creative4business

The Way To Innovation

By

Derek Cheshire

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1 Introduction – What is Innovation?

Innovation has become a buzzword, uttered alongside such catch-phrases as competitive advantage, sustainable development, the connected knowledge economy, globalization, convergence, digitization, moving at the speed of thought. There are three distinct models that are being widely publicised but of course these can be mixed.

1. Acceleration - The future will be a continuation of the recent past, only much faster
2. Chaos - The future will be utterly unlike the past, driven by radically new and discontinuous events
3. Evolutionary - The future will be, like the past, a continuous series of mostly predictable changes

How businesses themselves cope is independent of the actual definition of Innovation, something which is lacking in most books and which would help all stakeholders to begin to create a strategy to cope with this topic.

$$I = \alpha F(C,K,c,k)^n$$

The above represents a pseudo equation to allow the understanding of the Innovation process. The variables are defined as:

I   Innovation
α   a need or willingness to embrace innovation
c,C   creativity, either on a personal (c) level or an organisational (C) level
k,K   existing knowledge or know how at personal (k) or organisational (K) level
n   the effectiveness or maturity of the innovation processes put in place

In plain language, the equation states that innovation is a function of creativity (the way we generate new ideas) and know how (the things that we already know about). The more effective and mature the processes we have are, the greater the contribution to our businesses. If there is no need or desire to innovate then Innovation cannot occur on its own.

At this point there may well be readers who are disagreeing and arguing about getting things into production as well as science and technology transfer. The methods of getting things into production are simply knowledge, some we already have, some we need to create as part of our innovation process.

There will also be those who worry about 'creatives doing their own thing' and issues surrounding HR and Quality. These are all catered for in the equation within the process variable **n**. What the equation is telling us is that to be successful in innovation we need everyone to play their part: HR, Finance, Quality, Strategists, Research and Production.

This document attempts to show how innovation can be turned into reality both within companies and geographic regions such as states and countries...

2   A Top Level Innovation Methodology

The diagram below shows a generic flow for coming up with ideas and implementing them. This is what actually happens in our offices and factories. We are prompted into action as a result of listening to our environment, we make sense of it and then plan some action. This leads us to a creative process where we generate and refine ideas, test them and finally design and implement our finished product, service or process.
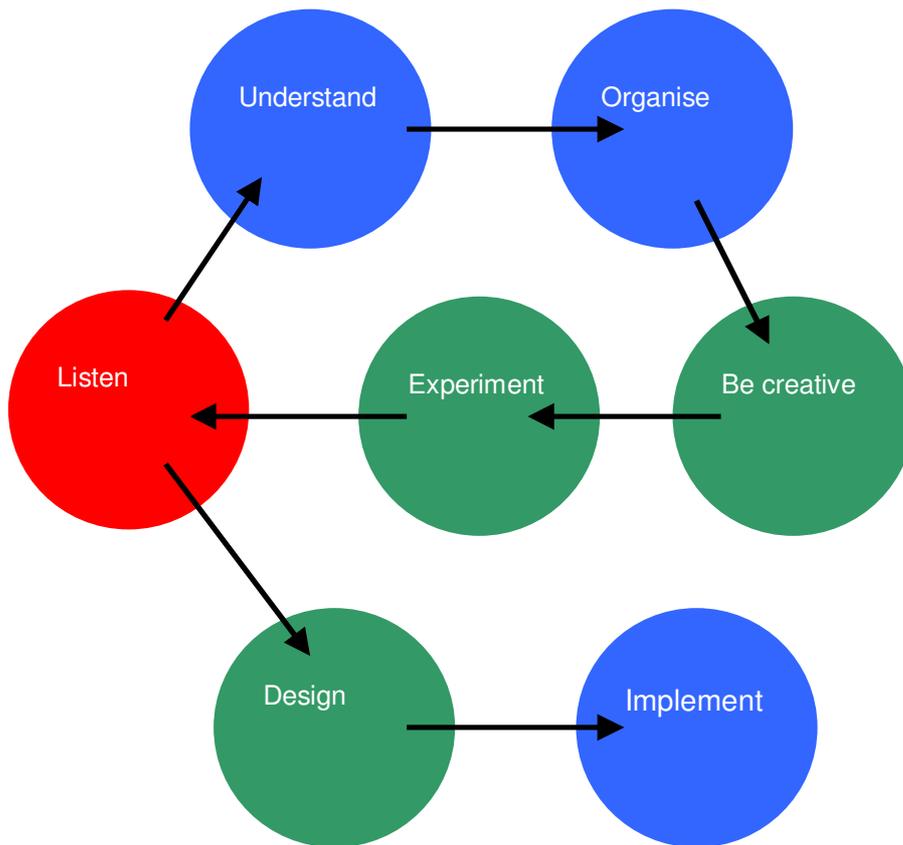
In order for this to be taken seriously at a high level we need to show the other activities that must take place along with any time lines to indicate time scales, dependencies and parallel activities. The diagram on the following page and accompanying text describes such a process or methodology in greater detail. Note that at this stage we are still only concerned with working within a business and the context is a new innovation project or programme, we have not yet considered making innovation into an integral part of an organisation's culture.

