Innovating Mindfully with OpenTable
A Restaurant’s Experience

Sonny C. Lee, Jia Sun, & Ping Wang
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Program Invitation

The ICIS 2012 Program Committee invites submission of completed research papers, research-in-progress papers, teaching cases and panel proposals. The conference theme, "Digital Innovation in the Service Economy", combines the two most important long-term trends in the business world: The shift of the economy from goods to service, and the rapid expansion of information economy and electronic networks. It is likely to play an even more significant role in the service economy not only in fostering innovation in the service sector but also in transforming the entire economy.

Conference website: http://ICIS2012.aisnet.org
Small Business Innovating with IT

- Small firms are important and different from large firms.
- Most studies of small firms innovating with IT focus on adoption and implementation.
- Recent research on post-adoption use, business innovation, and impact of innovations on performance.

Seinfeld: Season 6, Eps. 8, The Mom and Pop Store
Mindful and Mindless Innovation

- Mindful: attending to an innovation with reasoning grounded in its own organizational facts and specifics
- Mindless: lacking such attention & grounding

- IT innovation journey
  - Comprehension
  - Adoption
  - Implementation
  - Assimilation

Research Questions

1. Do hypotheses on mindful innovations developed in large firm studies apply to small firms?
2. Is a small firm mindful or mindless in innovating with IT?
3. What facts and specifics matter to small firm innovating with IT?

A single case study of a small independent restaurant innovating with an online reservation system
New York City Restaurants: New York, Tri-State Area

Make a Free Restaurant Reservation
- By Location
- By Restaurant Name

Manhattan

12/09/2012  7:00 PM  2 people

Find a Table

Welcome to OpenTable

Create an account to earn Points toward free meals.

Sign up with Facebook

Your Local Dining Scene
- Treatful
- Earn Free Meals Faster - 1,000-Point Tables
- Chase Sapphire(R) Presents Tables for 8 to 20
- Find New York Area Private Dining Venues

Best Restaurants

Diners' Choice Winners: Best American
Manhattan's best restaurants based upon thousands of OpenTable diner reviews

Eleven Madison Park
Gramercy / Flatiron | American
221 Reviews

Per Se
Columbus Circle | American
64 Reviews

Craft
Gramercy / Flatiron | American
385 Reviews

You Might Like
New York Area restaurants to try based on OpenTable diner ratings

Savora
SoHo | Italian
30 Reviews

Teresa Caffe
Princeton | Italian
1 Review
Alpha: A Mom&Pop Chinese Restaurant

Evan Sung for The New York Times
Alpha Innovating with OpenTable

- 11/2006: First encounter with OpenTable
- 2007: IT manager trying the service
- 2009: Bob becomes interested:
  - To increase reservation efficiency
  - To increase diners on weekdays
  - Friend’s success
  - IT sophistication and readiness
  - OpenTable is unique in crop of offerings
- 05/2010: Adoption and implementation
Reaping the Benefits

- Streamlined reservation processes
- Increased operational efficiency
- Improved CRM
- Improved online reputation
Dealing with the Limitations

- Limited marketing capabilities
- Increased management workload
- Economic loss!
Alpha canceled OpenTable in November 2011.
Attributes of Mindfulness

- Preoccupation with failure
  - Fix small failures and avoid catastrophes
- Reluctance to simplify interpretations
  - Refuse to take claims at face value
- Sensitivity to operations
  - Sensitive to logics behind technology
- Commitment to resilience
  - Engagement with innovation is contingent.
- Deference to expertise
  - Distinctive & synergistic skills were respected and used.
- Situated curiosity

Takeaways

- Mindful innovation does not always lead to assimilation; mindful firms may abandon.
- Contingency is an enduring quality of mindfulness.
- This case reveals ample evidence of mindful innovation, but none of mindlessness.
- Concept of mindfulness applies to small business, but theory may not always apply.
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Dr. Ping Wang
University of Maryland
College Park, MD 20742-4325
pwang@umd.edu
terpconnect.umd.edu/~pwang
weibo.com @DrWangPing