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To cite this Article / Käytä viittauksessa alkuperäistä lähdettä:

Mäkelä, L. 2017. Introduction. Teoksessa Leena Mäkelä (toim.). MEDAIA : experimenting open innovation in the media field. Tampere: Tampere University of Applied Sciences. Series B, Reports 91, 7-13.

DOI / URL: <http://julkaisut.tamk.fi/PDF-tiedostot-web/B/91-MEDAIA-Experimenting-Open-Innovation-in-the-Media-Field.pdf>

# INTRODUCTION

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## INNOVATION IS OFTEN DISCUSSED AS

something new or improved, e.g. a product or a process that really creates business or social value. Therefore, innovation is a word strongly linked to success and there is a temptation to think that doing the right things and following the right processes are essential in innovation-seeking projects. For the past two years, we have studied and explored innovation in the “MEDAIA – Open innovation Platforms in Media Industry” project, funded by the national Six City Strategy (website: <https://6aika.fi/>) program. As promised in the project plan of MEDAIA, we have executed 13 small-scale sub-projects seeking new ideas and innovation methods and novel collaboration models between universities, companies and public organizations in the Helsinki and Tampere regions. We have discovered that innovation-seeking processes do not always have to be successful. To become a successful innovator, one also needs to learn to fail, and more specifically, one needs to learn how to fail effectively: how to quickly test whether something works or not, how to profit from failures, and how to try again.

“

*“An experiment is something that is supposed to fail”*

*Anssi Tuulenmäki,  
Chief Innovation Activist*





**IN PROJECT VOCABULARY, THE TERM 'PILOT' IS** often used to describe activities that execute new models, methods or concepts. However, another term – 'experiment' – has emerged during the past few years. When planning the MEDAIA-project, we thought we would be doing pilots. Now that we are finishing the project, we realize that we have actually carried out experiments rather than pilots. Even though the terms pilot and experiment are often used interchangeably, we believe that it's useful to differentiate the two as Finnish innovation practitioner Anssi Tuulenmäki proposes.

According to Tuulenmäki (2015), the difference between piloting and experimenting is the following: an experiment is something that is supposed to fail and a pilot is something that is supposed to succeed.

The goal of an experiment is to quickly test whether something works, e.g. are there potential customers for a product idea.

Experimental design culture (see Experimental Finland, 2017) consists of continuous trying, testing and learning. Having something not work is also a good result because it helps designers to make changes to their original ideas at an early stage. Tuulenmäki (2015) argues that experiments are for the development and pilots for the realization of projects. Therefore, experiments can precede pilots. Pilots can also be projects that are based on detailed planning, aiming to eliminate potential problems before execution.

For us in the MEDAIA-project, understanding the nature of experiments has been crucial for being able to define what our project and its 13 small-scale sub-projects are about. It has helped us to identify the phase of the innovation process in which to operate. Our 13 small-scale projects were experiments operating at an early phase of innovation where ideas for new products or services are starting



PICTURE: LEENA MÄKELÄ



to get developed. Although new product and service ideas have generated from the MEDAIA workshops, the main focus has been on process innovation rather than on product or service innovation. During this project, we have implemented and customized popular innovation methods such as lean customer development, prototyping and Google Design Sprint into media context. These methods have been very useful because they guide the participants to focus on relevant questions during the ideation process, e.g. on finding solutions to problems faced by customers. They also provide a safe structure and philosophy for experiments by giving the actors a license to fail. Furthermore, implementing these methods also correspond with the needs of modern businesses. The research done in the beginning of the project showed that companies often lack the competence to use agile innovation methods.

## OPEN INNOVATION AND THE MEDIA INDUSTRY

Open innovation emphasizes the decentralized nature of knowledge and innovation: no single organization has a monopoly on excellent ideas and knowledge, but instead organizations need to engage external knowledge networks and communities in their processes in order to be successful (Chesbrough, 2003). Open innovation is usually studied in the context of large organizations which have good resources for cooperation with external partners. At the same time, open innovation practiced by small companies has been seen as a challenge because small companies lack financial and technical resources as well as necessary competencies.

