

A Framework for
Strategic Innovation

From Breakthrough Inspiration to Business Impact



Strategic Innovation Group
Catalysts for Business Growth

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1. The Art and Discipline of Strategic Innovation

Strategic Innovation is a future-focused business development framework that identifies breakthrough growth opportunities, accelerates business decisions and creates near-term, measurable impact within the context of a longer-term vision for sustainable competitive advantage.

Combining non-traditional, creative approaches to business innovation with traditional consulting models, the Strategic Innovation framework inspires cross-functional teams composed of an organization's leading change agents, guiding them to identify new revenue streams, to create breakthrough growth strategies, to define innovative new products, services and business models, to stimulate new business relationships and to rethink current business practices.

Strategic Innovation takes the road less traveled – it challenges an organization to look beyond its established business boundaries and to participate in an open-minded, creative exploration of the realm of possibilities. It is not characterized by mundane, incremental product extensions, the “me-too” business models of industry followers, or band-aids for inefficient processes. It does not consist of simple “facilitated creativity sessions and brainstorming new ideas”. It is not based on the linear principles of traditional strategic planning which extrapolate the past in an attempt to predict the future.

The power of Strategic Innovation has two dimensions. First, it blends non-traditional and traditional approaches to business strategy, deploying the practices of “Industry Foresight”, “Customer Insight” and “Strategic Alignment” as a foundation, and supplementing them with traditional consulting models where appropriate. Second, it combines expansive, visionary thinking with pragmatic action, imaginatively exploring long-term possibilities while taking a down-to-earth approach to implementation that leads to short-term, measurable business impact.

“All great truths begin as blasphemies.”

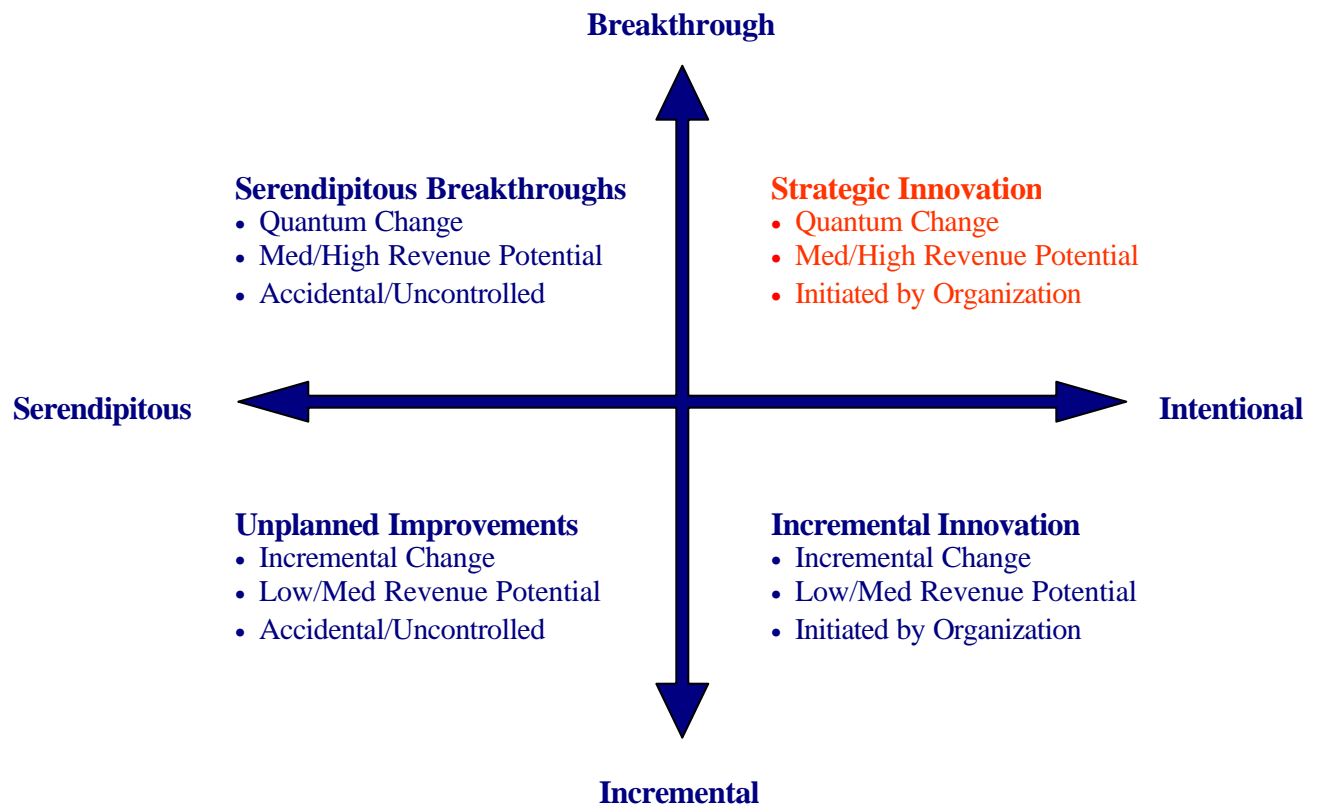
– George Bernard Shaw

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1.1. Serendipitous versus Strategic Innovation

