



## What's Your Organization's Innovation Score & How Can You Increase It?

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### Why Innovate?

We don't want our organization or career to die



### Why Innovate?

We all want to solve really tricky problems



Photo: Ashley Batz, StockSnap

### Why Innovate?

Work can make us feel energized & alive



Photo: Daniel Bowman, StockSnap

### Is Your Work Innovative?

OR



Patrycja Tomasczyk, StockSnap



Kazu End, StockSnap

### **Scoring Innovation**

- Survey based on data since 2009 by the Innovation Engineering Institute
- 20,000+ Innovations in our portal
- 100,000+ Managers
- \$11.4 billion in active projects
- Fortune 10, Fortune 100, Small Companies, Non-profits, Universities



### **Answer Now**

Based on your perceptions of your organization

### **Innovation Agreement**

Do you PERSONALLY agree that your organization needs to accelerate innovations that are meaningfully unique versus your competition?

How URGENT is it for your organization to take action on accelerating innovations that are meaningfully unique versus competition?

### How to Improve Your Innovation Agreement Score

### Get Agreement in Your Organization



#### WHAT is an Innovation?

Specifically - how would you know one when you saw one?



#### WHY do you Innovate?

Explain in a way that would motivate workers & leadership.

### WHAT is an Innovation ?

How would you know one when you saw one?

### A Product or Service is Meaningfully Unique when... Customers are willing to pay more money for it.

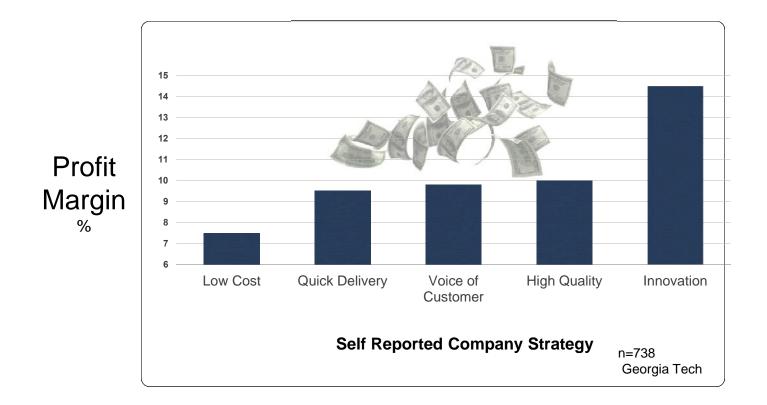




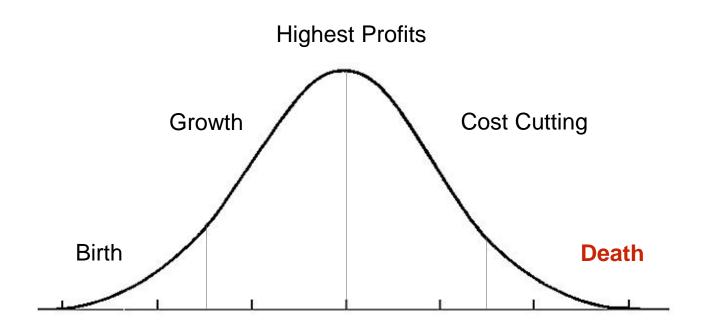
# If you're not Meaningfully Unique

you better be CHEAP.

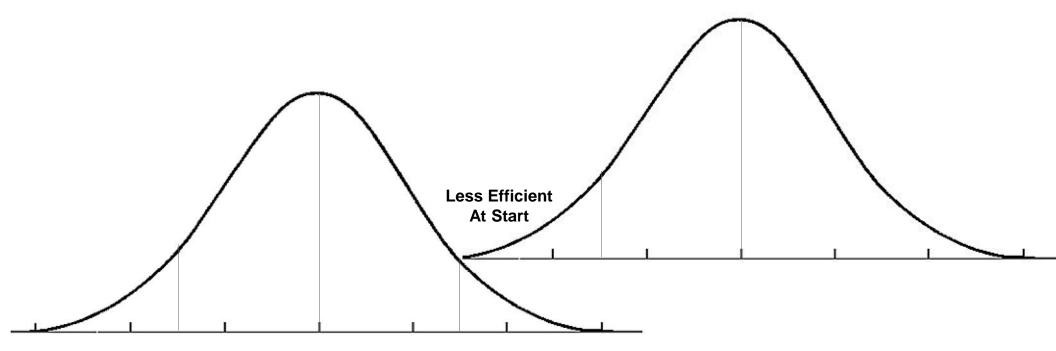
#### Innovation is far more profitable as a business strategy!



