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# Fiat Mio: The Project That Embraced Open Innovation, Crowdsourcing and Creative Commons in the Automotive Industry

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## Introduction

Peter Fassbender,<sup>3</sup> head of the Fiat Brazil Style Center, is apprehensive about the fact that in just a few moments the 2010 Sao Paulo Auto Show will open its doors to the public, but the result of an idea that he had more than a year earlier is not yet in place to be shown. His team is exhausted after having worked until dawn to add the finishing touches to something that gave rise to more than 10,000 ideas and 45,000 comments: a concept car<sup>4</sup> made by more than 17,000 Internet users representing 160 different nationalities through a collaborative website created by Fiat. Unfortunately, early that morning, a small wheel of the machine transporting the car broke under the weight of the prototype. Fassbender has no choice but to wait for a replacement wheel to get the concept car on the stage.

Outside the Anhembi Convention Center, where the annual Sao Paulo Auto Show is held, the streets are packed. It's rush hour. Peter knows that inside the convention center, hundreds of people are waiting to see the end result of their collective effort. If the supplier delivering the replacement wheel doesn't make it through traffic on time, the Fiat Mio won't be shown to visitors, the people who helped make it happen. Who would have thought that after 15 months of work, the Fiat Mio project's biggest problem would not be coping with crowds, but rather... the traffic in Sao Paulo. For now, Peter and the Fiat Cars team in Brazil just have to wait.

As he waits, Peter takes stock of the experiment and realizes how far he and his team have come. Fiat Brazil launched a fascinating process to create its third concept car – the Fiat Mio (my Fiat, in Italian) – the car that was to be exhibited at the 2010 Sao Paulo Auto Show.

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<sup>3</sup> See Exhibit 2 – Characters and Players.

<sup>4</sup> A concept car is a car made to showcase new styling or technology. These cars are often shown at auto shows to gauge customer reaction to new and radical designs that may or may not be mass produced. The first concept car, introduced in 1938 by GM, was the Buick Y-Job, which impressed people with its electrically operated windows, flush door handles and long, low profile, which influenced design for years to come. Concept cars are very expensive to make, and in many cases they cannot actually be driven, but function only as three-dimensional depictions of a concept.

Despite the fact that Fiat Mio, like any concept car, is merely illustrative, a prototype, the novel idea that drove the project was to prove that it was possible to manage design through a collaborative web-based platform with the help of thousands and thousands of Internet users.

Commonly defined as a “crowd,” Internet users participated massively in this project, giving their ideas, time and enthusiasm to build a concept car with Fiat Brazil. Until now though, Peter has had little time to draw lessons from the journey. What would he have to say about its value for the company, about the risks, about its organization? What would he say he learned about keeping collaborative crowds motivated? His conclusion: It will soon be time for me to collect my ideas. In the meantime...

## **A City with 700 New Cars Every Day**

Spending hours stuck in traffic is common in Sao Paulo. With almost 20 million inhabitants, Sao Paulo is the largest city in South America and the financial heart of Latin America. It has nearly 7 million vehicles,<sup>1</sup> and some 700 new cars circulate on its streets every day.<sup>2</sup>

Brazil has a large domestic market, a developed automotive industrial park, a solid engineering base for the automotive industry and a broad network of dealers with nationwide coverage. In the 90s, certain developing countries – such as Brazil, India, China and Russia – drew the attention of automobile manufacturers who invested in these markets, where demand was increasing. Brazil has welcomed newcomers like Renault, Peugeot/Citroën, as well as new automobile parts manufacturers to meet the increasing demand.

As a result, Brazil’s automobile industry has become part of the worldwide production chain. From 2002 to 2009, Brazil jumped from 10<sup>th</sup> to 5<sup>th</sup> place in the top 10 automakers and auto markets in the world in terms of size, trailing only the U.S., China, Japan and Germany. Considering the latest growth rates achieved by the BRIC countries, even after the 2008 world economic crisis, automobile companies keep investing in emerging countries, where the demand for vehicles has potential for growth, unlike in the North American and European markets, where demand is fairly saturated.

Cars have always played an important role in Brazilian mass culture, probably due to the perceived link between social and economic development and material consumption. In the 50s, then President Juscelino Kubitschek adopted a massive industrialization policy to bolster the Brazilian economy. It was a period when the country’s prospects for development and wealth were compelling, with meaningful growth rates achieved until the late 80s. The focus was essentially on developing the domestic market until the early 90s, when changes in the government’s regulatory orientation opened the Brazilian market to new opportunities. Latin American countries started to be major buyers of Brazilian vehicles; however, even now, the domestic market is still the most significant.

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<sup>1</sup> Data in April 2012, Denatran.

<sup>2</sup> Detran SP – Sao Paulo State Traffic Department.

