

Managing Innovation

A Canadian Innovation Centre How-To Guide

The Innovation Imperative

Innovate or die

- A bit dramatic perhaps, but the reality is that your competitors are innovating and unless your organization is innovating as well or better, you are falling behind
- Even public sector and not-for-profit organizations need to innovate or they risk becoming stagnant or even obsolete

What is innovation?

- Most people think of innovation in terms new technologies, but innovations can also be:
 - New or enhanced products
 - New or enhanced services
 - New or enhanced methods of production
 - New or enhanced sources of supply
 - New or enhanced business models
 - Opening of new markets
 - Creation of new organizations

The implementation challenge

- Innovation is more than coming up with new ideas – it is also about implementing them
- Until innovations are implemented, they create no benefit or advantage
- Often, the winning company is not the one with the best innovations, but the one who was able to implement them first or best

Is your organization innovative?

Yes

- Embraces and learns from failure
- Fosters high energy activities
- Creates a “Can do” environment
- Develops support & trust
- Is a fun place to work

No

- Focuses on financials & timelines
- Has strict guidelines & control
- Has a hierarchical structure
- Has multiple bosses & “dotted lines”
- Fosters attitude of “Everyone for themselves”



Innovation Management

- “Managing” innovation is about fostering innovative ideas, selecting the opportunities to be pursued and managing their implementation
- Innovation management requires the ability to:
 - Create and capture innovation ideas
 - Evaluate and select the best opportunities
 - Implement them quickly
- It is also necessary to:
 - Address barriers to innovation
 - Create a corporate culture that supports innovation



Implementing Innovation Management

To rollout innovation management in your organization:

- Define your innovation goals
- Identify barriers and constraints
- Develop innovation criteria
- Design an innovation decision system
- Pilot and tune the process (and criteria)
- Address barriers and constraints
- Monitor and assess
- Evolve and improve



Innovation Goals

What do you want to achieve through innovation?

- Improve quality of processes, products and services
- Create new markets
- Extend product range
- Reduce labour costs
- Improve processes
- Reduce use of raw materials
- Reduce environmental damage
- Reduce energy consumption
- Conform to regulations

*If you don't have specific goals
your chances of reaching them are small*

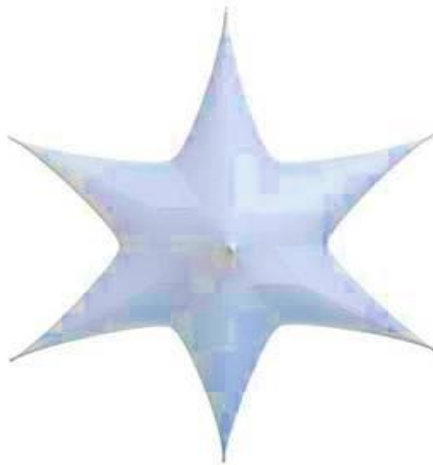


Possible Barriers and Constraints

Resource limitations:
people/money

Existing business model
or organization structure

Legislation or
external expectations



Short term market or
financial objectives

Culture: approach to
risk and incentives

Internal processes &
decision making

Innovation criteria

What defines the type of opportunities you want to pursue?

- Fit with Current & Future Strategy
- \$ Business Value (or ROI)
- Size of Funding & HR Requirements
- Execution Risk (Financial & Technical & Market)
- Time to implementation
- Synergies with other initiatives



Developing a process

- Innovation is a management process that requires specific tools, techniques and discipline
- It requires the development of an organizational process for generating, evaluating and acting on innovation opportunities
- The process should focus on:
 - generating and supporting opportunities that meet the criteria
 - stopping the expenditure of time and effort on opportunities that don't meet the criteria



Pilot the process

Ensure the pilot:

- Meets key objectives
- Is cross-functional
- Involves a short time line
- Has high visibility
- Is scalable
- Has a clear expected outcome
- Results are communicated
- Next steps are identified



Review and improve

- Review pilot project and establish follow up
- Review the innovation process and identify opportunities for improvement
- Use pilot projects to build innovation awareness, increase creativity and company innovation capability
- Review constraints to see how they can be reduced
- Examine and understand failures to see what lessons can be learned

Common causes of failure

Organizational Causes

1. Poor leadership
2. Poor organization
3. Poor communication
4. Lack of empowerment of stakeholders
5. Poor knowledge management
6. Resource limitations

Process Causes

1. Poor goal definition
2. Poor alignments of goals and actions
3. Poor team effort
4. Poor monitoring of results
5. Poor communication and access to information
6. Inappropriate decision making



Addressing people issues

What works:

- Free information exchange (networking)
- Mentoring and coaching
- Skills & experience development
- Resource availability

What doesn't:

- Strict personal objectives
- Individual performance over team performance
- The “right” way of doing things



Developing an innovation culture

- Create an innovation-friendly organization, that embraces a culture of “risk” and “rewards failure” (and success)
- Develop a “ project and portfolio management” approach to innovation around decision-making and implementation
- Develop a cross functional “matrix organization” to embrace innovation across organization
- Focus on “communications” and “engagement”
- Design “incentives” to support innovation



Take-Aways

- Innovation is not limited to technology – it can include services, business models, organizations and more
- Excellence at implementation of innovation is just as important as creation of new ideas
- An innovation management process addresses the creation and capture of ideas, evaluation and selection of opportunities and the implementation of innovations
- Successful innovation management requires that both the process and an innovation culture are in place



Appendix: Innovation Management Services from the Canadian Innovation Centre

- The Canadian Innovation Centre (CIC) has helped many organizations implement innovation management
- Through a series of workshops, the CIC is able to guide companies through the steps involved in defining and rolling out an innovation management process
- The development process is quick and efficient and results in an innovation management process that is customized to the client's specific situation
- For more information, visit

www.innovationcentre.ca/services/innovation-management-services/

