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CUSTOMERS ARE SCARY CLIFFS



A special excerpt from *The Innovation Expedition*
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A VISUAL TOOLKIT TO START INNOVATION

BUSY BUSY BUSY
ESCAPE HARBOUR

OUR OWN BLIND SPOTS

VII.

Homecoming



15 CONCEPT TRANSFER WORKSHOP

HOMECOMING

5

14 FINAL
PRESENTATION

13 4 MINI NEW BUSINESS
CASE WORKSHOPS

● AN
INNOVATIVE
MINDSET

● AN EFFECTIVE

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● 3-5 MINI NEW
BUSINESS CASES

THE
BEST COACHES
ARE IN THE SANDS
WATCH TOWER

'CUSTOMERS DON'T LIKE IT' BAY

'NOT INVENTED HERE' CLIFFS

4

'WE CAN DO IT'
MIST

STEP 5: HOMECOMING

In the final step, the FORTH expedition returns home with three to five attractive new product or service concepts and enough support to fill the innovation pipeline. Homecoming is the climatic step of the 20-week expedition.

FORTH Activity 13: **Four Mini New Business Case Workshops**

Working in core team duos, the best concepts are worked out as mini new business cases in four full-day workshops. It is important that the concepts presentations are convincing and easy to relate to. One excellent way, which is commonly used in the Anglo-Saxon business world, is the business case: a clear, commercial, professional and financial base for new initiatives or new investments. I call it the mini new business case; 'mini' because in this phase, its development is still only superficial. 'New', to distinguish it is a business case regarding a new concept rather than, for example, an investment. The advantage of drafting mini new business cases is that it makes every team member aware that alongside creative aspects, the commercial, professional and financial aspects also aid senior management in their decision to adopt the new concepts for further development in the innovation process. In addition,

it strengthens the concepts, as they are based on strategic, commercial, technical and financial indicators.

FORTH Activity 14: **Final Presentation**

It is very important to get everyone who has not been working closely with the FORTH innovation method, enthusiastic about the concepts. An outside-the-box presentation of the FORTH expedition, in the form of a guided tour in their own 'innovation room', is usually a good way to get everyone involved. Next, it is important to present the mini new business cases to the senior managers who make the official decision whether or not to develop a product.

FORTH Activity 15: **Concept Transfer Workshop**

The ideation phase ends with the admission of the new product concepts into the regular development process. In larger organizations a new team is set up for the product development phase as it requires

different skills and abilities. I strongly suggest that the development team is given access to the knowledge and expertise gained from the creation and development of the product concept. It is also advisable to allow a few participants of the ideation team to continue on working as part of the development team as this team is now responsible for the realization of the concept. These participants already know the history and origin of the concept and know which characteristics played a decisive role in the selection of these products. Their role in the development team is to safeguard the essence of the concept. So, after the decision has been made to develop a new product concept, a transfer workshop can be organized to transfer responsibility from the ideation team to the development team as well as to secure the integrity of the concept.

Homecoming takes about four weeks. The expedition ends there with three to five attractive new product or service concepts with internal support for development.



**GO TO THE FORTH
WEBSITE AND DOWNLOAD
THE FOUR PRACTICAL
CHECKLISTS OF THE STEP
HOMECOMING**

[\(www.forth-innovation.com/forth-steps/homecoming/\)](http://www.forth-innovation.com/forth-steps/homecoming/)

FACTSHEET STEP 5

Duration 4 weeks

Activities 13. Four Mini New Business Case Workshops
14. Final Presentation
15. Concept Transfer Workshop

Deliverables Three to five mini new business cases

Outcome Once the green light is given, three to five mini new business cases (MNBC) are developed as full new business cases (for new services and business models) or prototypes (for new products). Armed with the mini new business cases every team member returns enriched with an innovative mindset.

Crucial moments

1. Are the MNBC teams fully committed to their business cases?
2. Will the MNBCs be attractive and feasible?
3. What is the first feedback from the decision makers?
4. What fate do the decision makers choose for the MNBCs?
5. Starting follow-up development projects.
6. Transfer insights and concepts to the next teams.

