INNOVATI°N 360

THE HOME OF INNOVATION

Client X

An example of how it might look like to assess and implement an innovation management system in a Fortune 500 company

SUSTAINABLE GROWTH IS LIKE AIMING FOR WORLD CHAMPION IN ANY SPORT
You must decide (aspiration), you must train (ability) and you must compete (drive innovation).

"
If you compete
not to lose, you lose.
Put up an inspirational goal,
align, train and then compete,
train, and compete...
This is what lead to success
over and over again
— *Magnus Penker*
"

"
There are other players
who were more talented,
but there is no one who
could out-prepare me.
— *Peyton Manning*
"

"
I've missed more
than 9000 shots in my career.
I've lost almost 300 games.
26 times, I've been trusted to
take the game winning shot
and missed. I've failed over and
over and over again in my life.
And that is why I succeed
— *Michael Jordan*
"

CLIENT X

Innovation 360's Did X to Shape our Client's Success

We know that we are not getting the results and traction we want. But and therefore not a firm grip of *where we are* in relation to *where we want to be,* so developing adequate change plans has been like walking in the dark.

That's why this assessment from the world-leading innovation management firm Innovation 360 was so crucial for us.

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CLIENT X

The Problem Statement

About

Client X is a fortune-500 manufacturing enterprise with a US-based notable legacy consistent track record in the manufacturing sector and a revenue of **+20 Billion USD**

Primary focus of client

Industrial equipment, a sector with stringent regulations owing to its influence on **human welfare.**

Growth strategy of client

Through extensive acquisitions leading to amalgamation of diverse **cultures, brand personas and competences**

The problem statement

Amalgamation of cultures and competences led to every business unit having siloed engineering and process cultures.

This led to a divergence in innovation practices and significant gaps in productivity and low growth.

Objectives

Understand current readiness for innovation management and tangible recommendations to build a unified scalable innovation system and culture across board to enable real growth.

INNOVATION 360 APPROACH

We conducted an in-depth Innovation Management Assessment to unveil Client-X's capabilities, culture and laid out a roadmap for continuous success

Data Sources

- **Innosurvey (Quantitative)**
  - Across 5 Client regions
  - Benchmark 10K+ Orgs in 105 nations

- Client - specific material such as ongoing projects, initiatives, strategic plans, P/L and balance sheet
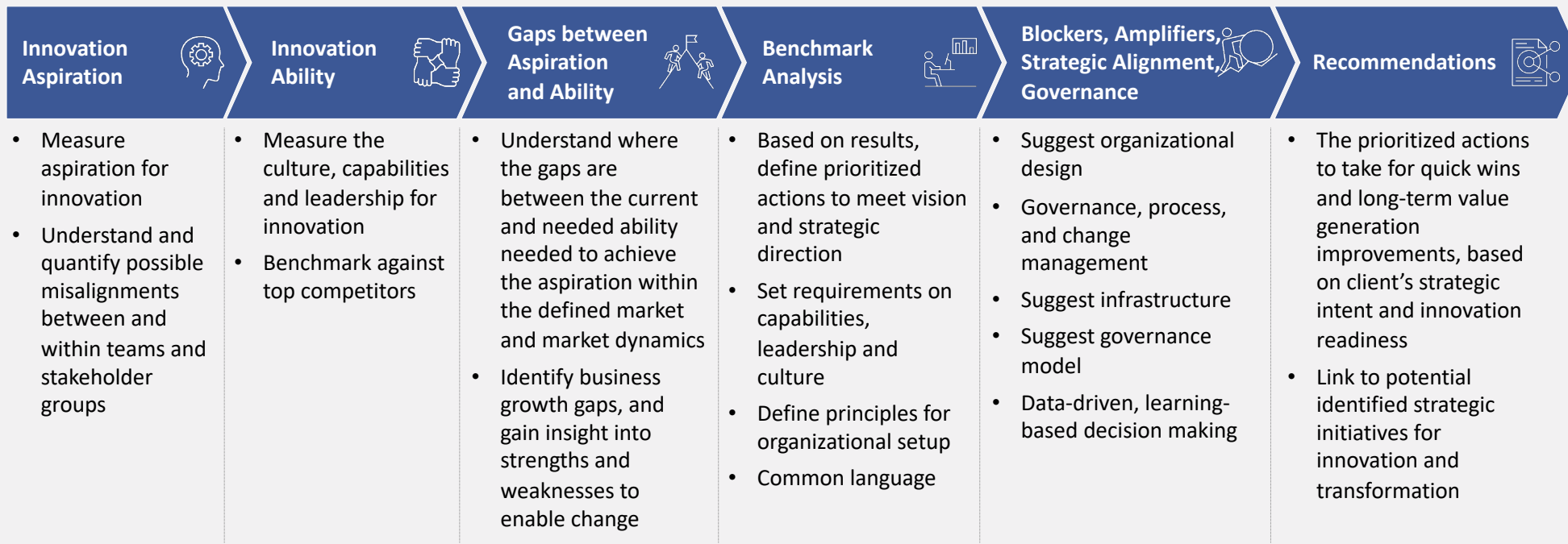
- Assessing the competitors and competitive landscape

