The Care and Framing of
Strategic Innovation Challenges

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Ideas in Search of Problems

Are ideas a dime a dozen as the expression says? Probably not. That's too easy and somewhat of a cop out. It is relatively easy to get ideas, but probably more difficult to get "good" ideas—those with the greatest probability of solving problems.

However, the very best ideas to the most poorly defined problem might as well not even exist. Anyone can have an exciting brainstorming session with hundreds of ideas. Frequently neglected, however, is the importance of devoting as much time and attention to clearly defining a challenge as is given to idea generation. As famed photographer Ansel Adams, said, "There is nothing worse than a sharp image of a fuzzy concept."

Such neglect of the challenge often leads to group ideation sessions in which participants unknowingly spend time searching for what the "real" problem is—although it may take a while to discover this. You may have experienced such a reaction during ideation when someone says, "So, what exactly is the problem?" This typically indicates that the ideas are diverse and appear to be in search of multiple problems.

Most of us tend to be more solution-minded than problem-minded. Although lip service may be given about the need to "define the problem," relatively few people do it well. This paper will address how to focus on framing challenges, especially as they might apply to strategic innovation.

Horse and Cart Innovation

The description above represents a "horse before the cart" approach to idea generation. Some organizations also may use such an approach to innovation initiatives. For instance, corporate managers often frame challenges based mostly on strategic outcome objectives (e.g., profitability,

market share) along with a few secondary goals such as generating new products and enhancing marketing and branding. Of course, many other objectives also need to be considered from a strategic perspective.

The route to achieving any of these objectives is NOT just generating ideas. Instead, tactical maps first must be constructed to lay out the strategic terrain for all objectives. The old saying still holds true: "If you don't know where you want to go, any road will take you there." It also is true that even if you think you know where you want to go (an often costly, untested assumption), you must create a map of goals to achieve along the way.

These maps are based on the premise that the objectives are stated clearly, known, and understood—three, often erroneous assumptions. As Douglas Adams aptly put it, "The hardest assumption to challenge is the one you don't even know you're making."

Most organizations do a good job of collecting research on how and where to innovate. However, Doblin, Inc. estimates that only about 4.5% of innovation initiatives succeed! (*Business Week*, August 1, 2005, p. 72). One reason might be due to poorly framed innovation challenges. Unfortunately, there still are few resources on how to frame challenges for ideation.

Framing Challenges

Even if you are not concerned with strategic innovation, the need still exists to frame challenges for productive idea generation. Innovation challenges at any organizational level should be relatively open-ended and target an explicit objective such as increasing product sales.

A common way to state challenges is to start with the phrase, "How might we…?" This provides a prompt for open-ended idea generation. For instance, consider an objective of generating ideas for new floor-care products. It first is necessary to "de-construct" the challenge into its parts, simply by asking basic questions:

- "What is involved in cleaning floors?"
- "What do people dislike about it?"
- "How often should floors be cleaned?"
- "In what ways are current floor-care products ineffective?"

The answers to these and similar questions then can be used as triggers for specific challenge statements. For instance, answers to the above questions might lead to challenges such as:

How might we:

- make it easier to dispense floor cleaning products?"
- reduce the amount of effort involved in scrubbing a floor?"
- make floor cleaning more convenient?"
- reduce the frequency with which floors need to be cleaned?"
- Increase the sanitizing effect of floor cleaning?"

Although these challenges are not strategic, the process of creating them is essentially the same. Thus, instead of saying, "How might we increase profitability?" the focus might be,

"How might we:

- increase product awareness?
- retain customers?
- acquire new customers?
- improve customer service?"

To increase profitability, it might be necessary first to focus on multiple objectives such as the above. In addition, it also is important to consider that these objectives might have priority relationships in terms of the order in which they are addressed. For instance, to acquire new customers, it first might be necessary to deal with retaining new customers and improving customer service.

Strategic Framing

When doing strategic framing, the same basic principles described in the previous section still apply. Organizations are guided by strategic visions and planning processes. When they decide to innovate, they create strategic innovation frames to guide the innovation process. A primary obstacle is how to state innovation challenges and link together objectives so they will produce strategic results.

