

Not Invented Here

A bias against ideas and innovations that originate elsewhere.

The not invented here (NIH) syndrome is an organizational phenomenon in which groups resist ideas and inputs from external sources, often resulting in subpar performance and redundant effort (i.e., “reinventing the wheel”). Examples abound. When Phillips bought Sonicare, manufacturer of the very popular Sonicare toothbrush, Phillips decided to redesign and reengineer the product, though there was no compelling need to do so. A similar questionable redesign occurred with the American introduction of the Sinclair Spectrum computer, which Timex reengineered and released as the Timex 2068. The changes increased the computer’s capability, but the cost was a bland form factor and numerous software incompatibilities, resulting in a failed product. Long after market feedback and usability research indicated that the optimum number of buttons for a computer mouse was two, Apple stubbornly refused to change and maintained its one-button mouse design. When a devoted owner of an AIBO created an application that enabled the robot dog to dance to music, Sony responded with a lawsuit threat to quash the effort. What drives organizations to engage in these kinds of counterproductive NIH behaviors?

Four social dynamics underlie NIH: belief that internal capabilities are superior to external capabilities; fear of losing control; desire for credit and status; and significant emotional and financial investment in internal initiatives. NIH resulting from a perception of superiority is often pervasive in organizations with a proud legacy of successful innovation; their past successes effectively sabotage their capacity to consider external sources. Correction typically requires a significant failure to humble the organization and reset the culture. Fear of losing control is common when groups perceive a risk to their jobs or status in an organization, but it is also common when products are used in unexpected ways. Correction typically requires clear goals and direction from management with clarification regarding how staff members fit into the operating plan. NIH resulting from investments in current or legacy initiatives is difficult to overcome. Correction typically requires significant organizational change or a change in leadership.²

The best way to address NIH is prevention. Rotate and cross-pollinate team members on a project basis. Engage outsiders in both the strategy and the evaluation stages of the design process to ensure fresh perspectives and new thinking. Encourage team members to regularly interact with the wider community (e.g., conferences). Formalize regular competitor reviews and environmental scanning to stay abreast of the activities of competitors and the industry in general. Consider open innovation models, competitions (e.g., Netflix Prize), and outside collaborations to institutionalize a meritocratic approach to new ideas. Lastly, teach team members about the causes, costs, and remedies for NIH, as recognition is the first step to prevention and recovery.³

See also Cognitive Dissonance, Design by Committee, Life Cycle, and Mimicry.

¹ The seminal works on NIH are “Receptivity to Innovation—Overcoming NIH” by Robert Clagett, Master’s Thesis, MIT, 1967; and “Investigating the Not-Invented-Here (NIH) Syndrome: A Look at Performance, Tenure and Communication Patterns of 50 R&D Project Groups” by Ralph Katz and Thomas Allen, *R&D Management*, 1982, vol. 12, p. 7–19.

² See, for example, *Strategies for Supplier Integration* by Robert M. Monczka, Robert B. Handfield, Thomas V. Scannell, et al., American Society for Quality, 2000, p. 178–179; and *Management of Research and Development Organizations* by Ravinder Jain and Harry Triandis, Wiley, 1997, p. 36–38.

³ See, for example, *Open Business Models: How to Thrive in the New Innovation* Chesbrough, Harvard Business School Press, 2006.



In 1982, the Sinclair ZX81 was licensed to Timex for resale in the United States as the Timex Sinclair 1000. The computers were identical except for the name on the case and minor motherboard differences. Sales were strong. With subsequent models, however, NIH syndrome inclined Timex to introduce more and more changes. Eventually, the product divergence created issues of software compatibility—costs went up, sales went down. Timex dropped out of the computer market in 1984.