- In-depth interviews with Stakeholders and Leaders

- Workshops as well as global Key Drivers and scenarios

Innovation Management Assessment

Innovation Aspiration	Innovation Ability	Gaps between Aspiration and Ability	Benchmark Analysis	Blockers, Amplifiers, Strategic Alignment, Governance	Recommendations
• Measure aspiration for innovation • Understand and quantify possible misalignments between and within teams and stakeholder groups	• Measure the culture, capabilities and leadership for innovation • Benchmark against top competitors	• Understand where the gaps are between the current and needed ability needed to achieve the aspiration within the defined market and market dynamics • Identify business growth gaps, and gain insight into strengths and weaknesses to enable change	• Based on results, define prioritized actions to meet vision and strategic direction • Set requirements on capabilities, leadership and culture • Define principles for organizational setup • Common language	• Suggest organizational design • Governance, process, and change management • Suggest infrastructure • Suggest governance model • Data-driven, learning-based decision making	• The prioritized actions to take for quick wins and long-term value generation improvements, based on client's strategic intent and innovation readiness • Link to potential identified strategic initiatives for innovation and transformation

Client requirement

Establish current readiness for innovation management and develop tangible recommendations to build a unified scalable innovation system and culture across board.

TANGIBLE RESULTS

Innovation 360 delivered **3 concrete reports** to help Client X assess and enhance their innovation capabilities

INNOVATI°N 360

Assessment Report
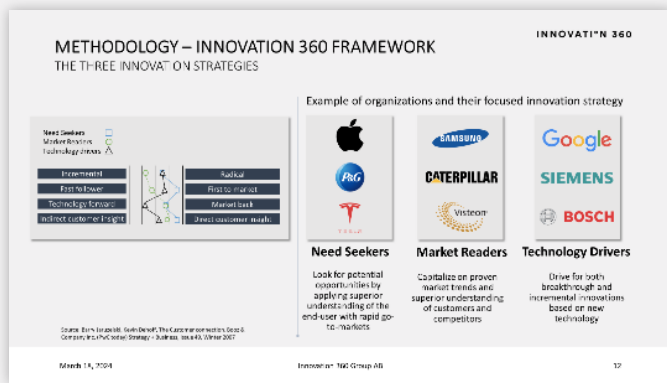
- Focus on evaluating the current state of innovation management within the organization

- Integrate quantitative and qualitative data insights across various aspects of the organization to identify strengths, weaknesses, amplifiers, and blockers.

- Inform the direction of subsequent roadmap and lay the groundwork for a prioritized set of actions to implement

Roadmap Report

- Chart the strategic course for improvement and innovation.

