
Creating an Innovation Process and Culture

SEPG March 2008

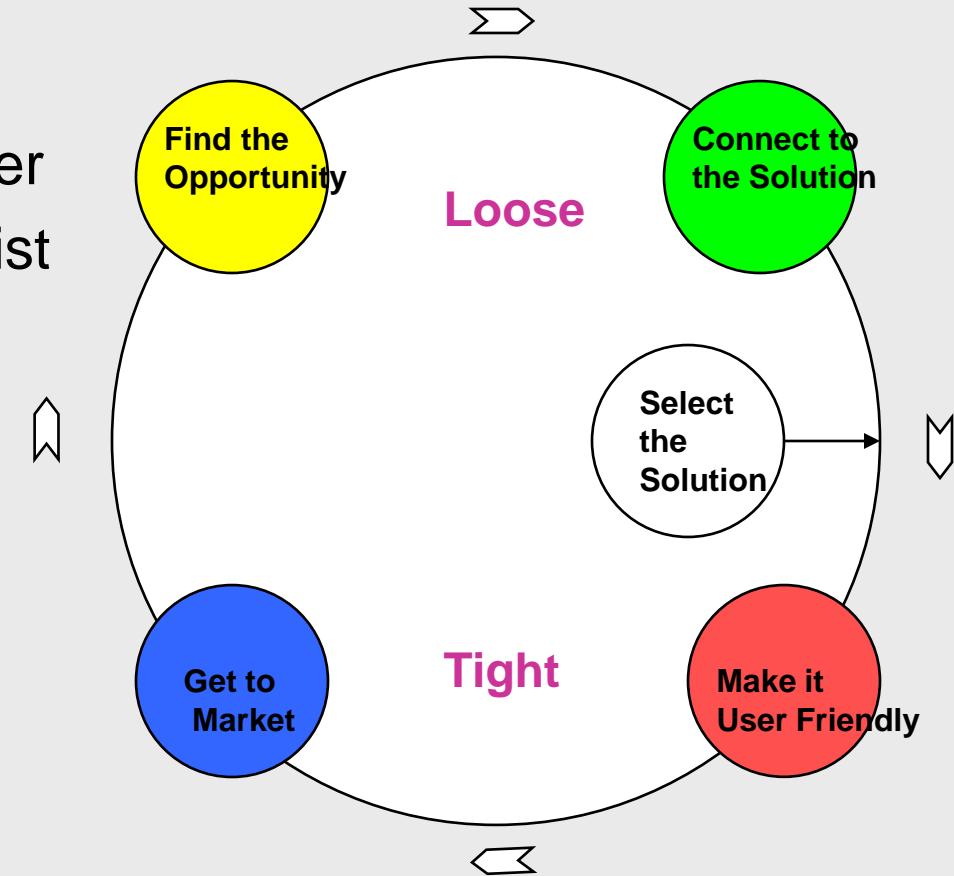
by Peter Merrill
www.petermerrill.com

Realities of Innovation

- There is no sudden stunning insight
- Good ideas are not hard to find
- Ideas do not come from a single genius
- The best ideas do not always make it.
- There is an Innovation process
- Culture Changes through the process

