Harnessing Global Talent

What you will learn by reading this paper:

1. Why having an external talent strategy is becoming increasingly important
2. How leading organizations manage their open innovation and crowdsourcing efforts
3. Strategies for attracting talent to your organization’s innovation efforts
InnoCentive is the global pioneer in crowdsourced innovation. We help innovation-driven organizations solve their critical business, scientific and technical problems by crowdsourcing ideas and solutions, either from our global network of highly educated problem solvers or from their own internal networks. By accessing vast virtual workforces with InnoCentive, organizations have been able to innovate faster, with less risk, and at a lower cost. We offer our proven Challenge Driven Innovation™ methodology, unrivalled network of over 380,000 problem solvers and purpose-built technology, as well as accompanying training and program management services. To date, InnoCentive have conducted over 2,000 external Challenges for organizations including NASA, DARPA, Thomson Reuters, AstraZeneca, GSK, Anheuser-Busch InBev, and Ford Motors.
In our hyper-competitive, always-connected world, organizations are increasingly becoming focused on improving both their speed to market and their revenue per headcount. In this environment, more senior leaders every day are seeing innovation as the primary way to gain competitive advantage and to simultaneously increase revenue and cut costs. At the same time, organizations are struggling to find ways to accelerate their pace of innovation without escalating costs faster than their budgets will allow.

The increasing demands for speed and efficiency are causing organizations to become ever more virtual and flexible, to utilize more variable resources, and to add and shed employees with greater regularity (often with both happening in the same organization at the same time). The progressively dynamic nature of the workforce inside organizations is making it more difficult for organizations to attract, develop, and retain the best talent while simultaneously meeting the fiscal realities of the business. This is causing many organizations to move from a talent ownership mindset to a talent attraction mindset. In a talent ownership world, recruitment and the hiring transaction are king. But in a talent attraction world, successful organizations are those that master the art of building and maintaining talent communities that keep talent connected to the organization even when they are not employed by it. Consciously creating an external talent strategy is therefore essential to success.

The talent market relationship changes are not just happening at the individual level. Change is also happening at the organizational level, as organizations themselves are moving from a fortress mentality, where all work is secret and kept inside the organization’s four walls, to an integrated, global economy with an interconnected web of suppliers and distribution channels – where being the partner of choice in your industry will be increasingly important.
Silicon Valley icon Bill Joy once famously said, “There are always more smart people outside your company than within it.” In this new world of work, organizations must begin accepting that the most valuable employees will now be those that not only do good work, but who also serve as a force multiplier for their organizations by being good at organizing and orchestrating the innovation efforts of others who do not even work for the company. Ideally, you will want to evolve to a place where even those who do not work for you, actually want to work with you. In this brave new world, you must have strategies in place for attracting both internal and external talent to your innovation efforts.
Section 1: Why Having an External Talent Strategy is Becoming Increasingly Important

The old way of winning the talent wars was to search for and hire the very best talent and keep them inside your own four walls by offering them competitive compensation, benefits, and perks. Your hope was that your talent is better than your competitors’ talent. But over the last couple of decades, companies have increasingly found that employees who pursue what they do with passion will outperform an employee with a gun to their head every time. Circuit City learned very publicly that people are not commodities and went out of business from treating them as if they were. At the same time, we know that diversity is very important and hard to foster internally. And so it is to get to this diversity of thought in order to accelerate product launch and innovation timelines that companies must open up – it is a global economy with a global talent pool.

The question becomes: what is happening at the micro level with this global talent pool? Well, the world continues to move away from being a place where employees expect to have jobs for life, and fight against any change to this paradigm, to a world where portfolios, personal branding, and project-based work will become more common in an increasing number of industries. The evolving world of work is becoming a world in which individuals will need to be really good at collaborating and playing well with others, while also honing their skills at standing out from the crowd. At the same time, the external perception of your network value will expand from a focus on internal connections to also include the talented minds you might know outside the organization that can be brought in on different projects or challenges.