- Develop a detailed plan or "roadmap" that outlines specific measurable recommendations, initiatives, and milestones to address the gaps and opportunities identified in the Assessment Report.

- Covers the organizations aspiration and ability and optional ongoing projects and upcoming strategic initiatives

Action Report

- Detail the progress, challenges, and outcomes of these efforts.

- Ensure that the organization moves towards enhanced innovation performance and capabilities

CRITICAL COMPONENTS OF THE FRAMEWORK

The Why

WHAT IS OUR innovation strategy?

- Driving for Profit or Market Growth?
- Incremental or Radical?

THE why of innovation strategy?

- Are we a 'Need Seeker'?
- Are we a 'Market Reader'?
- Are we 'Technology Driven'?

The What

What are we going to innovate?
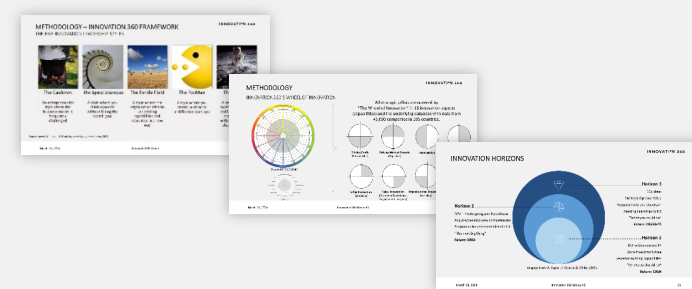
Type of Innovation

- Products

- Processes

- Organizational Structures

- Management System

- Production

- Business Model

- Services

The How

How are we going to innovate?

	Different **Leadership styles**	5
Different **Innovation personas**	10
Capability Aspects	16
Different **cultures**	8

INSIGHTS ARE A TANGIBLE SOURCE OF REAL VALUE

INNOVATI°N 360

Critical Insights

Assess from a **360-degree** perspective with deep insights into management, employees and external perspectives.

- Identify misalignment, utilize the organization in the best possible way, remove blockers and spark up amplifiers to increase speed and lower cost

