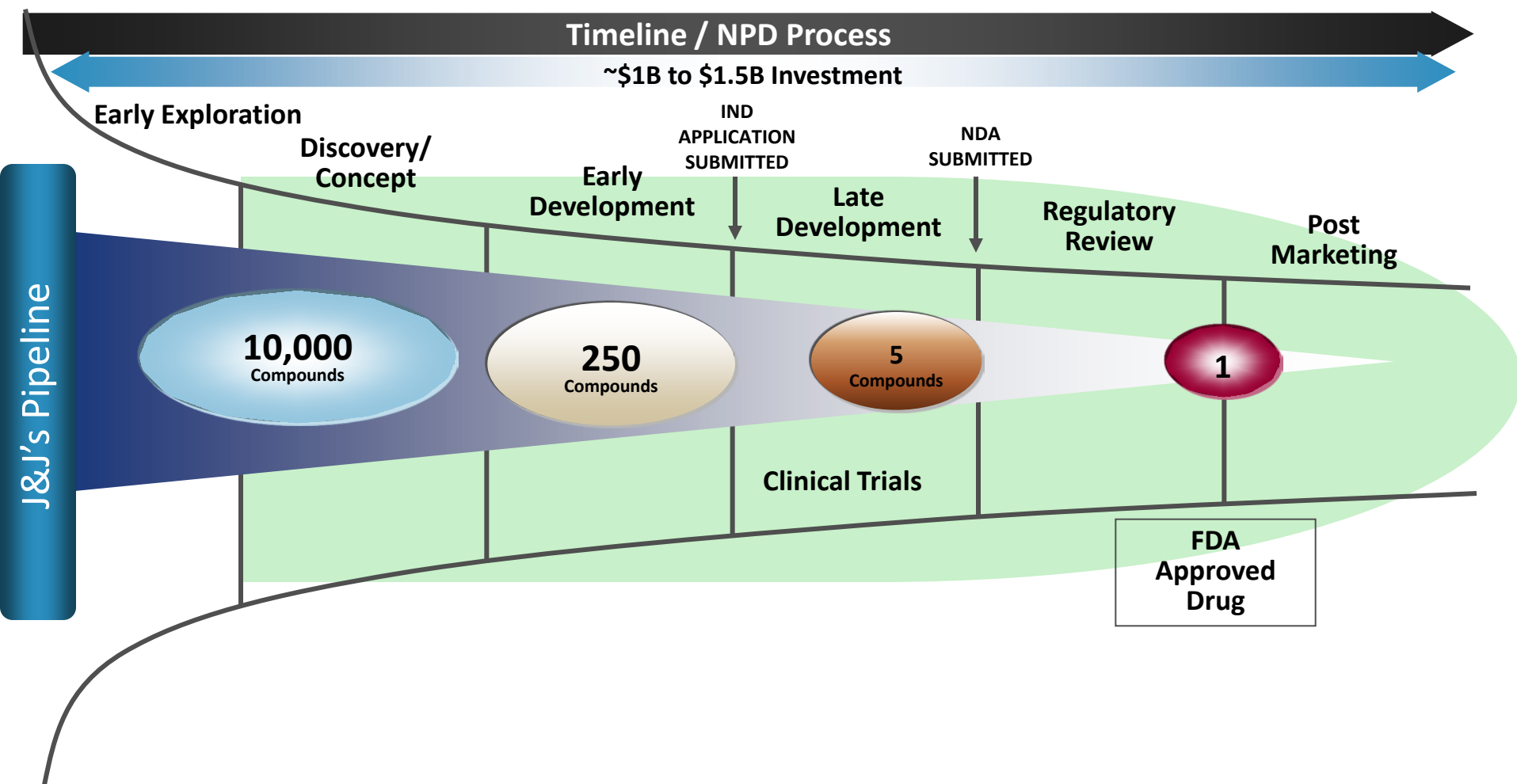
Toledo, Spain.