Risks

1. An MNBC team doesn't get along so well together
2. An MNBC team is not fully committed to a mini new business case.
3. The calculations and estimates in the mini new business case are questionable.
4. The decision makers' response is very cautious.
5. The decision to transform the MNBCs into follow-up development projects takes a long time.
6. It takes a long time before the follow-up project is staffed, financed and set to go.
7. The insights and results of the FORTH project team are heavily discussed in the new follow-up team.

Next step The ideation phase ends with the admission of the new product concepts into the regular development process



T. S. Eliot,
poet: *The journey*

*not the arrival
matters.*

How to Pick the Right Idea?

Think different. That's the essence of the creative processes in coming up with ideas for innovative products, services or business models. An awful lot of brainstorming sessions or ideation workshops take place to generate fresh, new ideas. After generating ideas you end up with a wall of ideas. This is a great thing! I like to quote the American chemist and Nobel Prize winner Linus Pauling, who said "the best way to have a good idea is to have lots of ideas."



Generating 'outside the box' ideas is often not the problem in an ideation workshop with 10 or more people. The real critical moment is when you go from the divergence phase into the convergence phase. Imagine you have a wall of 500+ ideas in front of you. Now what do you do? How do you pick the right idea? That's the question.

I've spent the last 10 years experimenting a lot on how to deal with this essential question. It's not an easy one to answer. Unfortunately, I have not found the 'holy grail'. However, the great advantage of continuous experimentation in converging, selecting and improving ideas is that you do end up learning a lot. And I'd like to share five of my key learning tips on how to pick the right idea.

1. Take your time. One of the most frequent mistakes is spending a lot of time generating ideas, leaving hardly any time in the ideation workshop to converge, select and improve them. You should spend at least 2/3 of your process on picking the right idea and 1/3 on getting a lot of ideas, instead of the other way around. Promising ideas at the front end of innovation are like rough diamonds, which look like other ordinary stones, but have the potential to shine beautifully in the end. You have to take your

time to be able to recognize them. And be sure to converge in several steps. Even in several workshops. Don't expect to recognize rough diamonds among 500 other stones in one or two hours.

2. Have a clear vision of what you want.

How can you select ideas if you don't know what you are looking for? Especially when the converging, selecting and improving is done as a group it is important that you have a shared vision on where you want to go. That's why it is essential to start an innovation project with a clear and concrete innovation assignment and involve your senior managers. This forces your company's senior management, from the start, to be concrete about the market/target group for which the innovations must be developed and which criteria these new concepts must meet. Use these concrete criteria to help you identify and select the right ideas in your ideation workshops.

3. Reflect from the customer's perspective. In converging, selecting and improving ideas it is very important to criticize and challenge them from different perspectives. From my own innovation practice, I've learned that there are huge differences in how people within a company perceive new ideas and how their potential customers perceive those

same ideas. And that's why I advise you to incorporate idea reflection workshops with potential target groups in your ideation process. And based on their feedback proceed to pick the right ideas and improve on them