At the macro level, we are also confronted by an economy right now that is characterized by high unemployment – especially for the young. And for those that have jobs, many are underemployed. Meanwhile, at the other end of the age spectrum, many baby boomers will continue to look to make money and stay involved in the workplace in significant numbers. For those not retiring who still have jobs, many employees now are doing more work but feeling less engaged. When you combine the macro and micro pictures, you can see that there is an army of talent out there looking to build their resumes or their balance sheets by working on interesting challenges and projects.

OIL INDUSTRY

After the Exxon Valdez oil spill in Prince William Sound Alaska, a method was needed by the Oil Spill Recovery Institute (OSRI) to break the viscous shear of crude oil under cold weather conditions to allow oil to flow to a pump inlet. Basically, the pumps could not handle the near-solid oil sludge. A Challenge was posted on InnoCentive.com and exposed to a global network of hundreds of thousands of Solvers. Eight weeks later, many solutions had been proposed, but the winning solution was submitted by an Illinois chemist who once poured concrete over the summer to help a neighbor. The $20,000 award-winning solution was based on a technique that had been used for years to vibrate and move viscous concrete. As a result, the oil industry solved a decades-old problem within two months of posting the Challenge to InnoCentive’s problem solver network.
As your organization opens up and crafts a formal external talent strategy, there are several ways external talent can help benefit your organization.

Increased Speed:

- External talent networks can form an expanded rolodex of experts that you can consult with to expand your knowledge on a particular search area or market and give you a running start instead of a standing one.
- You can use your external talent strategy to find existing solutions from outside your industry. One example of this is a tire company adapting existing technology for cutting cheese to cutting rubber. Another is InnoCentive client OSRI, who used concrete construction principles for the purpose of oil spill cleanup (see sidebar).
- To accelerate innovation and product development timelines, many companies strategically partner with external talent to advance their projects and help fight through roadblocks or work on other components when the lead team is off the clock. Dissecting work and distributing it to the individuals, groups, or partners that can best complete the work is an essential component of open innovation strategy.

Increased Success:

- You can form a relationship with a particular expert and work together to solve a problem, to evaluate a range of potential solutions from internal folks, to tap expertise you lack currently in your organization, or to add diversity of thought.
- You can use your external talent strategy to engage a large number of potential solvers on a tough problem. Through open innovation and crowdsourcing, Roche found a solution to a problem it had been struggling with for fifteen years by engaging the InnoCentive Global Solver Network. At the same time, the company validated that the approaches it had already tried were the logical and correct ones.
- When you engage external talent, you can collect lots of little ideas from outside, and connect them internally, uncovering some really big ideas that properly applied and executed can lead to some great new breakthrough innovations.

Increased Learning:

- An under-appreciated and under-utilized benefit of working with external talent is to use it to learn new problem solving techniques by analyzing how the external talent solved the problem, to learn new technical skills not held internally by having external talent
train internal talent, and by encouraging information sharing from the outside-in from external talent working in different disciplines.

Teamwork and Collaboration:

- An increasing number of problem solvers are working together to solve challenges posed by organizations and this collaboration and teamwork is yielding higher quality solutions. Research by EMC into their own internal innovation Challenges has shown that teams were more likely to successfully create winning Challenge entries. InnoCentive, for instance, has responded to this behavior by creating more collaborative features for its global solver community to use in responding to Challenges.

Consider scale for a moment. A person delivering a ton of value does not need a ton of headcount anymore if they are employing an effective external talent strategy. In an era where organizations are focused on increasing productivity and output without changing the number of headcount (focusing on revenue or profit-per-head), smart employees and business units will increasingly focus on being a force multiplier – getting more work done with the same number or even less headcount.

But to maximize the efficiency and effectiveness of your work with outsiders – as well the output – you need to be strategic in your approach because the speed of adaptation (your ability to change and integrate work from outside into the inside) will become more important. And the flexibility you show as an organization and the ability of your employees to execute under immense market and customer pressures will become increasingly important as well. You must be strategic because ultimately you want to design scalable external talent strategies, policies, and processes.
Section 2. How Leading Organizations Manage Their Open Innovation and Crowdsourcing Efforts

Although there are simple and cost effective ways to jumpstart your efforts – for example, leveraging a company like InnoCentive to host prize-based Challenges in order to rapidly find solutions to your pressing problems – leading organizations that wish to truly embrace open innovation and crowdsourcing do so through careful planning. When seeking to engage external talent, one of the first of many questions you must first ask yourself is: Why are we doing this? What do we hope that external talent can achieve for us that our internal talent cannot (or should not) achieve, and how do we integrate the two together?