Many organizations rely on serendipitous acts of creativity to foster innovation. Others take an ad hoc, unstructured approach. In doing so they achieve only incremental improvements or diminish their ability to successfully implement. The net result is a lack of meaningful business impact.

Strategic Innovation is a systematic approach focused on generating beyond-incremental, breakthrough or discontinuous innovations. Innovation becomes “strategic” when it is an intentional, repeatable process that creates a significant difference in the value delivered to customers. Strategic Innovation generates a portfolio of breakthrough new business growth opportunities through a structured yet creative process.



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2. Dimensions of Strategic Innovation

“All men can see the tactics whereby I conquer, but what none can see is the strategy out of which victory is evolved.”

– Sun Tzu

The several dimensions of Strategic Innovation are woven together to produce a range of innovative, growth-oriented deliverables. At the creative center of the framework is a **Managed Innovation Process** that orchestrates and facilitates the interplay between a company’s **External Value Drivers** and its **Internal Organizational Drivers**. **External Value Drivers** include **Industry Foresight** and **Customer Insight**, while **Internal Organizational Drivers** include **Core Technologies and Competencies**.

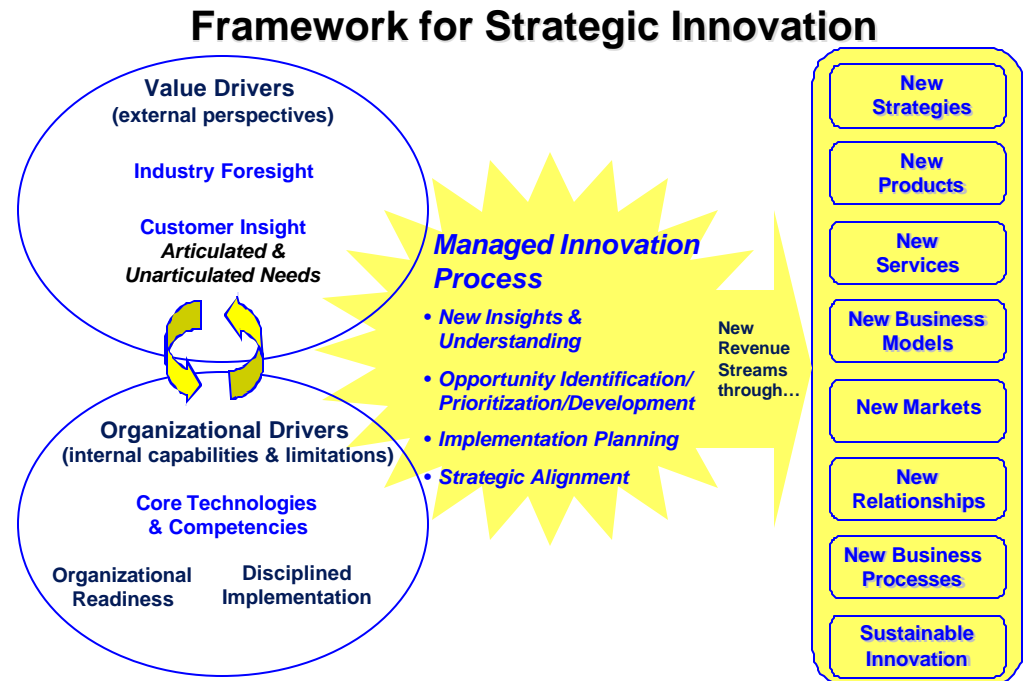
Industry Foresight provides a “top-down” perspective, a solid understanding of the complex forces driving change in a given industry, including emerging and converging trends, competitive strategies, potential dislocations and alternative scenarios.

Customer Insight provides a “bottom-up” perspective, a deep understanding of both the articulated (explicitly stated) and unarticulated (latent or unrecognized) needs of existing and potential customers.

Core Technologies and Competencies assesses “internal capabilities”, taking a hard look at organizational competencies and assets that can be leveraged to deliver value to customers, including technologies, intellectual property and strategic relationships.