The Way To Innovation
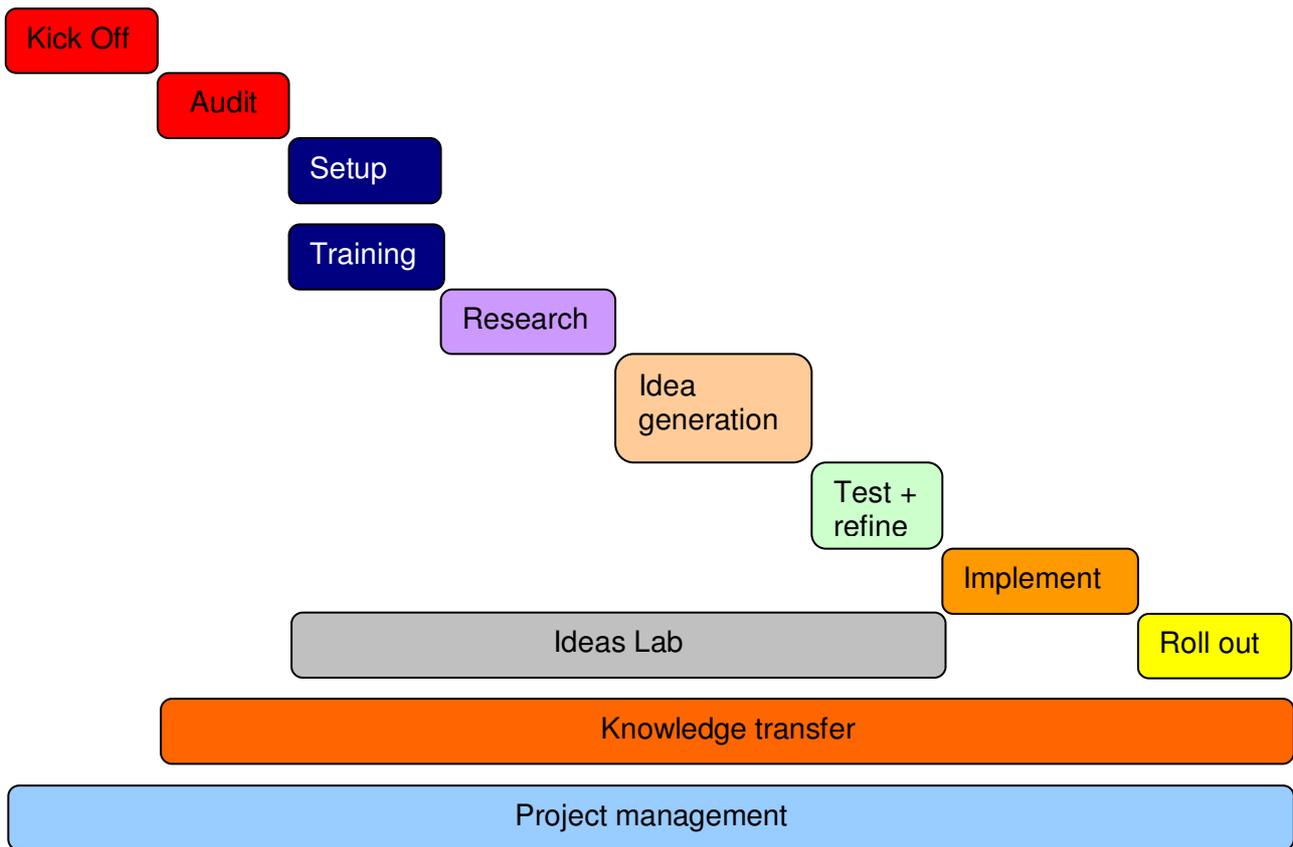
The above diagram shows the common phases of an innovation programme as a timeline. The phases shown are described briefly in the following subsections.