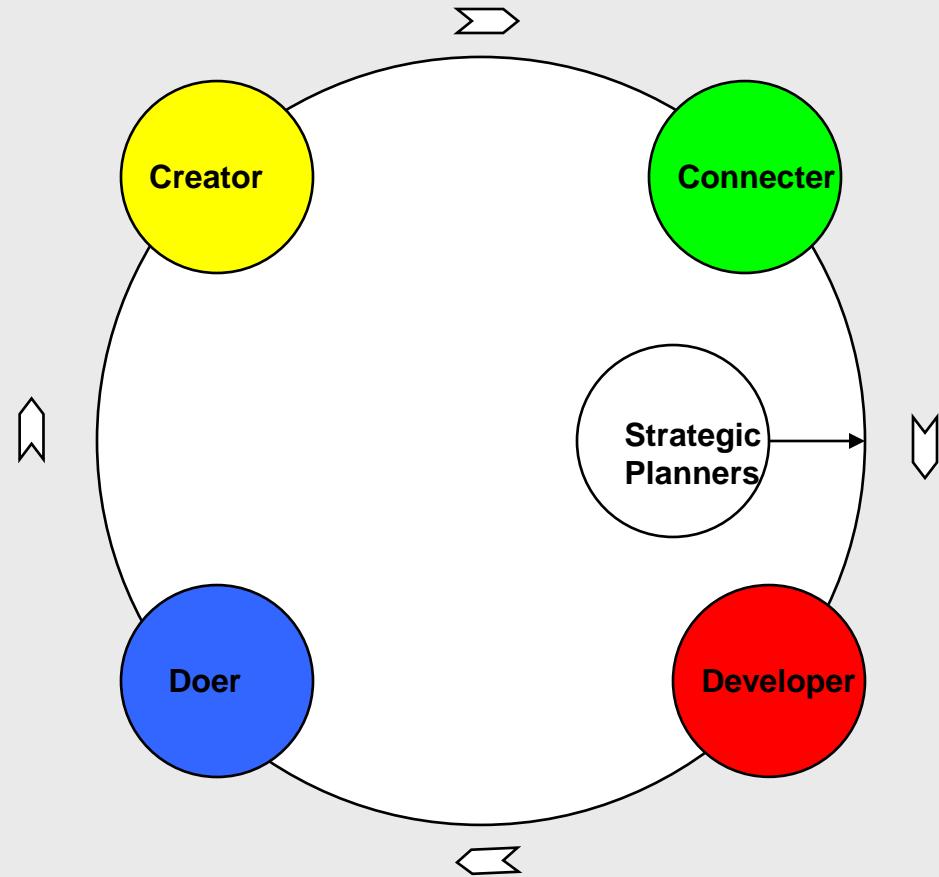
The Innovation Cycle – A Paradox

- Driver; tomorrow's customer
- Customer does not yet exist
- The Process Loops
- Process changes mode
- “Loose” and “Tight”



The Innovation Cycle – The Players

- generating **Opportunities** needs '**Creators**'
- linking opportunities to **Solutions** needs '**Connectors**'
- Decision Making needs **Strategists**
- making ideas **Practical** requires '**Developers**' and
- Getting to **Market** is the job of '**Doers**'



Your Role in the Process?

How will I make the best contribution to Innovation?

- ❑ generating ideas,
- ❑ linking those ideas together,
- ❑ turning ideas into practical solutions or
- ❑ implementing solutions + getting things done?



Creator, Connector, Developer, Doer?

1	I 'Connect the Dots'		I get things done		I like Possibilities		I bring things 'down to earth'	
2	I need to understand		I make things work		Everything has a good and bad side		There has to be a right answer	
3	Don't tell me what to do		Give me facts not theory		I create choices		I like to analyze data	
4	A Concept must be sound		I like 'energy'		Don't fuss with details		I like precision	
5	I think things through		I take risks		I like to hear about problems		I focus	
6	I like the big picture		I find a way that works		I want to own the problem		I am thorough	
7	I like to define the problem		I push for acceptance		I find out the facts		I Plan	
	TOTAL		TOTAL		TOTAL		TOTAL	

Creator, Connector, Developer, Doer?

1	I 'Connect the Dots'		I get things done	4	I like Possibilities		I bring things 'down to earth'	
2	I need to understand		I make things work		Everything has a good and bad side	4	There has to be a right answer	
3	Don't tell me what to do	4	Give me facts not theory		I create choices		I like to analyze data	
4	A Concept must be sound		I like 'energy'		Don't fuss with details	4	I like precision	
5	I think things through		I take risks		I like to hear about problems		I focus	4
6	I like the big picture		I find a way that works		I want to own the problem		I am thorough	4
7	I like to define the problem		I push for acceptance		I find out the facts		I Plan	4
	TOTAL		TOTAL		TOTAL		TOTAL	

Creator, Connector, Developer, Doer?

