

## Report for Sten A. Olsson Foundation: Mathilda Lund and Frida Nilsson

### Description of the stay in Palo Alto

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On behalf of Company X, we visited the Innovation Center X in Palo Alto (Silicon Valley), California, in the beginning of March 2016 to collect empirical data for our master thesis. The total amount of time spent in Palo Alto was one month. We got the opportunity to spend all of our time at the office of Innovation Center X, where we held 24 semi-structured interviews with the staff regarding co-creation and the innovation process. Through the contacts made in Palo Alto we also got the opportunity to visit Google and GSV Labs (a coworking and community space for startups, individuals and established companies). Lastly, we participated in seminars at Stanford University held by SCANCOR (Scandinavia Consortium for Organizational Research) and d-school (Design school, Institute of design at Stanford University), which gave us new insights regarding how to conduct research and more knowledge about the methods of design thinking.

### Company description

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Co-creation is something undertaken by Company X and Company Y, which are the companies that constitute the foundation of this study. Innovation Center X is founded by investments from Company Y, and is sponsored by Company X. Innovation is the foundation for the two company's competitiveness and the key to future success.

### Purpose and Research Question

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The purpose of this study is to investigate how Company X and Company Y are co-creating innovations at Innovation Center X. We want to enable Company X to realize and take advantage of the opportunities that evolve through their co-creation with Company Y. Our hope is to make it possible for Company X and other companies in the same situation to benefit from discussion and conclusions made in this case study. In order to identify these co-created opportunities, we will use the following research question:

***How do two global companies co-create innovations in an innovation center?***

- ***A case study on the co-creation between Company X and Company Y at Innovation Center X in Palo Alto***

## Key findings

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The key findings, based on the conducted interviews and theory were divided into two main areas: co-creation and the innovation process.

### **Co-creation**

Innovation Center X provides an open office space that facilitates co-creation & collaboration. The benefits for the two companies, regarding co-creation, are differing and no innovation projects are brought back into the bigger organization of Company X, all projects are for the business of Company Y. For Company X, it is rather a matter of helping its customer, Company Y, to change in line with the market, which hopefully will benefit Company X in the long run.

On a project level, there is no direct encouragement to co-create between Company X and Company Y staff. There is also an imbalance of the number of employees at the innovation center (today there are more people hired by Company Y than by Company X), which makes the co-creation challenging.

### **Innovation process**

At Innovation Center X, there is an official innovation process. However, the results of our study show that the employees have a slightly different view of the innovation process. Other important factors regarding the process have been identified, such as encouraging freedom and flexibility for the employees to work in ways that suit them and each unique project best. Lastly, there is a desire to use design thinking across the entire innovation process.