Val de Reuil, France

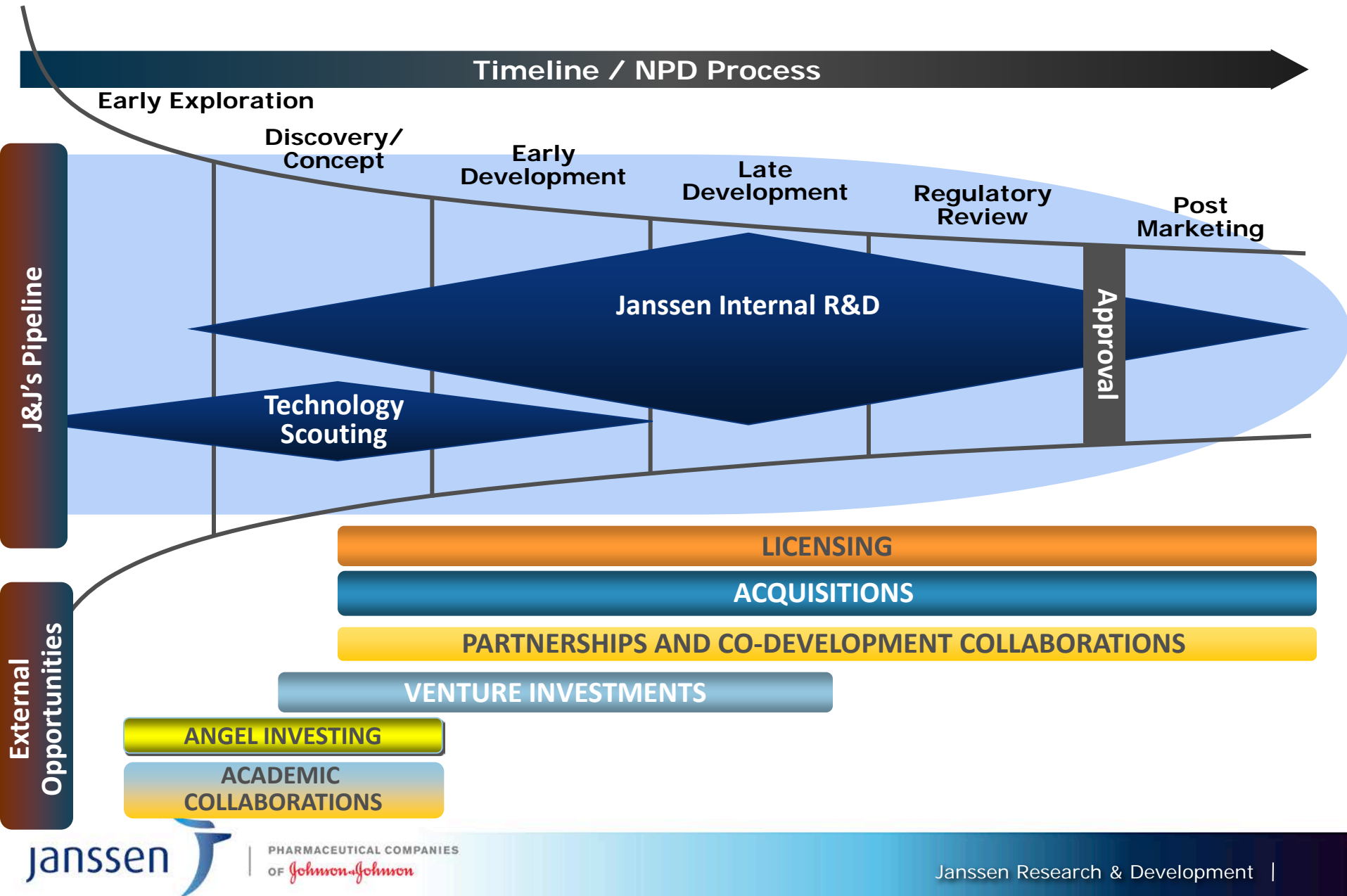
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The Classical “Closed Innovation” model



