

Borderless Innovation

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SUBJECT(S): Entrepreneurship

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

In this lesson, students will learn how multinationals conduct borderless innovation. They will begin with a discussion about what a multinational company is and brainstorm a list of multinational corporations. Then they will read the Knowledge@Wharton article: “Borderless Innovation: Stretching Company Boundaries to Come Up with New Ideas,” and discuss some of the key ideas in it. Students will break into groups to discuss one of the four businesses mentioned in the article, and how businesses can adapt to meet their innovation needs.

≡ NBEA STANDARD(S):

- Entrepreneurship, VII. Global Markets

≡ RELATED ARTICLES:

- “Understanding Global Leadership in the Year of the Protester”
- “The Power of Curiosity”
- “The Greatest Risks Facing Our World Economy”
- “The Extreme Truths About Global Climate Change”
- “Educator Toolkit: Inside Silicon Valley”
- “Educator Toolkit: Becoming Global Citizens”
- “China, the World Stage and Your Role as a Global Citizen”

Common Core Standard(s): Key ideas and details, vocabulary acquisition and use, collaboration and comprehension, presentation and key ideas.

Objectives/Purposes: In this lesson, students will learn about multinational corporations and the unique ways they develop and sell their products in markets all over the world.

Knowledge@Wharton Article: [“Borderless Innovation: Stretching Company Boundaries to Come Up with New Ideas”](#)

Related Articles:

- Video of Glossary Term: Multinational – [“Multinational”](#)
- Video of Glossary Term: R&D – [“R&D”](#)

Other Resources/Materials:

- Board
- Chalk/Markers

Activity:

1. (5 mins) Show students the video for the term: “Multinational Corporation.” Then allow students to come up to the board, all at the same time, and list all the multinational corporations that they can think of. After students are done with their lists, go over each one to discuss the products or services that they sell and whether students use and like those products or services.

2. (15 mins) Then, have students read the article: “Borderless Innovation: Stretching Company Boundaries to Come Up with New Ideas,” and answer the following questions:

- What is borderless innovation?
 - When multinationals leverage the latest technological developments, their expanding global business networks and competitors’ expertise to change the way they harness new ideas.
- What is the innovation shortfall that most companies suffer from and why do companies suffer from them?
 - It is hard to make products that the company has developed commercially viable.

- What is web based collaborative innovation and how does it help R&D?
 - It is when companies cooperate with technical experts in locations all over the world and it helps to drive R&D by lowering the cost and developing superior products quicker.
 - Example of this is the Apple iPhone.
- What internal push-backs should companies understand before they begin projects to enhance borderless innovation?
 - Culture.
 - What the local markets require from new products to deliver growth.
 - The competitive landscape.
- Why do global innovators need to understand the customer?
 - The customer will understand the solution.
 - So you can come up with specific, tailored approaches to address customer concerns.

Have students discuss their answers with a partner. Then discuss the answers and any reflections students have as a class.

3. (20 mins) For the next activity, break students up into 4 groups to discuss one of the four business models a company might adopt to reflect their innovation needs. Have students in each group present that model to the class and offer an idea based on that model and information on a particular developing market (Brazil, China, India, Russia).

The four models are:

- The Orchestra Model: It is highly structured and centralized. It is typically focused on upgrading an existing product or service that dominates a market, with tightly controlled ownership of intellectual property. Examples include the iPhone, whose developers have been releasing roughly 10,000 applications a month for use with it, or India's ultra-low-cost Tata Nano car, which uses a localized network to manufacture units from a fixed design.
- The Creative Bazaar Model: It is based on leading players in a particular market that want to acquire new ideas from small companies or individual inventors in order to broaden their range of products and market position. A case in point is Dial. The soap manufacturer aims to find 30% of its new ideas from outside the company through a program called "Partners in Innovation" that it launched with the New York-based United Inventors' Association, an organization founded in 1990 to foster education and support for inventors.

- The MOD (“MODification”) Station Model: Its ideas come from a broad, global community, with the goal of coming up with new uses for existing products. One example is Mappr, a photo service developed by Stamen, a company in San Francisco. As users of Facebook and other social networking sites tag open-source photos, they help to build a database that Mappr uses to create photographic guides to different geographic locations.
- The Jam Central Model: It has the loosest organizational structure and mission, often involving experts asked to solve problems that might not fit well into a large corporate profit strategy. For example, for the Tropical Disease Initiative, volunteer scientists are using open-source collaborative software to address Third World health problems such as malaria and dengue fever. The medicine needed to cure these diseases does not have the recurring revenues that pills for chronic conditions have, so it attracts little attention from the big pharmaceutical companies.

Tying It All Together: When coming up with ideas to illustrate the model, students should keep in mind elements of globalization and the concept of borderless innovation to reach new markets and increase productivity and efficiency.

Practice Outside of the Classroom: Have students think about which of these models do their favorite tech companies employ?

What Worked and What I Would Do Differently: Overall, this lesson ran smoothly. Students struggled a little bit to understand the model and then describe it to the class. You may want to encourage them to make a graphical representation of the model that will help them to describe the model and help other students to understand it. Also, make sure that students ideas fit the framework of the model that they are presenting.