Value realized across Business growth and product development

Success on H1 business case — **70-80%**

Reduced product development lead time — **20-30%**

Increase in profit over 5Y — **35%**

Increase in growth over 5Y — **22%**

High focus on product value over cost thereby increasing market success and profitability
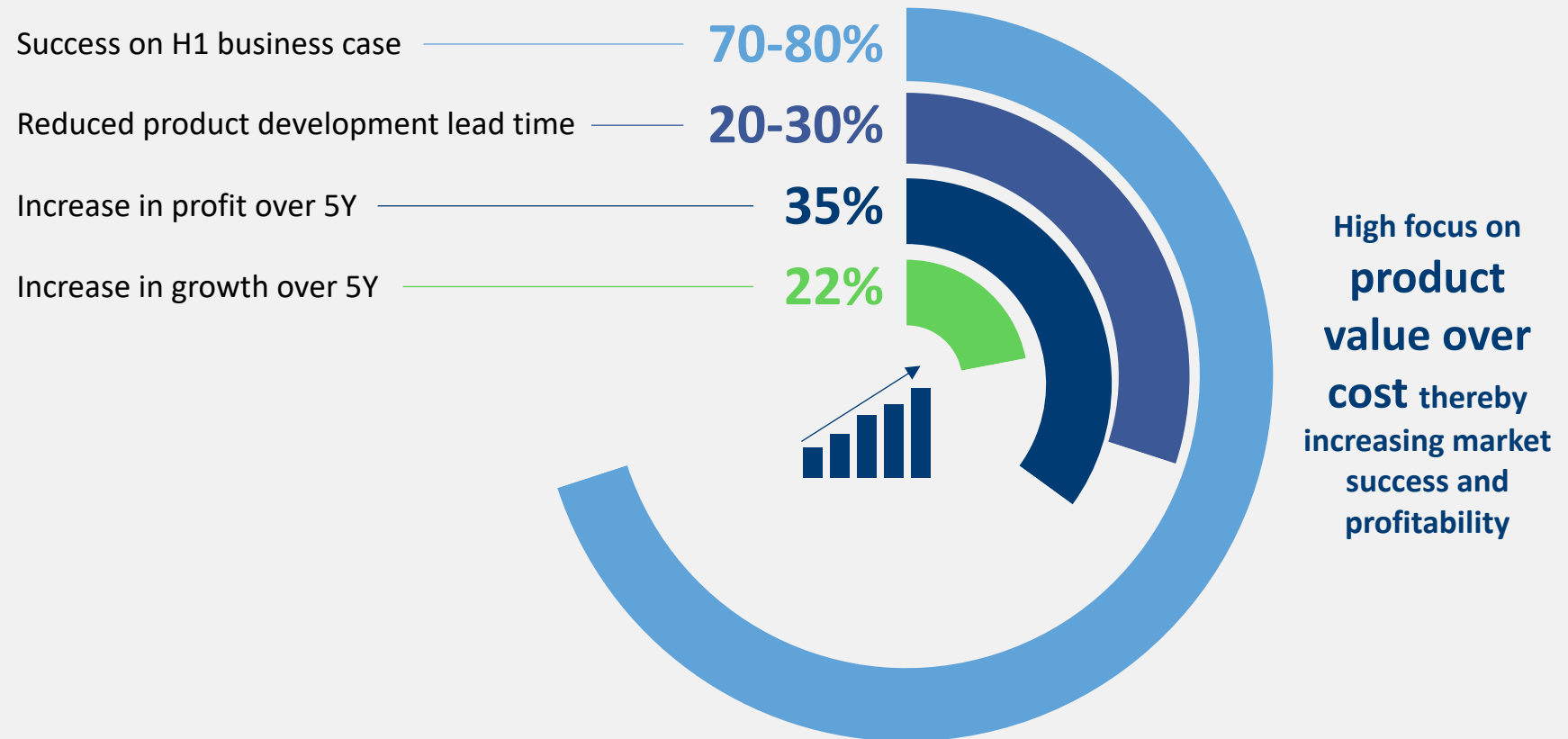
THE ASSESSMENT REPORT

Assessment Report

Purpose	Objective	Analysis	Outcome
• Evaluate the current state of innovation management within the organization	• Marry quantitative and qualitative measures across orgs that are critical for innovation and value creation. • Strengths, weaknesses, amplifiers, and blockers	• Gathers data-driven actionable insights that can inform the direction of subsequent roadmap • Lays the groundwork for a prioritized set of actions to implement	• Provides a comprehensive overview of current state of innovation capabilities and readiness for improvement/ Transformation • Gives a clear picture of the changes that are needed for success

Assessed and Benchmarked the findings of Client-X's innovation ecosystem across

8 ISO 56002 principles	**3** innovation strategies	**5** leadership styles	Innovation 360©´s wheel of innovation

WHY IS THE LEVEL HELPFUL?

INNOVATI°N 360

Assessment Report

Areas

A. GROUP LEVEL
Findings across all units

B. UNIT LEVEL
Relevant findings between and within units.
Identifying blockers to remove and amplifiers to activate

C. SYSTEMIC LEVEL
Structural phenomenon that are **adversely affecting overall efforts** to create and **capture value**

Identified Issue

A1 No Defined Innovation Strategy

A2 Too broad purpose

A3 Major gaps between aspiration and ability

B1 Identified Radical Pockets

B2 Diverging Innovation Metrics

C1 Unclear Roles & Responsibilities

C2 No common language or process

C3 Systematize the fuzzy phase

Description

- The **innovation vision and strategy for X (not just Innovation Team) is unclear**, including the specific **role that the Innovation Team** should focus on to realize the vision.
- The current innovation purpose and op. model the innovation team has is **too broad**
- There is a **major gap** between **level of ambition** (H1-H3) and its **current resources,** and capabilities.