Many innovation initiatives may fail because all of the secondary objectives were not detailed and linked together appropriately. To illustrate the potential relationships among such objectives, consider aerospace giant Boeing Co.'s challenges described in *Business Week* (July 18, 2005, p. 44):

- Restoring the company's tarnished image
- Increasing revenue
- Squeezing more profit out of existing businesses
- Improving a toxic corporate culture

- Reducing bureaucracy
- Encouraging innovation
- Increasing financial growth

Each of these could function as corporate objectives. The question is, however: "How should these objectives be framed and linked together in the most productive way?" This is where framing strategic innovation can help. Consider the conceptual map in Figure 1 below.

The relationships in the figure are hypothetical, but conceivably could apply to the Boeing case. Working from the top down, profitability is the primary objective. Increased revenue is secondary (i.e., subordinate to) profitability. Increasing financial growth is secondary to increasing revenue, so it is shown below it. Encouraging innovation and re-branding are depicted as secondary to the previous objectives, but superior to improving the culture and reducing bureaucracy. That is, these latter concepts (culture and bureaucracy) will encourage innovation and re-brand the corporate image.
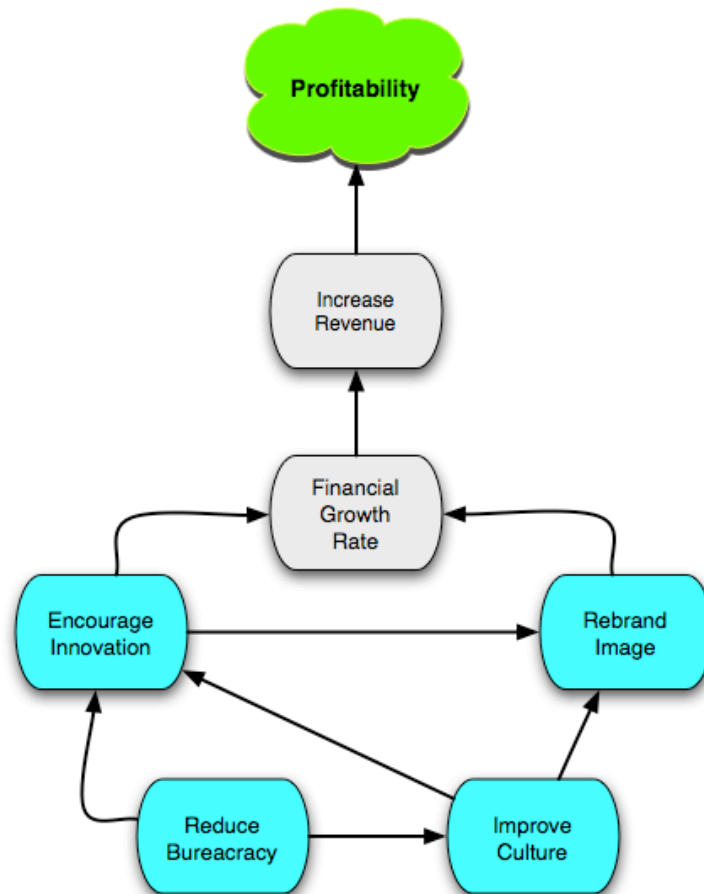

Figure 1 Hypothetical Framework of Boeing Strategic Objectives

Evaluating Innovation Challenges

All of the challenge statements used so far are based on the assumption that they are well-framed. In "real life," however, that often is not the case. Well-framed challenges must satisfy various criteria before even considering how to link them together or determine their priority.

Evaluation criteria typically can be classified as general or specific. General criteria apply to most decisions and typically involve resources such as time, people, and money. Specific criteria pertain directly to the nature of the alternatives available. Based on research and experience (especially with the Global Innovation Challenge—http://www.innovationchallenge.com), I believe the seven most important criteria required to evaluate and select innovation challenges are:

1. Begins with the phrase, "How might we…?"
2. Singularity of objectives?
3. Absence of evaluative criteria?
4. Absence of solutions?
5. Appropriate level of abstraction?
6. Appropriate use of positioning elements?
7. Clear and unambiguous?

1. *Begin with the phrase, "How might we…?"* Posing challenges as open-ended questions helps insure they can be used to generate specific ideas for specific challenges. Otherwise, the challenge might be better directed in another direction. For instance, a challenge of: "What will be the most important business performance indicators over the next 50 years?" is a question calling for conjecture about trends and predictions. It is not a call for innovative ideas. A better statement might be: "How might we increase awareness about our new line of floor-care products?"