In Brazil, the passion for cars is constantly reinforced by advertising, and an annual event devoted to the automotive industry – the Sao Paulo Auto Show – is held in one of Latin America’s largest convention centers, attracting thousands of people who are curious about new models and trends for cars of the future. It is also an important event from a tourism point of view, since it attracts people from other cities, states and countries. Fiat understands the importance of this event, as it enjoys a 21% Brazilian market share, followed by General Motors (19%), Volkswagen (18%), Ford (10%), Renault (7%), Hyundai (5%), Toyota (4%), Honda (4%), Nissan (2%), Peugeot (2%), Citroën (1.5%), Mitsubishi (1.5%), Kia (1%), BMW (0.5%) and other competitors such as Mercedes-Benz, Land Rover and Audi.<sup>1</sup>

Peter Fassbender is aware of the importance of making a good impression on visitors at this kind of event. And he is also proud of having pioneered the Fiat Mio collaborative project. He probably never would have guessed that it would become the focus of worldwide media attention or the recipient of prizes later awarded. He knows how much effort was required to mount this challenge and how difficult it was to strike a balance while entering into a complex discussion with thousands of people and taking decisions to create something that reflects the aspirations of a heterogeneous public. And then he remembers that, in fact, this story actually started four years earlier while he was working on a similar project for the 2006 Sao Paulo Auto Show.

## **Fiat Concept Cars**

The whole story began in 2006, when Fiat celebrated 30 years of doing business in Brazil. A website was created inviting people to post ideas, videos, music, comments and suggestions about how they imagined the next 30 years. A few topics, like communications, culture, mobility and technology were selected to spur people’s creativity. The initial aim was merely to collect data as part of a marketing survey. However, as popular interest surged, the project was transformed into a marketing campaign: the person who came up with the most original idea would win a car. Inadvertently, Fiat Cars started to cope with the crowd and planted a seed that would germinate a few years later.

Back in 2006, at the Sao Paulo Auto Show, Fiat presented its first **Fiat Concept Car (FCC I)** developed by the design team at the Fiat Style Center. Two years later, this prototype – or model – was reworked to add ecological features. The second prototype Fiat Concept Car, or FCC II, was presented at the 2008 edition of the Sao Paulo Auto Show. Both prototypes were models that would never work or be marketed. But they were part of an exercise in which Fiat dedicated itself to imagining the future and perhaps discovering a disruptive idea, a breakthrough that would, to a certain extent, change how Fiat conceives cars.

## **The Original Idea**

Seeking inspiration to build the third Fiat Concept Car, the FCC III, which would be presented at the 2010 edition of the Sao Paulo Auto Show, Peter Fassbender was surfing the Internet when he happened upon an article in the leading German magazine *Der Spiegel*, which argued that

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<sup>1</sup> Data in August 2013, Exame.com

“automobile manufacturers tend not to respond to consumers’ real needs because some of their demands are lost during the development process.” The article also blamed the long time lag between marketing surveys and the final launch of the product. This idea stuck with him.

Meanwhile, Abel Reis,<sup>1</sup> president of AgênciaClick Isobar, Fiat’s advertising agency in Brazil, sent copies of the book *What Would Google Do?* to certain Fiat Cars executives to stimulate their thinking about enhancing Fiat’s business model. One chapter of this book, in which the author questioned how car manufacturers would do business if they had a Google-like way of thinking, intrigued Abel Reis. AgênciaClick Isobar and Fiat Brazil have a close relationship and a long history of successful marketing campaigns. In fact, Fiat Cars is the agency’s top client.

One thing led to another... Peter’s insight turned to linking the production of a new concept car to the wishes and desires of customers, also inspired by the Wikipedia business model. A collaborative co-creation process! Through a blog on the Fiat website, people who wanted to participate could share their ideas. He presented a draft of this concept to his boss, Giancarlo Bertoldi, Engineering Director for Fiat, who gave him the green light to keep developing the concept.

## **Developing the Idea**

Peter gathered executives from different departments – including Innovation, Publicity and Communication – to get their impressions on the project. Peter yearned for a challenge, a project that would prompt his team to work differently. He wondered whether it was possible to deliver a collaborative car, so he searched for partners to join in the journey. People quickly got on the bandwagon, particularly Joao Ciaco,<sup>2</sup> Advertising Director for Fiat, who immediately saw an opportunity for Fiat to enhance its approach to communicating with its clients.

Having worked for large corporations such as Unilever, Ciaco had an academic background and at the time was completing his doctorate in communications and semiotics on the notion of innovation in the creation of brand identity. Joao Ciaco decided to present Peter’s idea to AgênciaClick Isobar. Peter’s initial insight was then reworked by the advertising agency’s Planning, Customer Service and Creation departments. All the participants were excited about exploring the open innovation paradigm.

The advertising agency came up with a proposal, which divided the project into three main phases: Mapping Scenarios, Concept Ideas and Concept Design. These phases would encompass the entire crowdsourcing process, from beginning to end. An expanded version of the proposed process was presented to Peter, who approved it immediately.

With the idea also approved by the president and with the commitment of the other directors, the Developing Idea phase was concluded. However, the main concern was finally starting the process, by involving Fiat, the advertising agency and the crowd in structuring a flowchart for the process.

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<sup>1</sup> See Abel Reis’ description in Exhibit 2.a.

<sup>2</sup> See Exhibit 2 – Characters and Players.