The Strategic Innovation process creatively weaves together these three core dimensions and incorporates other dimensions of an organization’s fabric: its **Organizational Readiness** to act, and its capacity for effective, **Disciplined Implementation**. The process is designed and managed to facilitate **Strategic Alignment** – galvanizing an organization around shared goals and building enthusiastic internal support among its key stakeholders.

An organization moves beyond a purely ad hoc (serendipitous) approach to innovation when it begins to develop and institutionalize a cultural mindset and a portfolio of processes for repeatable, **Sustainable Innovation**. This then becomes the organization’s platform for ongoing competitive advantage.



The eight dimensions of Strategic Innovation are therefore:

- **A Managed Innovation Process** – Combining Non-Traditional and Traditional Approaches to Business Strategy
- **Strategic Alignment** – Garnering Internal Support
- **Industry Foresight** – Understanding Emerging Trends
- **Customer Insight** – Understanding Articulated and Unarticulated Customer Needs
- **Core Technologies and Competencies** – Leveraging Corporate Assets
- **Organizational Readiness** – The Ability to Take Action
- **Disciplined Implementation** – From Inspiration To Business Impact
- **Sustainable Innovation** – A Platform For Ongoing Competitive Advantage

2.1. A Managed Innovation Process – Combining Non-Traditional and Traditional Approaches to Business Strategy

The Strategic Innovation approach combines unconventional and traditional elements. It is rooted in a provocative, “all-things-possible” perspective that challenges the status quo and calls for both left and right brain thinking among an organization’s key stakeholders. As a team-based framework the approach includes facilitated workshop sessions: part information exchange, part exploration, part mediation, part creative invention, and part improv theater. Bringing together a cross-functional team with external industry “Thought Leaders”, these sessions intentionally juxtapose contradictory perspectives, values and interpretations, to force a creative tension that frees the mind to

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examine a wealth of possibilities. This foundation is selectively supplemented with the typical business frameworks and methodologies used in traditional future planning.

The overall approach is divided into two phases: “Divergence” and “Convergence”.

The “Divergent” phase lies at the heart of the Strategic Innovation approach. It is characterized as open-ended, exploratory, and inquisitive, deploying non-traditional, creative thinking and future visioning techniques. It includes “generative” customer insight research, the qualitative exploration of industry/market trends, and speculates on possible industry discontinuities, etc. It is with this backdrop that breakthrough innovation opportunities can be identified.

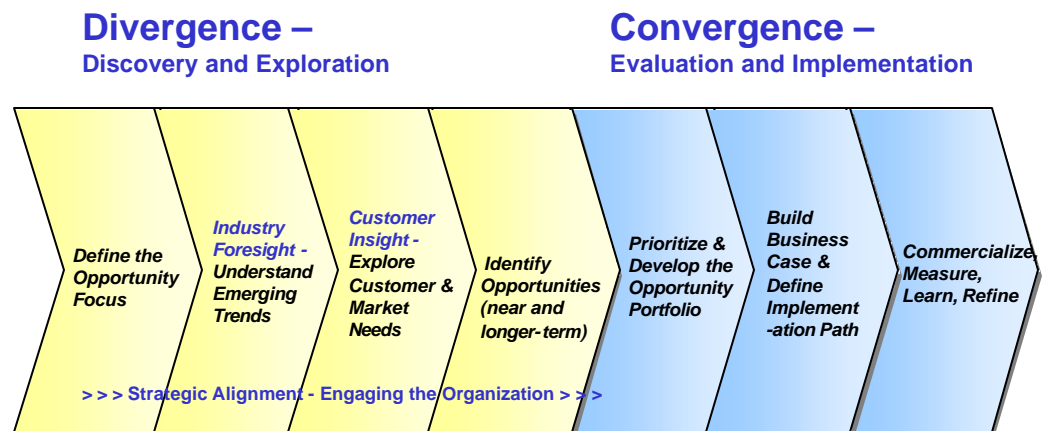
“Creativity is about divergent thinking. Innovation is about convergent thinking.”

– Ikujiro Nonaka

Subsequently, through “Convergent” processes that resemble more traditional business planning and development, potential opportunities are evaluated, refined, selected and subsequently executed. Throughout the entire process, a focus on short-term opportunities that leverage “low hanging fruit” is paired with a perspective focused on mid- and long-term breakthrough growth strategies.

Though the elements of the process generally occur in a specific sequence, at there is not one single, rigid road map – the process is non-linear, modular and responsive to the needs of the moment. It is flexible and creative, providing the glue, the spark, the artistic magic that weaves together the dimensions of Strategic Innovation in real-time.

