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Innovation Management: How to use ideas and innovation to grow your business

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Editorial

Welcome and GutenTag,

One of the keys to any successful business is being able to come up with new ideas to keep operations, products and services fresh. While thinking up new ideas is one step of the process, businesses have a much greater task in trying to turn that into an actual product or service that will benefit customers.

A structured approach to innovation that best fits your needs and goals ensures that innovating does not become something akin to gambling. The right innovative techniques can help you save precious time and money, and give you a competitive lead in expanding your business.

Yours,



In a world where industry disruption is increasingly the norm, virtually no company can ignore the imperative to innovate. Failing to do so is an invitation to lose business. Innovation isn't solely represented by new devices, ideas or methods, but also by the process of uncovering new ways to do things. It can also pertain to modifying business models and adapting to changes to achieve better products and services.

Innovations, in general, are not always a guaranteed success. In fact, most new products and services launched onto the market fail to deliver the expected results. Either the market greatly undervalues the innovation proposition, or innovators greatly overvalue it. Timing is also important, for instance, when it comes to completely new technology. Even though it's great and has all the potentials to go viral, the majority of the market might simply not be ready for it. And a great plan that lacks the resources to execute isn't a great plan.

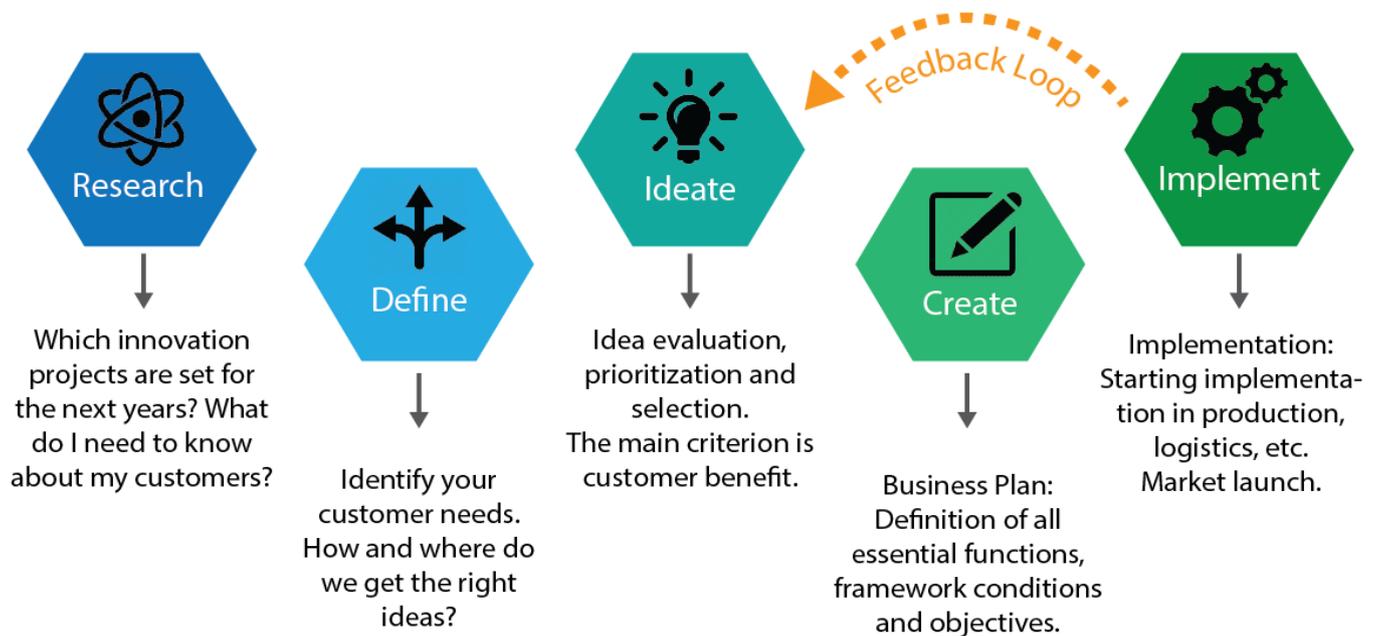
The bottom line is that innovation can work better when a formal system exists to streamline processes, manage risks and mine the data needed to generate new products, services and business models to foster growth. Structured approaches to innovation are helping companies meet the dual goals of revenue growth and cost containment. This involves the application of risk management to help drive innovation with analytics, as well as the integration of the customer voice through the use of big data and social media. After all, no company innovates with the goal of losing money, and none can lose indefinitely.