The Classical Evolved Model (“not yet open innovation”)



The Open Innovation Mindset ¹

Closed Innovation

- We must discover, develop, manufacture and distribute innovations ourselves in a vertically integrated model
1. The requisite expertise in R&D must exist inside of our company
- If we invent and fund everything internally we will win
 - We must control and conceal our innovation processes, technologies and tools, so that our competitors don't profit from our ideas

Open Innovation

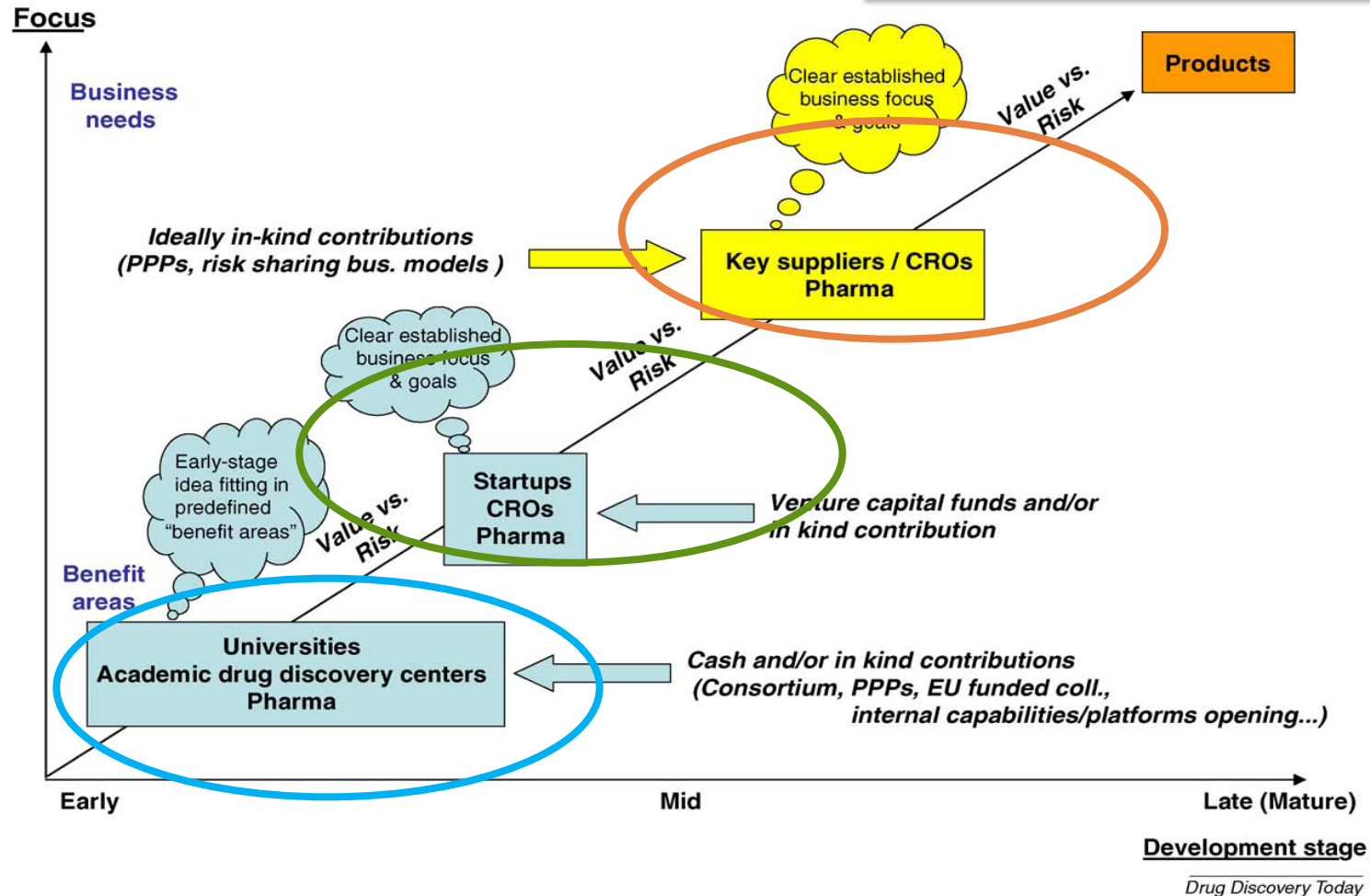
- Enormous value can be unlocked from external R&D and innovation networks
- Pharmaceutical R&D has become far too complex for us to employ all the expertise needed
- Creating a model for partnered innovation can trump an exclusive focus on internal invention
- We will profit from others' use of our innovations and knowledge, and we will leverage others' IP whenever it advances our own business model