Strategic Innovation Process Map



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2.2. Strategic Alignment – Garnering Internal Support

Choosing to engage key stakeholders in a collaborative process galvanizes the organization around a set of jointly developed goals. This is referred to as “Strategic Alignment”.

Innovation efforts – like other types of change effort – often fail because the outcomes are “Not Invented Here” – silver bullet solutions imposed by senior management, or developed outside the organization in some sort of consultant think tank and handed down for implementation after a final presentation. Active cross-functional participation in the innovation process builds “Strategic Alignment” among key stakeholders throughout an organization.

*“People Support
What They Help
Create.”*

– Anonymous

“Strategic Alignment” is, then, an approach for engaging both the leadership team and the broader organization in the development of a shared vision. This creates ownership, enthusiasm and commitment, accelerating investment decisions and building a strong foundation for successful implementation.

Looking throughout all levels within an organization, it is important to select a cross-functional Core Team of visionary, energetic change agents and future leaders, inspired and inspiring individuals who want to make a difference. A Core Team typically consists of four different perspectives: subject matter experts, decision makers, implementers and not least, “naïve” perspectives – free-thinkers whose role is to challenge the team’s incoming beliefs and assumptions. In addition to the Core Team, an Extended Team of internal opinion leaders, supporters and evangelists should be appointed to act as “functional ambassadors” to represent the interests of (and provide information to) their respective areas in advance of the implementation phase.

To ensure ongoing support, it is imperative to establish cross-functional executive sponsorship – not just sponsorship from a single functional area.

2.3. Industry Foresight – Understanding Emerging Trends

Many companies have surprisingly little notion of where their industry is heading, rarely looking beyond their own boundaries, too busy fighting today’s fires to take the time to truly understand what is driving their operating environment and how it may evolve. While Managers are busy managing, and Executives are busy executing, nobody is busy “Envisioning”. It is rather like sitting in a small sailboat not knowing the weather conditions that lie ahead – out of control, entirely at the whim of the fates.

“Industry Foresight” is a “top-down” approach that explores the drivers, trends, enablers, and dislocations within one or more industries. It is in looking at the forces of deregulation, industry convergence and emerging markets, and in exploring the intersections of social, demographic, technical, environmental, political, competitive and other trends that potential “white space” opportunities are revealed. Since today’s world is not linear we cannot extrapolate the past to see into the future. Industry Foresight therefore goes

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beyond traditional market trend research by taking a speculative, “what if” perspective, seeking out – and in some cases even seeking to create – industry dislocations.

When an organization looks beyond its own boundaries and limitations it dramatically raises its ability to create breakthrough business strategy. This is often best accomplished in a managed forum – a “Thought Leader Panel” – in which an organization’s change agents and innovators are brought face-to-face with external industry “Thought Leaders” to explore, speculate and collaborate in a shirt-sleeves working environment.

“A problem cannot be solved by the same consciousness that created it.”

– Einstein

This process, then, brings together a team of external provocateurs, visionaries and industry experts to introduce new perspectives and insights, challenge established thinking, and collaboratively explore potential growth opportunities, new businesses, new products/services, and innovative business models that arise at the intersection of emerging trends. While some organizations might manage this as a traditional “panel discussion”, such an approach does not fully exploit the potential interactions between external experts. The spark of inspiration comes when different perspectives on the future are encouraged and vociferously debated.

Through Industry Foresight an organization can develop a proprietary view of the future enabling it to define a visionary participation and leadership strategy.

“Markets are conversations.”

– Clue No. 1, The Cluetrain Manifesto

“Markets consist of human beings, not demographic sectors.”

– Clue No. 2, The Cluetrain Manifesto

“There are two conversations going on. One inside the company. One with the market.”

– Clue No. 53, The Cluetrain Manifesto

2.4. Customer Insight – Understanding Articulated and Unarticulated Customer Needs

Most organizations would like to see themselves as customer-driven, but often have little understanding of the behaviors, perceptions and needs of their customers. Product-driven companies in particular would benefit from taking a more customer-inspired approach, though this is often at odds with the organization’s cultural norms.

Customer involvement in product development often consists of traditional focus groups or web-based surveys, and typically goes no further than merely soliciting customer response to internally-generated product concepts, or specific executions such as packaging or advertising directions. This is a missed opportunity. Instead, these same forums could be used to spark whole new product categories and other value-driven solutions – using a “generative” rather than a “reactive” approach. Equally, many customer research programs are content to hear what customers actually say, but do not explore the fertile ground of their unarticulated (latent) needs. Further, customer participation in corporate strategy development is practically unheard of. There is a tremendous opportunity in involving customers (and suppliers and other external stakeholders, etc.) as true partners in the innovation process by adopting a Customer Insight approach.