## Mapping Scenarios

From the moment the project was approved in July 2009 until the opening of the Sao Paulo Auto Show 15 months later in October 2010, the team had to deal with extremely tight schedules. But they started out with a stroke of luck: it took just one hour for the agency designers to create the Fiat Mio logo. They wanted to emphasize the fact that consumers would feel that the product belonged to them, which is how they came up with the Italian name *Fiat Mio*, or “My Fiat” in English.

With the intention of encouraging people to collaborate on this platform, Internet users could register on the Fiat Mio website even before the project had officially begun. As of July 20, the website began randomly collecting comments. It would eventually become necessary for Fiat to orient discussions and channel suggestions in a constructive way.

One of the main goals of this initial stage was to generate a key question that would steer discussions on the open platform and that would later be available on the Fiat website. To do this, assisted by AgênciaClick Isobar, Fiat outsourced research to six automotive journalists to look at “*the car of the future and the future of cars.*” Their mission was to interview specialists and track future trends and scenarios. The result of their work was an extensive report that was later summarized and presented during a workshop organized by Fiat.

On July 27, 2009, many Fiat executives, including its president Cledorvino Belini, Peter Fassbender and Joao Ciaco – as well as AgênciaClick Isobar staff – interrupted their regular duties to participate in an immersion day. The event had the support of the philosopher Luiz Augusto de Souza, of Pontifícia Universidade Católica de São Paulo, to help the team think about the future and how they relate to it. The attendees were divided into four groups to discuss different topics: collectiveness, individual and self-expression; clean energy, comfort and control; and connectivity among cars.

Throughout the day, the groups pondered these topics and came up with four different questions. These four questions became two, and finally one, a single question that would be released on the website to guide customer discussions: “In the future we are building, what must a car have in order for me to call it ‘mine,’ while still serving other people?”

Developing the question was the final part of the Mapping Scenarios phase. The key question was posted on the Fiat Mio website on August 3, 2009, one month after the project had received approval.

## Concept Ideas

This phase officially initiated the open innovation process with the objective of generating ideas that would lead designers and engineers to create the third Fiat Concept Car to be exhibited at the Sao Paulo Auto Show in October 2010. To achieve this, Fiat introduced a web platform for the project, which was also named Fiat Mio.

With the release of the Fiat Mio collaborative platform, the aim was to test its capacity to prompt people to participate by answering questions and adding their ideas to the project. It was a period when both Fiat and consumers gradually discovered how – and at what pace – the platform could work.

Posts were published three times a day, and incentive reminders were sent by Twitter inviting followers to access the Fiat Mio website and take part. A Facebook page was created at the same time. The purpose was to orient discussions as little as possible, simply providing reference content so that people could be inspired by Fiat publications, photos, texts and insights.

The management of the site was carried out in collaboration with AgênciaClick Isobar and Spicy Media, a brand content agency hired by Fiat's advertising firm. Spicy Media was responsible for managing the content of the Fiat Mio platform website, an ample responsibility that included publishing texts, photos, pictures, videos and appealing references for Internet users; going through and analyzing the ideas and comments received; drafting summary reports on topics proposed by Internet users; and interacting with Internet users throughout the process.

Spicy Media had essentially two contributors: Adriano Silva, director, and Leonardo Nishihata, senior editor. They made a significant contribution to the project in terms of communication between Fiat and the public. Especially noteworthy was the role of Leonardo Nishihata, who received, managed and interpreted the information from Internet users and circulated it among Fiat engineers and designers – and vice versa. Leonardo, a former journalist with a passion for cars, developed an initial process for organizing the backlog of Internet user input into selected categories.

People could post any idea about how they imagined a car of the future. When posting a comment, the user had access to tags or labels that would classify the message under a specific topic, such as connectivity, propulsion and steering wheel. From the beginning, the goal was to organize the dizzying array of message content to create constructive outcomes. Users were therefore able to decide which tag corresponded to their comment.

But the methodology proved less successful than anticipated, because Internet users classified their comments however they saw fit, which did not always produce a good match.

Even though the disparity among comments was as wide as one would imagine, Fiat was not expecting the public's ideas to show any particular genius. They were much more interested in gathering information about how people experience driving and how they relate to cars. In short, they wanted an outside point of view. As Joao Ciaco puts it:

[...] Many of us would like to have a car that can fly and dive and that keeps all destinations in memory, a car that does not pollute or take up too much space in cities. Something very affordable that would still afford us the pleasure of driving. But dreams need to be viable in some way, which necessarily requires us to make difficult choices. But the good thing is to know that all these ideas and discussions are causing us to think, and that is, frankly, more important than using them right now.

Originally, Fiat expected to receive about 500 comments. But on November 5<sup>th</sup>, when the tally was up to 7,000 suggestions from 9,995 registered Internet users, the team understood the expression

“enough is enough.” They had enough information to examine. The scope had already been defined.