¹ Adapted from *Open Innovation*, by Henry Chesbrough Harvard Business School Press, 2006

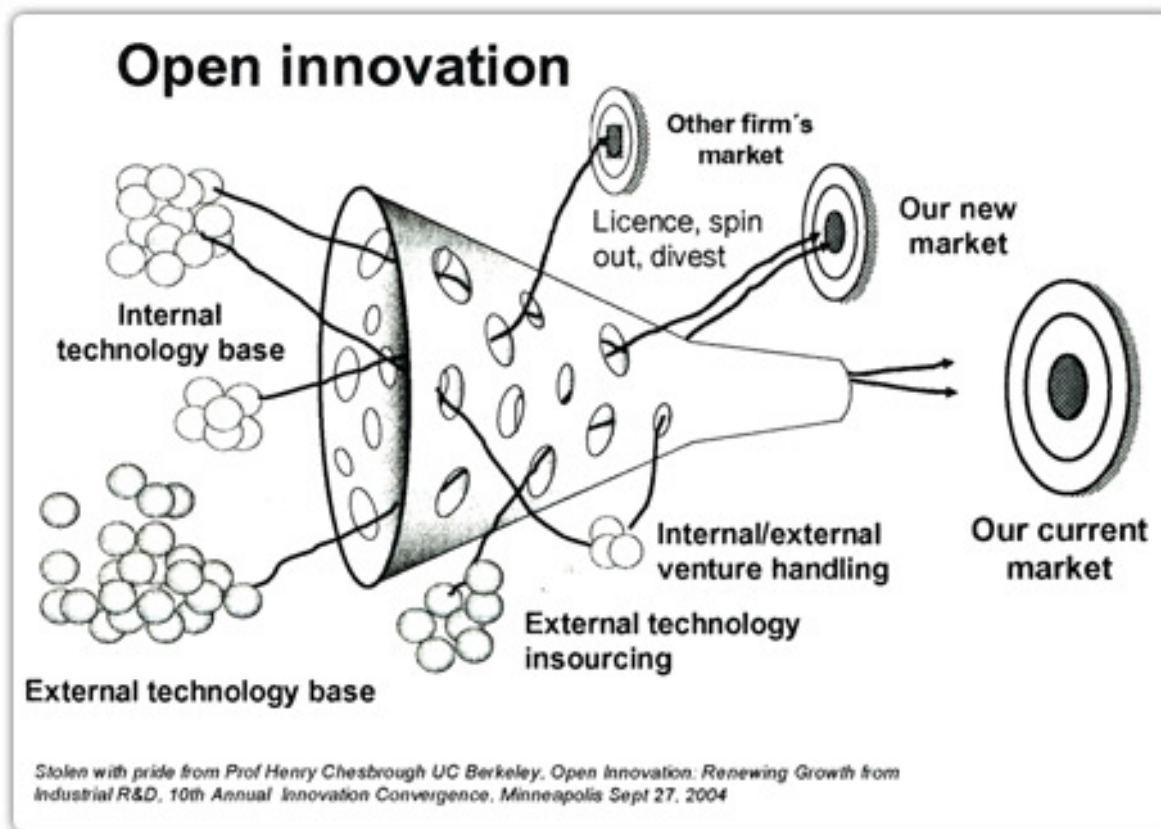
Open Innovation: share or di

taken from Talega Drug Discovery Today Volume 14, Number 1