In his recent book, Vanhaverbeke (2017) introduces case studies of small companies that have used open innovation successfully. According to Vanhaverbeke, small companies can benefit hugely from open innovation, even more than big organizations, because they are less bureaucratic, more willing to take risks and more agile in changing environments. They can, e.g. share costs with project partners, and create projects that go beyond their own capabilities. When cooperating with bigger companies, small companies can also achieve access to their superior research and development resources. Managing open innovation, e.g. intellectual property rights and incomes, is challenging for small companies but still, collaborating with other actors is more beneficial than working alone.

MEDAIA has explored innovation in the media industry under the Six City Strategy's Open Innovation Platforms (OIP) spearhead project. As in many other countries, media industry in Finland is fragmented and most of the companies operating in the field are small or micro sized companies. Therefore, open innovation related especially to small and micro companies has always been relevant. We did a study in the Tampere region (Heinonen, 2016) in which we interviewed five local micro companies about their business models and development work. The aforementioned scarce resources and weak business development processes stood out in the study results. Therefore, there is a great need to find ways to support small media companies with open innovation.



With Tampere University of Applied Sciences (TAMK) and Metropolia University of Applied Sciences being the main partners of MEDAIA, there has been a strong emphasis on creating new university-company collaboration models during the different experiments. For example, the ‘Crowdfunding Workshop’ experiment creates a new model for cooperation between micro-companies and students, making them work together on the same team. The ‘Immersive Fan Experience’ experiment introduces a co-creation process with a public media company, small media companies and a university. ‘360 Story Jam’ and ‘Time Well Spent’ experiments demonstrate multicultural community building where company and organization employees are invited to jam with students and lecturers.

According to our experiences, universities have a growing potential to support small companies in open innovation. Involving students in innovation activities is very essential. Micro companies are often very busy with their everyday practises, and hard to reach and to engage in open innovation activities. However, students are attractive to companies: they are potential future employees and inspiring cooperation partners that support community building. On the other hand, involving universities in problem solving at companies also helps students and lecturers to better understand contemporary business reality. Furthermore, small companies are also able to find new partners for cooperation through the networks of universities which are already used to cooperating with big organizations.

Innovation collaboration between companies and university students is not a new idea. However, there are lot of opportunities to



improve it. For example, the ‘Virtual Reality Sprint’, ‘Pretotyping’ and ‘Yle Vote Matcher’ experiments showed that great results can be achieved in a very short time: rapid sprint methods used by professionals in the “real working life” are also applicable in the university environment. In order to further develop their innovation processes, universities need to adopt and customize best practises used by cutting-edge companies and experts. Although students are not supposed to be professionals but learners, competence management, i.e.



recognizing what type of information and skills are needed for specific innovation projects, is crucial. Mastering different working models is also very important: this includes both project management and, more specifically, the disciplined use of rapid, customer-centered design methods. Cross-pollination and multicultural team building are important elements in innovation. With time-pressured design processes, goal-oriented problem-solving skills are also needed, as well as adequate skills for executing solutions.

The associate partner of MEDAIA has been the Finnish Broadcasting Company Yle. Yle has taken an active role as a supporter of open innovation and ecosystem building in the Finnish media industry. A very concrete example of this is Mediapolis (website: [www.mediapolis.fi](http://www.mediapolis.fi)), a center of media education and companies at Tampere, the largest organizations being Yle and TAMK. The center was founded at Yle premises in 2014. In the Tampere region, the MEDAIA project has especially focused on developing innovation activities at Mediapolis.

## MEDIA MEETS URBAN DEVELOPMENT

The Six City Strategy (The Six City Strategy – Open and Smart Services, 2015) is a strategy aimed at sustainable urban development in the six largest cities in Finland: Helsinki, Tampere, Espoo, Vantaa, Oulu, and Turku. In addition to activities related to open innovation in the media industry context, MEDAIA project has also aimed at innovation collaboration between cities with common urban development challenges. For us, urban development has been a whole new world: we are used to creating

media contents and services to audiences and users but we haven't really recognized before how media is also able to contribute to urban development.

Through experiments carried out in the Arabianranta (Helsinki) and Tesoma (Tampere) neighbourhoods, we have discovered one very interesting application area where arts and media professionals are needed. We have familiarized ourselves with citizen-centered urban planning, which engages citizens in urban development processes. We have found out that there is, for example, a growing interest for storytelling and audio visualization in prototyping urban visions. After MEDAIA, the integration of media with urban development continues with the City Drivers project launched in the fall of 2017. City Drivers is carried out by Laurea UAS, TAMK UAS, Xamk UAS, and the Finnish Association of Designers Ornamo. It is a national ESF-project focused on innovation training and directed at professionals working in city planning and the creative industries.