4. Make a mini new business case.

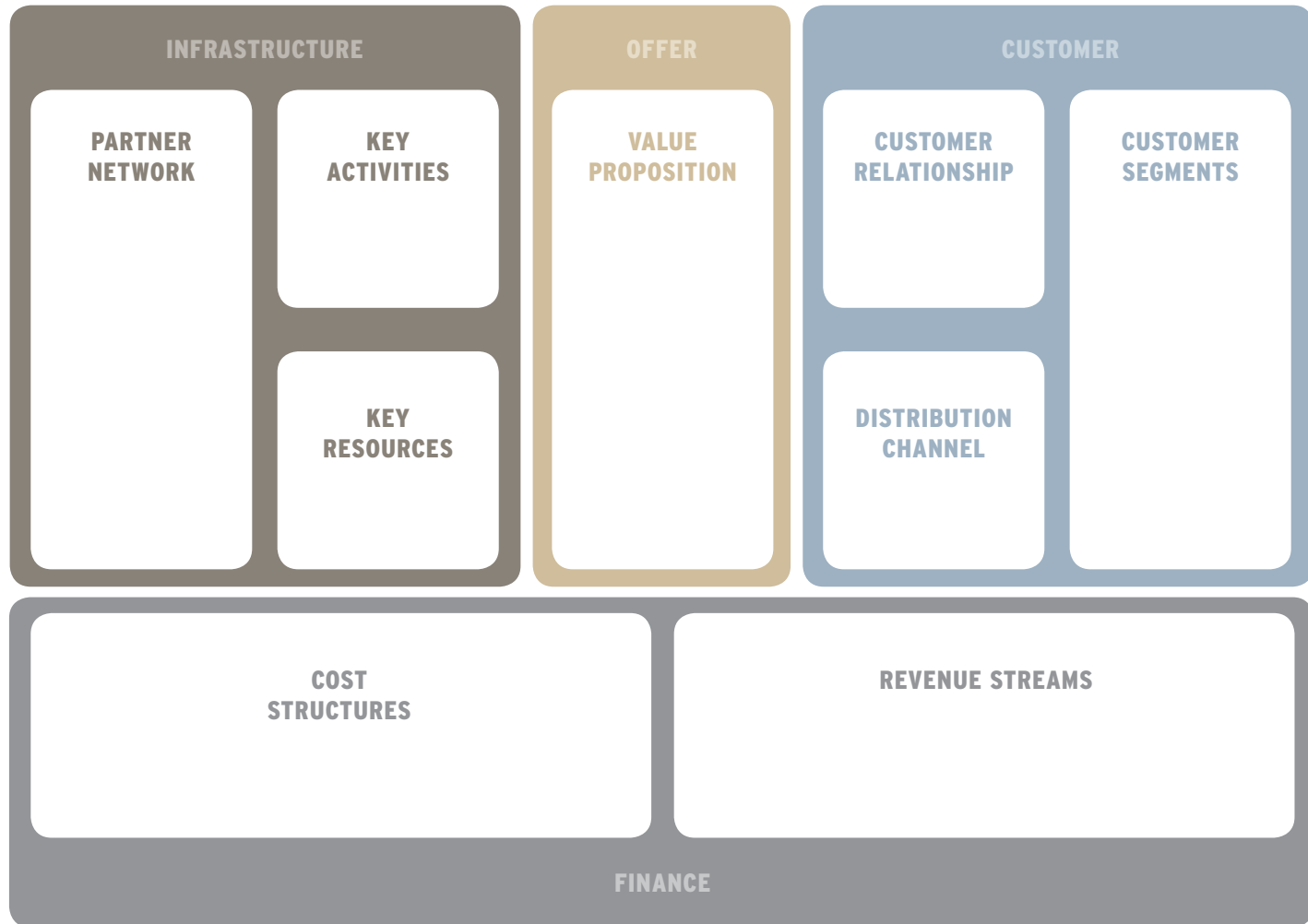
Although mood boards and concept descriptions are a good beginning, they are often too vague for managers, who think in terms of potential turnover and profit, to make their decisions on those ideas. Managers prefer business cases: a clear, strategic, commercial, professional and financial plan for a new initiative or a new investment. So, be sure at the end, you have picked ideas that are attractive and can easily be made into mini new business cases. At this stage it is just a 'preview' of the possible business case later; it isn't as detailed yet and it has more uncertainties than its 'big brother' later on in your stage-gate innovation process. This way you make your ideas more persuasive by highlighting the strategic, commercial, and professional aspects of the innovative product or service.

