



## A Global Web Community of Open Innovation

Founded in 2001 by the venture capital arm of pharmaceutical giant Eli Lilly, InnoCentive is the world leader in prize-based open innovation. As a driving force in accelerated innovation, InnoCentive inspires and unites a web community of scientists, engineers, professionals and entrepreneurs worldwide who collaborate to deliver breakthrough solutions for some of the world's most progressive organizations.

Using InnoCentive's Web 2.0 platform, a "Seeker" organization posts a "Challenge" – a problem for which it seeks a breakthrough solution – to the InnoCentive Marketplace and commits to pay a successful "Solver" a cash award. InnoCentive Seekers benefit from a "pay for performance" low-risk environment where they only pay for solutions they accept.

InnoCentive Seekers are among the world's most innovative and creative commercial, government and non-profit enterprises, including Avery Dennison, Eli Lilly, Janssen, Procter & Gamble, Solvay, GlobalGiving and The Rockefeller Foundation. InnoCentive Solvers number over 160,000 – giving Seekers access to the combined and diverse talents of engineers, scientists, inventors, business people, universities, trade organizations and research labs in more than 175 countries.

In 2005, InnoCentive was spun off from Eli Lilly, enabling the company to expand its offerings and serve clients in a variety of other industries. The InnoCentive Marketplace now serves 60 disciplines and sub-disciplines, including:

- Business and Entrepreneurship
- Chemistry
- Engineering and Design
- Life Sciences
- Math and Computer Science
- Physical Sciences

### R&D Costs Shift from Enterprise to Market

InnoCentive is a prime example of open innovation's crowd sourcing model, where product development costs shift from the enterprise to the market to benefit both. Four key benefits result from engaging with InnoCentive:

- **Faster time to market for products** With thousands of minds worldwide working on a problem simultaneously, organizations find solutions faster than they could with in-house R&D resources.
- **Bigger breakthroughs** Organizations can tap into the diversity of the InnoCentive Marketplace to find gifted individuals they would never otherwise identify. Often these individuals have a unique perspective that allows them to "connect the dots" in ways the organization never would.
- **Lower R&D costs** Open innovation redefines the economics of R&D by paying only for success, taking R&D costs off the balance sheet and dramatically reducing risk.
- **Access to world class talent** Address a global shortage of scientific and engineering talent by expanding your reach to expertise outside of your organization.

## ACCELERATING INNOVATION FOR HUMANITY

The InnoCentive Marketplace offers an especially rich opportunity for the not-for-profit sector. InnoCentive has partnered with several major philanthropic organizations to use prize philanthropy to spur breakthrough discoveries, addressing some of the world's most pressing humanitarian and environmental concerns.

InnoCentive gives not-for-profit institutions increased research and development capacity while reducing risk and exposure to costly research failure. In addition to providing access to the rich InnoCentive Solver community, InnoCentive offers financial assistance in the form of discounted fees for eligible organizations.

*"THE ROCKEFELLER FOUNDATION HELPS SPARK INNOVATIONS THAT CAN IMPROVE LIVES IN COMMUNITIES AROUND THE WORLD. OUR PARTNERSHIP WITH INNOCENTIVE IS A CRUCIAL COMPONENT OF THIS WORK, ENABLING RESEARCHERS AND ENTREPRENEURS TO IDENTIFY THE MODELS AND APPROACHES THAT PRIVATE COMPANIES USE IN ACHIEVING BREAKTHROUGHS AND THEN ADAPT THEM TO SOLVING SEEMINGLY INTRACTABLE SOCIAL CHALLENGES."*

– JUDITH RODIN, PRESIDENT  
THE ROCKEFELLER FOUNDATION

## The InnoCentive Process



Seeker identifies problem or need, collaborates with InnoCentive Client Services to formulate Challenge



InnoCentive posts Challenge



Solvers view Challenges, open project rooms and submit solutions



InnoCentive facilitates evaluation of solutions with Seeker



Winning solution selected by Seeker



Solver awarded, Solver transfers intellectual property to Seeker

## A Highly Optimized End-to-End Value Chain

At any point in time, an organization may require different services from an open innovation provider. Does an idea need to be produced? If the idea exists, does its description, specifications or requirements need to be defined? Has it been prototyped and tested? And, if so, can it now be delivered as a marketable product or service? To meet the full range of solution requirements, InnoCentive offers four Challenge types:

- **Ideation** A global brainstorm for producing a breakthrough idea. This could include ideas for a new product line, a new commercial application for a current product, or even a viral marketing idea for recruiting new customers.
- **Theoretical** A design that implements an idea but is not yet a proof of concept. A solution to a Theoretical Challenge will solidify the Solver's concept with detailed descriptions, specifications and requirements necessary to bringing a good idea closer to becoming an actual product or service.
- **RTP** A prototype that proves an idea. Once you have a theory or design for a product or service, an RTP Challenge requests that Solvers prove their solution will work within your specific needs, decision criteria and manufacturing parameters.
- **eRFP** A request for a partner or supplier to provide materials or expertise to help solve a business challenge. Utilize the InnoCentive network to find businesses or consultants that have already developed the technology you need or have the experience to help you develop it yourself.

## Accelerate Success

InnoCentive's dedicated Client Services team of scientists, PhDs and consultants shepherd Seekers and Solvers through the Challenge lifecycle. Through the ONRAMP (Open iNnovation Rapid Adoption Methods and Practices) suite of services, InnoCentive helps organizations with the planning and rollout, training and education, and communication and monitoring of open innovation initiatives.

With ONRAMP, clients acquire best practices developed by InnoCentive over many years of research and thought leadership in open innovation. In addition, ONRAMP also gives all internal stakeholders the tactical, educational and technical resources they need to successfully incorporate open innovation into their organization's DNA.

## Protecting Intellectual Property with 99% IP Transfer Success

InnoCentive's proven track record of protecting the IP rights of both Seekers and Solvers is another reason InnoCentive works successfully with some of the world's largest and most creative R&D organizations. Corporate attorneys have vetted InnoCentive's IP protection processes and policies over many years. Battle tested in over 60 countries, the result is a 99%+ successful IP transfer rate.

## The Future Is Now "Open"

InnoCentive's business is expanding rapidly. That business is based on a powerful idea whose value proposition is clear and well proven by top organizations worldwide.

Looking ahead, a more competitive global economy will drive organizations to attack problems with all the thinking they can muster as rapidly as possible while minimizing R&D cost and risk. Open organizations that embrace outside innovation are best poised to prosper in the 21st century.

The result is inevitable. Organizations will increasingly seek the creative insights of talented people regardless of location or affiliation. That is what open innovation enables them to do – and InnoCentive is their open path.