- Identified **'radical pocket teams'** highly capable with the culture of breakthrough innovation. These teams would serve as an **excellent test bed for exploratory work**
- Innovation metrics vary in type and level of maturity between regions, causing **difficulty** to oversee and **adequately address input, throughput and output**

- Define the **type of activities** the **innovation** team **does** and how it **differentiates** from those of **Technology**, S&T, and other relevant units
- Needs a **playbook for Innovation**, including **common language, systematic touchpoints, rules of engagement** and process for **handoffs**
- Too **Rigid External Idea Generation** And **Unsystematic Project Selection**
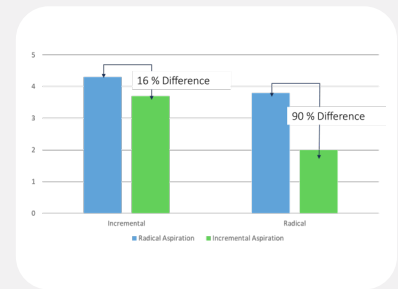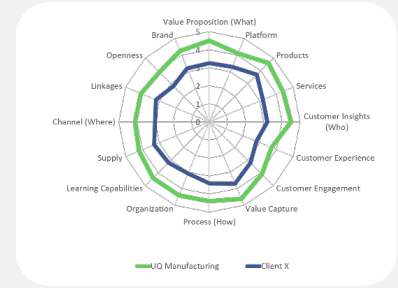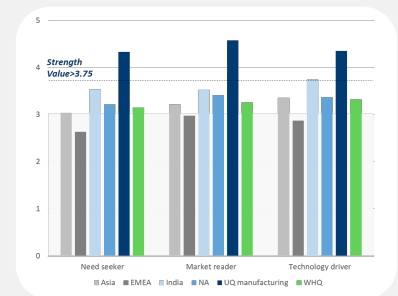
THE ROADMAP REPORT

Roadmap Report

Purpose	Objective	Outcome
• Chart a strategic course for improvement and innovation	• Outlines specific recommendations, initiatives, and milestones • To address the gaps and opportunities identified in the Assessment Report	• Guides the organization from its current state to a desired future state • Prioritizes actions and ensures optimal resource allocation to effectively drive innovation and create value • Complemented with actionable operation and development initiatives

Offered specific recommendations, initiatives, and milestones for Client-X across

Group Level – Findings Across All Units   Unit Level - Compare Between and Within Units   Systemic Level

ROADMAP REPORT EXAMPLE TEXT

Recommendations for Client X

A

Adopt a market and customer driven strategy
Support with prioritized enhanced capabilities as identified and explained in assessment.

Foster an ambidextrous approach by developing a suitable an innovation management system.
Encourage both incremental and radical innovation, each at its right time and place.

Implement a non-linear ideation process
Consider a pre-Stage-gate® model for effective innovation that systematically de-risks innovation in early phases

Promote learning culture with Safe Zones and roll out the Hypothesis-based approach
To improve risk-taking and experimentation.

B

Explore XXX as a hotspot for radical innovation.
Based on assessment results, their culture and ability will be suitable.

Establish and monitor innovation metrics to measure progress and impact

Develop metrics that differ between strategic, tactical and operational and that measures input, throughput and output

C

Develop and communicate an ISO56000 Playbook

Engage with externals through ideation campaigns to strength idea pipeline

Use pre-Stage-gate® ideation model to engage entrepreneurial customers and significantly increase the internal engagement

