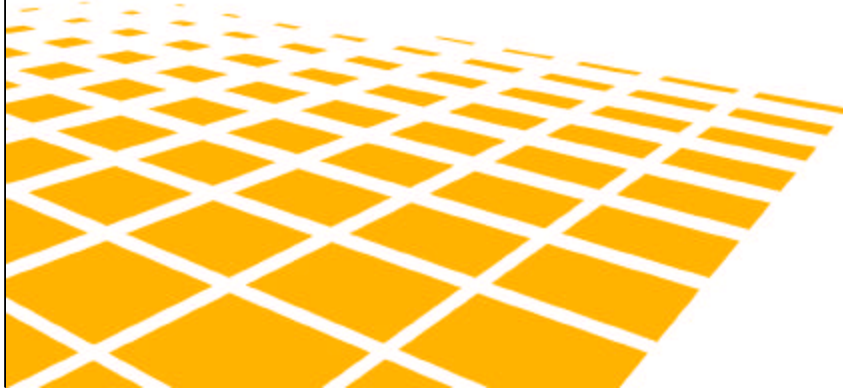




Strategic Innovation
for Business Growth



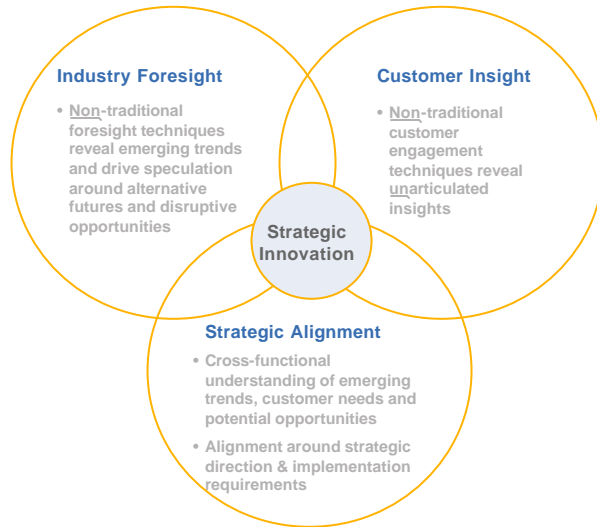
What is Strategic Innovation?

- Strategic Innovation is a **future-focused business development framework** that identifies breakthrough growth opportunities with measurable impact, both in the near-term and longer-term, and defines the supporting decisions and actions to achieve a compelling business vision”
- Innovation becomes “strategic” when it is an intentional process focused on creating breakthroughs in the value delivered to customers
- Strategic Innovation generates a portfolio of breakthrough new business growth opportunities through a structured yet creative process
- Breakthrough opportunities include innovations in products, services, and business models that:
 - Transform markets and industries
 - Create new markets and industries
 - Generate beyond-incremental revenue growth