2.1 Kick Off

This is simply the formal start to the innovation programme and should ideally show the support of key sponsors and stakeholders (senior management), communicate objectives to those involved, lay down ground rules etc. The means by which this is done is crucial and depends on many factors. In line with the concept of innovation, it is suggested that the traditional rallying call to 'the troops' is not appropriate here.

2.2 Audit

In order to ensure that scarce resources are targeted and to identify developmental activities for the future, an audit of the innovation capacity of the organisation should be carried out here. If this is coupled with another audit after a reasonable period of time then the effect of the programme can be assessed directly independently of financial performance indicators. The Innovation Toolkit is ideal for this.

2.3 Ideas Lab

The Ideas Lab is actually composed of several smaller activities but is shown as one since it lends itself to a separate module that can easily be delivered either internally or externally by outside agencies. The training and idea generation typically take a couple of days with refining and testing being taken offline or worked on at a later date.

2.3.1 Setup

Here, organisations need to be addressing the infrastructure requirements of the programme i.e. accommodation (a separate house of ideas?), additional resources and materials, appropriate research tools, prototyping, design and manufacturing facilities.

2.3.2 Initial Training

The exact nature of this depends on your organisation but any developmental activities should cover both convergent and divergent techniques, techniques other than traditional brainstorming, nominal group techniques and some slightly weird techniques that people can experiment with over the duration of the training. Apart from direct instruction, a series of technique cards should be produced and made available.

2.3.3 Research

There is no fixed scope for this although the following should at least be covered:

Trend spotting, customer surveys, distributor surveys, worker surveys, input from professionals (doctors, engineers …. Whatever is appropriate).

The idea is to spot trends, find gaps for new products or improvements, make use of legislative changes or changes in working practices etc.

2.3.4 Idea Generation

Using the output from the training activities and the material generated during the research activity, the left/right brain model can be put into use to generate a large number of ideas. In a full blown programme one might reasonably expect 1500 or so crazy ideas to be generated which in turn will be whittled down to 150 or so ideas worth recording and progressing with. A 2 day workshop may generate only about one third as many.

2.3.5 Test & Refine

Here, we are typically making prototypes, testing services and creating focus groups as well as feeding back information to sponsors. The activities depend very much on the nature of your business but the output should feed directly into the implementation phase. If you are creating a new product then you need a design, drawings, manufacturing details etc.

2.4 Implement

Once again this depends on the exact nature of your business but if you have a new product then you should have plans for sales and marketing, manufacturing, distribution and logistics etc.

2.5 Roll Out

This will see your new ideas actually going into the marketplace. A key component is to have built in learning as there are bound to be improvements that can be made (not just about your product but about the process itself).

2.6 Knowledge Transfer

Ideally, such an activity should be continuous but in reality you will have been too busy to get stuck into this. Mechanisms should be put in place to capture learning points in as many different ways as possible (both formal and informal). As this is a one off project then a method of transferring knowledge to other people in the organisation needs to be put in place (briefings, demonstrations, storytelling, videos are all good methods).

2.7 Project Management

An ongoing activity that needs very little explanation in the main, however, any project manager must be fully aware of the innovation process and the subtleties of managing a diverse group of people and living with a great deal of ambiguity. There will also be pressure to perform when sponsors apparently see nothing happening.

