

Innovation in the Music Industry: An Action Learning Seminar

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Tonight's Program

- **6:15 – 6:30 Welcome**
 - » **Professor Nina Ziv, Department of Technology Management, NYU-Poly**
 - » **Professor Mel Horwitch, Chair, Department of Technology Management, NYU-Poly**
- **6:30 – 7:30 Presentation of Indaba Music Case Study**
 - » **Professor Nina Ziv**
 - » **Matthew Siegel and Dan Zaccagnino, Co-founders Indaba Music**
 - » **Mary Ellen Amundson, MOT 2009, NYU-Poly**
 - » **Luis Cevallos, MOT 2009, NYU-Poly**
 - » **Anita Louis, IM 2009, NYU-Poly**
- **7:30 – 8:00 Q&A & Wrap-up**
 - » **Professor Nina Ziv**

The Case Study: The Process

- **Interest in the company stemmed from my research interests**
 - **Impact of technological Innovations on the Media Industry**
 - **Changes in the nature of innovation as a result of the rise of user-centric companies, e.g. social networks**
 - **Entrepreneurship in New York City**
- **Field research conducted in November 2007 and early 2008**
 - **Interviews held with members of the Indaba leadership team at the company's headquarters in New York City**
 - **Interviews held by phone with several users of Indaba's services in Kansas City and in Cleveland**
- **My research questions focused on**
 - **Characteristics of user-centric companies such as Indaba (organization, culture etc).**
 - **Role of users as collaborators and as sources of innovation**
 - **Evolution of community-based product development**
 - **Business models**
 - **Future growth and opportunities**

The Case Study: Action Learning

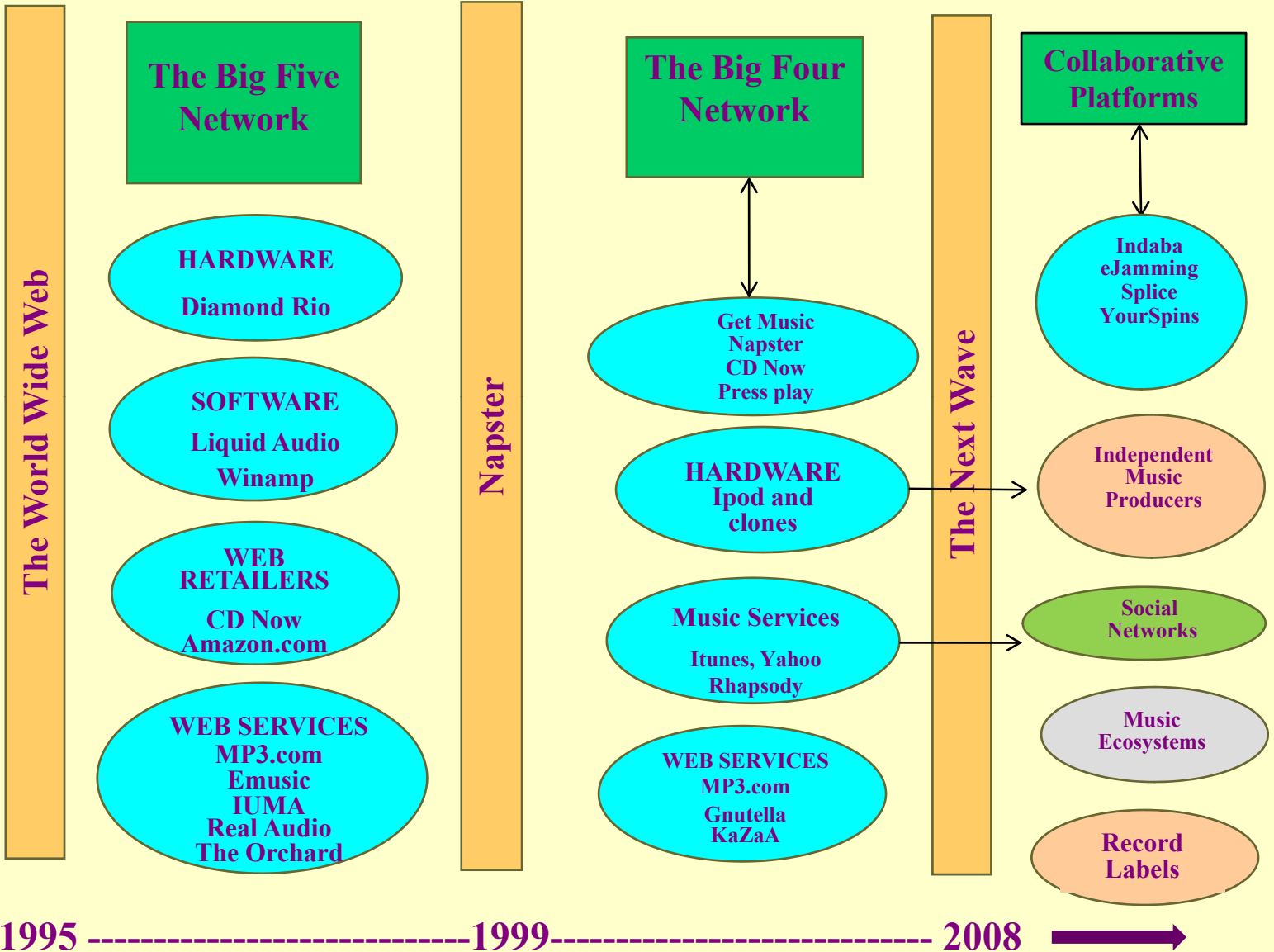
- **Phase I**
 - Initial draft of case study written during Spring 2008
 - During Summer and Fall 2008, discussions held in Executive Master's program class about Indaba Music case study
 - Focus on managerial challenges for the company
 - Students prepared analyses of the case and made recommendations
- **Phase II**
 - Initial discussions about a joint learning seminar involving students, faculty, and Indaba leadership team held in September 2008
- **Phase III**
 - Students refined their recommendations
 - Organizational and cultural – Mary Ellen Amundson
 - Business models – Luis Cevallos
 - Marketing, branding, building membership – Anita Louis
- **Phase IV**
 - Case study to be published on European Case Clearing House website

Some Observations

- There has been another shift in the music industry
 - The **Next Wave** focuses on the creation and production of new music in a way that was not possible before
- The nature of innovation has changed
 - In a services-based economy, there is a new emphasis on a *networked model of innovation*:
 - A complex set of external and internal relationships between companies and their customers, suppliers, vendors, and other experts which enables the continual transfer of knowledge and provides a rich environment for the development of innovative products and services
 - *Users are an increasingly important source of innovation* for traditional and non-traditional organizations
 - Traditional companies are incorporating Web 2.0 tools in their organizations (social networks, wikis, blogs) which tap into these informal networks of customers/users who exchange ideas and provide valuable feedback
 - Community-based product development becoming more commonplace

The Music Industry Evolves in the US

Traditional Music Business dominated by the Big Five:
BMG
Sony
EMI
Warner Music
Universal Music



My coordinates

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