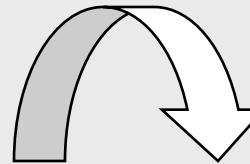
1	I 'Connect the Dots'	1	I get things done	4	I like Possibilities		I bring things 'down to earth'	
2	I need to understand		I make things work		Everything has a good and bad side	4	There has to be a right answer	1
3	Don't tell me what to do	4	Give me facts not theory		I create choices		I like to analyze data	1
4	A Concept must be sound		I like 'energy'	1	Don't fuss with details	4	I like precision	
5	I think things through		I take risks		I like to hear about problems	1	I focus	4
6	I like the big picture		I find a way that works		I want to own the problem	1	I am thorough	4
7	I like to define the problem		I push for acceptance	1	I find out the facts		I Plan	4
	TOTAL		TOTAL		TOTAL		TOTAL	

Creator, Connector, Developer, Doer?

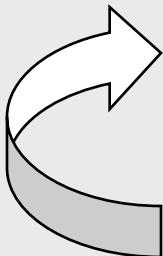
1	I 'Connect the Dots'	1	I get things done	4	I like Possibilities	2	I bring things 'down to earth'	3	
2	I need to understand	2	I make things work	3	Everything has a good and bad side	4	There has to be a right answer	1	
3	Don't tell me what to do	4	Give me facts not theory	2	I create choices	3	I like to analyze data	1	
4	A Concept must be sound	2	I like 'energy'	1	Don't fuss with details	4	I like precision	3	
5	I think things through	3	I take risks	2	I like to hear about problems	1	I focus	4	
6	I like the big picture	2	I find a way that works	3	I want to own the problem	1	I am thorough	4	
7	I like to define the problem	2	I push for acceptance	1	I find out the facts	3	I Plan	4	
	TOTAL CONNECTOR	15		TOTAL DOER	16	TOTAL CREATOR	16	TOTAL DEVELOPER	20

Now pick your Badge

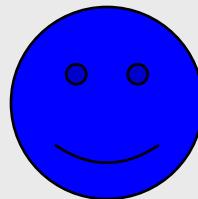
Creator



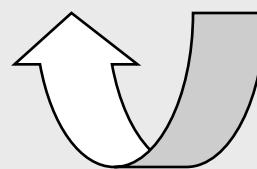
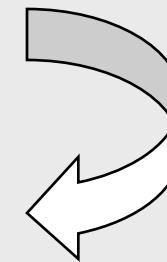
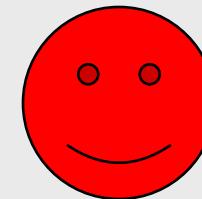
Connector