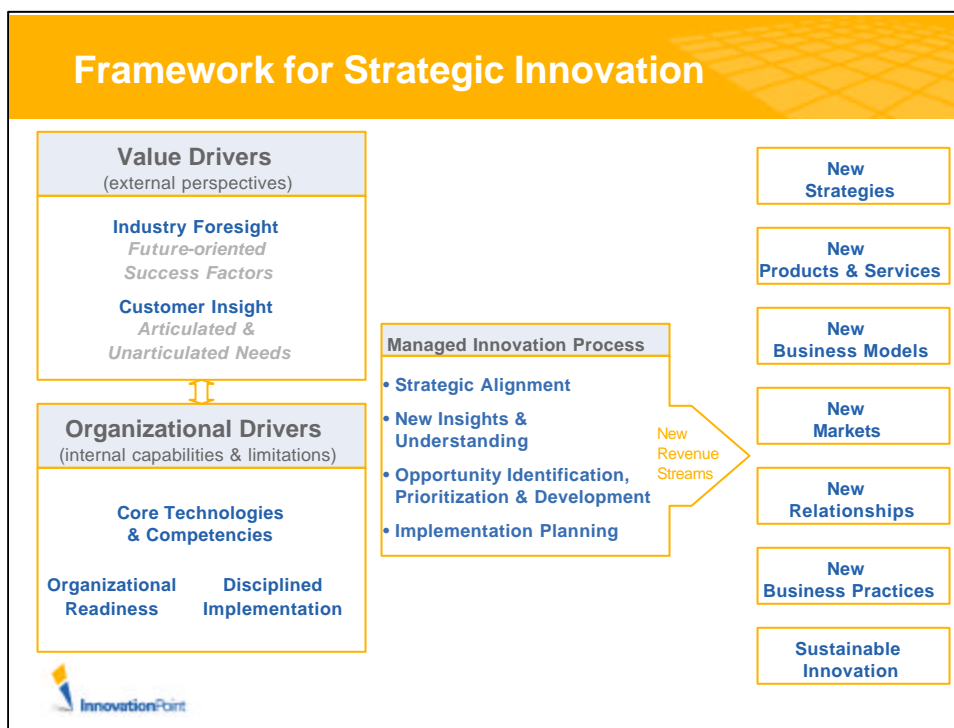


Strategic Innovation: Key Elements

- Strategic Innovation is created at the intersection of Industry Foresight, Customer Insight and Strategic Alignment

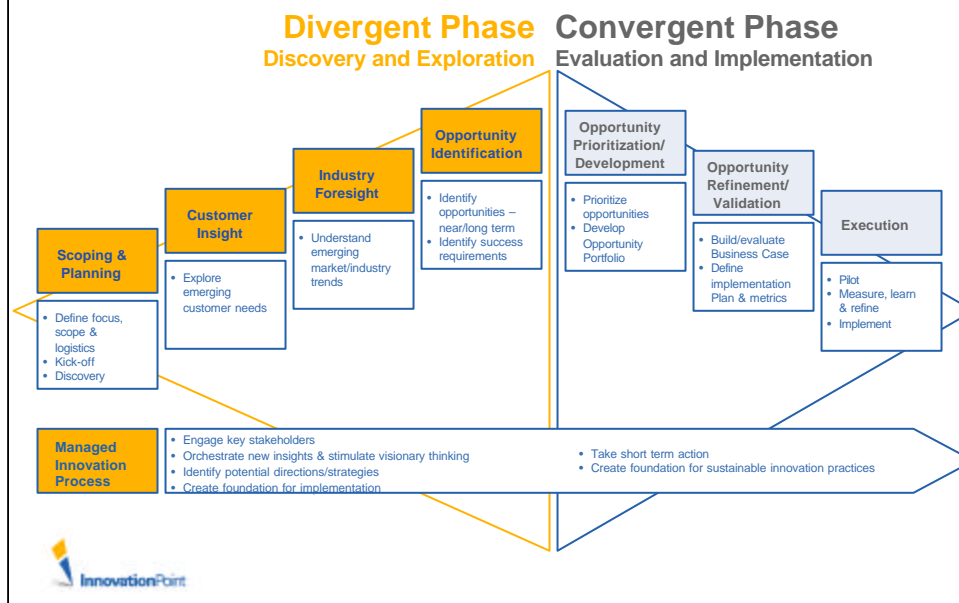


- Traditional strategy development is limited -- and often delivers uninspired, incremental results.
- Conversely, Strategic Innovation is created at the intersection of Industry Foresight, Customer Insight and Strategic Alignment.



- Strategic Innovation is “a **future-focused business development framework** that identifies breakthrough growth opportunities with measurable impact, both in the near-term and longer-term, and defines the supporting decisions and actions to achieve a compelling business vision”.
- Combining creative, non-traditional approaches with conventional consulting models, the Strategic Innovation framework inspires cross-functional teams 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 is driven by a **Managed Innovation Process** that orchestrates 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 & Competencies**.
 - Industry Foresight provides a “top-down” perspective, an understanding of the complex forces driving change in the industry, including emerging/converging trends, competitive strategies, potential dislocations.
 - Customer Insight provides a “bottom-up” perspective, a deep understanding of both the articulated (stated) and unarticulated (latent) needs of existing and potential customers.
 - Core Competencies and Technologies 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 managed innovation process weaves together these three elements, incorporating them with its **Organizational Readiness** to act and the degree to which it exhibits **Disciplined Implementation**. **Strategic Alignment** galvanizes an organization around shared goals and builds stakeholder support.
- To succeed in the long term, it is necessary to move beyond a purely ad hoc or unstructured approach to innovation, and to create a platform for **Sustainable Innovation**.

