

Innovating **Mindfully** with OpenTable

A Restaurant's Experience

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Digital Innovation in the Service Economy December 16-19, 2012

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

[Change Location >](#)

Make a Free Restaurant Reservation

By Location

By Restaurant Name

Manhattan



12/09/2012



7:00 PM



2 people

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Chase Sapphire(R) Presents Tables for 8 to 20



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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



Savore

★★★★☆ 30 Reviews

SoHo | Italian



Teresa Caffe

★★★★★ 1 Reviews

Princeton | Italian

Alpha: A Mom&Pop Chinese Restaurant



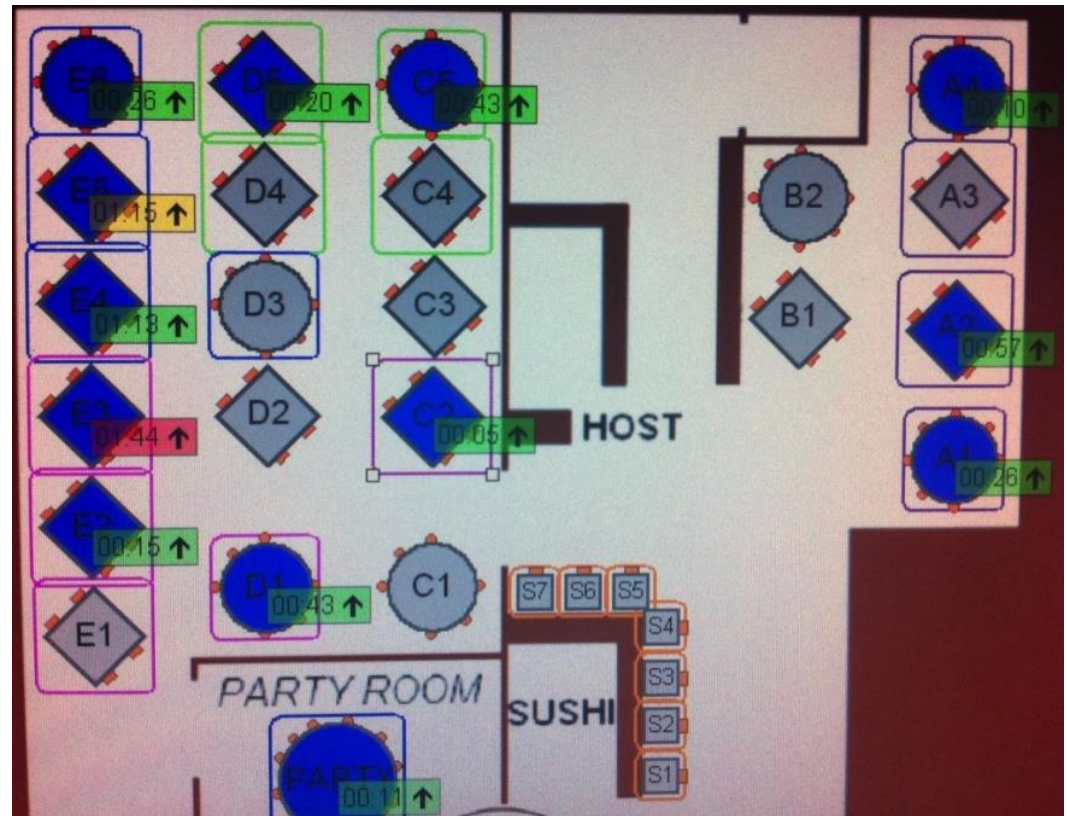
Evan Sung for The New York Times

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

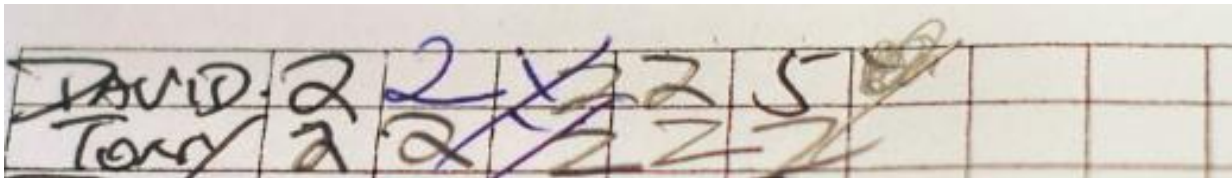
Reaping the Benefits

- Streamlined reservation processes
- Increased operational efficiency
- Improved CRM
- Improved online reputation



Dealing with the Limitations

- ❑ Limited marketing capabilities
- ❑ Increased management workload



A handwritten table on grid paper. The first column lists 'DAVID' and 'TONY'. The second column has '2' and '2'. The third column has '2' and '2'. The fourth column has '2' and '2'. The fifth column has '5' and '2'. The sixth column has '2' and '2'. The seventh column has '2' and '2'. The eighth column has '2' and '2'. The ninth column has '2' and '2'. The tenth column has '2' and '2'. The eleventh column has '2' and '2'. The twelfth column has '2' and '2'. The thirteenth column has '2' and '2'. The fourteenth column has '2' and '2'. The fifteenth column has '2' and '2'. The sixteenth column has '2' and '2'. The seventeenth column has '2' and '2'. The eighteenth column has '2' and '2'. The nineteenth column has '2' and '2'. The twentieth column has '2' and '2'.

Server	Covers	Total Covers
David	0	14
Tony	2	11

- ❑ 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.

Thank You & Contact Information



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