



OI INSPIRATIONAL CASES



HOW AN OPEN INNOVATION COLLABORATION CAN INFLUENCE A CHANGE IN BUSINESS STRATEGY

From its origins as an internet marketing company and forced by the financial crisis of 2008-2009 to rethink its business, this Finnish SME took part in a transnational collaborative project which helped it to redefine its business focus and product offering. In the process, the company made the transition from a customer-centric to an ecosystem-centric business, a move which has yielded long-term benefits.

- Aptual was established in 2000 when its co-founders were still university students to provide effective and user-friendly marketing content in the era of non-interactive webpages.
- In 2002, with the help of a larger player – Bytech Computing OY – and funding from Tekes – the Finnish innovation funding agency – the company designed its own Content Management System (CMS) called Jalusta.
- In 2011, the management made a decision to terminate the advertising business and refocus the company's core skills on software development.
- In 2015, they spun off their web shop solution (Johku) from Aptual to Aptual Commerce Oy and raised seed funding for the start-up to continue its development and sales growth.

The Origin of the Open Innovation

After the purchase by Bytech Computing OY of 50% of Aptual's shares in 2002 and the transfer of the new partner's online business to Aptual, the SME enjoyed steady growth in its online marketing activities until the financial crisis struck in 2008. The reductions in companies' marketing budgets worldwide started to have a knock-on effect on Aptual's turnover until in 2011 the management decided to terminate the advertising side of its activities and refocus the company's core skills on software development. A little later in 2013, Aptual was invited to join a 3-year transnational collaborative project called Accelerate which helped the company to make a critical assessment of their business and take a number of strategically important decisions which led to significant business growth.



The Accelerate project was supported by the ITEA initiative which over the past 20 years has been funding transnational, industry-driven R&D&I projects in the domain of software innovation. ITEA itself is a Cluster programme of EUREKA, an intergovernmental network for R&D&I cooperation, involving over 40 countries globally.

The Accelerate project played an important role for Aptual in terms of business development. The primary aim of the Accelerate project was to develop a go-to-market strategy for innovations in the ICT sector. Co-operation in the Accelerate project helped Aptual to step out of their role as an advertising agency into software development by drawing on the inspiration of other similar companies in the project. As a direct and indirect consequence of the collaboration, Aptual acquired the courage and expertise along with the tools and methodology required for successfully achieving their vision. Their participation in the Accelerate project helped the team to realize that their business should not just serve individual clients, but the entire industry and that is how the eco-system approach was subsequently developed.

Their participation in various start-up events, such as the Finnish Slush event and Web Summit, provided other sources of industry knowledge and inspiration for Aptual's business. Networking with companies at these events helped to get a clear picture of how the industry was developing. Their work in the Accelerate project complemented this knowledge with an understanding of how Aptual's business could be accelerated.

Impact of the OI Collaboration

Thanks to the Accelerate project, the Aptual team acquired the skills to recognize business opportunities and to assess and prioritize business goals and strategies. They learned to follow the ecosystem approach and focus on serving the needs of the entire (travel) industry rather than focusing on individual customers for developing their product. The company is still interested in learning how to build partnerships with other key players in their value chain (e.g. developers of smart locks) to be able to deliver a superior user experience for end-users (travellers). This will however require further open innovation partnerships between Aptual and home automation technology providers. The Aptual team hopes to obtain support in building such partnerships from the advisory board which it is currently setting up.

Throughout their involvement in the Accelerate project and thanks to it, the company made a strategic shift towards an ecosystem approach, which was the main priority of the project, and successfully spun-off one of its new products (Johku) into a separate company (Aptual Commerce Oy) with a view to accelerating the development of the Johku solution and the rest of the Aptual business.



KEEP ASSESSING OPPORTUNITIES

It is critically important to carry out opportunity assessment and analysis on a continuous basis. There is also a need to look at the past business and re-evaluate if there are still opportunities there, and be able to close down or reduce involvement in certain business areas with lower potential in favour of those with higher potential.

UNDERSTAND THE VALUE CHAIN

Understanding the value chain as an eco-system may help to increase the SME's influence and open up more possibilities for capturing value. If you know the technological features, but you do not know the business/industry, learn it or leave it.

COMMUNICATE WITH THE EXPERTS

Informal communications with experts in a given field, but also in other fields, completely outside the firm's key business scope, and particularly business model experts, can be an effective means of knowledge transfer for SME business development, helping to revise their business model and even changing their business focus.

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