

Measured Innovation

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Who am I?

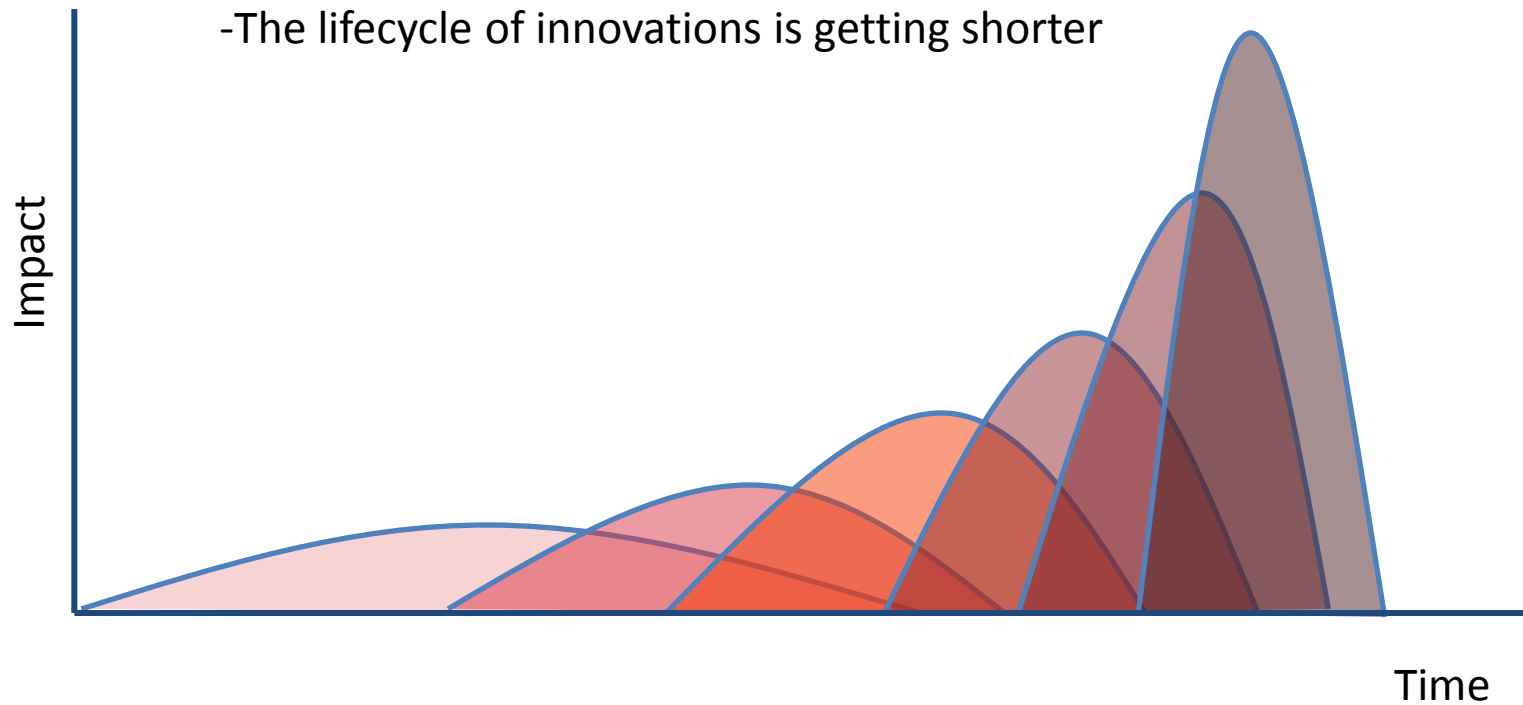
Agenda

- Why Innovation?
- Other Approaches
- A Better Approach
- Benefits
- Lessons Learned