3 Continuous Innovation

The previous section described an outline methodology for an innovation project or programme. But what happens when we wish to keep going, to innovate constantly? Our timeline of activities changes but the activities themselves remain pretty much the same as is shown below except for the fact that they all loop back on themselves i.e. they are all now continuous.
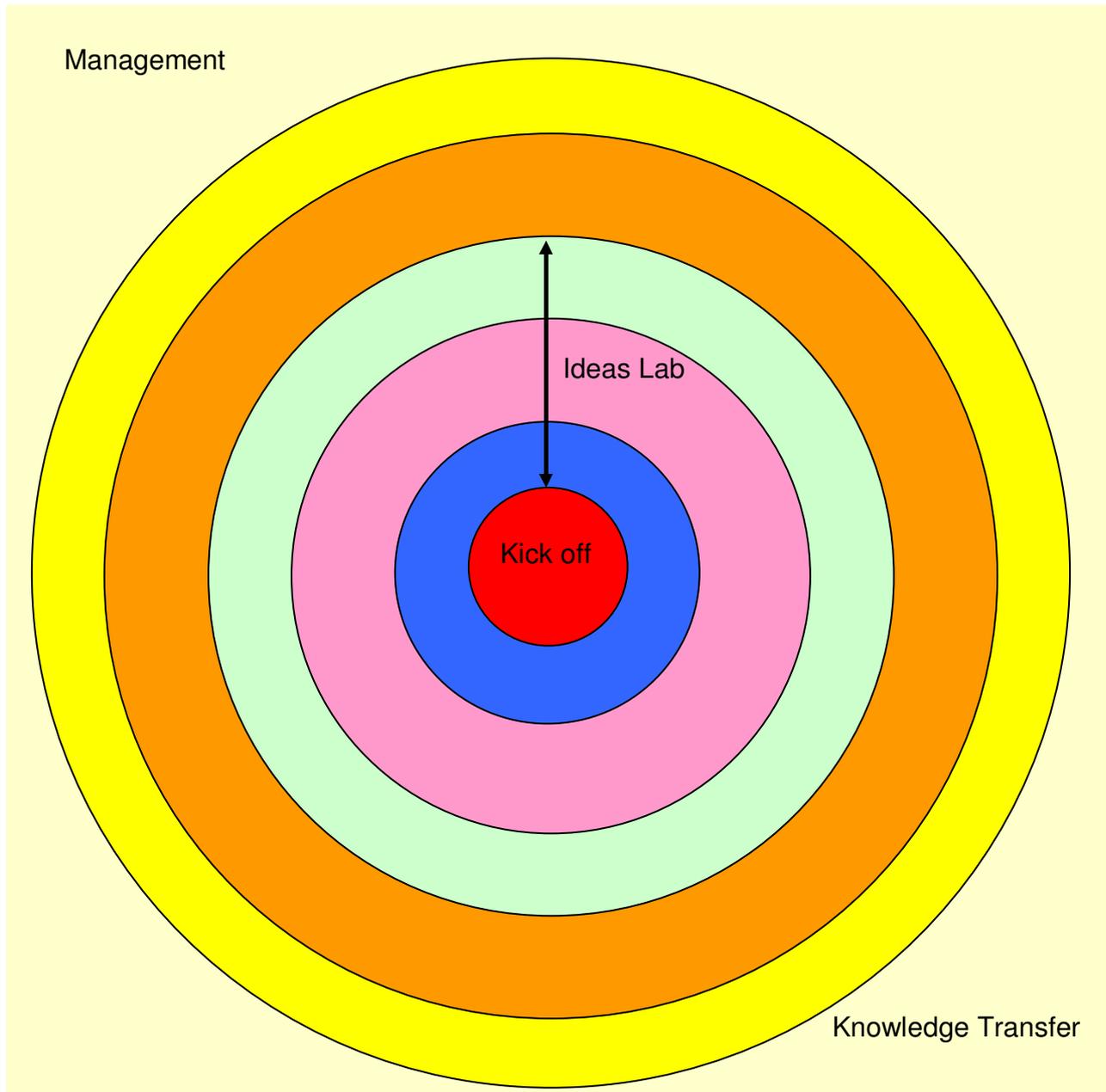
The only activities that do not form part of this arrangement are the knowledge transfer and management activities as they now form part of the environment. The initial 'kick off' activity also takes on a slightly new meaning as it implies that new initiatives are started at the centre i.e. bottom up in the traditional hierarchical organisation.

