

Title	A Proposal of Outsource Alliance Model for Innovation
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Description	一般論文

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Summary

After more than 10 years of business slump in Japan and worldwide, many high-tech industries drastically cut R&D into 5-6% range in many cases, in order to hastily achieve the “black ink” business result. As a sort of emergency surgery, this contributed to the quick recovery of financial figures. However, this “major cut of R&D” resulted in causing increasing difficulty in realizing new innovations from inside R&D. Moreover, today, more and more technological innovation seeds are naturally born at many global arenas, especially at global ventures. So, these high-tech industries crucially need to get the most important and promising innovation seeds from alliances with global ventures, in order to enhance their competitiveness. On the other hand, after the outbreak of the bubble of high-tech network-oriented ventures during the last few years, high-tech global ventures have been striving hard to find strong companies that can manufacture the technologies developed by these venture companies. Although many such ventures have tried to access leading global corporate companies to achieve successful alliances, difference in culture and management structure blocks the smooth alliances between such ventures and corporate companies.

Author started a new innovative scheme “GVIN = Global Ventures Industries Network” with the objective of providing “Ba” – opportunity and place – of direct interactions between the top of both global ventures and global corporate companies, in “credibility inclusive” way, so that new innovation seeds are directly exposed to and accepted by management and governance of corporate companies .

In order to achieve alliances, direct interactions in “face-to-face meetings” of top persons between two parties, are crucial. Since GVIN has unique network through Japanese industrial consortium “FMT”, these “face-to-face” meetings take place with high degree of confidence and credibility by the top persons. That is, “credibility inclusive” nature is integrated.

Credibility Inclusive Nature of GVIN

- (1) GVIN effectively creates the best opportunities and places – “Ba” - for the most promising global high-tech ventures (innovation SEEDS Holders) to meet the best suited & the most capable industrial companies (innovation NEEDS Holders) in such a way that personal trust or credibility can comfortably influence the positive acceptance of alliances
- (2) GVIN provides global high-tech ventures for opportunities to effectively find the best strategic partners from inside friends – in “credibility inclusive way”
- (3) GVIN provides global ventures and global Industries, unique synergy for innovations new business opportunities and innovations
- (4) GVIN carries out any necessary business processes leading to successful business alliances in a team formed by “credibility inclusive” way

Overcoming Cross-Cultural Issues

- (1) Culture of venture and culture of corporate companies

The first issue is perceptual difference between the top of ventures and top of Japanese industries. Even top of Japanese industries usually rarely say “we will go” at the first meeting, when he actually feels confident that the technology of the global venture will definitely give benefit to his company. However, in our “credibility inclusive” way, the decision is rather clearly explained from the beginning, because there is credibility between seeds and needs sides through GVIN.

- (2) Usually ventures from the US and ventures from the UK are totally different in the presentation style. That is, US ventures explain the remaining problems or difficulty as “solvable”, but UK or European ventures do the same issue as “difficult”. However, through the GVIN’s intervention, these differences are not seen from needs holders. What is seen is just GVIN’s credibility.

“Credibility Inclusive” Concept into Action

GVIN concept to connect global ventures and global industries was proposed three years ago, in 2001 by the author and his friend Mr. Takashi Matsuo, president of FMT. In late April of 2002, GVIN started its operation. The first “Ba” was realized by “Forum” and went into great success. The second “Ba”

was realized by “direct face-to-face meetings” between global ventures and global industries – at that time Japanese – in November of 2002. Again, this “Ba” connected various global ventures with several leading Japanese industries. This “Ba” concept grew into the new concept “credibility inclusive”, when two parties interact in truly in trust and credibility.

One of the companies that GVIN helped is “CSR = Cambridge Silicon Radio”. CSR succeeded in realizing “one chip Bluetooth”, that is the realization of integration of both “Bluetooth” and “RF” functions, device that is now used worldwide for mobile telephone, laptop, PDA, game machine, hands-free automotive system, etc. CSR already has more than 60% of world-wide share in Bluetooth chip market, and successfully achieved IPO in March 2004 on London stock market. The author is now taking a role in bringing CSR top management to many leading corporate companies, in “credibility inclusive” way, as the Board Chairman of CSR KK in Japan.

Future Plan

We have now about 50 portfolio ventures as our GVIN clients. Through our experience, in the case of early stage ventures, it is generally more beneficial to organize Forums for global ventures as their first exposure to Japanese industries, followed by the “direct face-to-face” meetings. However, it is better to organize the “direct face-to-face” meetings first, for global ventures that are already increasing their successful business records. It seems that the “direct face-to-face” meetings can take the role of exposing the new technology innovation seeds to the management and governance, which is truly essential to the realization of global innovation, especially in Japan but perhaps all over the world. In the future, more and more high technology ventures will join our scheme from the US, because now we know many US venture capitals that are strongly resonated with GVIN concept and scheme. Also, there will be ventures from China, India and many Asian countries. In Europe, ventures from Finland, Denmark, are much interested in joining GVIN. Also, various venture capitals in the US will become GVIN partners. It was originally hoped that GVIN will become a company in the future, and this possibility was realized, last year, November 2003, so that GVIN itself will be on the stock market in the future,

Conclusions

Through GVIN global ventures can accelerate the pace of achieving the strategic alliances with corporate companies, by “credibility inclusive” way that can commercialize the technology of global ventures. At the same time, global industries, as innovation needs holders, can find new technology seeds for innovation for future growth and enhancement of their competitiveness. In this way, both global ventures and global industrial companies get benefit by GVIN scheme. This win-win goal of GVIN is now gradually being achieved. GVIN is taking off as a new company “GVIN Limited”.

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