### WHY Innovate Now?



### Innovation Ignites Never-ending Life



### **Innovation System**

How confident are you in the reliability of your company's system for creating and executing more profitable products, services, customers and or markets?

Overall how SUCCESSFUL do you feel your organization has been with innovations?

Are you PESSIMISTIC or OPTIMISTIC about your company taking action on accelerating innovations that are meaningfully unique versus competition?

### When most people think of Innovation

**BUT** 

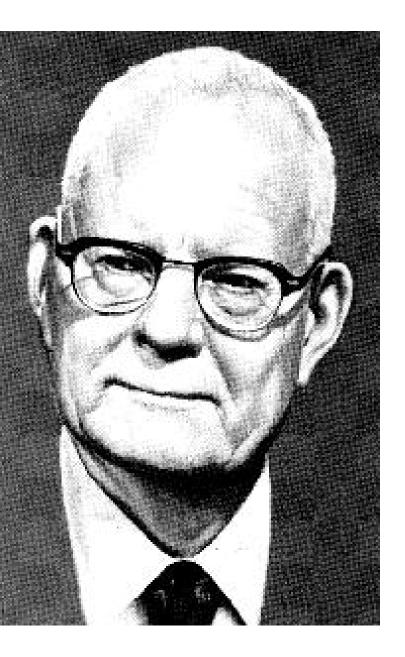
They think about inventing new ideas

We say innovation is the ability to bring ideas all the way to market



To do this, you need an innovation system







### Applies the System Thinking of ... Dr. W. Edwards Deming



### "94% of failures are due to the SYSTEM 6% are due to the worker"

We need help.

We have lots of RED Results





#### **RED INK**

**RED FACED** 

#### **RED = Failures, Mistakes, Problems**

We need 2 volunteers to work for our company ...

#### **Our Objective is <b>RED RIDDANCE**

That Means No **RED** BEADS in our daily work

ONLY WHITE BEADS

Our Red Riddance process was designed by E. Go. Guru. Consulting and therefore, it is perfect, and will not need to be changed.

We are a fair company.

We reward great performance. We punish failure.

There are plenty of replacement business leaders out there if you can't cut it.



### E. Go. Guru Consulting Recommends



- 1. Dip paddle into the bowl.
- 2. Lift paddle 4 Inches
- 3. Tilt at 47 degrees
- If angle is perfect you will get all white
- and we will have **RED RIDDANCE**
- **NOTE: Empty Holes Count as Red**

In sequence, draw beads Keep paddle at 47 degree angle

remember no RED BEADS

**GOAL TODAY: 9 or less Red Beads** 

### Draw Now





### Recognition for our TOP PERFORMER!!!



The bottom performing employee you are going on probation. The future of your job depends on improving your performance.

### E. Go. Guru Consulting



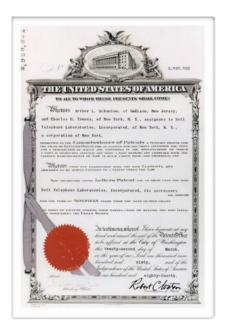
Benchmarking indicates competition is at 5 or fewer Red Beads

Let's ask employees for ideas

### Idea #1

We don't have the technology

However there is a new technology, that is patentable, that we could license.





#### Response

We can't afford to pay for a technology. Besides, that's what we pay R&D to do.



### Idea #2

Our suppliers have ideas for how to reduce RED...

Maybe we could get them together to see if they can help.



#### Response

Not possible.

We just negotiated vendor contracts that cut cost 12%...this could increase our costs.



### Idea #3

We could educate and enable employees to help us.



#### Response

Get real!

Our people aren't creative.