“Customer Insight” is a qualitative, “bottom-up” approach that leverages insights into the behaviors, perceptions and needs of current and potential

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customers by involving them as true partners in the innovation process. It is a non-traditional, qualitative approach to customer research that seeks a deep understanding of customer needs and the drivers of customer behavior at a level well beyond what customers themselves are able to articulate.

The approach is not limited to customers, but can be extended to glean insights from many other types of stakeholders – examples include: channel partners, suppliers, employees, investors, early adopter non-users, etc.

2.5. Core Technologies and Competencies – Leveraging Corporate Assets

A solid understanding of a company's core technologies and competencies provides a pragmatic backdrop against which imaginative ideas can be assessed and shaped into practical investment-worthy opportunities. Even when an organization possesses deep insight into customer needs and future trends, transforming ideas into action is an uphill battle unless there is a keen sense of the organization's inherent strengths and ability to leverage and build upon its core technologies.

To truly leverage core competencies for strategic innovation, consideration of both technical and operating capabilities is essential – capabilities that are integral to an organization's success, that yield significant customer benefits, and that provide competitive differentiation. Such competencies may include unique relationships with suppliers and partners, brand equity, organizational speed and agility, innovative business practices and proprietary technology. In large organizations with multiple business units one group may have developed its own operational processes and have valuable competencies and best practices to share. In order to be viable, short- and long-term innovations must possess a tight link to core competencies. That said, outsourcing and partnering are strategies that permit an organization to pursue an opportunity, if it does not currently possess some of the required capabilities.

2.6. Organizational Readiness – The Ability to Take Action

There is a time for inspired dreaming and high-minded vision development (“Divergence”) and a time for down-to-earth pragmatism (“Convergence”). During the strategy innovation process it is critical to draw upon each mindset at the appropriate time.

During the pragmatic (“Convergence”) stage it is essential to have a clear understanding of a company's “Organizational Readiness” – its ability to act upon and implement innovative ideas and strategies, and to successfully come to grips with the operational, political, cultural and financial demands that will follow. Even with the most inspired vision, innovative products and adequate funding, an organization may simply not be able to effectively implement. Before actually investing time and money in newly identified growth opportunities, it is necessary to assess “Organizational Readiness” along two dimensions:

“Everyone wants to grow; most people are just unwilling to change in order to do so.”

– Anonymous

“The real difficulty in changing the course of any enterprise lies not in developing new ideas, but in escaping old ones.”

– John Maynard Keynes

- **“Cultural Readiness”** – the degree to which an organization is culturally and philosophically prepared to embrace innovation – considering such factors as: business boundaries and thinking, innovation mindset, bias for collaboration, decision-making style, bureaucracy levels, internal power struggles and political agendas, willingness to embrace change, and penchant for action.
- **“Operational Readiness”** – an organization’s ability to take action, depending on such factors as: suitable organizational and technology infrastructures, efficient business processes and practices, available funding, ease of implementing the required supporting technologies, and available and qualified staff to assign to specific projects – without question one of the leading barriers to implementation.

2.7. Disciplined Implementation – From Inspiration To Business Impact

“Genius is one percent inspiration and ninety nine percent perspiration.”

– Thomas Edison

While it is not easy to produce creative, visionary strategic thinking, perhaps the greater challenge lies in successfully implementing that thinking in a way that creates meaningful business impact. For example, generating new product ideas is not necessarily that hard. It is in the act of execution – where the rubber meets the road – that innovation efforts most frequently slip off the rails. It is here that an organization must demonstrate its ability to translate a Power Point presentation full of good ideas to the bottom line, by tenaciously negotiating the obstacle-ridden path to business impact.

In the context of Strategic Innovation, the term “implementation” includes a broad set of activities that call for support and involvement across the organization: the transition to specific projects or programs; technical product development, design and prototyping; test marketing/product concept refinement, qualitative and quantitative testing; developing new business processes or creating new organizational structures; hiring and training; brand development; creating collateral materials; gaining broader organizational buy-in; establishing feedback loops for continuous improvement. The work of Strategic Innovation often has profound implications in terms of operational, structural and business process change. For example, a relatively straightforward new product development effort may not be as clear cut as it would seem, since it may raise larger, systemic issues and call for a series of support strategies that will enable these new products to make their way through the commercialization process (such as brand strategy review, channel rationalization, etc.). In some cases an innovation effort may call for building a new “business-within-a-business” – clearly a demanding and complex undertaking.

