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PaperTitle **THE OPPORTUNITY AND CHALLENGE OF INNOVATION  
COLLABORATION IN FMCG COMPANIES**

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**ABSTRACT**

Companies need to grow to survive and in ever more competitive markets the race is on to find fantastic innovation to fill the top line gaps and hopefully improve profitability in the process. In FMCG companies around the globe, the traditional approach has been to look internally for the breakthrough ideas, in an environment protected from competitors, with a view to having "first mover advantage". In other industries, technology and communication have driven a different approach - 'open your doors and find ideas from anyone (even competitors) to make sure you get new products to customers early'. Intellectual property is a tradable commodity in the world of high tech! In 2006, Proctor and Gamble publicised their shift in innovation culture and shared with the world a new approach that involves opening the doors to product and pack development engaging collaborators around the world and anyone who thinks they have ideas that P&G may be able to commercialise. This prompted an explosion of interest from other FMCG giants in "open innovation" as everyone scrambled to find the next hold grail of innovation management.

What exactly does Open Innovation mean for FMCG? What is new and what is already well entrenched? How do companies become more "open"? In answering some of these questions, this presentation will explore some of the key challenges of Open Innovation for FMCG companies.