



Strategic Innovation: the engine that propels business
Build an "Innovation Engine" and rev-up Your Business

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Innovate for Competitive Advantage

Is your company or group innovative? Are you confident of your company's ability to innovate in ways that will enable your business to **excel** in today's globally competitive environment? Ok, how about just **survive** for the next 2-3 years (or even 6-12 months). There is absolutely no room in today's market for companies that cannot continually envision, conceptualize, and bring innovations to market that customers perceive as high value. Not only is it critical that businesses innovate and implement products and services in highly profitable ways, but also in the infrastructure of people and processes that enable a business to compete and win. The need to continually deliver more and higher value to the market is critical to every company's ability to compete, yet many companies spend little or no time preparing their people to think and work in ways that will bring this about.



The Innovation Engine

Every business needs an "innovation engine" to generate the great ideas that will propel the business forward into the future. This innovation engine is missing from most companies, and until now, some have survived without it. Product development generally covers some of the territory of innovation by coming up with incremental improvements and continually working to hold off competition. This works in stable industries

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where everyone plays by the rules that support the status quo. But then the market changes, a new player shows up and doesn't play by the rules. It becomes more difficult to upgrade and

incrementally improve products and services that hold the customers attention. When this happens most companies call timeout and begin a major initiative to come up with new ideas that will help them remain competitive. They call brainstorming sessions with marketing, product development and management to help find new ideas that will re-excite customers or at least hold on to market share. These attempts can bring a measure of success but rarely, if ever, do they bring significant innovation to the company in ways that create competitive advantage. In the worst cases this reactive approach ends up being too little too late. While all of the brainstorming and management effort to choose the right directions are being completed, the competition has moved on and the rules are changed again. These companies end up on tread-mills of improvement and work to squeeze every penny from current products and every internal group in order to maintain margins and profit goals. These efforts end up

leaving no time for any truly innovative new products (or services) to be developed since everyone in the organization is working maximum effort to maintain a profitable status quo. Larger companies that pay well and provide high value benefits are able to retain enough good employees that can eek out small gains and maintain a declining business for possibly years, but small or medium sized companies usually lose their best people and quickly decline until they are closed or purchased for pennies on the dollar by a larger company.

The previous scenario is somewhat depressing, but you will probably agree and may have experience in a company like those described. The solution for the businesses described above is a minor shift in the way they approach their future. This shift is related to the way that management thinks about the processes that bring about new innovative products/services. It is the difference between the reactive effort that begins when

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management notices profits are slipping (and market share is lost) and the distinct possibility that the same resources can sustain a continuing innovation process. This shift probably doesn't cost more money, particularly compared to the loss of investor equity. This shift doesn't take significantly more time and will provide a continuing perspective on the industry that will prove invaluable to management. This shift is what we call the "innovation engine". So, what exactly is the innovation engine? The "Innovation Engine" is the value that management places on innovation. This value is reflected in the priority and effort that a company places on innovation. Companies that value innovation and put into practice the tools, training and processes to enable innovation, are building their "innovation engine".

Innovation Lifecycle Process

The most important component of the "innovation engine" is the plan that management puts into place to move the company towards innovation. This plan is an Innovation Lifecycle Process. The Innovation Lifecycle Process is the road map that guides the company toward new innovations. An outline of the Strategic Business Innovation process is listed here as an example:

Innovation Life Cycle Process

- a. Ideation**
- b. Concept Development**
- c. Evaluation (business & technical)**
- d. Commercialization**
- e. Incremental Innovation (improvement)**

The Innovation Lifecycle Process must be a streamlined process that remains flexible and engages everyone inside the company while valuing external information and resources to pull together the best ideas. Engaging the entire company in the innovation process can generate great rewards but must be managed so that it does not become a major distraction to everyday operational efforts. Strategic Business Innovation uses a process that we call, **"Continuing Innovation Moments"** to engage everyone inside the company to contribute to the innovation process. These Continuing Innovation Moments encourage innovative thinking, not only to generate ideas for new products but the training also provides everyone the tools to continually innovate within their own areas.

Innovation Leadership

It is important that the Innovation Lifecycle Process have strong leadership and a cross-functional team that understands the process. This leadership team focuses the company's efforts on innovation and makes strategic and tactical decisions during the innovation life cycle. At Strategic Business Innovation we call these teams, **"Reciprocal Innovation Teams"**. Reciprocal Innovation Teams are 2 or more teams that run the innovation lifecycle process. These teams work out-of-phase (like the cylinders of an engine) from each other and share ideas with each other through mechanisms that we call, **"Pay-it-Back"** and **"Pay-it-forward"**. These mechanisms ensure that these teams communicate and share information that is pertinent to the other team.

Innovation Tools

There are many tools that can be used to help in innovation. Some of the most critical tools relate to the early part of the Innovation lifecycle process and to the ideas that are needed to begin a successful innovation lifecycle. This early part of the Innovation Lifecycle is called, "Ideation". The Ideation phase is where the "fuel" of innovation is formulated. If a company wants to have a "Formula One" type of Innovation Engine then they must use very high octane fuel. This fuel is made up of the ideas that come from this early part of the Innovation Lifecycle Process. This Ideation phase is much more than a brainstorming session that provides some direction to a development team. The Ideation process must bring together persons that have been prepared to develop great ideas and are trained to become the first spark that begins to fire the innovation engine. Strategic Business Innovation uses two tools that help individuals and teams to innovate. These tools are the, **"Personal Innovation Process"** and the, **"Team Innovation Process"**. These tools prepare individuals and teams to understand innovation and to practice innovative disciplines that will make them successful. These tools enable individuals to find innovative ways to solve problems and find new solutions. (Ask about the "Everyday Innovator" Certification program)

Innovation Training

There is nothing that has a greater impact on the ability of a company to innovate than the preparation for success. This preparation takes the form of training and can be accomplished in several different ways. Most of us learn best when we get a chance to experience something new rather than being told about it. The experience of learning something new and then using the new knowledge in practical ways reinforces not only the capability but also the value of using the new capability. It is important that Innovation training provide not only understanding but experience. Just as a new engine used to need some "break-in" miles, anyone being trained in innovation needs experience to begin to wear off the rough edges and learn to smoothly step through the innovation processes with skill.

Begin Building Your Innovation Engine

The need for an "Innovation Engine" is a certainty in today's marketplace. It is not enough for companies to begin to innovate when competition becomes fierce. The need to continually generate competitive advantage makes it imperative that companies have an Innovation capability. The value of preparing your people to innovate will pay dividends beyond the new products and services but will also help them consider innovating in the ways that they accomplish their jobs. Building the innovation mindset into all areas of the company is the true "Innovation Engine" that will propel business into the future. Make sure that your business has a plan to not only survive but to excel. Begin to build your "Innovation Engine" and experience the impact of innovation in your business.

About the Author:



Roger Hammer is the President and lead consultant for "Strategic Business Innovation". Mr. Hammer has over 20 years of broad based innovation experience in engineering, project management and product management. His experience in business as an engineer and manager extends from Medical Instrumentation to Information Technology products.

Mr. Hammer has managed multi-company and international development projects through the entire Innovation Lifecycle Process from product definition and requirements through product manufacturing and marketing launch. Mr. Hammer is a co-inventor on 4 patents related to medical instrumentation. He graduated from Indiana State University with a Bachelor of Science Degree in Electronics and Computer Technology. Mr. Hammer has been a certified Project Management Professional (PMP) since 2001 and is also a Certified Six Thinking Hats® trainer.