

Innovation: Recipe for Success

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The most challenging question for every person with an innovation responsibility (manager or work floor) is: how to make innovation successful?

Ever since innovation became a buzz word in our society, people have tried to untangle the magic and mystery of it. They were (and are) on the look-out for a single recipe for success. Unfortunately, it became evident pretty soon that there is no such thing as a single recipe. There are simply too many ways to improve on innovation, and every company has its own characteristics.

Definition of Innovation

What we often see in real-life is that managers hire (expert) employees or consultants to 'do the job for them', without defining the job, the available resources and expected deliverables. Often, this has to do with their lack of knowledge and experience in the field. Still, when ever somebody is given a responsibility to get a job done, people should be clear about what exactly is expected, otherwise the effort can lead to frustration on both ends.

The better you define the output required, the higher the odds that targets are being achieved.

When it comes to INNOVATION, the broadest meaning of the word is 'Change', in general.

The Innovation Ladder

As to innovation, companies find themselves on different rungs of the 'innovation ladder'.

6. Continuous 'process'
(= organisation & activation & flow)

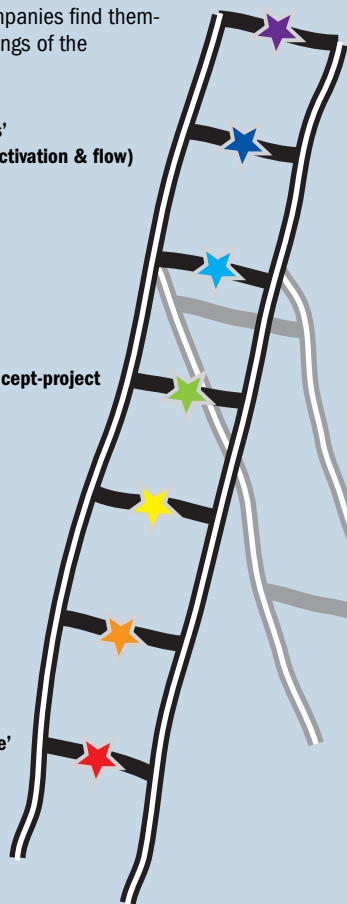
5. Tools (= activation)

4. Processes: idea-concept-project
(= organisation)

3. Innovation teams
(= organisation)

2. Create conducive conditions
(= organisation)

1. 'We need to innovate'



We categorise companies which are actively concerned with innovation and which are improving their innovative strengths, more or less in line with following stages of development:

1. 'We need to innovate'.

Management has decided that it is important for us to do so.

2. Create conducive conditions (= organisation)

Management communicates that creative and innovative thinking is being encouraged. Sometimes they offer rewards for innovative ideas, or they find other ways to stimulate employees to think creatively and come up with viable ideas for product development or (more) efficient or cost-cutting production techniques.

3. Innovation teams (= organisation).

Management has given a specific assignment to a selected team of individuals to come up with new projects (usually when the first two stages have not proven successful on their own).

4. Processes: idea-concept-project (= organisation).

The team, or department, is trained how to handle new projects. Usually, new projects are different, somewhat foggy, and the developers cannot build on previous experience. The projects do not fit into everyday routines, and therefore demand special attention. Once the new process is in place, time can be won in bringing the idea to the market. Mind you though, it helps to have an infrastructure, but without further efforts (nr 5), nothing happens. The rails are in place, but there is no train to make use of them!

5. Tools (= activation)

Strategic Marketing Research is performed, to determine 'gaps'. Consumer research is performed, searching for opportunities. Guided brainstorms are organised to fill the 'basket' with ideas. Concepts are developed based on ideas, in order to make them strong and appealing to consumers and managers.

6. Continuous 'process' (= organisation & activation & flow).

Ideally, there is a continuous flow of ideas and people take independent action to get things done. This is a much envied ideal, which occurs in some companies, sometimes. This situation seems easy and logical, but in reality, is hard to obtain.

It is not enough to have processes in place and information available. It's the people who will have to make 'it' happen. When it comes to innovation, sharing, learning and cooperating are the main ingredients for success. This can only be achieved when there is a high level of trust and confidence within the company.

The narrowest meaning of the word is 'Technology Based New Product Development'. Furthermore, innovation can take place at different levels:

1. 'Breaking the rules of the game' (a



new company and/or business model)

Richard Branson,
Founder of Virgin,

characterised as the 'rebel against convention', has made business out of challenging established businesses. His success has come from breaking nearly all of their most sacrosanct rules.

- Dell has made history with their direct-to-consumer sales model and their entirely new approach to logistics (it is said that they have material in stock for no more than



20 minutes).

Wikipedia, the online encyclopedia of almost a million articles

in English (made and constantly updated by unsupervised volunteers), is currently outperforming the Encyclopedia Britannica.

2. 'Breaking the codes of the category' (A new product or a new service)



The ground-breaking SENSEO® coffee system from Philips and Sara Lee International has taken the majority of countries where it

has launched by storm, impressing coffee consumers with its combination of sensational tasting coffee, cool design and advanced but simple to use technology.

The success of the system has changed the entire look of traditional coffee retail shelves.

- In 2002 Wall's launched Cornetto Soft, a one-arm bandit style machine delivering soft ice cream into a cornet. This was a direct response to 'fresh' (not pre-packed) soft ice, yet easy to fit into Unilever's existing production and distribution channels.

3. 'New Product Development' (Line Extensions and Brand Stretch (outside current portfolio)

- A lot of innovation is geared towards New Product Development (NPD), rather than more impact full changes as mentioned above.
- Yet, if you are looking into NPD, do changes in design, communication, packaging count as innovation? Do changes to save costs in production count as innovation?



People are the life-force of great innovation

'It is much more important to learn to find your way in this world of continually growing fields of knowledge, than to be able to memorize as many facts as possible.

New learning is characterized by the transition from a passive consumption of knowledge to an active way of learning. New learning means learning how to think, learning how to co-operate, learning how to regulate, learning how to learn.

(From: School for the Future; www.svdt.com).

- Do you wish to make more business out of existing business (= same brand & category) or do you wish to explore entirely new categories with your existing brand?
- In other words: what is success to you? Is it overall NPD success and profitability, is it opening windows of opportunity (markets, technologies, categories), or is it achieving growth in any possible way?

Ingredients for Success

There are a number of areas of interest which affect success.

Roughly, these factors boil down to:

A. People (climate, team composition, rewards)

B. Strategy (resource allocation, portfolio management)

C. Processes (driving new-product projects to market success)

Apart from each company's targets (what exactly do they want to achieve, related to their definition of 'innovation' and of 'success'), there are other factors which influence

the type of efforts to be made and the type of help they might seek.

A major factor is how does the decision making unit wish to approach the matter? This strongly relates to size, style and 'innovation maturity' of each company. Do managers feel that organisational structure needs to be taken care of as a priority, before starting any projects, or do they believe in an active approach, starting projects and building processes along the way ('learning-on-the-job')? Which ever way you choose, you want to make sure there are rails in place and trains to make use of them. ■

THE AUTHOR



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