Leonardo had been working on his report since the very first comments were received. He had condensed the information and, working with Fiat engineers and designers, classified and segmented it so that Fiat would understand the desires expressed by users. Leonardo remembers: “I was always a bit apprehensive about not being able to correctly interpret the wishes of the public. I put my own filter to the test the whole time. I think that the constant tension contributed a lot to the accuracy of the results that we obtained.”

He kept reading all the content, but no longer on a daily basis, since Fiat Mio was not the only project he was involved in. But during periods when he needed to analyze and select ideas from the copious data, he devoted himself to it full time. He believes that it was important to delegate the work of reading and interpreting the content to a single person, or perhaps to a small and connected team, so as to guarantee an overview of the process. From this viewpoint, he could properly perform his role with Fiat, the agencies and the Internet users.

According to Leonardo, the constant tension through all the project’s phases can be summed up in three main points from which other difficulties arose: first, the need to ensure that the public’s wishes would be properly rendered; second, the need to develop the prototype in a coherent and consistent way; and third, the importance of documenting it. In other words, they had to be able to understand consumers’ needs and translate their expectations into something real.

By filtering the 7,078 ideas received,<sup>1</sup> Leonardo Nishihata and Adriano Silva, working with designers and engineers from Fiat, identified 21 related topics.<sup>2</sup> As Leonardo noted, most of the comments were unusable. But they were “... valuable if considered as expressions from the users’ point of view; opinions came from ordinary people who drive their cars every day, and who shared their feelings and expectations about their experiences.”

Plus, these 21 topics would be seen as the skeleton to be fleshed out during the next stage. The primary briefing that designers would use in creating their initial drawings was also developed.

## **Concept Design**

After these 21 topics were identified, they were posted on the website for Internet users to delve deeper into them and flesh them out. This phase aimed at continuing the open innovation process, but in a more specific and productive way than simply collecting disparate ideas from Internet users. Each topic was open to individual discussion for ten days to clarify the path that designers and engineers should take. Since the process was still open, it was still likely to attract fanciful ideas – but now they would be screened. As Paulo Matos, innovation and methodology supervisor at Fiat, notes: “We, in the Engineering Department, had to say ‘no’ several times. When it came to propulsion specifically, we had to go back to the drawing board and turn to more feasible solutions.”

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<sup>1</sup> See Exhibit 3.a – The Project Numbers.

<sup>2</sup> See Exhibit 3.b – The 21 Topics Selected by the End of the Concept Ideas Phase.

A separate page called *Technical Assembly* where these topics were discussed was created on the site. Fiat did not block Internet users from sending open and wide-ranging ideas; people could keep on posting and commenting on other suggestions. Nonetheless, to receive consistent suggestions, Fiat persisted in guiding the flow by giving references, through images and text, regarding what was feasible. A total of 281 inspiring posts were collected throughout the project. Again, it was Leonardo Nishihata who guided the production of this content, working closely with Fiat designers and engineers. Following each question there was explanatory text, generally with a secondary question:

Cabin and passengers – How many seats and doors should Mio have? (To respond to these subjects and define the space specifications in the Mio, one must consider the following question: is the most common configuration of four to five passengers the ideal one, or would it be better to try something smaller, up to two passengers? What vehicle is missing among the wide range of options available on the market today?)

The previous phase had collected insights to generate a desirable possible car of the future, regardless of technical feasibility. But at the Concept Design stage, Fiat wanted to focus on designing a feasible prototype to exhibit at the 2010 edition of the Sao Paulo Auto Show. So to bring this prototype to life in line with the suggestions submitted, the designers at the Fiat Style Center started to research images, concepts and references that would serve to produce the first jottings.

They found that two concepts represented Internet users' aspirations: an organic and winding style versus a defined, squarish design. These orientations generated different drawings, which were grouped under two different lines: the Sense Line (the organic one) and the Precision Line (more minimalist).

Internet users were then invited to vote for the one they preferred. The winner was the Precision Line, but the Sense Line drew hefty support. To please the greatest number of consumers, the designers decided to adopt the Precision Line, with some elements from the Sense Line.

Fiat wanted to communicate with Internet users and consumers during the Concept Design stage, so it began to produce documentary videos featuring the development stages of the FCC III. These documentaries were shot inside the Fiat Style Center – traditionally off limits – a black box where products are developed in secret.

These videos were posted once a week on YouTube and were linked to the Fiat Mio platform: <http://www.youtube.com/watch?v=aCPrg2TQui0&list=PL5FED4D80C03D0EA0>. The 16 videos showed the beginning of the project, several production steps, and, finally, the showcase presentation at the Sao Paulo Auto Show. It was a place where designers, engineers and executives could demonstrate their part in the creative process, as well as their challenges, impressions and what they had learned by working with an open innovation process.

The tone of the narrative focused on Internet users being the boss, the ones who largely guided the design and subsequent manufacture and assembly. Let's not forget that in Italian, *Fiat Mio* means "my Fiat," leading to marketing strategies that emphasize that the consumer is the owner. As Peter



Fassbender put it: “We can do things differently because, to a designer, it doesn’t matter where the briefing comes from, be it the board or a group or from around the world.”