Group Level

Unit Level

System & Operational Model Level
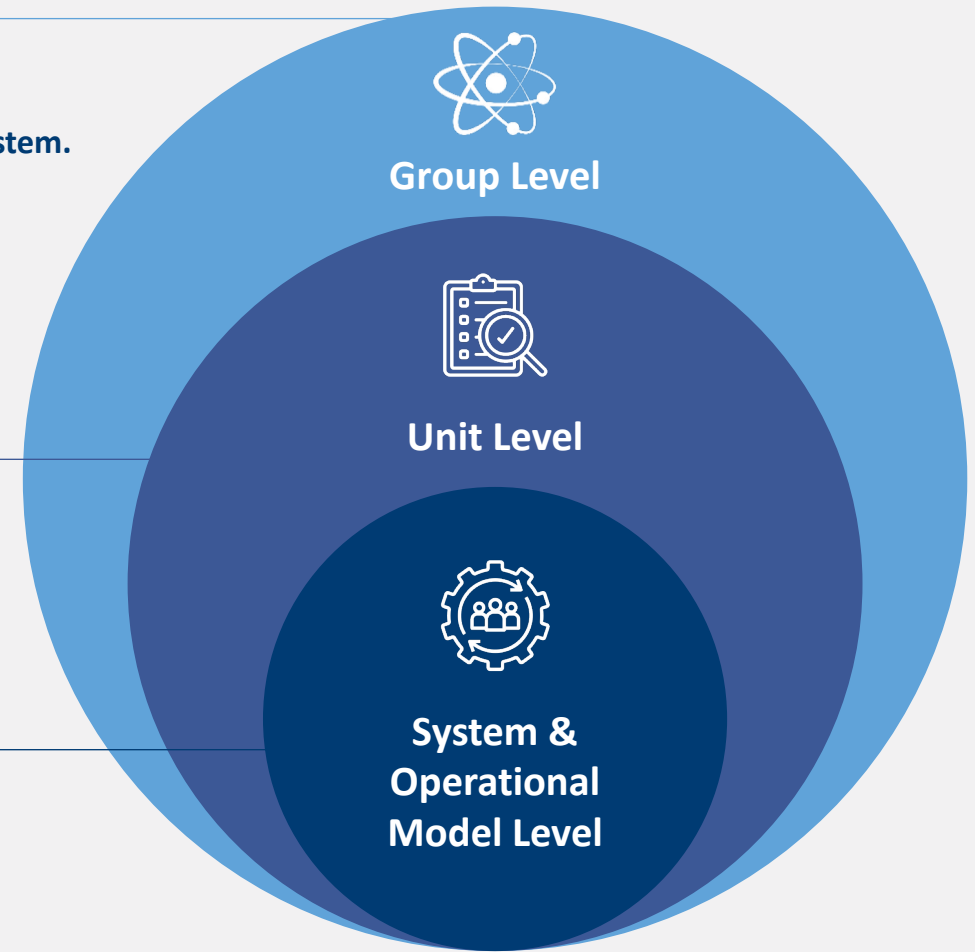
ABOUT ACTION REPORT

Action Report

Purpose	Objective	Outcome
• Focuses on the execution of the actions outlined in the Roadmap Report	• Puts the plan into action • Implements the recommended initiatives, • Change management • Details the progress, challenges, and outcomes of these efforts	• Achieve the strategic goals set forth in the Roadmap Report, • Ensure that the organization moves towards enhanced innovation performance and capabilities • Execute the identified initiatives

RECOMMENDATIONS FOR CLIENT X

Basis on the findings and recommendations, Innovation360 set-out to help Client-X in implementation of innovation practices through their innovation lab

1 Created a customized ISO56000 innovation playbook which was informed by the critical gaps and the sought to empower Client-X Innovation Labs to excel in their innovation journey

2 The CApIL (Certified Applied Innovation Leader) program trained 100 people and 10 trainers in innovation leadership, with innovation sprints that delivered instant business results and reinforced the practices outlined in the Client-X Innovation Playbook

