Innovating for Value

Business & Finance

Bill Wilmot
Setting the stage

Just as energy is the basis of life itself, so innovation is the vital spark of all human change, improvement, and progress

Theodore Levitt
Innovation Defined

• What is your definition of innovation?
The goal is innovation

*All the other elements are inputs*

**Innovation**

*The creation and delivery of new customer value*
Concepts Used in This Workshop

“Creativity” — an idea for a new product or service

“Invention” — a new product or service that is prototyped

“Innovation” — creating and delivering new customer value in the marketplace

This workshop is primarily focused on developing new, successful innovative opportunities.
"Every CEO will at least give lip service to the idea that the world is moving faster and that we need to do a better job at innovation.

But if you go into an organization and ask people to describe their innovation system, you get blank looks. They have none."

Gary Hamel: Harvard Univers
Fundamentals of Value Creation

Customer Focus
+ Shared Language & Tools
+ Compounding Improvement Process

Customer Focus
+ Shared Language & Tools

Customer Focus

Most Projects
Disciplines of Innovation

Five Key Elements to Improve New Product Development

Important Customer and Market Needs
Value Creation
Innovation Champions
Innovation Teams
Organizational Alignment

Project Success
Value Propositions Provide Common Language

Allows quick development new customer value

Important Customer Needs

Approach

Benefits per cost

Competition and alternatives
An Everyday Example

*We all use value propositions*

I understand that you are hungry *(Need)*. Let’s go to the SRI Café *(Approach)*. It is close, has good food, and it is quiet so we can continue our discussion *(Benefits/costs)* rather than going to McDonald’s *(Competition/alternative)*.

• We naturally create Value Propositions in our everyday life
  – An SRI colleague even developed one for a marriage proposal
  – It worked!
• But when translated to the business environment, they are remarkably rare
• *Remember: only your customer defines your value*
Innovations Come in Many Forms

*From the incremental to the transformational*

SRI International

M. Yunus

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We Can All Innovate

After all, we all have customers
And Here’s the Proof
1 minute Elevator Pitch

In your teams of two, prepare a 1 minute elevator pitch with the template:

Hook
N
A
B
C
Close (next steps)
Watering Holes or “Value Creation Forums”

*Critical for rapidly addressing all the business issues*

- Regular meetings to develop new customer value
- Purpose: To collect ideas, break down organizational barriers, learn, provide resources
- Culture: Open with a commitment to *continuous improvement*: Iterate, iterate, iterate ...
Evolution of Ideas at Value Creation Forums

Progression from an idea, to a quantitative Value Proposition, to an Elevator Pitch, to a full Innovation Plan.
Types of Value Creation Forums

A musical metaphor

- Jam Sessions
- Rehearsals
- Concerts
# Value Creation Forum

## Innovation Champion

### Set-up
- How developed is your idea?
- Who would you have attending your Watering Hole?
- What are you requesting of your attendees (funding, input)?

### Presentations
- Value Proposition for 2-5 minutes
- Innovation Plans for 10-45 minutes

## Attendees

### Provide feedback & input
1. Green Team
   - What was most valuable?
   - What did you like and why?
   - What should not change?
2. Red Team
   - Where is the value unclear?
   - What is missing?
   - What could be done to improve the value?
3. Eyes of the customer
4. All Play

Teammates take notes