The second question leading organizations in open innovation ask themselves is: Why will they care? And one good place to start in answering this difficult question is to ask: What kind of organization do you have? Do you have a product-driven organization like Microsoft? Do you have a customer-driven organization like Hallmark that is organized around customer moments instead of around products? Or do you have a purpose-driven organization? While it does not technically matter what kind of organization you have, the key is to find something that not just your employees will engage with, but that your customers and partners will engage with as well. This could be purpose, but it could also be love for a brand or a well-designed, emotionally connected product.

Other questions to ask:

- In our organization, where does open innovation fit in our overall innovation efforts?
- How are we looking to connect?
- Do we want to build our own proprietary global sensing network that allows us to pull together insights and ideas from lots of different types of sources in different locations?
- Or, do we want to utilize external service providers like InnoCentive to get up and running faster or go wider than our own proprietary networks can go?
- Are we looking for crowd labor or creativity, or are we looking to engage in open innovation or civic engagement in creating innovative solutions?
- Are we looking for possible solutions to problems that we have already identified?
- Are we looking with current and potential suppliers at the
intersection of what is needed and what is possible?

- Or, are we looking more broadly to identify new insights through which we can drive our innovation efforts?

Note that one must be careful not to become too focused on ideas. Great ideas fail all the time—poor value translation, poor value access, poor timing, and so on. Rather, getting to creative solutions to problems and challenges is key to innovation success.

Another important question is: What tool is best for this problem? We have all heard the saying that if you have a hammer every problem looks like a nail. Well, when it comes to open innovation and crowdsourcing, there are lots of tools that we can use, but only if we first understand the nature of the work we are trying to get done. Is it a creative piece of work that we can put out to a community like 99Designs? Or do we just need someone to help us temporarily through a place like PeoplePerHour? Or, perhaps we are trying to solve problems, both big and small, and want to leverage a company like InnoCentive to create and tap into both internal and external communities of problem solvers to accelerate our innovation efforts.

Smart organizations identify the different work and challenge scenarios they expect to face over time and then identify which resourcing option(s) make the most sense for each scenario. They then work to form the relationships and agreements necessary with firms like InnoCentive to make sure that they will have reliable resources in place for when they seek to utilize a particular type of resource to tackle the matching challenge or work scenario.

Successful organizations have a plan for how they are going to interface with external resources and how they are going to bring ideas and potential solutions in house for further development and launch. What will the cultural obstacles be? You must consider what the potential cultural obstacles might be to engaging external talent in your organization. P&G had to work very hard to change its culture from ‘Not Invented Here’ to one where people embrace new things being ‘Proudly Found Elsewhere’.

Some of the reasons that you may face resistance in implementing an external talent strategy include beliefs that career advancement comes from increasing the number of headcount managed, a fear of failure, a lack of management support, and people not wanting to go outside their comfort zones (‘I get paid to manage and make things incrementally better’). But when people start to hear stories about some of the successes, see some proof of the benefits, and see other people get recognized for utilizing external talent, acceptance of an external talent strategy starts to spread. When senior leadership or middle
management start talking about what is being done with external talent, and people using external talent start training their peers on what they are doing, you know people are starting to fully embrace your external talent strategy.

So what do leading organizations do to encourage the successful use of external talent?