2. *Singularity of objectives.* This means that there should be a focus on only one objective in each challenge. It is difficult enough to generate ideas for one challenge, let alone two or more at the same time. Although this may seem obvious, it occurs frequently in the "real world." So, separate the challenges and focus on the priority one first.

   Consider this example from a major produce distributor: "How might we differentiate ourselves from our competition and radically increase consumption of our produce?" There obviously are two objectives: "differentiation" and "increase consumption." They both can be used, but not at the same time. Better wording would be:

- "How might we differentiate ourselves from our competition?"
- "How might we increase consumption of our produce?"

The priority then might be on differentiation since that might help increase consumption.

3. *Absence of evaluative criteria.* Perhaps the most common mistake in framing innovation challenges is including evaluation criteria. The human mind has trouble generating ideas while simultaneously trying to determine if they would satisfy all possible criteria. In addition, a focus on judgment during ideation can restrict the potential creativity of any idea. Even ideas viewed initially as "bad ideas" might be real winners when modified, combined, or used simply to trigger new ideas. The issue is not whether to use criteria, but *when*. Whenever possible, use criteria later, after you have generated all possible ideas.

4. *An absence of solutions.* It may appear paradoxical, but there can be a fine line between challenges and solutions. One reason is that challenge objectives and criteria often are confused by including them in a single challenge statement. For example, consider this challenge question from a restaurant chain: "How might we increase the number of diners in our restaurants by creating a more healthy menu?" It appears that the primary objective is to increase the number of diners. Thus, creating a healthier menu is one potential solution for achieving that objective. Or, the challenge might be framed as, "How might we make our menu healthier?" The solution becomes a challenge based on the assumption that a healthier menu will increase the number of customers.

   Moreover, the emphasis on health also could be a criterion or a "positioning" element. In this instance, it probably would be better to eliminate the focus on health from the challenge, but include it as a positioning element or as a separate challenge. That is, the challenge might be framed as, "How might we increase the number of diners in our restaurant chain? Solutions may involve healthy menu items, but other approaches also should be considered." Or, a new challenge might be, "How might we make our menu healthier?"

5. *Appropriate level of abstraction.* This can be a difficult criterion to apply. In general, the broader and more abstract a challenge, the better. Broad challenges encompass a greater number and diversity of potential secondary challenges. For instance, in the example used regarding an absence of solutions (Criterion #4), a healthy menu could be used as a secondary challenge to increase the number of customers.

6. *Appropriate use of positioning elements.* Positioning elements are types of criteria that help frame the scope of the primary challenge. Although they typically are used to help select ideas after ideation, they should not be emphasized as the primary focus. For this reason, they should not be overly specific, nor should they be included as part of the challenge statement. Instead, positioning criteria should be more general. In the restaurant example, it could be stated that ideas for increasing restaurant customers should, in some way, emphasize health.

7. *Clear and unambiguous.* If the previous six criteria have been addressed adequately, then the challenge should be clear and unambiguous. So, this criterion serves as a final check prior to ideation. Review the challenge to be sure that all of the previous criteria have been considered and that there is a clean, simple, and straight-forward challenge capable of generating ideas. Before beginning any idea generation sessions, participants should be asked if they understand the challenge.

Relatively Simple Challenge Framing

To illustrate how to apply these criteria, here is a relatively simple, presented challenge from a consumer products company:

> *"How can the Big Bucks Company develop brand awareness for its new XYZ brand of products with little marketing or PR funds?"*

A quick scan of the seven criteria discussed above suggests that this challenge contains two criteria ("little marketing or PR funds") that should be removed and used as positioning elements or reserved for later use as evaluation criteria. The primary focus then would be on developing brand awareness. Before selecting this option, it might be useful first to ask the "Why?" question and consider why they want to increase brand awareness The answer might be, "We want to increase brand awareness to increase our sales revenue." This answer then can be turned into a challenge: "How might we increase sales of our XYZ line of products?"

After presenting this option to the client, they decided to frame the challenge as:

> *"How might Big Bucks Company improve the brand awareness of its XYZ line of consumer products?*
>
> Solutions ideally would not involve significant marketing or PR funds."