Besides we can't take forever - we need results before the end of the quarter.





#### The CEO is EXTREMELY unhappy with the whole "Idea Thing"

"New ideas take too long and are too risky..."

We need people to work harder. Making an "example" of someone that usually works… especially in today's tough job market.



Lowest performer ...

### You're FIRED!

Top performers ...

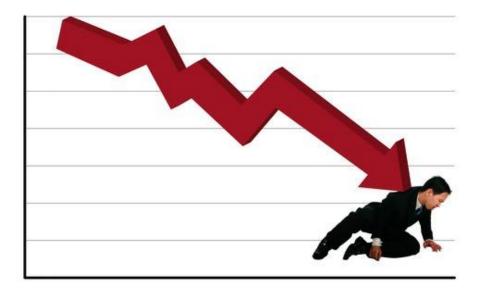
The future of the company depends on YOU!

E. Go. Guru Consulting Makes another Recommendation Incentive Pay 3 or less Red Beads Means 30% Pay Bonus!





### Competition has moved from 5 to 2 Red Beads

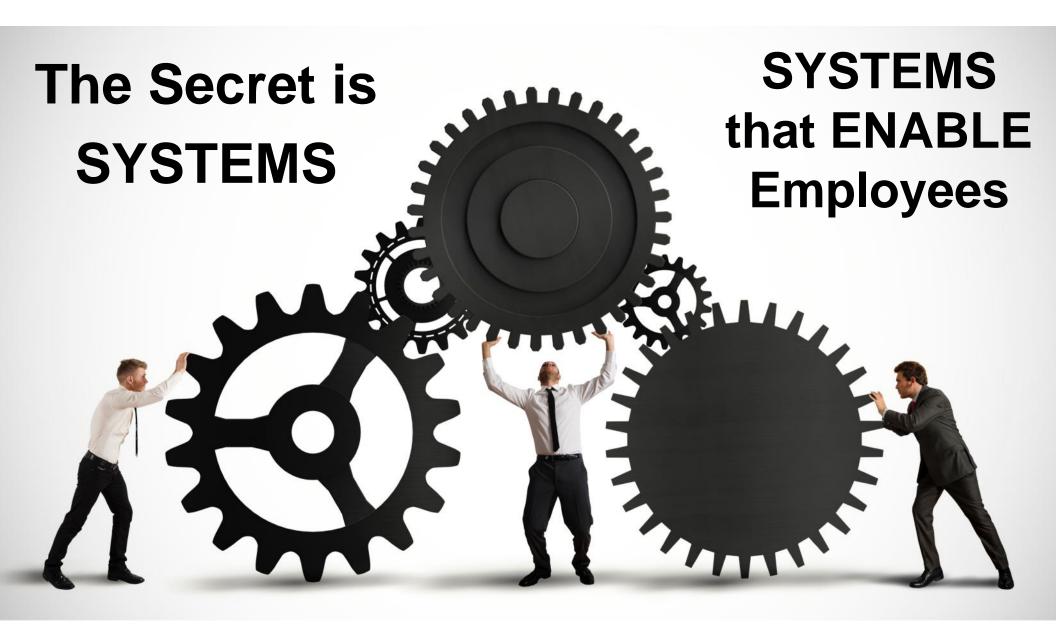


Sadly, we are out of business! Big Round of Applause for All Our Volunteers

#### **Volunteers**

Even when you knew it was random, how did it feel when you got red beads?





## A Really Great Idea Is Only the Beginning



Big Idea +

Average Company System for Development

= 80% Failure

Big Idea +

Innovation System for Development

= Success

#### **Learning Mindset**

Managers basically agree that our organization's ability to learn is the key to our competitive advantage.

The basic values of this organization include learning as key to improvement.

We are good at capturing what we have learned so that others in the organization can make use of it.