## **Modelling Phase**

The open innovation process did not stop when designers began to build the prototype. Throughout this phase, Fiat continued to nurture the dialogue and encourage people to make decisions. Options were posted on the Fiat Mio platform to be voted on by users. But the process was now geared to perfecting a proposal rather than generating alternatives.

On the website, people could express their preferences. This was the case throughout the steps of this new phase, until designers found that they had consistent elements to begin modelling the prototype, essentially in terms of interior and exterior design, as well as colour and trim. The website announced: “The unveiling of our collaborative concept car is right around the corner. Nonetheless, your participation will continue up to that moment. Now we want to show you 4 paint settings for the FCC-III to look even better when it premieres at the Auto Show. Which one do you prefer?”

Once designers and engineers were satisfied with the definition arrived at by votes and comments, they were able to move on to the next step. But as in any creative process, obstructions intensified the stress, as deadlines had been tight since the beginning. The *bête noire* – the fear of misunderstanding what consumers really wanted – haunted the strategic design, engineering and communications departments, along with the executive committee. On some occasions, they even had to stop the machines to get more consistent feedback from Internet users.

The modelling process started by digitally sculpting the car in 3D, with a mathematical equation being generated. Modellers received that equation and created an initial metal structure, which served as the model’s skeleton. Then it went to the machinery, where an offset printing in Styrofoam formed a shape that was manually covered in clay. A milling machine corrected forms, bringing them closer to the initial virtual model. After that came more manual work, with designers checking it line by line for proportion, volume and distance, and making manual adjustments when necessary.

For the interior of the car, a similar clay model was made, where designers could sit, touch, feel and decide what had to be modified. Since these manual adjustments were done on clay models, they now had to be translated back to the virtual world. A digital camera took photos, so that the original virtual model could be adapted to the manual modifications made on the clay model. Later, this new document was used to generate the final model, which was laminated in fibreglass and resin. Even though the open innovation mechanism was concluded once the final file was wrapped up, people could still post or comment on ideas on the Fiat Mio platform.

Fiat knew that its concept car might not be built as a mass-market vehicle, or even commercialized. It was seen mainly as a map of consumer wishes. Some of the new features could be added to new cars. As Joao Ciaco says: “There are small things that don’t cost much and bring great satisfaction to consumers, but haven’t been given much attention. A lot of their ideas will end up going into our cars.”

Although Fiat's initial purpose was to build its third concept car for the auto show through a collaborative effort, it seems that the purpose of the project went beyond the launch. The Fiat Mio platform continued to accept suggestions and comments, extending the period for receiving invaluable information from consumers, including their likes and habits, which is probably quantitatively superior to an ordinary marketing survey. As Fiat said on its website, the results of the discussions were "available to the public or any other car maker or business which might be interested in executing such ideas. This is what we call Creative Commons."

## **Fiat Mio and Creative Commons**

Inspired by the Creative Commons<sup>1</sup> movement, Fiat announced that the Fiat Mio project was available to anyone who wanted to use it, both for its ideas and for the FCC III prototype. The Fiat Mio website said: "Please remember that all content is free. Fiat believes that the information generated in this project should be shared without restrictions for use by average users or engineers and other vehicle manufacturers."

In fact, the website content was registered under **Attribution-NonCommercial-Share Alike (CC BY-NC-SA)**, which means that anyone can share and remix the work, though later derivatives of this work have the same license and cannot be used for commercial activities.

In short, anyone who wanted to use content from the Fiat Mio platform was free to do so without asking for permission. People could copy, paste or edit any idea or comment for any kind of use, except commercial. According to this license, general ideas proposed on the website – for example, wheels that turn 90 degrees and touch-screen panels – could be used by competing car makers.

In turn, the FCC III was registered under an **Attribution No Derivatives (CC BY-ND)** license, which means that the work can be copied and distributed, even commercially, but without modifications. In other words, if another car manufacturer wanted to produce and sell the prototype, it could do so, as long as Fiat is credited for the work and there are no modifications to the original.

As Joao Ciaco explains:

Think about two things. The first one is the brainwork that was collectively generated, the big map. This great discussion belongs to everyone who has participated. As it is a collective creation, we needed a tool, a mechanism to regulate it. For that reason, we chose Creative Commons, which helped us to establish the platform. Secondly, by analysing this collective platform, Fiat made its reading to create the prototype. The Fiat Mio car was then developed by Fiat technology; therefore this property belongs to Fiat.

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<sup>1</sup> Founded in 2001 with the support of the Center for the Study of the Public Domain of the United States, Creative Commons proposes a flexible copyright model that replaces the well-known "all rights reserved" with "some rights reserved," and that democratizes and stimulates the production of technology, culture and education. Since 2002, Creative Commons has licensed more than 400 million works to the public free of charge. Its vision is "nothing less than realizing the full potential of the Internet – universal access to research and education, full participation in culture – to drive a new era of development, growth and productivity."

