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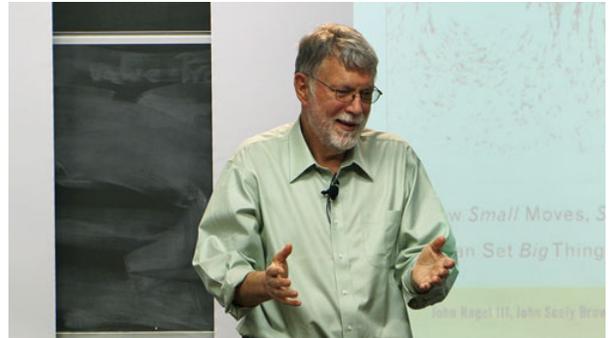
Pulling the Core to the Edge

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Video URL: <http://ecorner.stanford.edu/videos/2431/Pulling-the-Core-to-the-Edge>

Rather than trickling new innovations from the edge to the core, is it possible, rather, for the edge to dominate? The creative thinking of John Seely Brown, Deloitte Center for the Edge Independent Co-Chairman and former Chief Scientist of Xerox PARC, seeks to bring this flavor of creative thinking to the corporate world. He cites, as example, conservative business software solutions company SAP, and its internal transformation through a thriving social development network.



Transcript

How may we actually change the way innovation works in the corporation, in the corporate world? I come from, as you know, Xerox. Xerox PARC was designed to be the edge of Xerox. And we did really, really, really cool things. How many of them actually got into the core of Xerox? Our story isn't quite so good there. Don't say anything. A lot more got into the Silicon Valley and did a good shaping job of Silicon Valley. But the fundamental idea of this and almost every other major corporations that create these skunk works on the edge, do radical things, and then somehow have the core pull the edge into the core to slowly transform the core and to leverage the capabilities of the core. Actually, I argue for that idea. In the 20th century, it may have actually been a pretty good idea. But in a world that is changing this rapidly, I'm not sure that actually works.

We want to propose that there's another approach to this problem. And that is, how do you actually build an edge and have that edge be able to attract the core to the edge rather than have the core attract the edges to it? Could we completely reverse this game? I want to show you one interesting example. We go through how this all happened in the book. An example is a modern day conservative software firm called SAP. I think most of you may know about it. It is, I think, the biggest software firm in the world. It is moderately conservative. That's being polite. And Shai Agassi, when he joined and when they acquired one of his companies, I mean, his company that did this, he said, "Maybe we could build on the edge something that actually drills a completely new way to think about Web services that are open as a new kind of a platform that could actually transform SAP." So, it's not going to be a case of pulling the edge into the core, the question is, "Could you pull the core to the edge?" Now, if the game is to pull the core to the edge, don't expect the core to be all that excited about giving you all kinds of money to do that. He recognized that, too.

And he said, "Okay. What I'm going to do is I'm going to create a social development network. And I'm going to go out. And I'm going to find not only developers inside SAP but start to find developers around the world, give them total access to NetWeaver as an open platform and say, "Guys, let's get together and reconstruct what the next generation of SAP product should actually look like on a much more open Web service-oriented architecture." He started this in the first year. He attracted 109,000 people. The last I checked is 1.8 million in 2008; 1.4 million people around the world have come together to build and extend and create momentum behind this edge. This edge is now becoming a dominant edge and, in fact, beginning to change SAP in interesting ways.