### **Traditional Model for Idea Generation**

## draining Brain<del>storming</del>

**Before** 

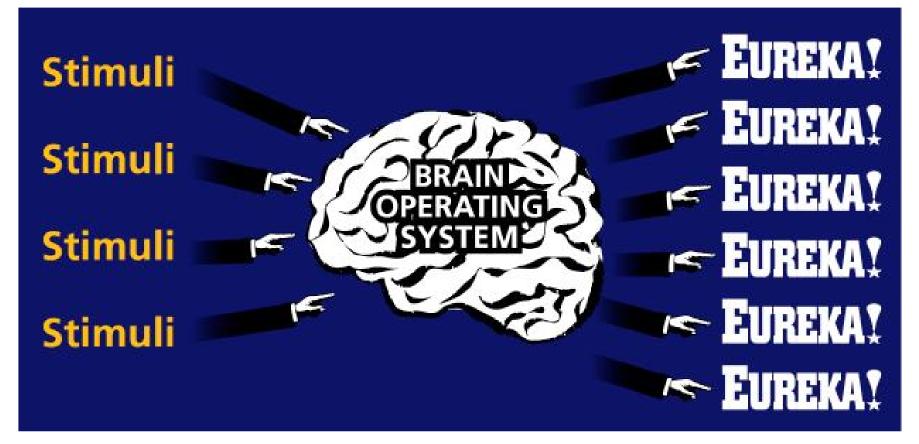


After



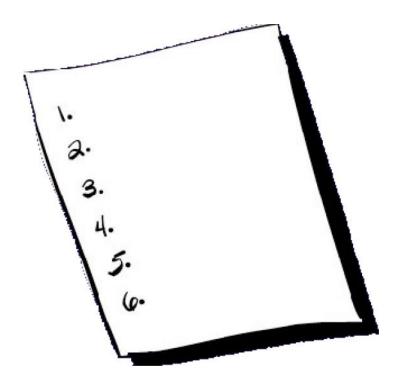
Suck Method Uses Your Brain Like A LIBRARY

## **Innovation Engineering Model for Idea Generation**



**Stimulus sets off a CHAIN Reaction!** 

### Where To Go On Vacation?



### Where To Go On Vacation?



At Their Most Basic

# **IDEAS**

are Feats of Association





# **Brain Draining**

Create a list of ideas for new playgrounds





# Demonstration of Stimulus

### Give TWO Words that Would NEVER INSPIRE an idea for a playgrounds

This is one of 70+ tools that we use to help teams create ideas





## **Stimulus MINING**



### **Innovative Leaders are Comfortable Saying:**

- "I don't know"
- "I need help"
- "I fail a lot"

They bring a Learning Mindset



Photo: Nashad Abdu

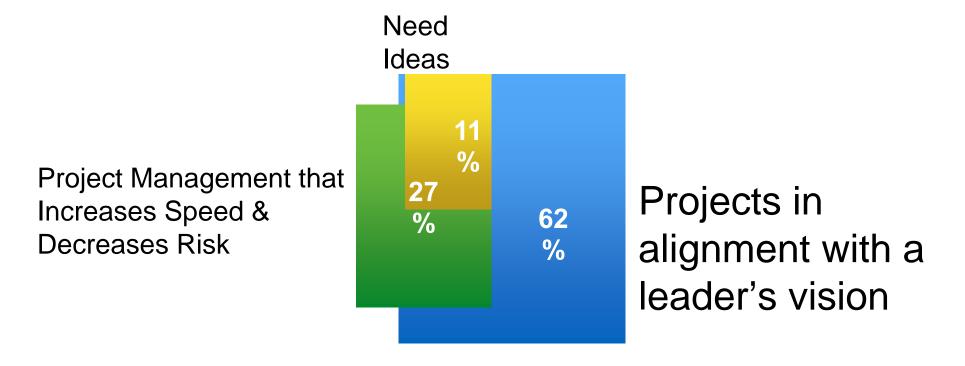
### **Innovation Pipeline**

Our innovation strategy is clearly communicated so everyone knows the targets for improvement.

There is top management commitment and support for innovation.

There is a clear link between the innovation projects we carry out and the overall strategy of the business.