Inspiring Networks: Engage your customers and partners

Challenging business problems are rarely solved in silos. Instead, they are often tackled by different parties that bring their unique expertise to the table and work together as a team. This can deliver significant benefits, from improving innovation's alignment with business strategy to accessing fresh ideas and critical talent. Partnerships with suppliers, start-ups or independent consultants can help move innovations from the laboratory to the market. Specialist organizations also have a key role in supporting innovation. They provide direction and oversight, and often play a key role in piloting some of the innovation to prove its worth. Partnerships with customers are particularly critical, e.g., software and engineering companies now often collaborate with both enterprises and consumers in developing new products and services.

Innovation only happens in the right environment, one where everyone is not only allowed to innovate, but they are actively encouraged to speak up and bring new ideas to the table. Temporary initiatives such as ideas contests can be launched, where all employees or even customers and partners are invited to contribute their ideas to specific topics. Another effective method is creativity workshops, where a variety of ideas can be collected in a short time.

Design of the innovation process



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Innovation in SMEs: Careful planning beats hectic activity

Small and medium enterprises (SMEs) make a significant contribution to economic growth. However, how to improve their performance through innovation management in the long term is a big challenge. Limited time and resources remain a barrier to innovation. In addition, there is also a big misconception that innovation is an expensive methodology. However, there are number of cost effective tools in the market that can help companies to generate effective and novel ideas. E.g. by embracing digital transformation, these businesses are able to compete with larger competitors as they grow and prosper. The process of digital transformation is continuous and can be done through a set of small steps. It is important to gradually invest in the training of employees and increase their technological skills and promote an open and collaborative organizational culture. Similarly, establishing partnerships with other organizations becomes essential.

Regarding the timing, some firms jump headlong into their innovation initiatives, letting the chips fall where they may. On the other end, some stay too long in limbo, trying to work out every possibility before they take their first step. With their limited resources, SMEs need to find the sweet spot between over exuberance and over prudence to have better running innovation

projects. Approached correctly, innovation can be executed at scale, with speed and balance between renovation and game-changing initiatives, driving higher strategic and commercial value.

Innovation Management: How to generate and implement new ideas

Deciding a suitable innovation approach is one of the most important challenges facing any leadership team. It dictates what people to hire, how to develop them, where to look for ideas and which companies to keep an eye on. The important point for leaders to remember about this framework is this: There is no single, best approach for innovation. It depends on the personality of the leaders, their growth goals, culture, history and perhaps industry.

However, there are several key elements involved in creating a formal innovation system, including:

- Diversity in the workplace,
- Incentives to help support innovation and encourage employees to see their company as an attractive place to develop and exploit great ideas,
- Identifying and seizing new opportunities and being creative in how employees can access the knowledge they need.

Innovation must come from multiple sources, both internally and externally. When people and their different points of view and experiences converge, they create the types of innovations that individuals could not have done or found alone. Internally, companies need to ensure a culture that supports new ideas and new ways of doing business efforts, but also execute those ideas. Workshops and specialized trainings can inspire people to challenge the status quo and develop new thoughts and approaches to the business. A structured approach to innovation ensures lessons are learned from failures, and employees involved in innovation are rewarded appropriately for their efforts, for success as well as failure.

Workplace creativity: Giving employees freedom to inspire ideas

It is true that innovation is a risky business but one should remember that no progress can be made without taking a risk. Innovation is about taking risks and learning from failure. It is also true that risk has to be assessed and minimized by setting clear targets for time, value and quality. Ideas like people can only thrive in the right environment, one where everyone is not only allowed to innovate, but they are actively encouraged to speak up and bring new ideas

to the table. True innovation takes place when people are free to raise ideas, take ownership of them, and then implement them. If people are required to ask permission for every step they take, they will stop asking permission.

And innovation needs time, and more often than not, employees feel they have none to spare. As a result, a growing number of companies are giving employees time away from the daily grind to work on projects of their own choosing. Improving the financial return on innovation is ultimately the name of the game. But when it comes to getting results, it's not so much about the size of your budget. It's about how effectively you spend it - from strategy through execution.

For the innovation process, there are various process models and tools. Unfortunately, there is no patent recipe. In order to successfully innovate, businesses need to install the strategies that best fit their needs and goals. An environment that encourages open dialogue and challenge will inspire employees to share their knowledge, experience, and recommendations. Collaboration with customers and partners is critical. Most important, a functioning innovation process depends on top management commitment and it will never be finished.