Innovation Acceleration

-Innovations are having a larger impact

-The lifecycle of innovations is getting shorter



The Innovation Reality

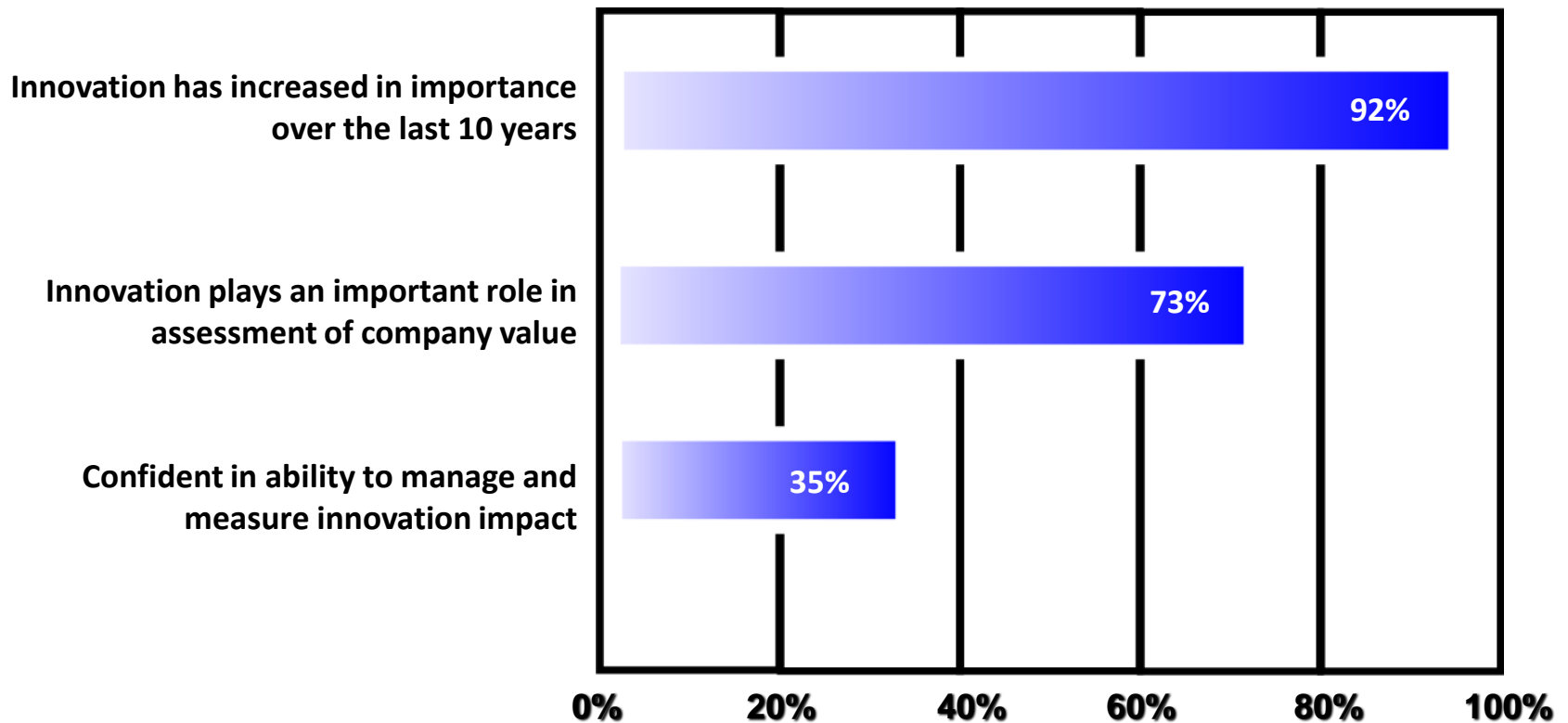
Innovation Gap

The shortfall between a organizations rapidly rising need for ideas/innovations and their inadequate supply

Innovation Delay

The delay between the time when decisions to adopt strategic innovations are made and their eventual impact to the organization.

Innovation Impact



Source: Arthur D. Little Research

The Challenge of Innovation

- Maintain efficiency while fostering innovation
- Stressing bottom-line results without restricting innovation
- Adapting to changing markets and environments while maintaining stability

What's wrong with the current approaches to find ideas?

What's wrong with current brainstorming approaches?