## **Biggest Challenge In Delivering Innovation**

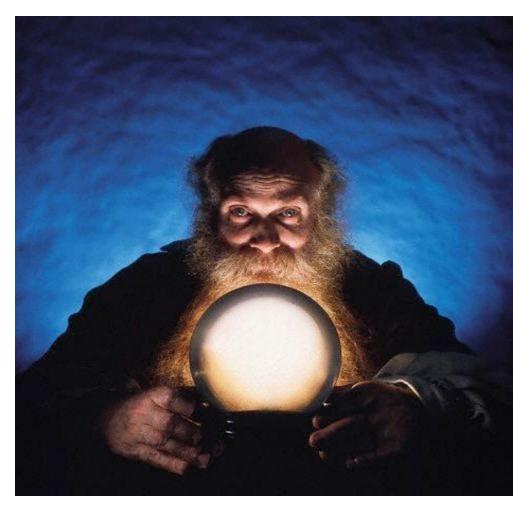


Survey, Innovation Engineering Conference, 2014

### **Alignment Starts with a FUTURE FOCUS**

A FUTURE FOCUS was 10 times more predictive of success than a "Voice of the Customer" approach.

PROACTIVE Innovation vs. <u>REACTIVE</u> Innovation



"Did customers ask for the electric light? No. They never asked for it, the producer produced it. No one asked for a car, nor a telephone. No one asked for a copy machine or a fax machine.



Innovation does not come from the customers. Innovation comes from the producer, from people who are responsible for themselves and have only themselves to satisfy." – Dr. W. Edward Deming

# "Management's Job

25

### is one of Prediction"

There are no certainties

### **Leadership Defines**

# WHAT we need

## & WHY we need it

<sup>3</sup> S	N Strategy Activation
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O/VIS	Name
	VC: An honest explanation of WHY we need to innovate. WHY is is VERY IMPORIANT. Heat is specific that it's motivating to those who would volunteer to invent solutions.
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	Now that you understand WHY this is a clear and specific PROJECT MISSION
	clear and spectra



Blue Card

### **HOW** to solve

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# Military Approach Shifted: From "Command & Control" to "Commander's Intent"

**Definition:** A clear and concise expression of the purpose of the operation and the desired end state that supports mission command, provides focus to the staff, and helps subordinate and supporting commanders act to achieve the commander's desired result without further order, even when the operation does not unfold as planned.

# In the absence of further orders you would know what to do....



Photo: Tyler Barnes, StockSnap

### **Examples of Blue Cards**

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# Creating an Innovation Culture

Products & Programs for New Customers

#### Cost Savings Areas

Constraint must be greater than \$50,000

More Customer
<b>Driven Ideas</b>
Constraint
must apply to
at least 5
customers

# What is NOT Strategy Sell \$12M more - or Increase Profits 20%

### That's an outcome of a strategy

West.

In Street Television, Street, or other

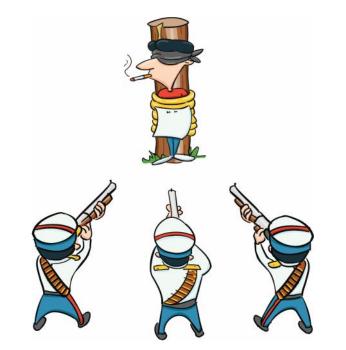


# Strategy also defines what we are going to STOP DOING

### Without Absolute Clarity on What Success Looks Like...

# Being a Change Agent is Very RISKY

as there are no rules



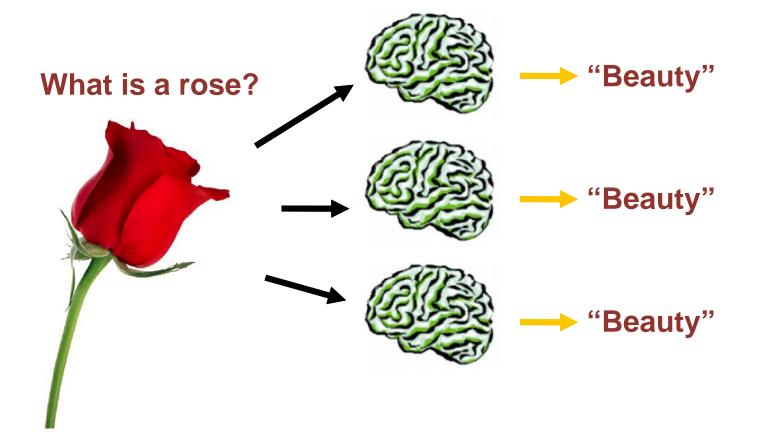
## Collaboration

Our organization or team has instituted formal processes to network outside the company to find new ideas for processes or products.