They build a solid foundation:

1. Seek to understand where the challenges will lie in the transformation
2. Have passionate business owners
3. Secure top level support
4. Make a long term commitment to the use of external talent
5. Negotiate master agreements with external talent providers at the center
6. Create a common language of innovation and external talent
7. Implement the processes and systems to manage and measure innovation efforts

They get strategic:

1. Create an external talent strategy
2. Make a plan for achieving the strategy
3. Attach goals to the strategy (e.g., P&G's 50% goal)
4. Communicate the goals of the strategy and measure goal achievement

They focus on communications and ownership:

1. Do not underestimate the importance of communications, education, and dialogue
2. Create guidelines for when and how to use different external talent sources
3. Own and manage the external innovation efforts
4. Have owners and champions in place in different business units or product groups
5. Educate employees on how to engage owners and champions

They continuously reinforce their efforts:

1. Recognize and reward those who go outside
2. Weave external focus into internal systems (e.g., innovation system prompts)
3. Get cross-functional input into problem definition and Challenge
4. Make resources available for integration
5. Work to make the organization more flexible and adaptable

In addition, successful organizations understand that it is about making and maintaining connections and community – you build it ahead of when you need it, instead of building it when you need it. Successful organizations understand that attracting and managing external talent is as important as finding and hiring the best internal talent, and are changing their budget allocations to fit this new paradigm. The role of HR in the near future will not be just to recruit, develop, and manage staff, but also to build and curate talent pools. The HR profession will have to build new core competences in network orchestration and managing talent – no matter where the talent lives (inside or outside the organization). It is time to start preparing.

Before moving on to the final section, let us look at a few brief examples of different companies engaging external talent for business success and one case study of a leader pushing farther:

**Threadless** decided to base their whole business on external talent and build a community of designers and customers that they could leverage to come up with the t-shirt designs that they sell.

**Quirky** has taken the Threadless model of utilizing external talent to simultaneously make invention accessible and build a consumer products company. You submit your idea, the community curates it, the company evaluates it, and actually produces and sells the chosen inventions online, and even at a handful of retailers.

**P&G** went outside with a plastic technology and created a joint venture with competitor Clorox that focuses on trash bags, food storage, and related areas.

**Psion Teklogix** has built one of the more robust corporate open Harnessing the Global Talent Pool to Accelerate Innovation – Ingenuity Working – complete with a video from their CEO front and center.

**SAP** has started The Global SAP Co-Innovation Lab Network (aka COIL) with HP, Intel, NetApp, Cisco, VMware, and F5 Networks to facilitate project-based co-innovation with its members and to enhance the capabilities of SAP’s partner and customer ecosystem through an integrated network of world-wide expertise and best-in-class technologies and platforms.

**MyStarbucksIdea.com** is an example of engaging the creative energy outside your organization that most companies will not want to follow.

“**There is the trivial – my apologies to Dell and Starbucks – where we use the crowd to provide feedback on product features. And there is the profound – where we use adjacent areas of expertise to cast new light on scientific and industrial challenges (the InnoCentive model).”**

Haydn Shaughnessy
Forbes

“**Innovation is fostered by information gathered from new connections; from insights gained by journeys into other disciplines or places; from active, collegial networks and fluid, open boundaries. Innovation arises from ongoing circles of exchange, where information is not just accumulated or stored, but created. Knowledge is generated anew from connections that weren’t there before.”**

Margaret J. Wheatley
Author of: Leadership and the New Science
innovation communities
They throw things wide open for all idea submissions, not focused on any particular challenges, for all to see. As a result, Starbucks exposes the company to the risk of brand equity destruction from not following through on suggestions. At the same time, this approach provides free market research for competitors and creates a lot of sifting and communications work for internal resources.
R&D

To support the increasingly internal/external flavor of its R&D efforts in the future, more of P&G’s Research & Development roles will be focused on the integration of external projects – meaning that increasingly the company will value for these roles broad skills across functions as well as soft skills to foster a collaborative approach.

Case Study: Procter & Gamble (P&G Connect + Develop)

P&G strives to improve workforce productivity by controlling headcount while also improving revenue-per-head. It is also moving from a supplier mindset where P&G dictates goals and price to a goal mindset where there is possibly shared risk with partners (i.e., the partner is willing to invest because of the scale that P&G brings).

P&G has been working for over a decade to establish itself as a partner of choice and has recognized that it is important to have a stable of partners with whom it can collaborate. The company counts on its precious internal resources to not only do work, but also to build capabilities, to know what advancements are being made outside, to track promising opportunities being developed externally, and so on. P&G has worked for years to move from a ‘Not Invented Here’ mindset to ‘Proudly Found Elsewhere’ mindset.