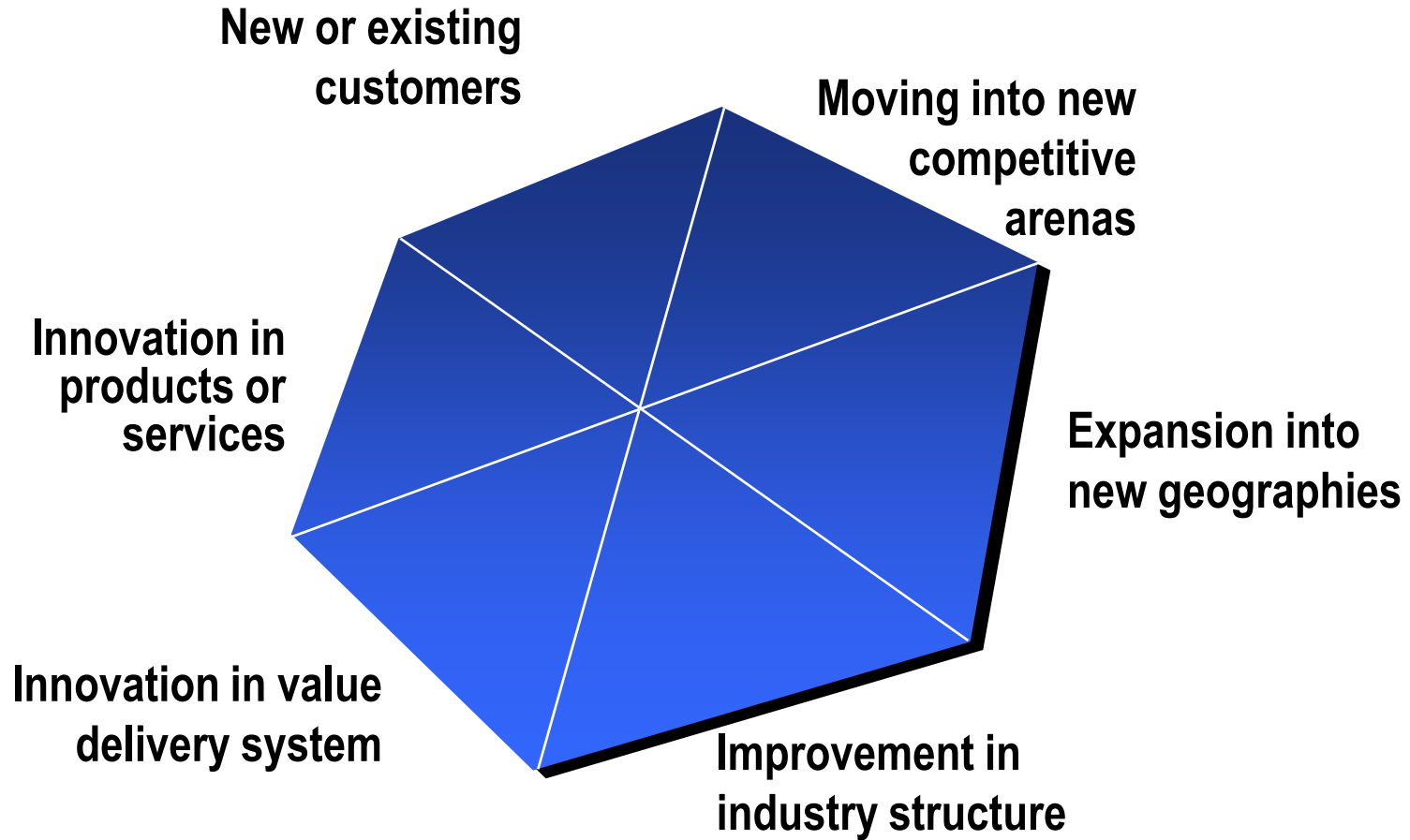
- Innovations are either incremental or totally unrealistic
- Rarely any real follow-up
- No confidence that there aren't better ideas to be had
- Lack of executive/organizational support

Innovation Process

- Focus The Innovation Search
 - Focus the problem
 - Depth is better than breadth for idea quality
- Ideation
 - Structured questions that drive discovery/insight
- Rank The Ideas
 - Will this idea change the customer expectation?
 - Will this idea change the competitive landscape?
 - Will this idea change the economics of the industry?
- Execution
 - Define clear milestones
 - Kill projects early