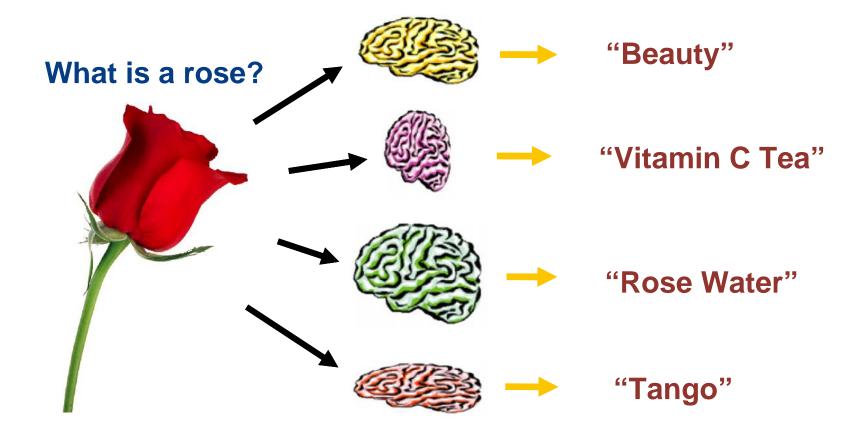
Our organization makes it easy and encourages other organizations to approach us with new ideas, potential solutions or new opportunities.

The people I work with cooperate to get the job done

### What Happens Without Diversity: Clones Create Clones

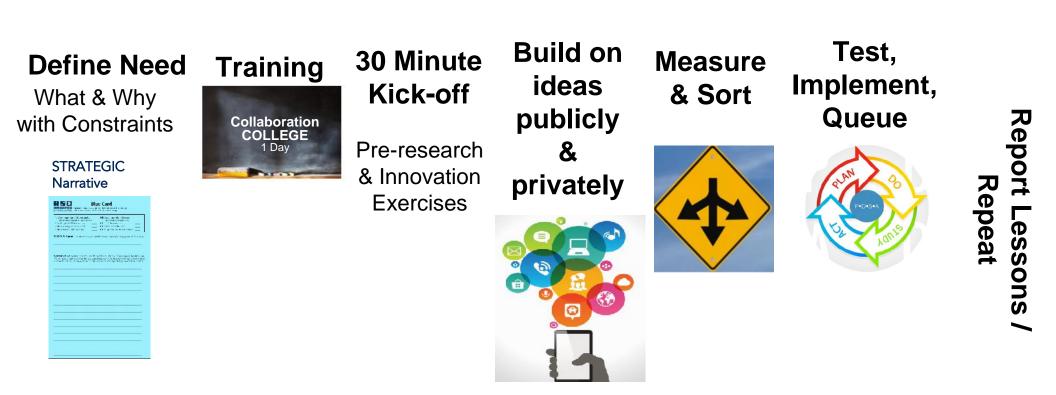


### **Diversity Multiplies Impact of Stimulus**



/linimum Goal - 12 ideas implemented per employee/year
World Class - 100 ideas implemented per employee/year

Collaboration Cafe



### **Rapid Research**

Our organization has processes to allow for frequent experiments (or pilots) of new ideas in search of new innovations.

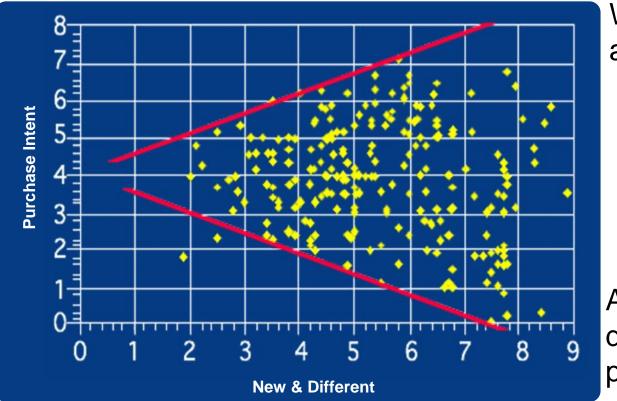
In this organization, we do a lot of quick informal market research.