5. Make a feasibility road map. Markets are changing faster than ever, shortening the product life cycles in almost every sector. In periods of economic downturn

organizations on the one hand need innovative concepts more than ever and on the other hand actually cut resources for innovation, while often denying that they do. So companies need to juggle how to generate attractive, innovative ideas which at the same time are realistic and feasible in the short term. It's your challenge to pick great ideas, which combine attractiveness with feasibility. If you don't, your innovation won't make it to the market. A number of studies on new product innovation (Robert G. Cooper, 2011) showed that for every 7 new product ideas, about 4 enter development, 1.5 are launched and only 1 succeeds. These are poor odds. Improve them, and make a feasibility road map, which will support the feasibility of your innovative product or service idea.

I hope these five learning tips on how to pick the right idea will inspire you to become an even more successful innovator!

BUSINESS MODEL CANVAS



THE BUSINESS MODEL CANVAS

(Business Model Generation, Alexander Osterwalder, Yves Pigneur, Wiley, 2010) is a management template for developing new or documenting existing business models. It is a visual chart with nine building blocks describing an organization's value proposition, infrastructure, customers and finances. A new business model starts with customer friction, i.e., any relevant need or wish from a specific customer segment that is not sufficiently satisfied. This is the basis for an innovative business model.

INFRASTRUCTURE

Key Activities: The most important activities in executing a company's value proposition.

Key Resources: The resources that are necessary to create value for the customer.

Partner Network: The partners who optimize operations and reduce risks of a business model.

OFFER

Value Propositions: The collection of products and services that serve the needs of its customers. A company's value proposition is what distinguishes the company from its competitors.

CUSTOMER

Customer Segments: Various sets of customers can be segmented, based on specific needs.

Distribution Channels: Fast, efficient and cost-effective ways to deliver a company's value proposition.

Customer Relationships: The type of relationship the company wants to create with its customer segments (for example personal assistance, self-service or automated services).

FINANCE

Cost structure: The most important financial consequences under different business models.

Revenue Streams: The way a company makes income from each customer segment.

30 Ways to Present a New Idea

There are lots of ways to present a new idea:

1. In one word.
2. With an image.
3. In a report.
4. As a mood board.
5. Do a dance.
6. Make a drawing.
7. Do a Prezi.
8. In a 140 character tweet.
9. Make a painting.
10. Make an advertising billboard.
11. Make a magazine.
12. Make a mindmap.
13. Draw a storyboard.
14. Make a statue.
15. Draw a cartoon.
16. Make a website.
17. Write one huge post-it.
18. Make a movie.
19. Make an app.
20. Sing a song.
21. Produce an advertising commercial.
22. Make a newspaper.
23. Do a flash mob on it.
24. Do a game.

25. Write a theater play.
26. Make it into a toy.
27. Present it in the form of a book.
28. Put it on a hot air balloon.
29. Put a prototype on the shelves of a regular store.
30. Make a mini new business case.

These are all wonderful presentation ideas. Most of them are very creative and outside the box. Your senior management will praise you for your creativity. But, will they buy the idea and give you the resources to develop it in the next stage? That's the question! They will evaluate your idea from at least three perspectives:

1. The Customer: will they like it?
2. The Business model: will it be profitable?
3. The Technology: will it be feasible?

That's why I am a big fan of presentation idea number 30: the mini new business case. It's a clear, strategic, commercial, professional and financial plan for a new initiative. At this stage it is more of a 'preview' of the full business case. It isn't as detailed yet and it has more uncertainties than its 'big brother' later on in your stage-gate innovation process. By making a mini new business case you strengthen the persuasiveness of your ideas by highlighting the attractiveness of the strategic, commercial, and professional aspects of the innovative product or service.

Remember: “Nobody buys from a clown.”



*Once you have
voyage never ends,
over and over
quietest chambers.
never break off*

Pat Conroy,
author:

*traveled, the
but is played out
again in the
The mind can
from the journey.*

6 MINI NEW BUSINESS CASE SHEETS

1.

THIS IS THE CUSTOMER FRICTION

WHAT IS THE SITUATION?

WHAT IS THE NEED?

WHAT IS THE FRICTION?

2.