During discussions of ideas for this challenge, one participant noted that the final ideas selected should have a high potential to increase product sales! This, of course, originally was presented as a possible objective, but was turned into a criterion—all very common and appropriate.

Moderately Complex Challenge Framing

Consider this moderately complex challenge from an international hotel and resort chain, with the pseudonym, "BedsRUs:"

> *"With a diverse and creative workforce, what strategies can BedsRUs implement to deliver a new level of service to guests? We want to provide ideas that can be implemented that would also make the Beds R Us brand more distinctive and thus create a closer and more emotional connection with travelers."*

Rather than using this presented challenge as is, let's see how we might de-construct it for more effective ideation. The first task is to create a single objective using the "How might we…?" format. In this case, "How might we achieve a new level of customer service?" An alternative would be to focus just on improving customer service and using "a new level" as a criterion to evaluate customer service ideas. The descriptor, "new level," probably is too ambiguous, but could be replaced by something more specific.

The sentence that follows in the presented challenge appears to contain three positioning elements: (1) ideas that can be implemented, (2) improving brand distinctiveness, and (3) a creating a more emotional connection with travelers.

The first element involving implementation seems to be a clear-cut criterion (and somewhat unnecessary—why would they want ideas that can't be implemented?) Improving brand distinctiveness, however, is more ambiguous without further probing. Brand distinctiveness could be either a criterion or an objective. A decision must be made as to which it should be. Finally, creating a closer and more emotional connection with travelers contains two elements ("closer" and "emotional") that probably should be separated and used as either criteria or objectives.

After working with the client, their decision for the final challenge was: "How might BedsRUs create a more emotional connection with travelers?" They chose to use it as an objective rather than as a criterion. For criteria, they then had the option to use "likely to increase brand distinctiveness" and "easy to implement." Or, they might have used a component of implementation as a primary criterion and increasing brand distinctiveness

as a positioning element. Thus, the challenge could be presented as:

"How might BedsRUs create a more emotional connection with travelers?

Solutions ideally should be able to make the BedsRUs brand more distinctive and be relatively easy to implement."

The result is a challenge that is fairly clear and focused with the primary emphasis on creating an emotional connection. The positioning statement provides a general "direction" for the solutions without "cluttering up" the challenge with criteria. And, the phrase, "relatively easy to implement" is more specific and useful than just being capable of implementation.

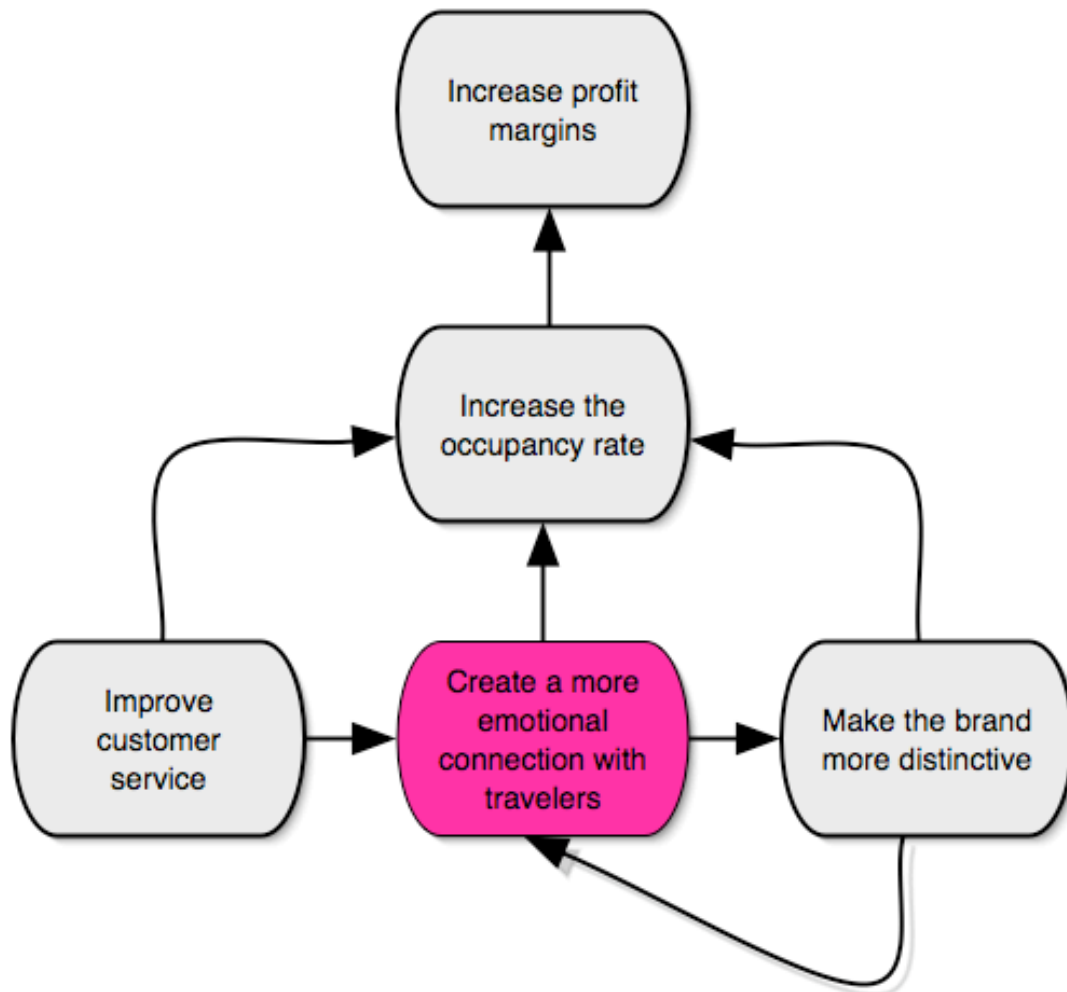One potential concept map for BedsRUs is shown in Figure 2.