This has required:

• Top management deciding and overtly communicating that this is important
• Making it a part of the corporate strategy
• Coupling its external pursuit with a goal – such as ‘50% of new products must involve outside collaboration’.
• Weaving it into the systems to get it into the culture (e.g., tools should prompt you to ask whether you have considered open innovation, who are you using, and enter this into the historical record)
• Rewarding and recognizing open innovation efforts in a way that puts them on par with internal innovation efforts

P&G thinks of its internal resources as the castle keepers, and develops local resources that it can turn on as needed. It has a tiered system of partners based on cost, location, and capabilities. The company also maintains its own collection of 85 networks (many proprietary, but also including P&G’s Connect+Develop and InnoCentive’s global solver community). P&G also has an internal search process, which involves resources focused on creating ecosystems locally in different geographies around the world, which it can then mine and look for solutions, and some of those turn into deals (managed by deal managers).
As it looks into the future, P&G will balance the situations where it looks to partners to be their R&D muscle in a particular area (allowing them to minimize their internal investments in that area) with areas where the partners not only develop that which P&G asks for but to also proactively ante up and bring ideas to the company where the partners develop the idea and help to share the risk.

To support the increasingly internal/external flavor of its R&D efforts in the future, more of P&G’s R&D roles will be focused on the integration of external projects – meaning that increasingly the company will value for these roles broad skills across functions as well as soft skills to foster a collaborative approach. At the same time, for P&G to continue to be successful, it feels that it must be agile (which is why agility was added to its employee success drivers). And finally, despite the increasing involvement of people from outside in its new product development, there must be no decrease in the presence of passionate owners for the business – people who work really hard and feel that they are making a difference for consumers.
Section 3: Strategies for Attracting Talent to Your Organization’s Innovation Efforts

Having an external talent strategy and using it to build an external talent community is going to become a crucial component of the continued success of your business. There is an innovation war beginning, and you need to make sure you are fighting it outside your organization — not inside.

When it comes to attracting talent to your organization’s innovation efforts, the basic rules of social media are very relevant. Listen first, see what is important to people and where value is being created (and where it is missing), then add value to the conversation. Being successful in the innovation aspects of social business requires an organization to establish a place and a reason for mutually beneficial dialogue to occur. A typical staffing strategy focuses on finding and bringing the very best talent inside the organization (talent ownership). In contrast, a successful external talent strategy must instead act more like the sun, attracting external talent into the orbit of your organization so that you can build and maintain a relationship with them without bringing them into the organization (talent attraction).

Organizations that continue to thrive will develop the ability to:

1. Harness and tap into expert communities (like InnoCentive’s network of Solvers)
2. Identify and gather technology trend information, customer insights, and local social mutations from around the globe
3. Mobilize the organization in organic ways to utilize resources and information often beyond its control
4. Organize and execute production and marketing predictably and efficiently in the middle of all this complexity

As a result, your external talent strategy must accumulate energy and then unleash it in a focused direction. And part of the way to do that is by establishing a common language of innovation. The process begins by defining what innovation means to your organization. Consider looking at this as the WHO – WHAT – WHEN – WHERE – WHY – HOW of innovation:

- WHO is to be involved in your innovation efforts?
- WHAT does innovation mean to you? WHAT types of innovation are you focused on?
A working definition of innovation is: “Innovation transforms the useful seeds of invention into solutions valued above every existing alternative - and of course widely adopted.” It is important to mention that in the same way that innovation is all about value, building a successful external talent strategy and attracting talent to your organization is also all about value and these same components. You must try to identify as an organization what resources you already have (or could create) that will have some value to the external talent community that you are trying to attract. These sources of value to the external talent community could be financial, informational, educational, social, or come from another store of value.