This is not quite the whole picture as it only shows relationships between processes. Now imagine the whole picture turned on its side so that you are looking at the side of a disk or coin.
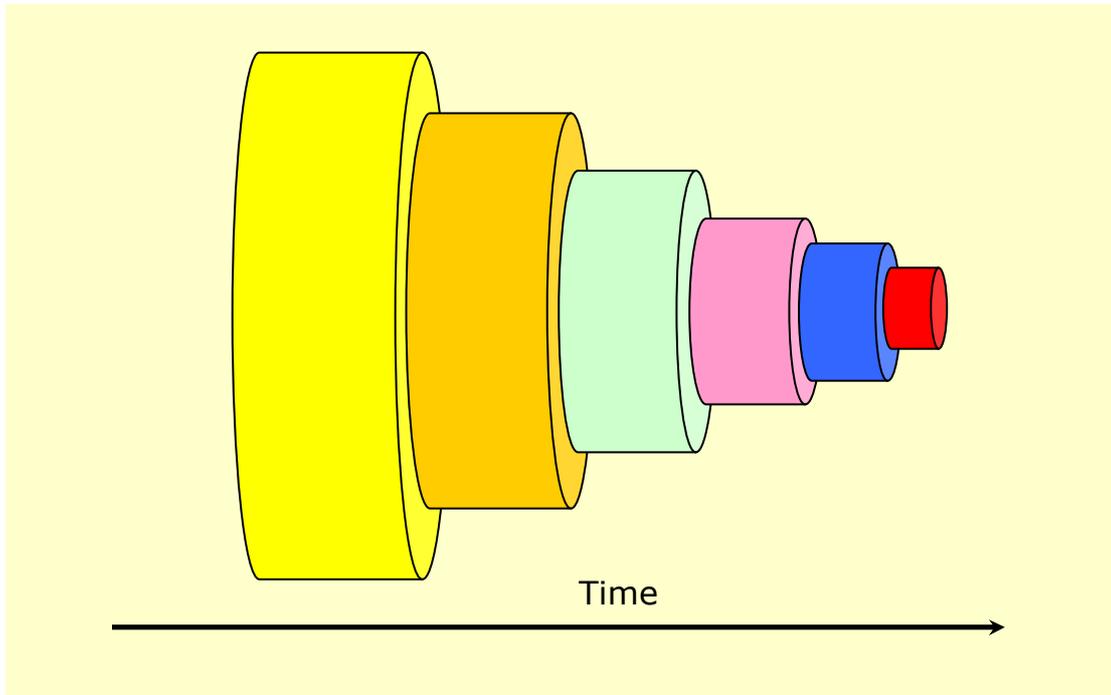
If this now moves sideways to represent the passage of time, we have a series of concentric cylinders to represent continuous activity in each area. The actual passage of a single project is in fact a corkscrew. Now try and imagine that all of these cylinders or corkscrews are moving at different rates and are all in existence at once. Maybe more are being added as you think about this! This neatly illustrates the organised chaos that is innovation and the complexities that must be considered when managing it.

4 Regional Innovation

It does not make sense to talk about regional or countrywide innovation in terms of anything other than continuous innovation, governments are unlikely to fund programmes that will not deliver long term economic benefits. To deliver innovation on a regional basis we will consider the continuous innovation model previously described, highlighting the different activities that must take place at each stage.

4.1 Kick Off

As before, this is the formal start to the innovation programme and should ideally show the support of key sponsors and stakeholders (senior officials, trade associations, manufacturing groups etc), communicate objectives to those involved, lay down ground rules etc. A regional strategy should be created, setting out clear objectives but with the understanding that this is a living document which can (and should) be updated as the learning process continues. The communication of objectives is key as the power of

external stakeholders will be considerable. A simple announcement in the press will not do.

4.2 Audit

In order to ensure that scarce resources are targeted and to identify developmental activities for the future, an audit of the innovation capacity of the region should be carried out here. If this is coupled with another audit after a reasonable period of time then the effect of the programme can be assessed directly independently of financial performance indicators. The Innovation Toolkit is ideal for this.

Unlike company audits, it is essential to capture significant amounts of demographic information so that any initiatives can target geographical regions, industry sectors, socio-economic groupings etc.

Key findings will need to be fed back into the regional strategy immediately.

4.3 Ideas Lab

The grouping of smaller phases under this title is not quite so helpful and it is perhaps more sensible to think of these five small phases as an 'incubation activity'. Also the timescales will be considerably long than when working with an individual company.

4.3.1 Setup

Here, regional and local government must address the infrastructure requirements of the programme i.e. accommodation (for incubating businesses, action learning groups etc), administrative functions (website, databases, event planning etc), additional resources and materials, create links with stakeholders such as academic institutions, trade associations, industry sector representatives, unions.

4.3.2 Initial Training

Although we are now concerned with a regional strategy, we need to understand that we are trying to help businesses understand how to innovate. Here, a business innovation methodology needs to be taught to, and experienced by representatives of stakeholders as well as local trainers and consultants. Facilitation skills for use within action learning groups are vitally important here.