Figure 2 Concept Map of Strategic Objectives for "BedsRUs"

This diagram incorporates all of the elements of the presented challenge. As displayed, the goal of creating a more emotional connection is tied with improving customer service. The emotional connection is critical to making the brand more distinctive which, in turn, impacts the emotional connection. Customer service also affects the occupancy rate as do an emotional connection and making the brand more distinctive. Thus, improving customer service seems to play a pivotal role in this map.

Complex Challenge Framing

Some presented challenges are quite complex, reflecting in-depth research and input from a variety of stakeholders. Large bureaucracies are especially likely to develop relatively complicated and diffuse challenges. For instance, consider this presented challenge from an international mailing service organization ("MailIsUs*"*):

> *"The objective for this challenge is to develop a new product / service / process or an enhancement to an existing product /service / process that will result in increased revenue for MailIsUs. This can be accomplished by:*
>
> - *developing a new product/service/process for current customers*
> - *enhancing an existing product/service/process for current customers*
> - *developing a new product/service/process for new customers*
> - *enhancing an existing product/service/process for new customers*
> - *and/or developing new marketing/partnership opportunities."*

Whew! That's a lot to take in and especially way too much for any productive ideation in one bite. This challenge definitely needs to be de-constructed and sorted out.

The primary objective seems to be increasing revenue (the core challenge, although a case might be better made for profitability). The remaining information represents positioning elements—specifically, ways to: develop or enhance new or existing, products, services, or processes for new or current customers. All of these elements still are overly complex because, by implication, there are numerous combinations for challenges such as, "How might we:

- develop a new product for new customers?
- enhance an existing product for new customers?

- develop a new service for current customers?
- develop a new product for current customers?
- enhance an existing service for current customers?

Evaluating these possibilities against the decision criteria suggests that the only criteria satisfied within these challenges are an absence of evaluation criteria and solutions. There also are too many variables to process while simultaneously generating ideas. More importantly, specific objectives other than increasing revenue or profitability need to be identified.

To identify these objectives, I reviewed multiple documents from the client involving strategic issues such as the competition, markets, strengths and weaknesses, and trends. Based on this research, I then "harvested" 21 potential challenges such as:

How might we:

- increase the number of personal mail communications?
- increase access to our products and services?
- improve customer service?
- increase revenue
- reduce labor costs?
- improve cash flow?
- improve pricing?
- facilitate online commerce
- become more competitive?
- facilitate online commerce?
- increase the volume of merchandise delivery?
- improve customer confidence with our products and services?
- increase awareness of products and services?