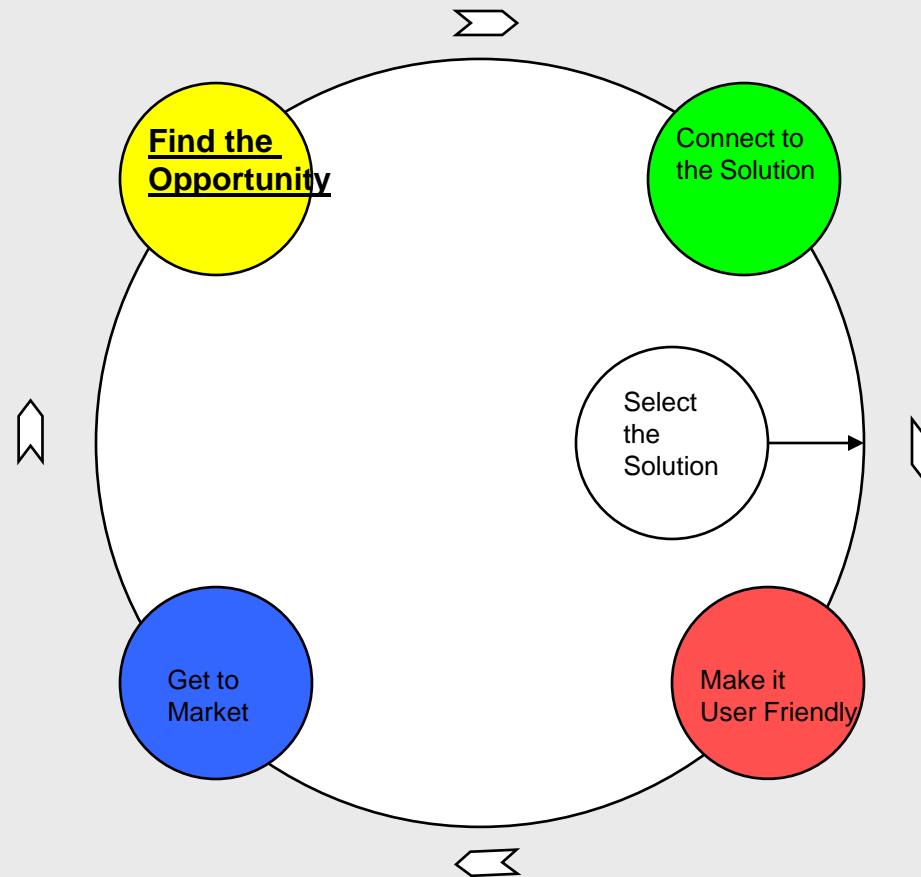
Doer



Developer



The Innovation Cycle



Creating the Opportunity – ‘**Creators**’

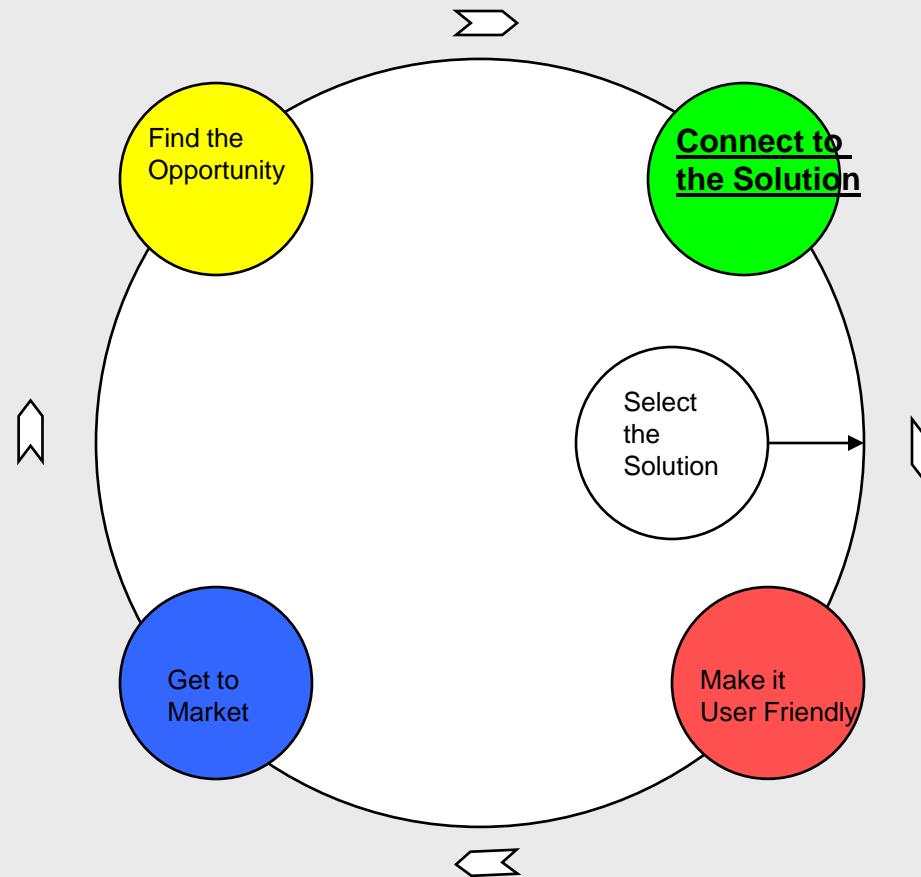
- ‘Loose’ allows subconscious ideas
- Good ideas are not hard to find.
- Challenge is defining the problem
- Customers; rich source of knowledge
- Don’t tell them you’ve a really cool idea
- Don’t ask ‘what is the new product you are looking for ?