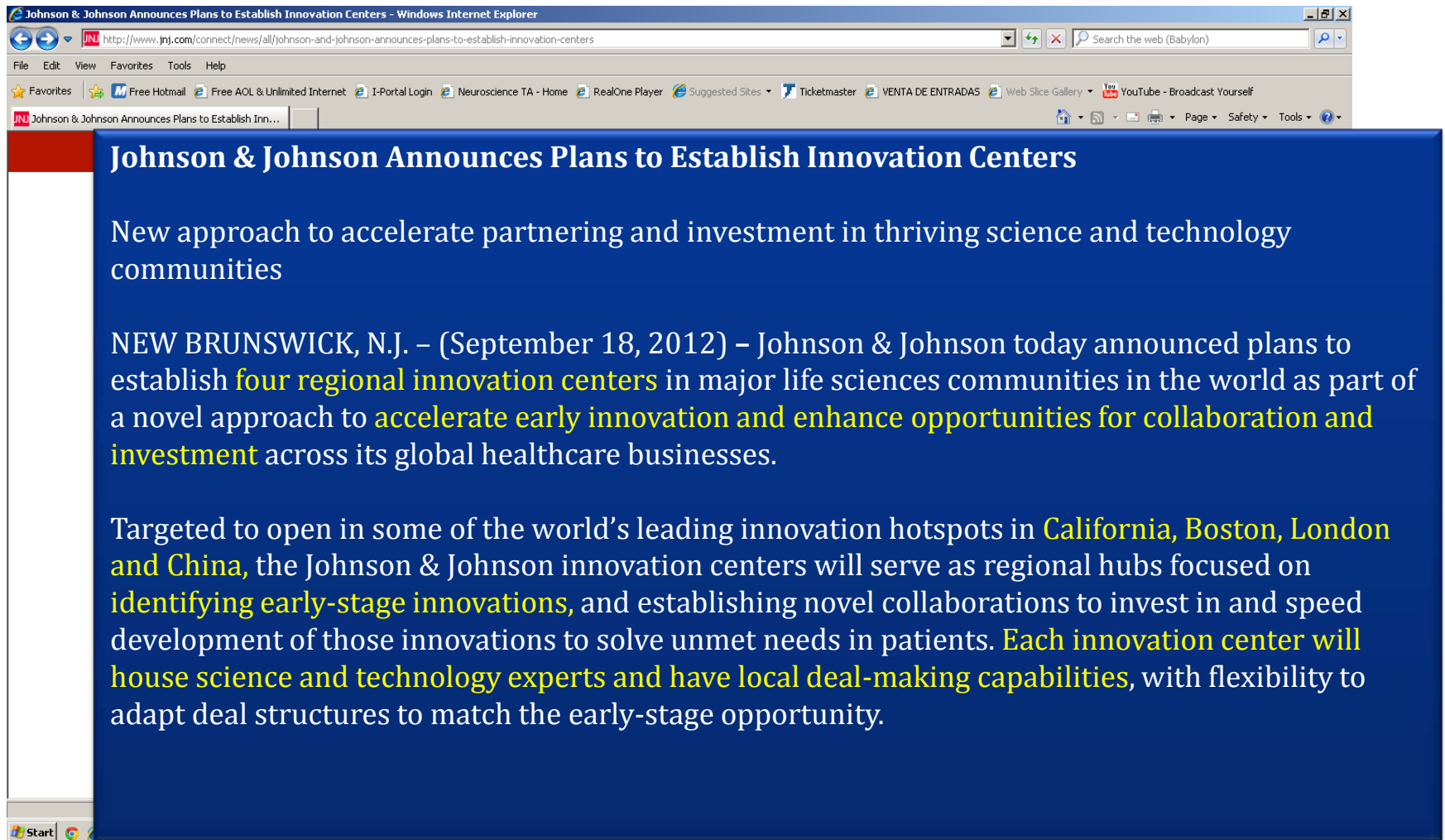
- Addex Pharma (2005)
- Vanderbilt University, Prof Jeff Conn (2008)
- Neurosearch (2008)
- Leuven University, Prof Bart De Strooper (2010)