After submitting the challenges to key stakeholders, the challenges were narrowed to:

How might we:

- increase the number of personal mail communications?
- increase access to our products and services?
- improve customer service?
- increase revenue
- facilitate online commerce
- increase the volume of merchandise delivery?
- increase awareness of products and services

The task then was to decide which challenges would be subordinate to others. That is, which should be accomplished first to achieve the primary objective of increasing revenue? It also was important to decide how the different objectives might be interdependent—i.e., linked in ways so that achieving one will help achieve another. Potential relationships for this client's challenges are depicted in the concept map shown in Figure 3.

For instance, Figure 3 indicates that the two primary challenges secondary to increasing revenue are increasing access and awareness of their products and services. These challenges are, in turn, likely to be impacted by the challenges indicated in the figure (e.g., increasing delivery volume having a direct impact on revenue and facilitating commerce having a more indirect impact, via increasing access.)

Note also that some of the challenges might have reciprocal impacts. That is, they might both affect and be affected by other challenges. Thus, a direct, reciprocal relationship would be how increasing access should increase revenue directly. However, increasing access also should increase revenue indirectly by increasing awareness.
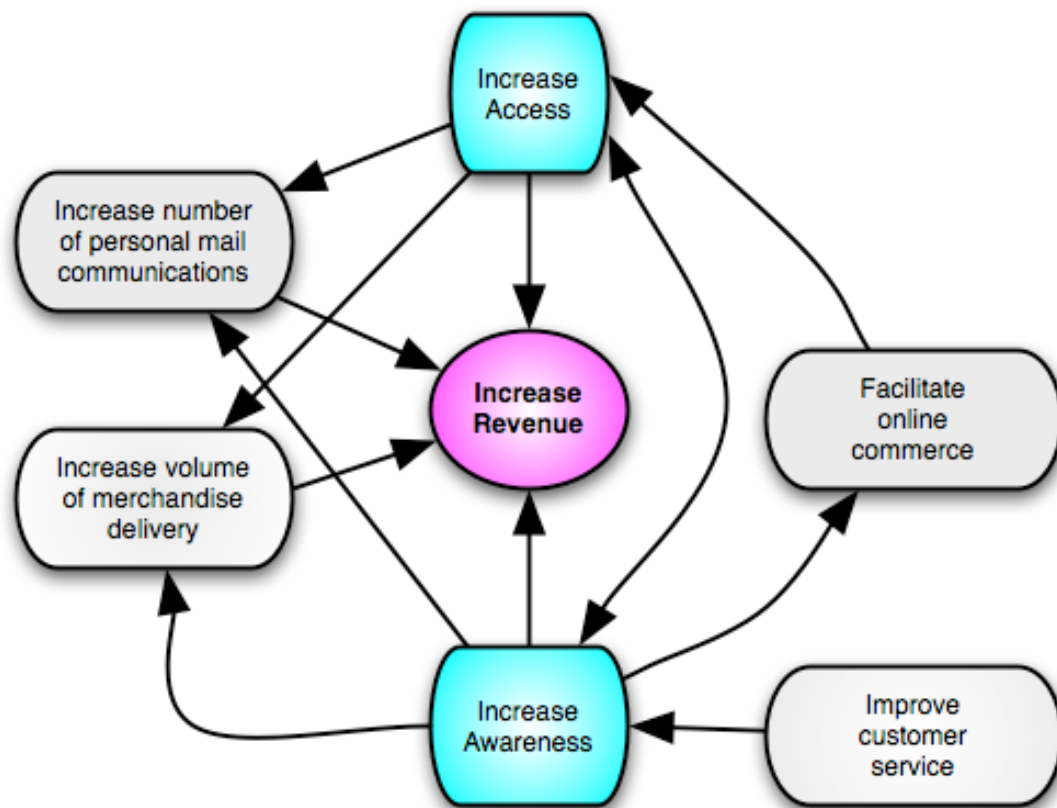

Figure 3 Conceptual Map for "MailIsUs"

In the end, the client chose to focus on both increasing access and awareness. Of course, this does not mean that the other challenges would be abandoned. All of them could be used to facilitate these dual objectives that, in turn, should increase revenue (with the implicit assumption that profitability also would result).