

Knock Down the Walls

The days of hoarding company data are over. To achieve true innovation, companies must collaborate.

BY GUILLAUME PAJEOT

Data is power. It is the underlying force driving major industry disruptors such as Uber and Lyft. It helped transform Facebook, Baidu and Google into the behemoths they are today. And it has spurred a massive amount of organizational spending, with investments in data expected to reach \$72 billion by 2020, according to a June report from SNS Research.

But if you want a true gauge of its power, just look at all the barriers it has knocked down between organizations.

Any company serious about innovation knows it must establish a network of partnerships with organizations with common goals or complementary expertise. And that means loosening the boundaries on your organization and sharing data. By entering this brave new world of collaboration, organizations will build better products, produce breakthrough innovations, reach new markets, elevate the customer experience and ultimately boost the bottom line.

This is not the time for hoarding data.

Breaking Down Boundaries

Forward-thinking companies are already putting data-fueled partnerships into practice.

Take the collaboration among BMW, Daimler and Audi. The three auto giants announced plans to launch a new traffic-monitoring service in 2017 that will give drivers a view of conditions for miles ahead. The video data will be collected via sensors in other cars on the road and then fed into the companies' jointly owned mapping services firm, HERE.

The venture will eventually allow oth-

er manufacturers to join and provide data. "HERE believes that industry collaboration is essential to address the major challenges faced by road users everywhere," the company's CEO, Edzard Overbeek, said in a statement. "What we are seeing today is the technology and automotive industries coming together to create services that will elevate the driving experience for billions."

HERE will go up against another powerhouse combo: Google's Waze and French car-maker Renault.

No big surprise that Google is a major player in data-sharing. The Silicon Valley giant is also teaming up with French drugmaker Sanofi on ways to monitor and treat diabetes.

The partnership, announced last year, pairs Sanofi's expertise in diabetes treatments and devices with Google's expertise in data and miniaturized electronics, according to a statement by Sanofi. The two companies aim to establish a network with a focus on making the lives of diabetes patients easier.

Therein lies the key to creating these networks: understanding that all the players share a common mission. The goal is not to create a product that all parties will fight for control of in the end. The products are only a realization of the real purpose: serving the customer.

The Collateral Effect

As more companies share data and additional partnerships form, there will undoubtedly be ramifications for traditional global business practices:

1. Traditional R&D Will Decline: According to Insigniam's most recent *Executive*

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Sentiment Survey, the downward slope may have already begun. “Investing heavily in R&D” ranked near the bottom of the ways survey participants—who included leaders in multiple industry segments across the world’s top 1,000 companies—said they could stand apart from competitors. Instead, more respondents plan to invest in gaining access to or providing the best data.

2. IP Will No Longer Be the Sacred Cow: In the past, the justification for limiting a partner’s reach within the organization was to protect intellectual property (IP), patents, processes and proprietary technology. And while that rationale will continue to sway decision-making, sharing data will require organizations to somewhat loosen their grip and let outsiders in.

BMW, for example, is already doing this. It invited equipment manufacturers to work in its offices with its teams, sharing its technology and data to co-create innovations based on a shared pool of expertise.

3. The Company Holding the Data Holds the Power: No longer will innovation be limited by an organization’s internal abilities. Instead, the companies that own the data will now set those limitations and—like the Google and Sanofi partnership or the myriad relationships forming between automakers and tech companies—it is forcing organizations to reach across sectors.

4. CXOs Will Fuel Collaboration: The mission of the C-suite will be to bring the right people into these new networks. But that is just one step. They must also establish a culture where all the players understand they are driving toward a common goal, not pushing to meet individual interests. **IQ**

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