The future: Open & Permeable organisation



J&J Innovation Centers launched 2012



Johnson & Johnson Announces Plans to Establish Innovation Centers

New approach to accelerate partnering and investment in thriving science and technology communities

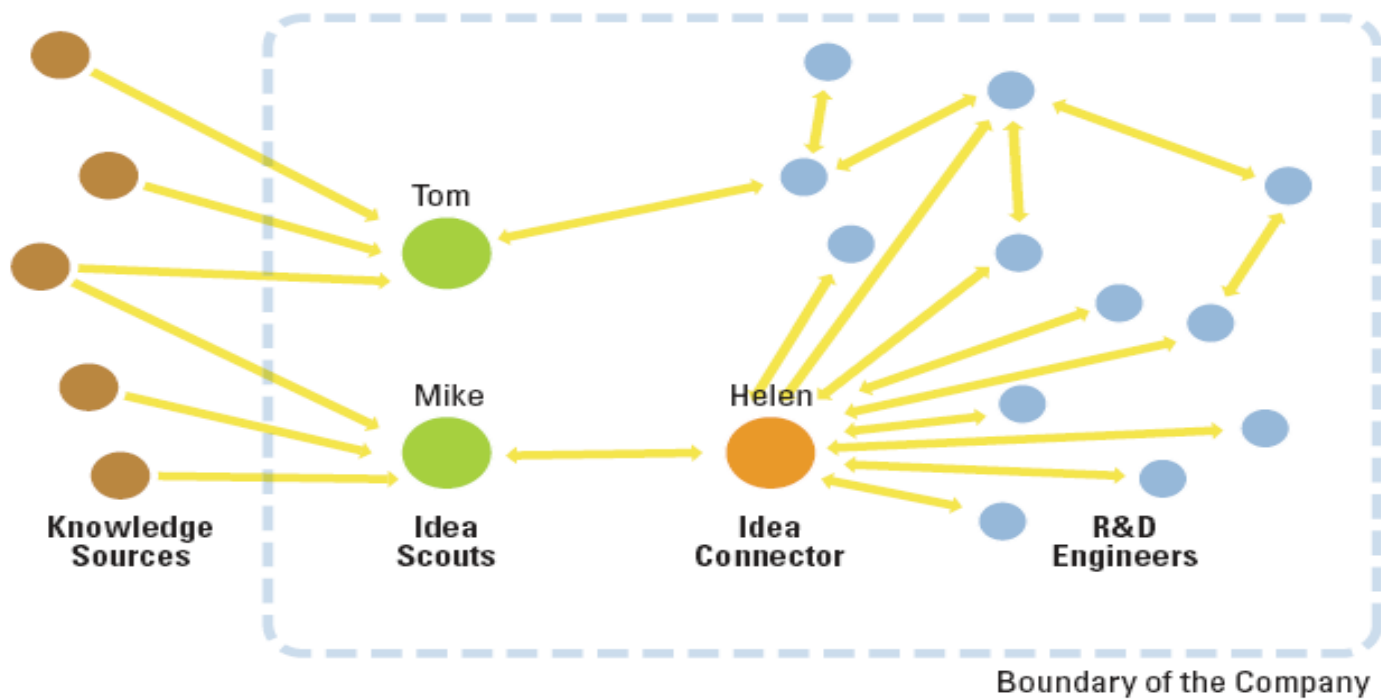
NEW BRUNSWICK, N.J. – (September 18, 2012) – Johnson & Johnson today announced plans to establish **four regional innovation centers** in major life sciences communities in the world as part of a novel approach to **accelerate early innovation and enhance opportunities for collaboration and investment** across its global healthcare businesses.