When it comes to a more complex production process – as in the automotive industry – the boundaries of Creative Commons have some limitations. As Leonardo comments:

The process of creating a car is a huge thing. Fitting it all together in Creative Commons is impossible, because you deal with a series of different suppliers. It's one thing to register a text or a song under Creative Commons licenses; it's another to register a car. We were talking about how the car [the Fiat Mio] should be. But what kind of technology, where does it come from and who supplies it? ... This is another story.

As suggested by the advertising campaign, the development of content and the final product, the Fiat Mio open innovation process is freer than what Creative Commons licenses seem to permit. Joao Ciaco acknowledges that some things need to be cleared up to understand the legal niceties regarding commercial uses for such a project; Creative Commons must resolve these issues. All in all, so far there have been no requests for use, nor have any concrete demonstrations of what can or cannot be done been displayed anywhere on the Fiat website.

## **The Launch at the Sao Paulo Auto Show**

October 2010 eventually arrived. The prototype had taken six months to build once the Precision Line had been chosen, and it was delivered in time to be exhibited at the Sao Paulo Auto Show. Invitations were sent via Twitter, and an intensive advertising campaign encouraged Internet users – the people who made it – to see the result at the showroom. Fiat Cars called them “Fiat Mio Creators.” Those creators started to arrive and line up outside the Anhembi Convention Center.

Fortunately, the supplier arrived 15 minutes before the event opened, and was able to replace the faulty wheel of the machine that would transport the vehicle. The prototype finally made it to the showroom. The team did not have a lot of time to position it, adjust the lighting and do the final decoration, but the overall presentation went quite well. Despite everyone's anxiety and excitement, unforeseen incidents were overcome. Brazilian faith and persistence would not allow the grand opening to be disrupted. Besides, the project's impact had been seismic. As an executive from Fiat's advertising agency put it, the project had sent the whole automotive industry to the “psychoanalysis couch.”

Finally the much-anticipated moment came, when all the attendees could see the result of their collaborative efforts. The Fiat sales director announced the imminent unveiling, the curtains were raised and people crowded in to take pictures with their mobile phones. They gazed at and savoured the result of their work. Despite the fact that the prototype cannot actually be driven, people were enthusiastic about seeing the first open-source car – the car they had co-designed and co-created.

And they were indeed pleased:

I imagined that they wouldn't take it seriously, that it would be more a media advertisement than a real prototype. (Peixoto Godim, businessman, Fiat Mio participant since 2009).

As a modern Internet user I received a tweet about the product and I accessed the blog; I registered and somehow I have contributed to the project by giving them a tip about using environment friendly materials in the car. (Paulo Rogério Fagundes, web designer, Fiat Mio participant since 2009)

That's it! It's Mio! If the idea came from you, if you have participated, even from the outside, you feel like you're in the factory working. (Lucas Prata Borges, product designer, Fiat Mio participant since 2009).

And as an accomplished artist, Peter had achieved his original idea, but this wasn't the end: "The first phase is over, but the project isn't. We are very grateful for this wonderful collaboration, and we invite you to stay tuned, because we will continue. I hope for this as much as all of you, because the experience is awesome!"

## **New Avenues... What's Next?**

Joao Ciaco affirms that the project has changed the way everyone involved works. The collaborative process established outside the company required an in-house collaborative structure – one that was real and effective – across several departments, such as research and development, design, engineering, marketing, communication and human resources. The external open innovation process cannot function effectively without a similar organizational culture.

He also notes that, within Fiat, everyone agrees that surprising innovations came from the periphery. As they are embodied, these peripheral innovations moved toward the center of the organization. Fiat Mio was initially designed to be a tiny project that would involve only a handful of car aficionados around the factory; but it quickly took shape, spreading throughout the organization and going beyond the company's borders. In the end, every department at Fiat was emotionally invested in the Mio project.

Paradoxically for Joao Ciaco, despite the project's impact and the general satisfaction with it, one of the most important lessons that he learned as a manager was dealing with the frustration of having to leave out many of the suggestions proposed by the crowd. He realized that it would have been impossible to piece them all together, since many were mutually exclusive:

No one can make a car with 21,000 ideas, because they are conflicting. [...] A vast majority of people were (also) frustrated because their ideas were not included. But when you share your frustration, when the 'thing' is decided collectively – therefore not a unilateral decision – it happens to be manageable. When I make a choice, I eliminate others. Consequently, when choices are shared, they are also resolved in social and collective instances.

Joao Ciaco emphasizes that:

We have got synapses, links and ways to do and to put things together in a way we have never figured out before, an application to a solution which we would never have thought of. Open innovation allowed us to get different visions about things we are used to seeing. It amplified the quality of decision, even if it has not provided a relevant innovation itself. [...] When we have simplistic and naive points of view about something that has become deeply technical and complex for us, we have undergone a kind of disconnection. And I think this is a good thing.

Pedro Cabral, Chairman of AgênciaClick Isobar, believes that the prototype itself is not relevant. Instead it is the outcome of a lively discussion – a tangible product, even though it will not be mass produced. A relationship was built between Fiat and consumers and, most importantly, Fiat learned

to communicate with people, assimilating their knowledge. For him, this is the most meaningful legacy of the Fiat Mio: a communication platform between Fiat and consumers.

