
BusinessWeek

Innovation: Case Studies

Big Blue Brainstorm; IBM is putting some 100,000 heads together for an online Innovation Jam

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661 words

7 August 2006

BusinessWeek

70

Volume 3996

English

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The collective wisdom of crowds depends on your crowd, and IBM has one of the sharpest crowds around. CEO Samuel J. Palmisano knows this, and he wants to leverage it. He is pulling people together for the online equivalent of a town meeting. His hope: The opinions of some 100,000 minds will lead to catalytic innovations so powerful they will transform industries, alter human behavior, and lead to new businesses for IBM. He calls the project an Innovation Jam.

Jams are nothing new at IBM. The company used these online brainstorming sessions to mine for new business opportunities in 2001, to exchange ideas about good management in 2002, and to discuss IBM values in 2003. But the current jam is the biggest ever and the first to go open source. IBM is inviting clients, consultants, and employees' family members to tinker with its technologies in pursuit of new ideas. IBM won't own any of the nuggets that emerge during the two 72-hour sessions -- they are fair game for anyone who logs on.

Palmisano says the company will put up to \$100 million behind the strongest ideas. He told employees it is the first time "a technology company takes its most valued secrets, opens them up to the world and says, O.K., world, you tell us" what to do with them.

Grand-scale innovation breakthroughs have never been more important for IBM. The company's current reputation for constant incremental innovation hasn't inspired investors. IBM's stock price has remained fairly flat for the past three years, closing at 75.99 on July 24. Recent earnings gains have come through cost-cutting, not the top-growth spurred by new business. As Asian competitors like InfoSys Technologies Ltd. eat into its core business, IBM needs to bring to market new products and services.

To prepare those invited to participate, the company built an interactive Web site that includes sound clips, virtual guided tours, and video snippets with background information. The jam went live just past 10 a.m. on Monday, July 24. Two moderators were assigned to four topics: transportation, health, the environment, and finance and commerce. The site initially slowed under the collective weight of thousands of simultaneous log-ins, but then IBM employees began throwing out conversation starters. In one riff, people debated using RFID-tagged bracelets to improve the traveler's experience at the airport. A strand focused on early warning systems for health pandemics. In another, folks weighed in on going to the movies, suggesting sensorial experiences such as seat movements and misting water to accompany their favorite films. This prompted someone to ask: "Will a cinema that sprays water do damage to my hearing aids?"

Of course, there is danger in IBM's open-source approach to sharing ideas. Sixty-seven clients, from Bank of America to Circuit City to Massachusetts Institute of Technology, will have first-row seats as the company hashes out its strategies for the future. It's possible that competitors could lurk in virtual chat rooms, listening in on new ideas. "Without risk, there is no innovation," said Ed Bevin, vice-president of communications for IBM research and one of the jam's chief architects.

The event could have payoffs beyond new ideas. It will build IBM's image as a forward-thinking global competitor, showing its Indian competitors it is still the one to beat in the \$650 billion tech-services industry.

As with any brainstorming session, only a small fraction of the ideas will be worth pursuing. Teams of IBMers will spend the next month sifting through the posts to identify the most promising. During phase two, which takes place September 12-15, everyone is invited back to the jam site to refine and rate the best ideas based on their business value. Stay tuned.

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