## THE STRUCTURE OF THE PUBLICATION

This publication consists of articles written by authors who participated in the MEDAIA experiments and activities. An important trigger for planning the experiments was the background research done in Helsinki. The research results suggest that many Finnish organizations need assistance with quick and agile development of innovation ideas and procedures. Dr. Niina Meriläinen introduces the results of the background research of Metropolia and describes the agile concepts tested in Helsinki in her article.

The other articles focus on individual MEDAIA experiments. In her first article, Dr. Leena Mäkelä explains the Lean Customer Development method implemented in the crowdfunding workshop at Mediapolis, Tampere. At Mediapolis, virtual reality (VR) became a very important application field of innovation activities. Mr. Kari Peltola, Ms. Tiia Rintakoski, Dr. Leena Mäkelä and Ms. Minna Kilpeläinen introduce three Mediapolis experiments related to virtual reality in their articles 'Virtual Reality Sprint', 'Immersive Fan Experience' and '360° Story Jam'. Augmented and virtual reality are also analyzed in an urban innovation context by Mr. Jimmy Paquet-Cormier, one of the international collaborators of MEDAIA. Dr. Niina Meriläinen's article 'Arabianranta Hack' is an example of MEDAIA's urban innovation experiments. Mr. Juhana Kokkonen writes about the Time Well Spent -community established in Helsinki to advocate the design of time-respecting products that value end users' time. The last article by Dr. Leena Mäkelä describes how MEDAIA contributed to developing innovation structures in Mediapolis. This publication also features further information about the project and its participants.

We are grateful for the funding from the Six City Strategy program that enabled us to expand media activities to the field of urban development. We'd like to thank the Helsinki-Uusimaa Regional Council, and Ms. Hanna Laaksonen especially for excellent facilitating. Thank you, Yle, and our contact persons Ms. Minna Tiihonen and Mr. Petri Home for your support and for co-creation of the project activities. Thank you also to the contact persons of the cities of Tampere and Helsinki, Ms. Nina Mustikkamäki and Ms. Taina Seitsara. We also

want to express our gratitude to all participants, facilitators and contributors who experimented with us, succeeding and failing in open media innovation.



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# MEDAIA IN A NUTSHELL

## THE OBJECTIVE OF THE MEDAIA PROJECT

**WAS** to develop open innovation in a media business and urban innovation context. This was to be achieved by carrying out 13 small-scale pilot projects, i.e. experiments, that demonstrate new collaboration models between universities, companies, the public sector and other organizations. Background studies and benchmarking were also conducted. The project was coordinated by Tampere University of Applied Sciences (lead partner) and Metropolia University of Applied Sciences in partnership with Yle, the Finnish Broadcasting Company.

At Tampere, the project focused on developing open innovation activities at Mediapolis (website: [mediapolis.fi](http://mediapolis.fi)), which is a recently established media center in the Tohloppi district in Tampere. In the Helsinki region, the project activities aimed at piloting cooperation and co-creation models between universities, public sector, companies and citizens. Background research revealed a lack of competencies in agile innovation, and therefore, increasing the knowledge base of and the skills in rapid innovation processes became a shared goal for the project partners in Tampere and Helsinki.

The most common framework for the experiments was the early phase of product and service development, and

thus, commercialized outcomes were not expected. During the course of the project, virtual reality turned out to be a promising application field with growing international markets for the media industry. The MEDAIA project succeeded in building national and international networks in this emerging field. Project partners TAMK and Metropolia will also continue their cooperation in the VR field after MEDAIA.

Over two years' time, 50 companies participated in different MEDAIA activities and about 20 of them participated in the experiments of MEDAIA. In addition, almost 20 other organizations, including the cities of Tampere and Helsinki, other universities, NGOs and consultant partner companies, were also involved in the experiments. Participatory universities have already started implementing some of the innovation concepts experimented in the MEDAIA project. Three new research and development projects have started in Tampere and Helsinki based on the outcomes of MEDAIA.

MEDAIA was granted by the Finnish national Sixt City Strategy (website: <https://6aika.fi/>) program. The project was funded by the European Regional Development Fund (ERDF).