From Roadmap report

From Action report

From Playbook

Innovation Sprints: Conducted real-life innovation campaigns to practice non-linear ideation and systematic project selection, delivering instant business results in two complete Innovation Sprints.
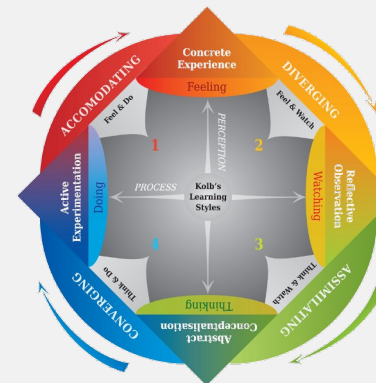
Employed the Kolb Learning Cycle to train 100 CApIL participants and 10 trainers, building on assessment outcomes and practical experience from innovation sprints, all integrated within the framework of the developed Client-X Innovation Playbook.
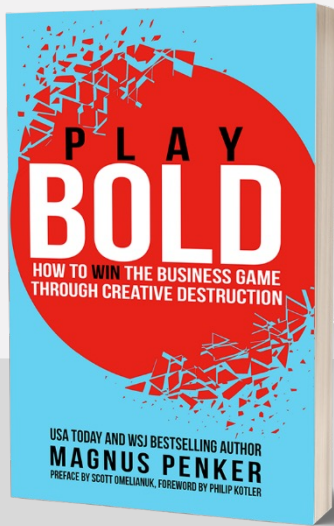
"Wow! Everything that Magnus says is somewhat contrary to our official positions on successful innovation. I knew I had to read this book - and I'm very glad that I did."

Philip Kotler
Distinguished Professor, Kellogg School of Management, Northwestern University

"A celebrated Swedish innovation practitioner, Magnus argues that everyone can learn how to innovate once the key elements and rules of successful innovation are understood. His book, Play Bold, lays out those elements and rules, and shows how they work in practice. It is thought-provoking and is a must read."

W. Chan Kim, The BCG Chair Professor of INSEAD Business School and the World's #1 Management Guru by Thinkers50

ABOUT INNOSURVEY AND Innovation 360©

About us

Innovation 360©

- World-leader in assessment and advisory for innovation management

- Strong influencer in the development of the **ISO 56000 standard**

Our USP

Innosurvey

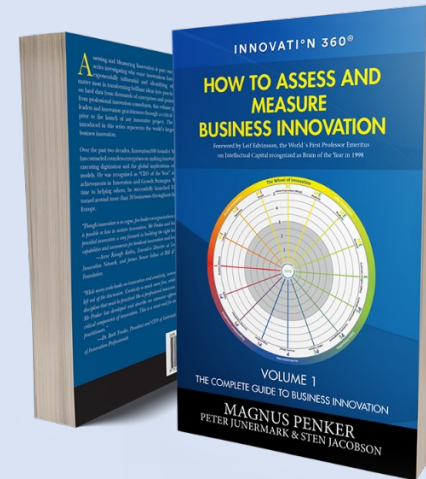- World's largest database for innovation management

- Data coverage: **10K+** orgs in **105** countries

- Measures aspiration and ability on an organizational and unit level

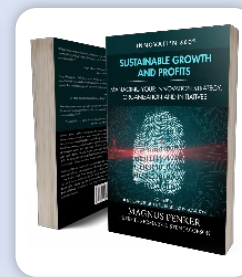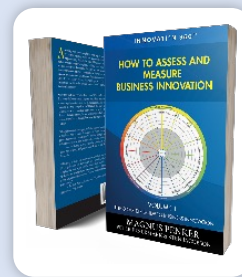**Our Methodology to conduct innovation assessment is explained in:**

#1

on Amazons bestseller list on Econometrics

Used by top design schools and MBA programs (Parsons, Henley, Copenhagen Business School, Georgetown)

Foreword written by:
Prof. Dr. Leif Edvinsson – Brain of the year

Part-1 of the 5-part book series:
"The Complete Guide to Business Innovation"

> In conclusion, the **partnership** between Client-X and Innovation 360 has been **nothing short of transformative.** The strategic insights, tools, and methodologies provided by **Innovation 360 are world-class** and have empowered us to **redefine our approach to innovation**, leading to tangible outcomes and a strengthened competitive position in the market.

Insights from client to

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