It is also important to give people a reason to want to connect with you and to stay close – and yes, hopefully contribute over time. In addition to identifying the value that you can bring to the external talent community, you must also identify which connection points will multiply the attractive power of the sources of value you choose to focus on. There are three primary connection points to consider:

- **Passion:** One of the ways that you can attract people to your innovation efforts is to leverage the power of passion. Seek to identify what people are passionate about when it comes to your company or your products. Passion can be extremely contagious. Is there a way that you can inject the passion that people may have for your company or products into your external talent community? Why might people want to help you innovate?
• **Purpose**: Another connection point to consider is to tap into the power of purpose. Not all organizations are committed to serving a larger social purpose, but all can consider introducing elements of public outreach or philanthropy that the external talent community can engage with and feel good about contributing to. Are you building walls to keep people out? Or are you creating something that people can feel a part of?

• **Fun**: Do not forget the power of fun. One of the ways of connecting people to your external talent community is to have something fun for people to do. Recognize people for their participation in your external talent community in fun and different ways to keep them interested and engaged, and have some fun reinforcing the common language of innovation that you share with people.

When you bring the right sources of value together with the right connection points, that is when the magic happens and a community starts to grow its membership and participation. We are not just seeking to build a community, but to activate it as well (to get people engaged, contributing, discussing, connecting, etc.). Ideally what we are trying to do in our interactions with our external community is to engage them at as high a level as possible to maximize our chances of creating innovation with the external community in much the same way that we try to unlock higher levels of employee engagement.

Doing these things may seem like a lot of work and communication upfront, but it pays off because you give people a much better idea of how to engage and a much stronger foundation on top of which their creative and innovative inputs can thrive.

As organizations do the hard work of building an external talent strategy and begin laying the foundation for open innovation success, the smart ones (no matter their level of innovation maturity) leverage the incredibly diverse and deep external talent networks that companies like InnoCentive have spent years building, cultivating, and curating. Solver networks like InnoCentive’s are purpose-built for
solving difficult Challenges with global implications, and tapping into existing talent networks helps you get your external talent strategy moving faster, while also providing a level of quality and diversity that will always be valuable, even as your open innovation efforts mature.

Conclusion

This paper covered several reasons why having an external talent strategy is becoming increasingly important, and how building and properly executing one can help you harness the global talent pool to accelerate innovation. It also provided an in-depth look at how leading organizations manage their open innovation and crowdsourcing efforts – complete with checklists to get you off to a strong start in your own efforts. And finally, we have looked at some frameworks and strategies that you can leverage to attract talent to your organization's efforts. The only thing left is to get started.

In this new talent attraction world, will your organization be one of those to master the art of building and maintaining talent communities that keep talent connected to your organization even when they are not employed by it?

You must consciously create and execute an external talent strategy if you have any hopes of succeeding in what will become an increasingly competitive marketplace for external talent. Will you establish yourself as the partner of choice in your industry as your competitors begin to move from a fortress mentality to embrace the increasingly integrated global economy and interconnected web of suppliers and distribution channels?

Will you adapt your organization to encourage the development of employees that are increasingly good at being force multipliers by effectively leveraging your external talent communities to get more work done faster, more cost effectively, and with less risk?

Will you work to embed the resource flexibility and availability into your organization necessary to quickly and effectively integrate promising ideas, products, and services and its operations and marketing machinery?

If you are already started down your innovation path, it is not too late to take a step back and define a common language of innovation and to identify the sources of value and primary connection points around which to build strong external talent communities. There is no time like the present to stoke your innovation bonfire, using the global talent pool to get it burning hot and to accelerate your innovation efforts faster than those of your competition.

KEY THINGS TO REMEMBER

1. Carefully craft your language and communications.
2. Give people a way to connect with you.
3. Do not just look to extract value from your network, think about what value you can put into it.
4. Sometimes that value is connecting external participants not just to you, but to each other.
5. Build your network before you need it, not after.
What are you waiting for? Rally your leadership and build your external talent strategy. InnoCentive and other service providers stand ready to help you solve your difficult innovation challenges and build your talent network to accelerate your overall innovation capacity.

**Authored by:**

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Quote Sources: Foodmanufacture.co.uk, 15inno.com, Leadershipnow.com, Forbes, US News and World Report
For more information on how you can run your own Challenges to rapidly solve problems and accelerate your innovation outcomes:

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