Innovation Process Assessment

Creating	is Finding the Opportunity	Strongly Agree	Agree	Disagree	Strongly Disagree
1	Our people frequently come up with good Ideas on their own				
2	We find out what problems our customers experience				
3	We interact with outside people to find new opportunities				
4	We explore outside the organization for market opportunities				
5	The work environment makes it easy to put forward new ideas				
		x4	x3	x2	x1
	Grand Total	x5	=	%	

The Innovation Cycle



Connecting to the Solution – ‘Connectors’

- No sudden insight. – build on experience.
- What in current product blocks solution.
- Sacrifice Sacred attributes
- Try Alternatives - “One is not enough”
- Stay with Concept and prototype it

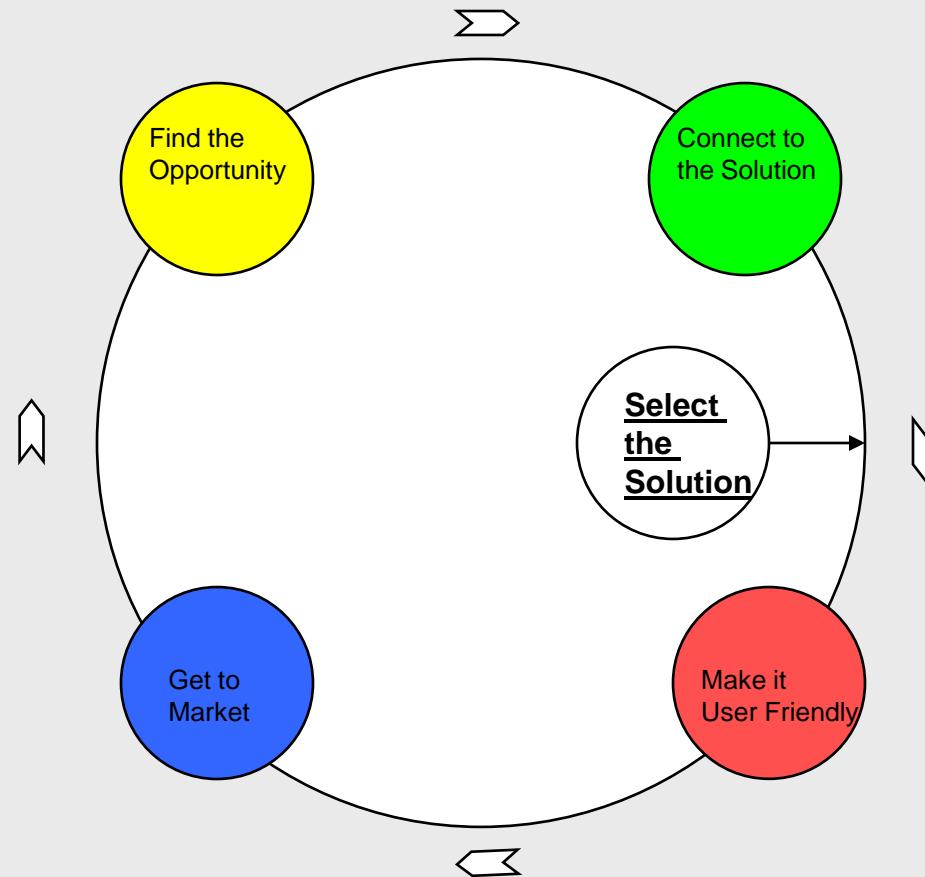
- Change, requires the ‘loose’ environment.
- Somebody once said....
 - ‘you can’t do that’!