Targeted to open in some of the world's leading innovation hotspots in **California, Boston, London and China**, the Johnson & Johnson innovation centers will serve as regional hubs focused on **identifying early-stage innovations**, and establishing novel collaborations to invest in and speed development of those innovations to solve unmet needs in patients. **Each innovation center will house science and technology experts and have local deal-making capabilities**, with flexibility to adapt deal structures to match the early-stage opportunity.

Idea connectors: Taken from MIT Sloan Management Review (SMR 399, 2011)

THE CONNECTOR'S CRITICAL ROLE

Both Tom and Mike are idea scouts who have well-developed knowledge and social networks outside their company but limited networks within it. Because Mike is linked to Helen, an idea connector with extensive contacts within the organization, the outside ideas he identifies have developed much more often than Tom's into useful processes, products or services for the company.

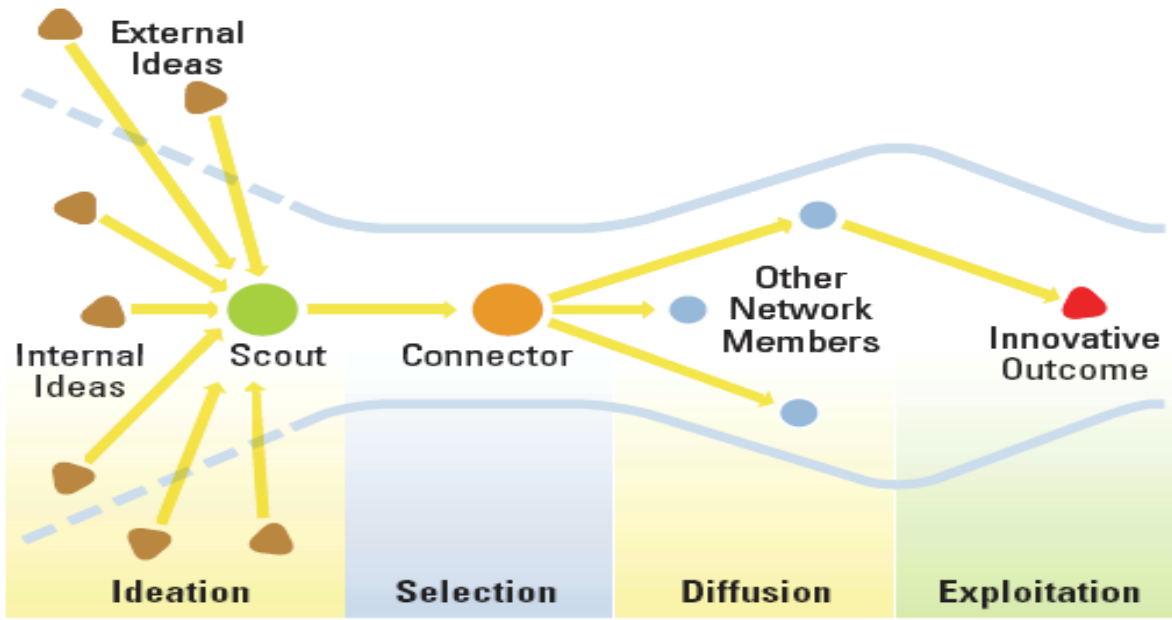


Scout & idea connector working together: Innovation Idea connectors.

