

Ten Steps To **Successful Innovation**

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The days of downsizing are over. It is generally accepted that to companies need to develop their people and generate growth and products from within. Innovation is one process to do this. Innovation is the introduction of a new or reinvented product or process that creates value. Digital music players existed before the iPod, but the iPod was certainly an innovation. It is not only something new or improved but the ability to commercialize a new idea or process that is crucial. Use The Ten Steps To Successful Innovation to develop a culture of innovation in your company.

1. Encourage ideas from all employees.

The lowest level employee may have the idea that turns out to be a blockbuster.

2. Develop a broad based in-house incubator: Create committees to incubate new ideas. Cross-pollinate. Create committees of individuals who do not routinely work together. As the Apple ad said, make everyone “think different.”

3. Perform routine and non-routine market research: You should meet with current customers to learn their needs, but do not create by their word alone. They may not be your customers tomorrow. In fact, creating

products only for current customers may doom your business to failure.¹

4. Role play the customer: Market research does not have to be done with real world customers alone. Have employees role play customers. Ask them what they would like to see in a particular product line. Encourage brainstorming and thinking out of the box.

5. Update your value networks: Value networks are the corporate structure that generate income for your company.¹ However, they also represent rigidity. As an example, you may reject a product that would be a big success, because it seems too expensive to build, but your value network may be using outdated methods. Review, critique and improve your value networks on a regular basis to keep your company at the front of the pack.

6. Generate new roles for employees: All of us do certain things by rote. That’s okay. It allows us to be efficient in certain tasks by minimizing thought processes and making use of muscle memory. But this can be dangerous when employees resist taking on new roles. Encourage and reward employees who take on new roles.²

7. Hire experimenters: Old world thought was to hire employees who would show up every day and do the job. Simple reliability. But to innovate, you need flashes of wit or genius. That’s not to say you should hire people with wild ideas who don’t work. It does mean you should re-evaluate hiring and performance evaluation criteria to provide reward for individuals who are creative thinkers and workers.

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8. Use long time frames: Don't assume a new product must be rushed out the door. It is usually better to delay a product than to release an inferior product too soon.

9. Practice: Apple didn't simply build stores to enter the retail business. They built a mock-up store. When it became clear to them they did it wrong, they re-did it! It delayed retail openings six to nine months, but Apple retail stores lead retailing, generating \$4.032 per square foot of store space per year.³

10. Make the devil pay: Often, just as a group is about to endorse an innovation someone says, "If I could play Devil's advocate"... and to lays out a long list of negatives that prevent development.⁴ We believe this occurs for several reasons. The role of Devil's Advocate has an intellectualism about it. After all others have spoken, the Devil's Advocate weighs in with, "Well, I hear what has been said, but I see these problems." It is as if the last speaker is provided special power. Also everyone else has spoken and may let Joe speak uninterrupted hoping the meeting will end. We believe the length of time the Devil speaks adds muscle to his position. Finally, the term Devil's Advocate has taken on a special power that creates respect, as if someone is introduced as a doctor or president.

Several techniques can minimize the influence of the Devil's Advocate. First, make the Devil pay. If someone claims to be the Devil's Advocate that should be recorded in the minutes of the meeting, including the length of time he spoke. Maintain a Devil's Advocate File in the CEO's office. The CEO should review this file regularly.

Let's say you are an auto manufacturer and someone suggests developing brakes that don't lock the wheels. He says this will minimize the risk of cars skidding out of control. The committee discusses the positives and negatives. Joe then proclaims himself the Devil's Advocate and talks for ten minutes about high development costs, lack of proof the brakes will work, and the fact that no other auto manufacturer provides such a product. The keeper of the minutes

writes to the Devil's Advocate file: Devils Advocate, Joe Smith, April 2, 1988. Spoke ten minutes against developing brakes that prevent skid.

Before year-end performance evaluations and/or bonus approval by the CEO, the CEO reviews the Devil's Advocate File. True, it could be ten years before another company releases anti-lock brakes, and receives licensing fees for their technology. It also may be two years. The point is not the speed with which it occurs (that is uncontrollable, based upon how soon the technology is developed elsewhere), but at least a mechanism is in place to recognize missed opportunities and who the Devil was! With time, if someone is a repeat offender, the CEO becomes aware of who is stifling innovation.

At quarterly or monthly innovation committee meetings, a poster should be displayed of all Devil's Advocates, and the project they talked down. If the product was a big success for another company, others will by nature give less weight to that person's role as Devil's Advocate in the future.

Just because someone is placed in the Devil's Advocate File does not mean he will be reflected negatively upon. Five years later another company may try that innovation and go bankrupt, and he may be applauded for preventing your company from a similar fate. It is not punishment to be recorded in the file as Devil's Advocate. It is simply a method to determine if a particular individual is stifling innovation.

Viridian provides Innovation Workshops to incorporate the *Ten Steps To Successful Innovation* into your company. To learn more about Innovation Workshops, send a request to information@viridian.com

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