Innovation Process Assessment

Connecting	is finding the solution	Strongly Agree	Agree	Disagree	Strongly Disagree
1	We work with Clients to find solutions				
2	We find markets where there is no competition				
3	We use a defined solutioning process for our opportunities				
4	We find solutions by going outside the organization				
5	We find the best solution				
		x4	x3	x2	x1
	Grand Total	x5	=	%	

The Innovation Cycle



Strategic Planning - The Tipping Point

- Data and Information to make decisions
- Where to invest our resources...but
- Kill the best ideas with aggressive ROI...
- ...fail to assess the risk on those we select

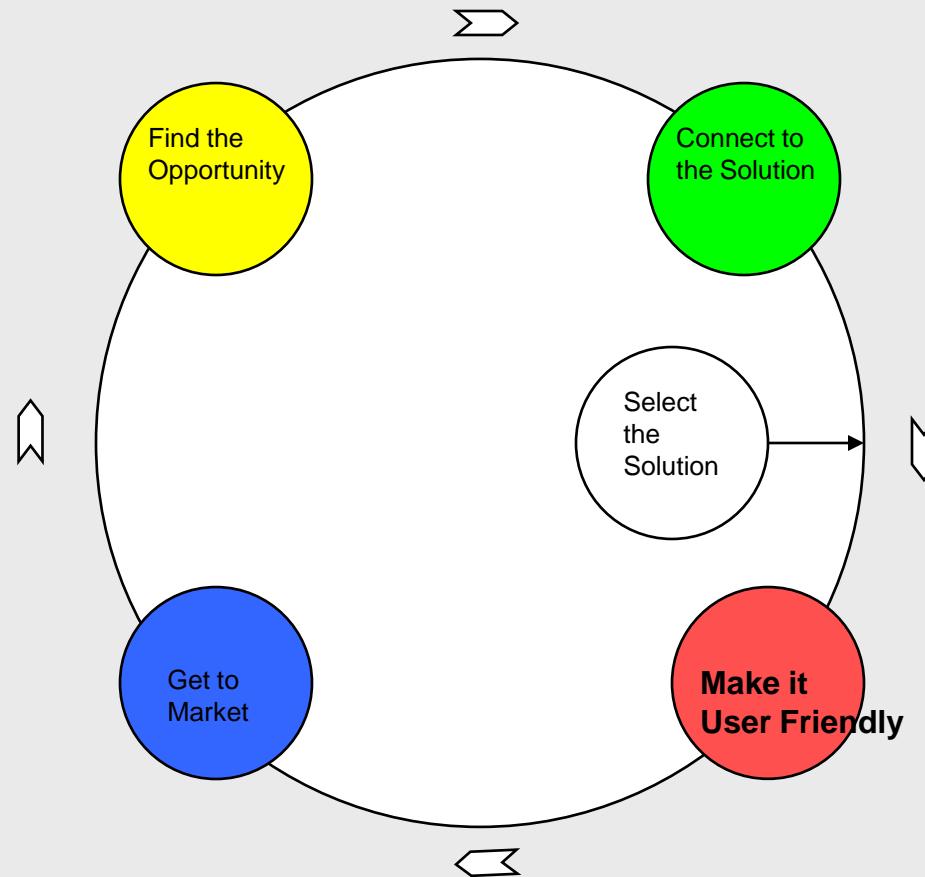
- Move 'loose' to 'tight' and narrow focus
- Leadership monitor this change in mode.
- Move with speed.



Innovation Process Assessment

Strategic Planning	is the Tipping Point	Strongly Agree	Agree	Disagree	Strongly Disagree
1	We do not go for short term ROI				
2	We assess external risk				
3	We assess internal risk				
4	We have sufficient data to make decisions				
5	We provide resources to support our decisions				
		x4	x3	x2	x1
	Grand Total	x5	=	%	

The Innovation Cycle



Make it User Friendly – Hang Tight

- Go wrong here by staying ‘loose’
- Fast and Not secretive
- Involve the customers and distributors
- But...Potential users resist anything new.

