

## Open Sustainability Innovation

A new Approach for Creating and Enhancing Innovations at the BoP?

**Presentation at the International Conference  
Sustainable Innovations at the Base of the Pyramid  
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(TUM Business School)**

## Agenda

- I. Innovations for the BoP?
- II. Open Innovation – Some Theory
- III. Innovations at the BoP – One Insight
- IV. Open Sustainability Innovation – Two Examples
- V. Open Discussion – Three Questions

## I Innovations for the BoP?

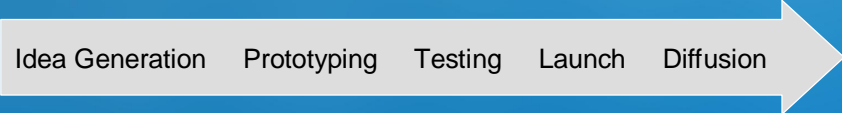
### **Obstacles and Constraints at the BoP**

- Low disposable income
- Restricted access to financial services
- Inadequate physical infrastructure
- Missing knowledge and skills
- Limited market information
- Ineffective regulatory environments

Source: UNDP 2008

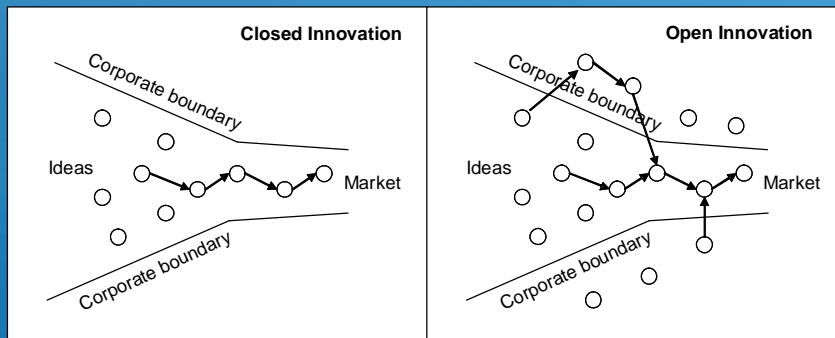
## II Open Innovation – Some Theory

### **Innovation Process**



Idea Generation Prototyping Testing Launch Diffusion

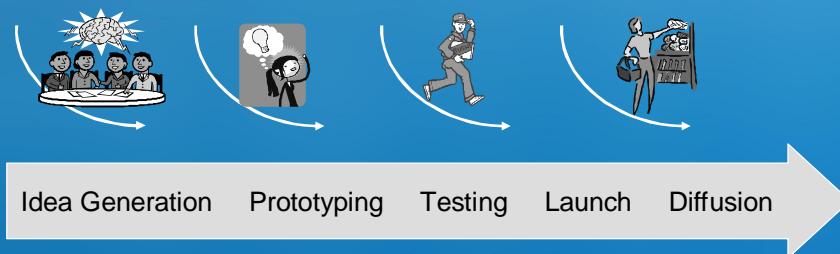
## II Open Innovation – Some Theory



Sources: Chesbrough (2003); Reichwald/Piller (2006); Walcher (2006)

## II Open Innovation – Some Theory

### Consumer Integration in the Innovation Process



## II Open Innovation – Some Theory

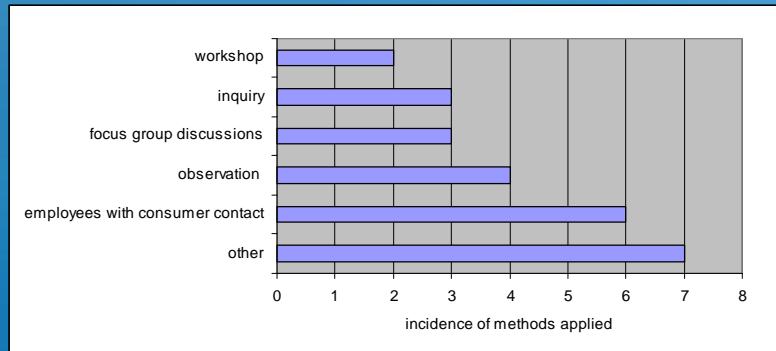
### Key Methods of Consumer Integration

- Innovation Workshops
- Lead User Workshops
- Idea Competitions
- Toolkits
- Online communities

## III Innovations at the BoP – One Insight

	Company	Business Sector	Region	Country
1	<b>Danone</b>	Food	Eastern Europe	Poland
2	<b>Amanz Abantu</b>	Water and Sanitation	Sub-Saharan Africa	South-Africa
3	<b>Celtel</b>	Telecommunication and mobile banking	Sub-Saharan Africa	DRC
4	<b>Smart</b>	Telecommunication and mobile banking	Asia	Philippines
5	<b>Kenya Health Store/ CFW Franchise Clinics</b>	Health	Sub-Saharan Africa	Kenya
6	<b>K-REP</b>	Microfinance	Sub-Saharan Africa	Kenya
5	<b>THTF</b>	ICT	Asia	China
8	<b>Susu Collectors (Barclays)</b>	Microfinance	Sub-Saharan Africa	Ghana
9	<b>Construmex</b>	Construction	Latin America	Mexico
10	<b>Mibanco</b>	Microfinance	Latin America	Peru

### III Innovations at the BoP – One Insight



Source: Kraemer and Belz 2008

### IV Open Sustainability Innovation – Two Examples

#### Philips Chulha Biomass Stove

- low tech, low smoke biomass stove
- Based on deep and specific insights gathered from and tested by users, the Chulha was co-developed by designers, NGO and users in India
- Concept definition workshop with stakeholders
- User involvement in development of prototype; field research in villages (e.g. cooking habits); observations; in-depth interviews



Source: [www.design.philips.com](http://www.design.philips.com)

## IV Open Sustainability Innovation – Two Examples

### Nokia Open Studio

- Key question: *What can we learn Inviting people to be designers?*
- Idea contests in Rio, Accra and Mumbai
- Exploratory research: Focus on peoples everyday life and its implications for Nokia
- Nokia tries to learn from people
- Local team ran the project
- Duration: 2 weeks => maximized time on the ground!
- Consumer ideas: subjective perceived value - statements to be cross referenced with other findings insights from the community

Source: Presentation at lift conference <http://www.liftconference.com/what-can-we-learn-inviting-people-be-designers>

### Eco-Cell

Awareness of the environmental pollution



• NÍVEL MÉDIO DE POLUIÇÃO 34%  
• CAMADA DE OZÔNIO 18%

- CELULAR ECOLÓGICAMENTE CORRETO
- BATERIA SOLAR RECARRÉGÁVEL
- DETECTA ALTO NÍVEL DE POLUIÇÃO

MEDIDOR DE POLUIÇÃO DA ÁGUA.



**NOKIA**  
Connecting People

## IV Open Discussion – Three Questions

- Is the approach of open sustainability innovation viable in BoP markets?
- Which methods of consumer integration are useful?
- Are there lead users in BoP markets?
- ...