# telenor

Innovation happens elsewhere The cloud of open innovation Hilde Lovett, Telenor R&I NOKIOS Trondheim, October, 2008

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- Our inspiration
- Introducing open source
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### Innovation happens elsewhere

- "To many, open source is about Linux and a few other software systems and how to use them to make an inexpensive backroom. But open source is also a practice and a tool for encouraging and harvesting innovations."
- "Open source is a way for companies to engage in highly effective marketing--both in the sense of marketing a company, software, and brand, and in the sense of finding out what products and product features to build."
- Gift economy: Opening up part of itself to the outside and provide gifts
  - technology, tools, and prototypes that are of high value to outside companies and organizations and that trigger them to work in areas important to the company
  - communities where others can work within a culture that supports the vision of the company





## Democratizing innovation User centric innovation

- Innovating users both individuals and firms
  - innovations concentrated among "lead users"
  - solves their own problems
  - can develop exactly what they want
  - ahead of marketplace trends
  - but often proofs to be commercially viable
- Developers as lead users
  - free and open source code and communities important to achieve this
- Individuals as lead users
  - better tools and ways of sharing information and sw





### Wealth of networks

- examines the ways in which information technology permits extensive forms of collaboration that may potentially have transformative consequences for economy and society.
- raises the possibility that a culture where information were shared freely could prove more economically efficient than one where innovation is frequently encumbered by patent or copyright law, since the marginal cost of re-producing most information is effectively nothing.



### new opportunities are in micro niches



"We sold more books today that didn't sell at all yesterday than we sold today of all the books that did sell yesterday" Amazon employer

### Introducing open source





### Brukergenerert innhold brer om seg....

- Web 2.0 handler om den intelligente webben
   Wikipedia som en ny type kollektivt leksikon
- Mobil Web 2.0
- Brukerne leser og lager innhold "at the point of inspiration"
- Flickr websted som ny type reiseguide
- God sirkel: bedre informasjon, bedre verktøy mer intelligens
- Bruker, tilpasser, deler hverandres informasjon



## Lærere og elever kan lage, videreutvikle **©commons** og dele mer læringsmateriale



## 6 key drivers to Open Source

Agility & scale

The ability to quickly grow and modify software systems to respond to rapidly changing business conditions

Breaking Vendor Lock-in

Reducing proprietary vendor dependence and controlling enterprise IT architectures

• Quality and Security

Improving the operations of enterprise infrastructure by leveraging open source characteristics of transparency and rapid improvement

#### Cost

Reducing overall IT operational costs by implementing free or low-cost open source software

### Sovereignty

Reducing dependence upon U.S.-based software companies for local economic development and national sovereignty reasons

### Innovation

Using open source to create new business offerings or creating open source products to reduce operational costs and make new offerings less expensive to bring to market



Source: Open Source in the Enterprise, 2008. By Bernard Golden, An O'Reilly Radar Report



It's all about COOPERATION! Well proven licenses regulates cooperation



#### Freedom to:

- Run the program, for any purpose.
- Study how the program works, and adapt it to your needs.
- Redistribute copies so you can help your neighbor.
- Improve the program, and release your improvements to the public, so that the whole community benefits.

Access to source code necessary for 2 and 4.



Source: The Free Software Foundation

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### Integration of services within applications (mashups)





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## Fri programvare i skolen hva og hvorfor

- frihet til å bruke, videreutvikle og dele programvare
- senker kostnader
  - mer penger til andre ting og flere programmer
- senker terskel
  - flere aktører kan lage skreddersydde løsninger
- enkelt å tilpasse verktøy og programmer til egne behov både for lærere, foreldre og elevene selv
  - tillasse språk (nynorsk, samisk)
  - tilpasse fagområde
- skaper holdinger som elevene tar med seg videre
  - lære å dele programvare







#### "Barnas datamaskin" - One Laptop Per Child

 "en rimelig bærbar datamaskin ment for å distribueres til barn over hele verden, spesielt til dem i fattige land, for å skaffe dem tilgang til kunnskap og moderne former for undervisning"



717,000 sold May 2008

- Kjøp en til deg selv og gi en til et barn i et utviklingsland
- MIT Media Lab designer, produserer og distribuerer datamaskinene



## Introducing cloud computing





# Definition of cloud computing according to Wikipedia

- "Cloud is a metaphor for the Internet, derived from its common depiction in network diagrams (or more generally components which are managed by others) as a cloud outline."
- It is a style of computing in which IT-related capabilities are provided "as a service", allowing users to access technology-enabled services from the Internet ("in the cloud") without knowledge of, expertise with, or control over the technology infrastructure that supports them



However, in June 08 it looked like this at
 Wikipedia
 Cloud computing



### Services in the cloud, where businesses live



Source: inspired by "What cloud computing really means"

### Case: Amazon/Plum/via Michelin

- Online summer 2008
- Example of high volume consumer service wholly based on cloud computing
- Ingredients
  - Hosting services from Amazon.com
  - Community software from plum.com
  - Navigation and content from viaMichelin



## ud (hosting etc.)



### Amazon in the cloud (hosting etc.)

- $\checkmark$  open and documented APIs
- $\checkmark$  self service agreements
- $\checkmark$  pay for what you use
- ✓ support edges
- ✓ easy to scale when successful
- ✓ global presence

Elastic Compute Cloud = EC2 Simple Storage Service = S3 Flexible Payments Service= FPS Simple Queue Service = SQS Simple DB Block storage Web Store

*"Pay for what you use. There is no minimum fee."* 

Scale easily to very high volumes









## The edges of the cloud where people live



# The edges of the cloud can benefit from open source communities

- Free revealing of code provide significant benefits
  - collaboration around improvements of common features
    - focus energy and resources on core service
  - create trust in platform
    - avoid lock-in
  - positive network effects due to increased diffusion
  - easier to recruit competence around this platform
    - attractive for developers
  - enhancement of reputation
- Innovation communities
  - increase speed and effectiveness for development and testing
  - increase the ease to build larger systems from interlinkable modules
- "Innovation happens elsewhere"





### iLabs





### iLabs Mobile Developer's Toolbox helps develop edges for Java handsets for internet services in the cloud







### iLabs Mobile Developer Toolbox (beta)



Help developers create mobile Internet applications

> Example applications and libraries for Java enabled phones

Open Source Licence: L-GPL allowing commercial use

## Eksempel: Mobil klient som hjelper brukere å samhandle om informasjon om miljøsyndere

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### Twitter client



### iLabs downlods







### iLabs so far: open source opens doors



### Thank you for your attention