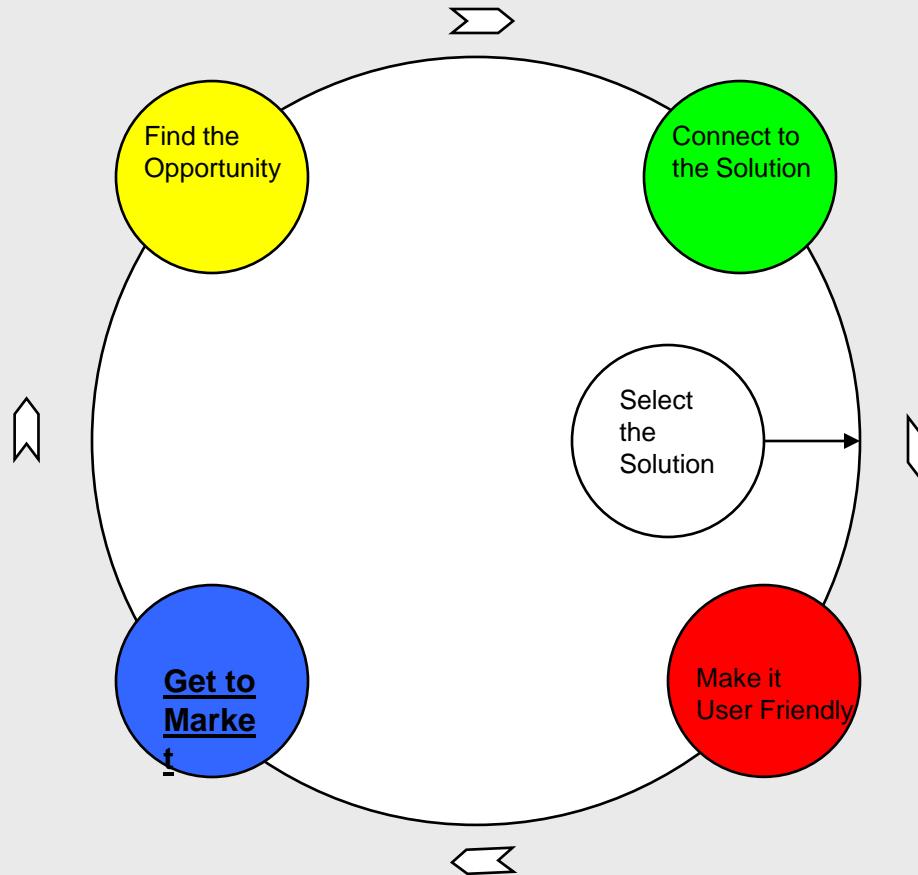
- Team mix leads to better results.
- 1% inspiration 99% perspiration’.
- Make “user friendly”



Innovation Process Assessment

Developing	is making the solution work	Strongly Agree	Agree	Disagree	Strongly Disagree
1	We fund novel projects				
2	We are willing to take risks with new ideas				
3	We are able to get people who can work on new projects				
4	We closely monitor project progress				
5	Our Projects finish on time				
		x4	x3	x2	x1
	Grand Total	x5	=	%	

The Innovation Cycle



Commercialization – Hang Tight, Move Fast

- Best ideas don't always make it
- Operations and Sales early in process
- 'Early Adopters' looking for "opportunities".
- Find obstacles with risk assessment.
- Primarily the Doers
- Michelin – Run Flat Tire

Innovation Process Assessment

Doing it	is getting the product to market	Strongly Agree	Agree	Disagree	Strongly Disagree
1	We get new products to market quickly				
2	We get the ROI we want on new products				
3	Few competitors are able to copy our products				
4	We penetrate all market channels and regions with new products				
5	We withdraw products that fail				
		x4	x3	x2	x1
	Grand Total	x5	=	%	

How to Fit in your Organization

1. Opportunity – Marketing
2. Concept – Research and Quality
3. Decisions – Management Team
4. Development – Engineering and Operations
5. Commercialize – Operations and Sales