When an organization has put the finishing touches to its roster of innovative ideas – for potential new products, growth strategies, new “white space” opportunities to pursue, new markets to enter, new programs to launch or new business processes – it finds itself now at the critical transition point from

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“Idea Generation” or “Strategy Development” to “Project Management”. This is where the innovation process transitions from ambiguous and exploratory to concrete and operational.

2.7.1. Implementation Model for Strategic Innovation

What can be done to create a context for successful implementation? First, while much of the groundwork will have been done during the earlier (“Divergent” phase, it is now necessary to continue to apply the principles of Strategic Innovation throughout the entire process, and not abandon them once the “Convergent” phase begins.

The implementation model for Strategic Innovation has several high-level elements: implementation skillsets and mindsets, momentum, a formal project management approach, and an understanding of organizational priorities.

2.7.1.1. Implementation Skillsets and Mindsets

Different individual skillsets and mindsets are needed at different stages of the Strategic Innovation process. While many of the early team members will play a role throughout a Strategic Innovation initiative, additional individuals will be called upon to participate as the process unfolds. If the earlier “Industry Foresight” and “Customer Insight” dimensions of the overall process call for an exploratory, visionary, imaginative mindset, one that is comfortable with ambiguity, then the task of “Disciplined Implementation” calls for pragmatic “doing” skills, exemplified in individuals who are adept at working closely with others on a one-on-one level to tenaciously get the job done, and who have the vigor, energy and staying power to overcome organizational roadblocks. Equally, the organization itself will need the mental flexibility to apply different decision rules to new businesses spawned within a larger, perhaps less agile corporation.

2.7.1.2. Momentum

Despite the obvious energy and enthusiasm apparent during the “Divergent” phase of an innovation initiative there is a significant risk of everything grinding to a halt. There are numerous causes: organizational inertia, higher priorities, or competing demands for personnel and financial resources. Sometimes the organization at large does not share the spirit of enthusiasm, the passion for innovation exhibited by the core group. At times, political agendas get in the way. So what are the successful strategies for maintaining momentum?

The first imperative is Strategic Alignment – if all has gone well in earlier stages, the process will have created a solid foundation for cross-organizational support from the organization’s key stakeholders. Second, it is important to leverage implementation-related Best Practices available throughout the organization at large. Time wasted reinventing the wheel – or creating ad hoc practices on the fly – simply slows time-to-market and inhibits the further development of Best Practices for use in future efforts. Third, the

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initiative must maintain visibility – a communications strategy is needed to convey progress and business impact and to ensure that senior management and key stakeholder groups remain committed and involved. Fourth, it is critical to demonstrate early successes, particularly when the effort is highly strategic and requires senior management to make long-term commitments. It is important to realize some “quick hits/low-hanging fruit” to appease skeptics and to continue to build a business case that continued resource commitment is justified. Finally, the rigor of a formal Project Management approach in itself creates performance expectations and momentum.

2.7.1.3. A Formal Project Management Approach

In order to deliver business value, strategic thinking must be converted to actionable projects. It is now that the Strategic Innovation effort changes from being a single thread of activity, and takes the form of multiple concurrent “daughter” projects. It is important to ensure that these daughter projects remain connected to the strategic framework and do not lose sight of their reason for being. To accomplish this, it is critical that the same caliber of “Managed Innovation Process” continue to be applied throughout the “Convergent” phase.

While an organization will be drawn to the far-reaching rewards that have now been set out as goals it may fail to be realistic about the requirements for achieving them. This point in the Strategic Innovation process calls for particular attention to certain Project Management practices: realistic expectations in timing and performance goals; appropriate resource allocation – staffing, budgets and access to information must be consistent with the scope of the desired business impact; accountability, progress measurement and status reporting.

The area of resource allocation in particular is where implementation efforts often fail, with staff expected to fulfill their regular “day job” responsibilities while also being asked to contribute to a new strategic effort. This often demoralizes those involved, reduces momentum and dilutes the ability to execute quickly and successfully. The challenge raises organizational issues such as the need for performance assessment programs that provide guidance to individuals and their managers on how to balance strategic versus tactical priorities.

2.7.1.4. An Understanding Of Organizational Priorities

It is essential to be aware of the way an organization prioritizes, approves and continues to support its initiatives. If the decision process is ad hoc then any initiative is potentially at risk. A way to partly mitigate this risk is for members of a cross-functional innovation team to have personal linkages to other change initiatives. This allows a broad perspective on the relative importance of other internal efforts and the interdependencies between them. Taking this global view is critical when tough Boardroom decisions are made that may undermine or cancel initiatives without a true appreciation of the impact.