THIS IS OUR NEW CONCEPT

TARGET GROUP

**DESCRIPTION OF THE
NEW CONCEPT**

**NEW TO US, NEW TO THE MARKET,
NEW TO THE WORLD?**

**NEW CONCEPT FOR AN EXISTING
OR NEW MARKET?**

3.

**THIS IS THE BENEFIT FOR
THE CUSTOMER**

**WHY WILL THE CUSTOMER
CHOOSE THIS CONCEPT?**

WHO ARE OUR COMPETITORS?

WHAT'S OUR POSITIONING?

**HOW WAS OUR CONCEPT
RATED IN TESTS?**

4.

WE CAN PRODUCE IT

FEASIBILITY
POTENTIAL PARTNERS
FOR CO-CREATION
NEXT STEPS IN THE
DEVELOPMENT PROCESS

5.

THIS IS WHAT WE GET

POTENTIAL TURNOVER
POTENTIAL MARGIN
AND PROFITS
FURTHER COSTS FOR
DEVELOPMENT

6.

WE WILL CONTINUE IN THIS WAY

WHY PROCEED?
WHAT ARE THE
UNCERTAINTIES?
NEXT STEPS:
TEAM
PLANNING
COSTS

HOW TO TRANSFER AN IDEA?

The ideation phase ends with the admission of the new product concepts into the regular development process. Larger organizations usually set up a new team for the product development phase as it requires different skills and abilities. So, how do you transfer the idea? In addition to enrolling some participants of the ideation team to continue working in the development team, it's wise to organize a:

CONCEPT TRANSFER WORKSHOP.

When?

Not too long after the ideation phase has ended.
Otherwise a lot of energy gets lost.

Duration?

Four hours.

Location?

An inspiring venue related to the new concept.

Participants?

Members of the ideation and the development team including the internal client.

Program?

- Orientation.
- Goal Concept Transfer Workshop.
- Presentation of the new concept and Mini New Business Case.
- Presentation of major customer insights and findings during the ideation phase.
- Open team discussion.
- Wrap-up.

THE ORIGIN OF

Liter of Light (or Isang Litrong Liwanag) is a new global movement that aims to provide an ecologically and economically sustainable source of light to underprivileged households that do not have access to electricity or have difficulties affording electricity. The solution is a relatively simple invention. It involves filling up a 1.5L PET bottle with purified water and bleach and installing it onto the roof of a dwelling. The water inside the bottle refracts the sunlight during the daytime and creates the same luminosity as a 55-watt light bulb. With the proper installation and materials a solar bottle can last up to 5 years.

The idea of using water-filled bottles to spread daylight into dark rooms was first pioneered by the Brazilian Alfredo Moser in 2002. Students from the Massachusetts Institute of Technology (MIT) also contributed in the subsequent design and development of the technology behind Liter of Light. The students had the idea to make solar bottle bulbs when they were constructing a school classroom made out of recycled bottles in the Philippines. After construction was completed, they noticed that the school could not afford to pay the electricity bills, even though the building was sustainable. Knowing that the walls made with clear bottles let light in during the daytime, the students began experimenting with ways to use recycled bottles to bring in light through the roof.

In April 2011, Illac Diaz, founder of the MyShelter Foundation, was the first to launch a social enterprise using the Liter of Light technology in the city of Manila, Philippines. In order to help the idea to grow sustainably, the MyShelter Foundation implemented a “local entrepreneur” business model, whereby bottle bulbs are assembled and installed by locals enabling them to earn a small income. Within months, the organization expanded from one carpenter and one set of tools in one community in San Pedro, Laguna to 15,000 solar bottle bulb installations in 20 cities and provinces around the Philippines and inspired local initiatives around the world.

One year after inception, over 200,000 bottle bulbs were installed in communities around the world. Liter of Light has a goal to light up 1 million homes by the end of 2015.

Source: www.wikipedia.org. www.aliteroflight.org.



Check out this movie to see a 'liter of light' yourself!

'LITER OF LIGHT'