Two Types of Behavior

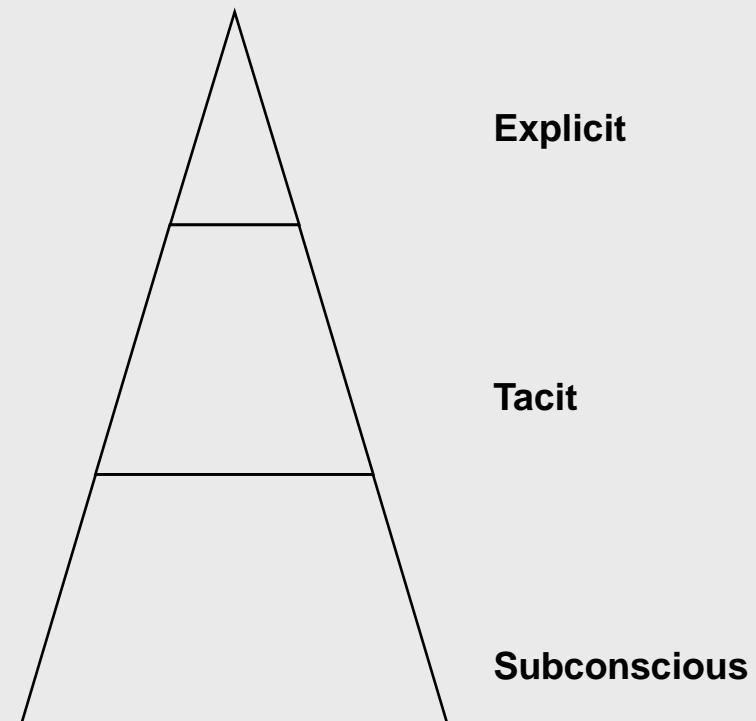
- stages 1) + 2) need for 'freedom of thought'
- stages 4) + 5) need a 'bias for action'.
- 3) is the tipping point.

- two separate organizations impede communication
- develop Culture shift at each stage of the process

- know the kind of people you have
- group them at each stage
- Hence...encourage the behaviour you seek.

Releasing Knowledge

- ‘Explicit’ (documented) knowledge is less than 20% of our available knowledge.
- ‘Innovative Behaviours’ release the tacit and subconscious knowledge



Knowledge Culture through New Behaviours

- Culture is Based on Behaviour
- Most of the new behaviours are in stages 1) and 2)
- Six primary Behaviours to develop;
 - Exploration
 - Observation
 - Interaction
 - Collaboration
 - Experimenting
 - Embracing Failure



Exploration

- Victim of ‘Time Management’
- Best ideas not forced
- Step out of the box
- Archimedes ‘Eureka’
- Go places, meet people,
- ‘Network’ face to face.

Observation

- Note book in your pocket...
- Always be learning.
- Have an open mind.
- what ‘bugs’ people?
- Learn about peoples lives
- ...keep a diary

Interaction

- Mix with interesting people.
- Release collective subconscious,
- Visualization technique
 - Relax by a table,
 - Your favourite room
 - You look interesting
 - You will draw someone

Collaboration

- People share passion
- Community of Innovation
- Exchange knowledge
- Read articles or ideas
- Triggers ideas for you.
- Fresh perspectives.

Experimenting

- Be prepared to fail
 - ‘Post It’ notes
 - WD40
- Use Storyboards
- Video; learning tool.
- ‘Unpolished’ presentations
- Involve business partners
- show multiple prototypes
- Stay at the concept stage.

Embracing Failure

- People distance from failure....
- Avoid “Lessons Learned” session.
 - ‘we ran out of time’
 - ‘people got moved’
- Source of knowledge!
- Like customer complaints!

- a seventh behaviourRecognition

Conclusion

Successful Innovation come from

- Knowing Aptitudes
- Understanding the Innovation Process
- Understanding skills required
- Allowing Innovative Behavior



The Path Forward

- Assess your Innovation process
- Identify your weaknesses
- Have your people self assess
- Identify your shortfalls
- Develop your Innovation Culture

pm@petermerrill.com