Tool: Focus

Focus the search



Search Areas for Innovation

Area	Such as ...
Moving into new competitive arenas	Developing a new business in an industry within which a company has not previously competed or when there is no overlap in customer value proposition
Expansion into new geographies	Expanding into a new geographic area with high value-added transfer from existing geography or when the activity is new
Improvement in industry structure	Changing the value proposition, value delivery system, or competitive relationships that improve/change the industry structure or redefine the industry
Innovation in value delivery system	Creating an innovation that redesigns the business system sufficiently to alter the value proposition
Innovation in products or services	Creating a new product or service, normally in a cocooned manner
New/Existing customers	Creating a new business by selling existing products/services to existing or new, unfamiliar customer segment

Tool: Ideation

Better Questions = Killer Ideas

New or Existing Customers

- What emotional, psychological, or status benefit do (could) people derive from using the product?
- How can you create a social or group experience with the product?

Industry Structure

- What are some of the basic assumptions under which the industry operates?
- What external jolts have the potential to significantly impact the operational rules of the industry?

Product & Services Innovation

- Who uses the product because of some benefit we did not foresee?
- What regularly used makeshifts can we capture in a product design?

Exploring Beyond the Obvious

- Everything that is new is an addition or modification of something that already exists
- Based on the answers to the questions, use SCAMPER to generate a wide variety of ideas

S	Substitute?
C	Combine?
A	Adapt?
M	Modify – Magnify?
P	Put to other uses?
E	Eliminate or minify?
R	Reverse – Rearrange?

Characteristics of the Best Killer Ideas

- **Purpose** - the yield of high quality ideas is significantly higher with a clear business purpose and a supportive business sponsor.
- **Timeliness** - the difference between a great idea and a so-so idea is market/technology timing.
- **Diversity** - the pool of contributors needs to be broad, broader than you intuitively think.
- **Perspective Change** - the very best ideas come through individuals looking at things in a different way.
- **Collaborative Development** - environment, where people can comment and build on ideas thereby significantly increasing the overall yield of high impact ideas.

Suspend Disbelief

Let's shelve that for the time being

Who is going to do it?

I have something better.

We tried that before.

It won't fit our operation.

It's against all our combined logic.

Not enough return on investment.

It's great, but

Someone must have already tried it.

I thought of that a long time ago.

We can't afford that.

You'll never get approval.

You're on the wrong track.

