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iPod, Xbox and RAZR development shows benefits of taking turns, MIT and Stanford researchers say

By Alpha Doggs Created Nov 6 2007 - 5:30pm

Apple, Google, Motorola and others stand to deliver more successful products the more they are willing to cede total control to development partners – at least temporarily, according to new MIT and Stanford University research.

The researchers – Jason Davis of MIT's Sloan School of Management and Kathleen Eisenhardt of the Stanford Technology Ventures Program – say the process of "rotating leadership" was found to be beneficial based on their examination of 10 companies across eight technology collaborations. Their paper, <u>"Rotating Leadership and Symbiotic Organization: Relationship Processes in the Context of Collaborative Innovation" [1]</u>), disguises actual companies and projects behind names such as Cleopatra and Falstaff, but does cite specific companies such as Apple and Google and their willingness to work together in new ways to deliver potentially powerful products, such as an iPhone that plays YouTube videos, even as they might also go head to head, as in the case of the <u>iPhone vs. Google's Android and possible gPhones.</u> [2]

Rotating leadership entails one company leaving its partner or partners completely alone for some period of time to concentrate on developing a product based on its area of expertise. The study illustrated the success of this approach in areas from VPNs to middleware to mobile e-mail.

"Many people still believe in this strong mythology that major technology firms are go-it-alone innovators," said Davis, in a statement. "The impact of rotating leadership on innovation was striking. In reality, many of the technology blockbusters of the last five years are the result of firms locking themselves into intense collaborative processes that can last up to three years."

One reason rotating leadership works is that companies don't need to patch together temporary collaboration systems with other companies. Rather, they exploit the collaborative processes they have invested in internally. This can speed decision-making and provide cost efficiencies, the researchers say.

Customers benefit from such relationships, too, the researchers say, in that technologies from competing companies are combined in ways not previously considered.

Apple

<u>Google</u>	
<u>iPod</u>	
MIT	
razr	
<u>Stanford</u>	
<u>xbox</u>	

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