# **BUT WAIT**

# Meaningfully UNIQUE Ideas Spark FEAR



### Fear is Understandable with Real Innovations



Wow! New & solved a real problem

A new offering but it didn't solve a real problem



# Build Courage By Making the Unknown Known...



## **Customer PROBLEM**

## **Benefit PROMISE**

## PROOF



## **Build Courage**

# By making it easy to run experiments



# MATH is the Gas Pedal

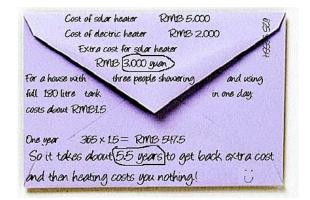


# Math Starts with Fermi Estimating Creating estimates with limited information

**Step 1:** <u>Deconstruction into a few key factors</u>

Step 2: Estimate factors

Step 3: Do simple math



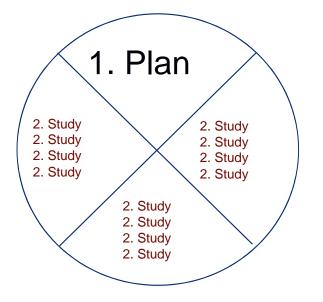
## We MUST Respect Emotional Nature of Fear

"Re-Label" with Equally Emotionally Charged Wording

Fear	$\longrightarrow$	Death Threat
"No"	$\longrightarrow$	Death Threat
Can't Make it	$\longrightarrow$	Death Threat
Can't Afford It	$\longrightarrow$	Death Threat
Can't Sell It	>	Death Threat

# Old World

FEAR Reduction System Expensive & Slow



# New World

#### Plan - Do - Study - Act Fail FAST Fail CHEAP





## **ACCELERATOR** Sessions



Really Ugly Ideas

DAY 1



Still Ugly Ideas

DAY 2



Ideas

DAY 3



Good enough to Go to Discover Patents Filed Trademarks Filed

DAY 4

How long does it take to design, run and get statistical results from customer research?

- A. 1 to 2 Hours 6%
- B. 1 to 2 Days 8%
- C. 1 to 2 Weeks 14%
- D. 1 to 2 Months 38%
- E. Over 2 Months 34%





### Let's Do the Math on Learning Cycle Time

1 Month For Test	+	1 Month Analysis	+	1 Month Prep	=	4 Learning Cycles a Year
90 Minutes For Test	+	90 Minutes Prep	=	2 Cycles a Day	=	500 Cycles a Year

### The faster you fail,



### the sooner you get successful

### **Patents**

Patents are very important to our organization.

Our organization proactively encourages internal use of patents and outside licensing of our patents and technologies.

Our organization supports employees quickly filing provisional patents for new innovations for work systems and or customer offerings.



# CLASSIC Margherita



### Shredded Cheese = 50¢ Buffalo Mozzarella = \$3.00

# Make our own Mozzarella



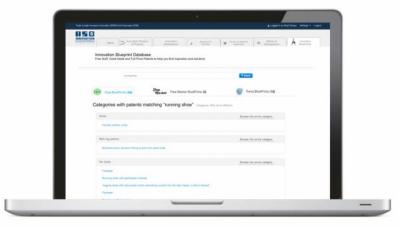


New Cost = \$1.00 Better Taste, Quality Patent & Trademark

#### **NET:** Increased Customer VALUE & Greater Profitability







Fastest, cheapest way to OWN a patent

#### Ideas to Patents<sup>™</sup>



Patent writing in about an hour

### Ways to Get Started

#### Anyone

#### Host me for a free Innovation Brown Bag

#### OR

Ask me to speak with your organization's leaders about creating an innovation culture at your organization

#### **Organizational Leaders**

Attend an Innovation Engineering Executive Experience for 1.5 days



Mission: To Change The World through Systems that Enable Innovation by everyone, everywhere, every day, resulting in increased speed to market (up to 6X) & decreased risk (30 to 80%).



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