2.8. Sustainable Innovation – A Platform For Ongoing Competitive Advantage

An organization cannot count on building a secure future in the myopic belief that what has worked in the past will continue to work in an increasingly uncertain world. It would also be foolish to rely on “innovation by accidental good fortune or occasional inspiration”. Equally, it makes no sense to “call in the creativity consultants” once a year for a fire drill when someone in the organization feels it is time for “another round of innovation”. These approaches are neither pragmatic nor sustainable.

“Today’s successful business leaders will be those who are most flexible of mind. They will have the ability to embrace new ideas and routinely challenge old ones. They will be alert to learning from others and quickly adapt from the best.”

– Tom Peters

To succeed in the long term, it is necessary to move beyond a purely ad hoc (serendipitous) or unstructured approach to innovation, and to create an organizational platform for ongoing, Sustainable Innovation. An organization will need to intentionally and deliberately build an innovation-biased culture and develop and institute innovation processes and methodologies that are appropriate. This will result in deep-seated change throughout the entire organization. It will take a significant time commitment, will require impassioned internal champions, and must be supported at the top and throughout the organization, both in theory and in day-to-day practice. It will be necessary to continuously improve and evangelize these efforts. There will be a need to regularly communicate the labors, the trials, the failures and the fruits. Though it may seem a daunting task the rewards of sustainable Strategic Innovation are great.

The future belongs to those organizations that passionately embrace an innovation mindset as embodied daily in the hearts and minds and actions of its change agents and future leaders.

3. The Path to Strategic Innovation

Many organizations want to “become more innovative” but don’t know where to start. While an obvious first thought is to introduce “creativity training”, the effects are usually short-lived, and there is little impact on the corporate consciousness or the bottom line. Frequently, an organization’s internal structures, policies and culture inhibit innovation. Most organizations are already implementing some dimensions of the Strategic Innovation approach, albeit frequently in an ad hoc manner without any overarching framework. So how can an organization advance its current innovation practices and move farther along the path toward sustainable, Strategic Innovation?

3.1. Innovation Assessment and Benchmarking

Step one is to undertake some relevant Innovation Assessment and Benchmarking activities. An Innovation Assessment provides a baseline that describes existing “Innovation Competencies” and “Innovation Readiness” – an organization’s ability to embrace new practices. An organization may benchmark any of three dimensions of innovation:

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“In many cases, industries have not changed until the pain of competition was severe. Benchmarking helps recognize the pain before it occurs.”

– Robert Camp

- **Cultural Innovation** – Mindsets that inspire individuals and teams to think imaginatively, to take risks, to seek out, and to create and introduce innovative solutions.
- **Structural Innovation** – Organizational structures for sharing and working together. This includes sharing intellectual capital across the organization to collaborate on “white space” new business opportunities.
- **Process Innovation** – Operational business processes and norms that enable different functions to collaborate toward a common goal.

In the simplest terms, it is a four-step process:

Step 1: Assessment – Look inside your organization, conduct internal assessments – along several dimensions of innovation – measure current state, effectiveness, pain points, and identify critical areas to benchmark externally.

Step 2: Benchmarking – Look outside your organization, to understand the best practices of other organizations (both inside and outside your industry).

Step 3: Development and Adaptation – Make this new learning relevant. Ask: How can we innovate beyond this understanding of “external best-in-class”? How can we adopt and adapt this understanding in line with our organization’s specific business needs, culture, organizational readiness, etc.?

Step 4: Institutionalization – Shepherd the practice into routine operation. Gather and incorporate feedback into cycles of continuous improvement.

3.2. End Note

“Learning and innovation go hand in hand. The arrogance of success is to think that what you did yesterday will be sufficient for tomorrow.”

– William Pollard

Strategic Innovation is not an end-state. Rather, it is a journey of open-minded exploration, experimentation, thinking, decision-making, action, results and learning, with the cycle then repeating.

While there are numerous ways to measure the business impact resulting from a Strategic Innovation initiative, an organization’s ability to successfully innovate is less tangible, measured in terms of progress rather than in absolutes.

The journey of Strategic Innovation calls for learning by doing – if an organization approaches a business issue and adopts the Strategic Innovation framework as its set of guiding principles, the business impact will be evident and there will be an opportunity to incorporate the learning as the first step toward building a process for sustainable innovation.

“A journey of a thousand miles must begin with a single step.”