Almost everyone involved in the process reported that there wasn't enough time. Peter Fassbender says that, in fact, they did not build the car of the future. Instead, they built the Brazilian dream car, a car that cannot be bought today, but one that he hoped could be in the future. In terms of communication with the public, Leonardo Nishihata remarks:

If I were to do it again, I would better try to systematize the dialogue with the participants, making it even more intense, with a full-time writer assuming the role of a character on the site, something well-characterized.

Perhaps this full-time character on the site could provide greater interactivity and feedback in real time, a sort of spokesperson for the company, dedicated exclusively to the web platform. Leonardo adds that he would create a more comprehensive registration form to collect more information about the participants and to personalize the relationship with them.

Mateus Lima Silveira, chief interior designer, wistfully notes that if there had been more time, the discussions with users could have gone further. Some interesting ideas could not be used in the process, either because they were sent in too late once the prototype was already in production, or because they were too innovative and required several rounds of discussion or voting.

The idea of a car that can be used and then passed on to another user, for instance, is something I would have liked to have understood better, in more detail.

Carlos Eugênio, overseas business development director for Fiat thinks that the entire company should have been involved in the process: "We could have taken on Fiat Mio more as a corporate project, making it more institutional, and not simply the initiative of the Style Center and the engineering and advertising departments."

The Fiat Mio project was definitely a milestone for the industry. Fiat Brazil has reinforced its connection with customers and has learned more about their wishes, habits and even dreams. Fiat had its first experience in coping with the crowd and creating a product people feel attached to, since they helped build it. In fact, people seem to be satisfied merely by contributing, as the phenomenon of virtual participation continues to be explored.

Nonetheless, for the next edition of the Sao Paulo Auto Show, Fiat will probably not present any rereading from the Fiat Mio platform. No collaborative car will be presented until the company figures out what should be changed in the process. What strategies should be modified to improve the platform and the Fiat Mio project? Fiat does not want to repeat the same experience, but all agree that the Fiat Mio platform will remain. Something must now be improved; there must be something new and more challenging. Peter puts the tricky question for his colleagues as follows: "In your opinion, what should it be?"

2015-02-27

## **Exhibit 1 Fiat Group and Fiat Cars**

Headquartered in Turin, Italy, Fiat is a global group focused on the automotive sector. It was founded in 1899 as Società Anonima Fabbrica Italiana di Automobili Torino – F.I.A.T. When the first plant was inaugurated in 1900, production totalled 24 cars per year.

Today, Fiat distributes about 2,100,000 vehicles annually and operates in more than 60 countries. In 2010, the Group ended the year exceeding all objectives and prescribed indicators. Its gross revenue of 56.3 billion euros represented a 12.3% increase over 2009, and 600 million euros in net profit.

Fiat Group is divided into two segments: Fiat Industrial and Fiat Group Automobiles (FGA). The Fiat Industrial Company manufactures industrial vehicles, like tractors and trucks, and its revenues increased 18.8% over 2009.

In turn, Fiat Group Automobiles (FGA) designs, produces and sell cars under the Fiat, Chrysler, Lancia, Maseratti, Ferrari and Alfa Romeo brands, among others. In 2010, its revenues reached 27.9 billion euros, up from its previous billing. Almost 30% of Fiat Group Automobiles' global revenues come from Mercosul, and Brazil is the second largest market for Fiat – just behind Italy. The Brazilian market – like other BRIC markets – is expected to grow continually for the foreseeable future. Fiat has a considerable presence in the other BRIC markets as well.

Since 1976, Fiat Cars, the subsidiary of FGA, has been located in Betim in the state of Minas Gerais, in southeastern Brazil. Brazilians are passionate about cars, and car manufacturers take advantage of that, reinforcing the idea repeatedly in their marketing campaigns.

In the coming years, Brazil is expected to become the top market for Fiat, particularly since Fiat is already the leading carmaker in Brazil. In 2011, Fiat sold almost 600,000 vehicles, trailed by Volkswagen, General Motors, Ford and Renault.

## **Exhibit 2**

### **Characters and Players**

In different ways, each of them had a crucial role throughout the Fiat Mio open innovation process. Here are the staff from both Fiat Cars and AgênciaClick Isobar in Sao Paulo, one of the five Brazilian branches of the Isobar Communications Agency, headquartered in England.

#### **The Inspirer**

At Fiat, there are only two Style Centers, where cars are designed: one in Turin, Italy, and the other in Betim, MG, Brazil. **Peter Fassbender** is the head of the Brazilian Fiat Style Center. He oversees about 45 employees, plus suppliers. He is the man who initially turned the ignition and generated the first spark: the idea of working with open innovation. He also directed the designers' team during the process.

#### **The Entrepreneur**

**Cledorvino Belini** is the current president of Fiat Automobiles Latin America, as well as CEO of the Fiat Latin America holding. He is also a member of a number of administrative councils and strategic bodies in some of Brazil's most important business foundations. According to a colleague, Belini is a businessman "who is not afraid of taking risks."