Strategic Innovation Process Map



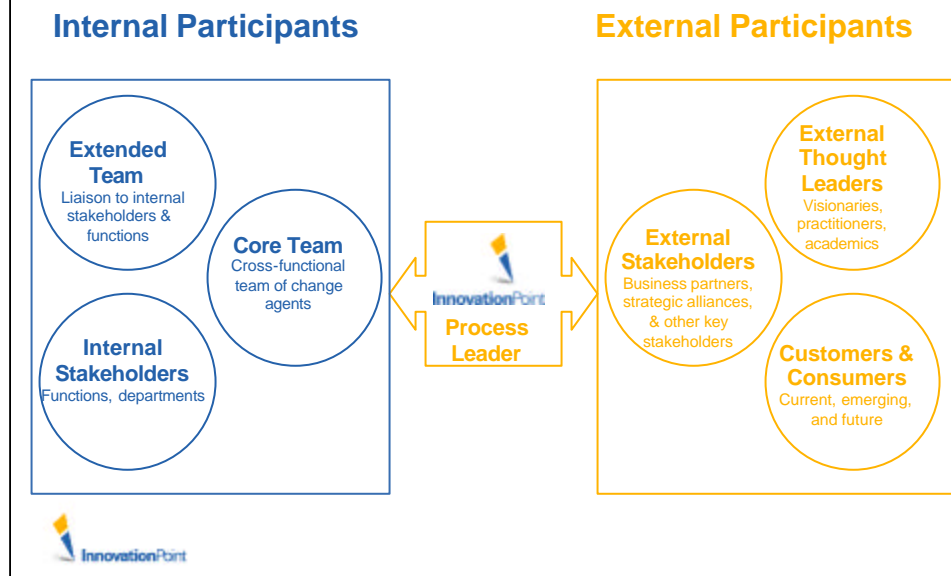
“Creativity is about divergent thinking. Innovation is about convergent thinking.” – Ikujiro Nonaka

The Strategic Innovation approach combines the unconventional with the traditional, challenging both the left brain and the right. It is rooted in a provocative, “all-things-possible” perspective that challenges the status quo and creatively inspires new thinking among an organization’s key stakeholders. At times 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 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 and deploys creative, non-traditional 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.

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. The managed process is non-linear, modular, flexible and responsive to the needs of the moment. It provides the glue, the spark, the artistic magic that brings together the various dimensions and catalyzes the interplay between them. Engaging key stakeholders in a collaborative process galvanizes the organization around a set of jointly developed goals. This is referred to as **Strategic Alignment**.

Participants & Team Structure



Core Team is 8 – 12 energetic, committed change agents, chosen from different functions and perspectives within an organization. The Core Team is composed of Decision Makers, Subject Matter Experts (Sales, R&D, Marketing, Manufacturing, Operations, Customer Service, ...), Implementers, and a “Naïve” perspective to challenge assumptions and “Group Think”.

Extended Team can be 5 – 30 additional individuals, committing considerably less time to the effort, acting in a liaison capacity to their various functions and departments.

The **Process Leader** orchestrates and manage the entire process, and infuses radical, strategic thinking throughout.

Industry Thought Leaders and **Customers/Business Partners** bring essential external perspectives to the process (**Industry Foresight** and **Customer Insight**)

**

Key Success Factors - 1

- Developing an Awareness of Articulated and unarticulated Customer Needs
- Looking Deeply and Insightfully into Customer Needs to Discover what Drives Behavior and Motivation
- Involving Teams from Multiple Functions/ Business Units
- Ensuring Management Involvement and Support



Key Success Factors - 2

- Willingness to Think Flexibly and Creatively about Current and Future Business
- Suspension of Business Boundaries
- Actively Identifying and Monitoring Current and Emerging Trends
- Using the Long Term View to Drive Short Term Planning





***“The best way to predict
the future is to invent it.”***

Alan Kay
Fellow, Apple Computer





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