In tandem with this, there needs to be a period of leadership and management education to prepare people for the experiences that they are about to have. There should also be plenty of support in the form of business mentoring, publications, seminars etc.

This is also a good time to be gathering information about future training requirements for future phases of strategy implementation.

4.3.3 Research

There is no fixed scope for this although the following should at least be covered:

Trend spotting, customer surveys, distributor surveys, worker surveys, input from professionals (doctors, engineers …. Whatever is appropriate). Such trend spotting will probably look further afield. For company innovation programmes we might look at local or national markets but for regional programmes we are looking nationally, and globally.

The idea is to spot trends, find gaps for new products or improvements, make use of legislative changes, changes in working practices, exploit raw materials and expertise or event identify skills shortages. This may very well lead to clustering of industries that have either similar or complementary interests.

4.3.4 Idea Generation

Cluster groups should be encouraged to participate in activities that can lead to new ideas and the sharing of best practice. Depending on the country and/or region there may well be cultural issues here to do with sharing.

There may very well be ideas that spawn products or services involving collaboration but it is more likely that ideas will be related to infrastructure and support requirements. It is thus important that all such information is recorded and transparency is key.

4.3.5 Test & Refine

Instead of a product or service, we are concerned with the delivery of innovation, thus we have a product already, we are dealing with the creation of a service that delivers this product to all sectors within the regional economy. Those involved in the process will create their own ideas and terminology, but expect action learning groups, knowledge transfer partnerships, cultural change initiatives and infrastructure projects (broadband, planning, power etc) to be on the list. Any such ideas must be well thought out as implementation is likely to be a costly exercise.

4.4 Implement

At this stage, implementation is a bit unknown, all you know is who the stakeholders are likely to be and what the desired outcomes are. This is a bit like a brand new manufacturing line waiting to create a new product. They know what they have to do but not how to do it yet. Stakeholders can be briefed in advance and should be kept informed during all of the phases anyway.

4.5 Roll Out

This must be phased if a region or country is being considered. It is also the region why cascading any methodology from 'experts' to other trainers and facilitators is important. It helps to speed up roll out and gives ownership to the new methodology.

4.6 Knowledge Transfer

Regular action learning groups can help to ensure that knowledge is transferred both between stakeholders and to the sponsoring bodies. Product and process specific

knowledge can also be transferred locally with industry-academic partnerships and between participants in clusters.

4.7 Project Management

This is an extremely important activity, which in many cases, is given to just one person. They then spend their time in meetings and lose contact with the innovation project. It is suggested that a multidisciplinary team is created that may have had the 'company innovation experience' and who will be familiar with the pressures and ambiguity that exist. Other than that, this is still a project management exercise although attention should be paid to the following:

Ensuring sustainability of initiatives

Ensuring transferability of skills and initiatives

Transparency of planning and funding issues

Communications (press releases, events)

Funding (sufficient but not wasteful)

Timescales – things will happen immediately but a full cycle may take 3 – 5 years.

5 Timescales

This has been briefly mentioned above and without detailed knowledge of the type of innovation project being considered this is a hugely difficult question to answer. As a rough guide, allow up to 12 months for company programme to go through one cycle and introduce new products or services. A regional programme will take 3 – 5 years to demonstrate significant benefits throughout, although there will be noticeable changes in particular sectors or attitudes much earlier than that, again 12 months would be an appropriate timescale.

6 Market Offerings

Kick Off		Coaching, mentoring, strategy and business planning. Use of standard tools and templates.
Audit		Use **Innovation Toolkit** to measure innovation capacity, create a development plan and benchmark for the future.
Setup	**Ideas Lab**	The **Ideas Lab** is an activity that can last from 1 day to 10 days, depending on your exact requirements. Our 2 day workshop will give you tools and techniques to take away as well as a guaranteed number of ideas for new products and services. Our 10 day program is comprehensive and covers all aspects of idea generation, research and prototyping. These are all activities that can be carried out separately if you cannot run your innovation activity full time. This section may require several iterations before you can actually create a plan for the rest of your activities.
Training		
Research		
Idea generation		
Test +refine		
Implement		Project Management, training and development Planning, logistics, mentoring
Roll out		
Knowledge transfer		Assistance in the transfer of knowledge around your organisation using techniques such as **Action Learning**.
Project management		

The above table shows how our offerings can help to start, and manage an innovation programme.