#### **The Strategist**

A multidisciplinary education in civil engineering, business administration, marketing, communications and semiotics has given **Joao Ciaco** a unique profile. He is director of advertising and relationship marketing for Fiat and probably the person who is the most enthusiastic about the Fiat Mio project.

#### **The Motivator**

**Paulo Nakamura** is responsible for design at Fiat Style Center, under Peter's supervision. His mission was to balance the designers' production, boosting their imagination or bringing them back to reality.

#### **The Artists**

A team of employees from two related departments, including engineers and designers, were responsible for working together and translating into lines and shapes what users had asked for through the Fiat Mio website. Designers worked under Nakamura's direction and engineers followed Paulo Matos' suggestions.

#### **The Facilitator**

**Paulo Matos** is the innovation and methodology supervisor who, from an engineering standpoint, coordinates the innovation process within Fiat Cars by supporting and upgrading studies and processes at many levels.

## **The Architect**

**Raphael Vasconcellos de Oliveira**, nicknamed **Rapha**, is the creative design vice president for AgênciaClick Isobar. He worked on Peter's initial idea, incorporating further substance that would eventually be approved by Fiat's CEO. He also provided technical guidance for the agency's creative team during the campaign.

## **The Author**

Partnership director of Spicy Media, **Adriano Silva** was responsible for coordinating the journalists who did the research about future trends, which served as the leitmotiv in preparing the initial workshop. He also coordinated Leonardo Nishihata and the other writers, who provided content for the Fiat Mio platform website. Adriano has written a book that documents the development process of the Fiat Mio project.

## **The Organizer**

Fiat Automóveis is AgênciaClick Isobar's largest client, and **Claudio Almeida de Souza**, nicknamed **Claudao**, manages the relationship between the agency and the client. He is the vice president of business operations for the agency, the person who "understands Fiat's soul," in the words of the agency's president.

## **The Maestro**

**Abel Reis**, head of AgênciaClick Isobar Brazil and COO of Isobar, has always tried to inspire his gigantic client, Fiat Brazil. While surfing the Internet, he came upon a book review of *What Would Google Do?* by Jeff Jarvis. Abel sent copies to a few Fiat Cars executives. "I wanted to stimulate them (Fiat Brazil) into thinking about communication in a different way. I also wanted the company to have 'softwarability,' so that Fiat would stop being a mere hardware business and begin seeing itself as a software business," says Abel.

## **The Web Designer**

The development director of the design nucleus of AgênciaClick Isobar, **Diego de Araujo**, was responsible for establishing the creative and visual design for the Fiat Mio website, as well as for its development. He also created Fiat Mio's logo.

## **The Chief Listening Officer**

Probably one of the most important people on the project, **Leonardo Nishihata**, **Leo**, transformed all the collaborative content sent in by users on the web into productive information for Fiat. An editor for Spicy Media (a supplier hired by the agency), he was the nimble ear, the channel translator and the voice of the users vis-à-vis Fiat – as well as, in a way, the voice of Fiat with the users. He dealt with a colossal amount of information, reading and editing thousands of suggestions, and consolidating them into a report. He oriented discussions and topics according to technical specifications provided by car designers.



**Exhibit 3.a**  
**The Project Numbers**

Phase	Ideas received	Registered users	Page views
Concept Ideas	7,078	9,995	2,010,078
Concept Design + Modelling	3,988	7,924	2,474,728
Total*	11,066	17,919	4,484,806

\*To October 23, 2010.

### **Exhibit 3.b**

#### **The 21 Topics Selected by the End of the Concept Ideas Phase**

1. Cabin space and passengers. How many seats and doors should Mio have?
2. Type of vehicle. What kind of driving should Mio be designed for?
3. Integration with gadgets. What would be a better way to connect your phone and other gadgets in the car?
4. Infotainment. Via voice command or touch screen – which do you prefer?
5. Electronic identity. Should the Mio encourage participation in social networks?
6. Total visibility. How can blind spots be reduced?
7. Ecological propulsion. What would be the ideal propulsion for the Mio?
8. Electric silence. Electric cars do not emit sound. Is that good or bad?
9. Evolved maintenance. How can vehicle maintenance be made a little more enjoyable?
10. New materials. Would you buy a car that is not made of metal?
11. Drive by wire. Can electronic control replace the conventional steering wheel and pedals?
12. HUD (head-up display). Will instrument panels be replaced by HUD?
13. Vehicle upgrades. Would you like to improve your car instead of getting a new model?
14. Accessibility for drivers with special needs. How can technology ensure free access to the driver?
15. Steering aids. How can electronic systems avoid accidents?
16. Electric refuelling. What is the best way to recharge an electric car?
17. Traffic systematization. Are we moving to the end of the steering wheel?
18. Onboard biometrics. Your body can function as a key. But is this necessary?
19. Integrated breathalyser. Should the car test the alcohol level of drivers before it starts?
20. Are spare tires necessary? Would you give up your spare tire in exchange for other benefits?
21. Internal comfort. How can we make the car interior more agreeable to passengers?

**Exhibit 4**  
**The Fiat Mio Open Innovation Process**