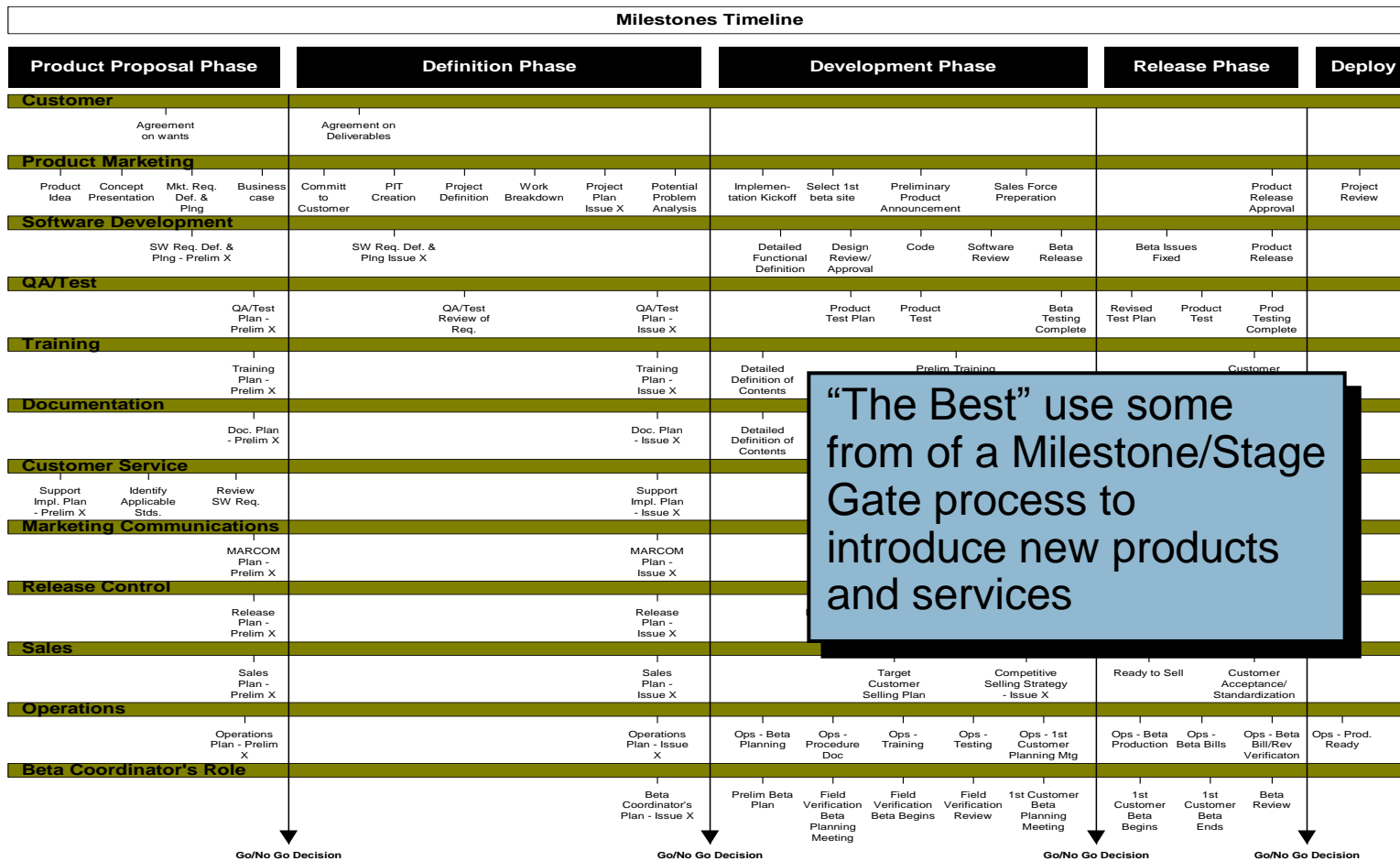
Don't rock the boat.

The market is not ready yet.

It's not a new concept.

Tool: Execution

Execution = Stage Gate Management

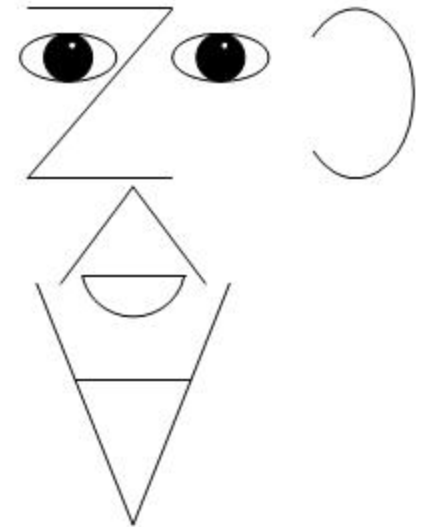


“The Best” use some from of a Milestone/Stage Gate process to introduce new products and services

Skills: Observation

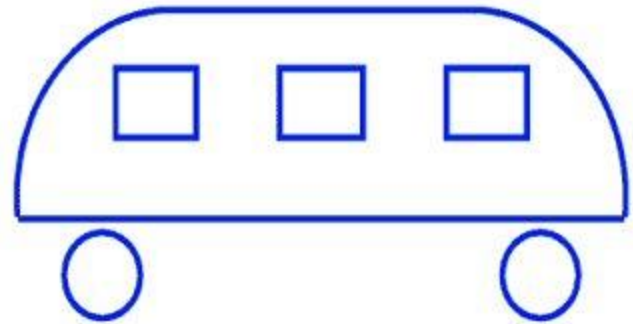
Brain Teaser #1

Which famous person is spelled out in the picture?



Brain Teaser #2

Which way is the bus traveling?
To the right or the left?



Lessons Learned

- Changing the culture
- Metrics
- Finding Innovation Champions
- Reward failures & successes
- Adapt to your organization