

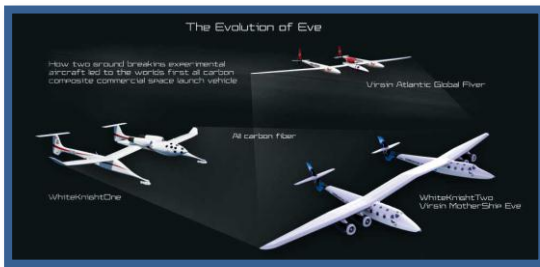
YES! AND... CREATIVE GORILLA # 107

How might we use prizes to inspire innovation in companies?

Give Prizes to Stimulate Innovation...

"Proactive prizes are phenomenally powerful tools. They circumvent bureaucracy, investment anxiety and, where necessary, ideology. They exploit the human will to take part, compete and win."

Bryan Appleyard, Journalist: *"The mother of invention: cash"*, in UK Sunday Times News Review, 13 December 2009.



Virgin's Spaceship

How might your organisation use prizes for innovation?

In 1714, the British government offered a £20,000 Longitude Prize, for *"a simple and practical method to determine a ship's longitude"*. The eventual winner, John Harrison, started work in 1730 and eventually received his prize (or part of it) in 1773!

Despite Harrison's experience, journalist Bryan Appleyard writes that prizes for innovation are still popular. (Please see the source in the quotation above. Unfortunately, the article is not available on the "TimesOnline" website).

In his article, Appleyard cites (among others):

- The Ansari X \$10million prize for the development of a private sector spacecraft (now put in to production for Virgin Galactic)
- The DARPA \$40,000 prize for finding ten red weather balloons across the USA, an

experiment to test the power of networks for gathering accurate information

- The Mprize, an unknown amount to develop a longer living mouse

Agencies use these prizes to promote innovation in a cost effective way. As the promoters of the Mprize state on their site, *"The Mprize springs from a simple truth: The greatest innovations in human history have always been fueled by three things ... competition, imagination, and the entrepreneurial spirit."*

So prizes work, however, the prize that interested me most was a \$1 million prize offered by Netflix, a DVD distribution web site. Its prize was awarded to anyone *"who could produce software to improve substantially the accuracy of predictions about how much someone is going to enjoy a movie based on their movie preferences."*

2000 teams from all over the world entered the competition. The winning team recorded a 10% improvement in accuracy over previous software and people are happily waiting for a chance to compete for the next Netflix challenge prize.

SO

The Netflix prize made me wonder how other organisations with Gorilla readers might use prizes to stimulate innovation. I am not talking about staff prizes, there are many such schemes

YES! AND... CREATIVE GORILLA # 107

around, but prizes that utilise the power of open networks i.e. people outside the organisation.

What would be the most effective areas?

- Information gathering (red balloon exercise)?
- Product development (spacecraft prize)?
- Pure research (longer living mice)?
- Marketing?

For example, what if the red balloons were replaced by product advertising? The winning team in the DARPA red balloon competition split the prize money in to \$4000 per balloon and divided this between those who found the balloons and those in the network who introduced the finder to the competition. As a result, they had thousands of people signing up with no effort from DARPA.

A similar prize split could make an effective and efficient networked campaign for commercial organisations.

ACTION

- If you work in an organisation, consider discussing with your colleagues how you might use the idea of prizes for innovation. I wonder if this might be another way to utilize "[Open Innovation](#)"?
- If you are an independent, how might your clients utilise prizes?

TO CLOSE

Returning to the British Government, I read another [article](#) in the paper recently, decrying Government departmental expenditure on designing new logos, which included an example of £153,000 spent to develop one logo.

I was amused, because an associate had recently shown me a site in which you can establish a competition to design a high quality logo for your company, for as little as an \$80 prize. If you are an independent looking for a new logo, a cash strapped corporate marketing department or even a government body, view it [here](#). It's great!

Thank you for reading the Gorilla in 2009. May 2010 bring all you wish for.

John Brooker | Facilitate, Innovate, Transform.



We facilitate leaders and teams in medium to large organisations internationally to:

- *Make Meetings Outstanding*
- *Make Transformation Simpler*
- *Make Innov8ion Flow*

Imagine what we can do for you...

Contact John or Kate Brooker:

Speak: +44 (0) 20 8869 9990

Write: hi@yesand.eu

Read: www.yesand.eu