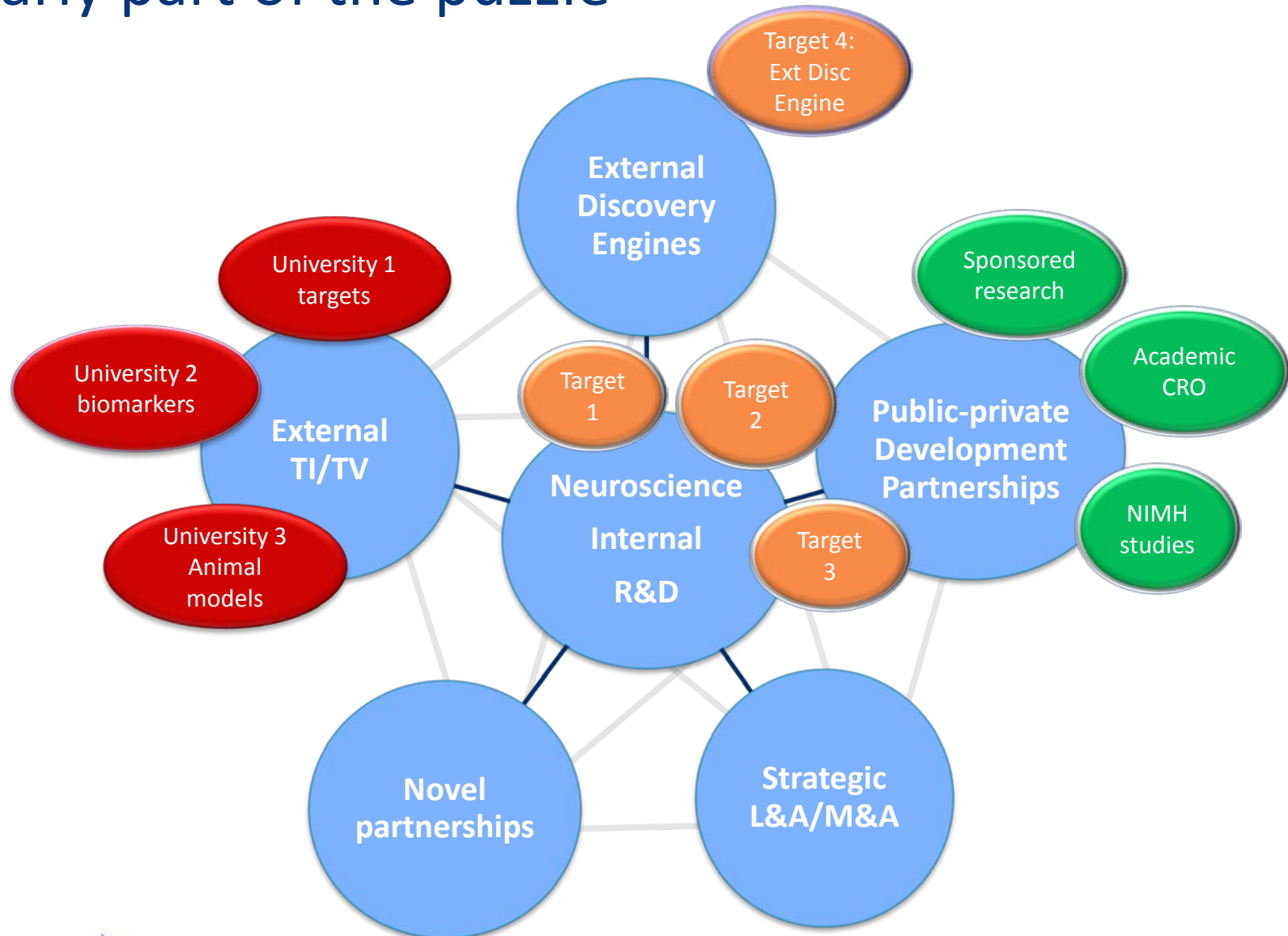
Taken from MIT Sloan Management Review (SMR 399, 2011)

WHO SHINES WHEN

Ideas from inside and outside the company progress through four stages until a small number of ideas are ultimately exploited in an innovative way. Scouts are more critical in the earlier phases by identifying a range of promising ideas, but the emphasis shifts to the connector in the later phases. Using their knowledge of the internal network, connectors champion the most promising ideas to those who are best equipped to convert them into innovative outcomes.



Integrated External and Internal Innovation: the early part of the puzzle





Special thanks Jeff Nye and Ted Torphy.

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Questions ?

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