– Lao Tsu

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4. Addendum: How Innovative is Your Organization?

How innovative is your organization? This brief assessment is designed to help you move beyond a “gut feel” to see how your organization rates against several critical dimensions – but more importantly, you may learn something that challenges your assumptions about what it will take to build a truly innovative company.

Rate your organization on the following questions using these guidelines:

1=Strongly Disagree, 2=Disagree, 3=Agree, 4=Strongly Agree

Dimensions of Innovation	Score (1-4)
1. Managed Innovation Process My organization’s strategy, new product development and process improvement processes go beyond traditional planning methods and take an externally-focused, exploratory approach that challenges the status quo and creatively inspires new thinking	
2. Strategic Alignment Our leadership supports (and actively drives) a collaborative culture that encourages different departments working cross-functionally to identify and develop innovative solutions	
3. Industry Foresight My organization has a systematic process for actively monitoring and exploring emerging trends and developing alternative scenarios that represent either threats or opportunities	
4. Customer Insight My organization directly involves customers (existing and potential) as an integral part of the innovation process as a means of identifying both articulated and <u>un</u> articulated customer needs	

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<p>5. Core Technologies and Competencies</p> <p>My organization clearly understands its core competencies and has explicitly outlined the linkage between its long-term strategic goals and its short- and medium-term R&D investments and technology strategies</p>	
<p>6. Cultural Readiness</p> <p>My organization demonstrates an innovative mindset, a bias for collaboration, an inclusive, non-bureaucratic decision-making style, a willingness to embrace change, and a penchant for action</p>	
<p>7. Operational Readiness</p> <p>In order to enable the successful implementation of new ideas my organization has (or demonstrates a mindset that is willing to develop) appropriate operational structures and processes and allocates adequate staffing and management support</p>	
<p>8. Disciplined Implementation</p> <p>My organization consistently demonstrates its ability to create measurable business impact by taking a disciplined approach to the implementation of strategic thinking</p>	
<p>9. Capacity for Sustainable Innovation</p> <p>My organization takes the time to learn from its innovation efforts, and is committed to deliberately building an innovation-based culture and instituting a set of innovation-focused methodologies</p>	
<p>10. New Product and Service Development</p> <p>My organization has goals and measures stating, “X% of revenues will come from products/services introduced within the past X years”</p>	
<p>Total score (maximum = 40)</p>	

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Scoring Key

35-40 – Strategic Innovator

Your organization understands the core elements of strategic innovation and is well positioned to remain a leading innovator. Strategic Innovation is inherent in your culture and new products and services may already fill the pipeline. What to do next? – Ensure your organization continues to anticipate customer needs, cannibalizes its own products and services and sets industry standards. Continue to incorporate your learning and define a process for sustainable innovation.

29-34 – Inspired Innovator

Your organization demonstrates some solid innovation practices but there are areas of weakness. The pipeline may be full, though breakthrough opportunities may be outnumbered by incremental innovations. What to do next? – Focus on the areas of weakness and begin to define a process for sustainable innovation.

24-28 – Hopeful Innovator

Sparks of innovation exist, though your results may be skewed toward incremental improvements rather than game-changing innovations. Equally, your approach may be ad hoc and unstructured. What to do next? – Take a systematic view of the core strategic, customer-focused, and organizational factors necessary for Strategic Innovation and immediately seek out “low hanging fruit” opportunities. Take the time to incorporate your learning and start to define a process for sustainable innovation.

<23 – Challenged Innovator

While you may recognize that innovation is important, your organization’s culture and processes do not support Strategic Innovation. Innovation is ad hoc and unstructured. What to do next? – Dedicate resources to a small-scale, focused innovation initiative with measurable deliverables. Take the time to incorporate your learning and start to define a process for sustainable innovation.

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Strategic Innovation Group

Strategic Innovation Group helps Fortune 1000 and emerging companies accelerate profitable growth by defining innovative strategies, new products and services and new business processes. The company is centered on the practice of Strategic Innovation, a future-focused business development framework that identifies breakthrough growth opportunities, accelerates business decisions and creates near-term, measurable impact within the context of a longer-term vision for sustainable competitive advantage.

By combining non-traditional, creative approaches to business innovation with traditional consulting models, cross-functional leadership teams become galvanized around new business growth opportunities.

Strategic Innovation Group's services include:

- Business Strategy and Planning
- New Product and Service Innovation
- New Market Entry Strategy
- New Venture Strategy and Development
- Brand Positioning and Strategy
- Business Process Innovation
- Internet Strategy and Implementation
- Innovation Assessment/Benchmarking
- Executive Training and Education Workshops

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