



SETTING UP A CULTURE OF **INNOVATION**

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What is Innovation?

In generic terms, innovation can be defined as a "new idea, device or method", however, it can also be viewed as the application of better solutions that meet new requirements, unarticulated needs, or existing market needs.

In simple business terms, innovation is any transformation of a process, offering, or business model that has business impact.



Converting knowledge and ideas into better ways of doing business

Types of Innovation

Universal Demarcation

- **Product Innovation**
Introduction of a good or service that is new or significantly improved with respect to its characteristics or intended uses
- **Process Innovation**
Implementation of a new or significantly improved production or delivery method
- **Marketing Innovation**
Implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing
- **Organisational Innovation**
Implementation of a new organisational method in the firm's business practices, workplace organisation or external relations

Tech-Market Demarcation

- **Incremental Innovation**
Utilizing the existing technology for increasing the value-delivery to the customer (features, design changes, etc.) within the existing market
- **Disruptive Innovation**
Applying new technology or processes to company's current market
- **Architectural Innovation**
Taking the lessons, skills and overall technology and applying them within a different market
- **Radical Innovation**
Making new and revolutionary creations or improvisations

Strategy-Based Demarcation

- **Breakthrough Innovation**
Creating drastic paradigm shifts and coming up with novel ideas
- **Sustained Innovation**
Making an existing process or service or product better with traditional R&D
- **Disruptive Innovation**
Disrupting an established and successful model owing to changes in the parameters or operational landscape
- **Basic Research**
Formulates the foundation for each type of innovation



Sync-in the Market Sentiments

- Innovation is increasingly viewed as critical to sustaining a competitive advantage in the changing global marketplace. ¹
- Innovation is within the top **5** priorities for vast majority of the companies. ²
- Crowdsourcing and formal innovation management programs are two of the most impactful but least used (under **30%** penetration) “bimodal IT” disciplines that can contribute to business success. ³
- Technological innovation is driven by either the fear of disruption or the desire to disrupt. Both equal the need to be competitive as it takes an entire organization to innovate. ¹
- Digital-related innovations show the biggest increase in expectations and activity with new products, big data & analytics and mobile products and capabilities topping the chart for most impactful areas of innovation for industries. ⁴



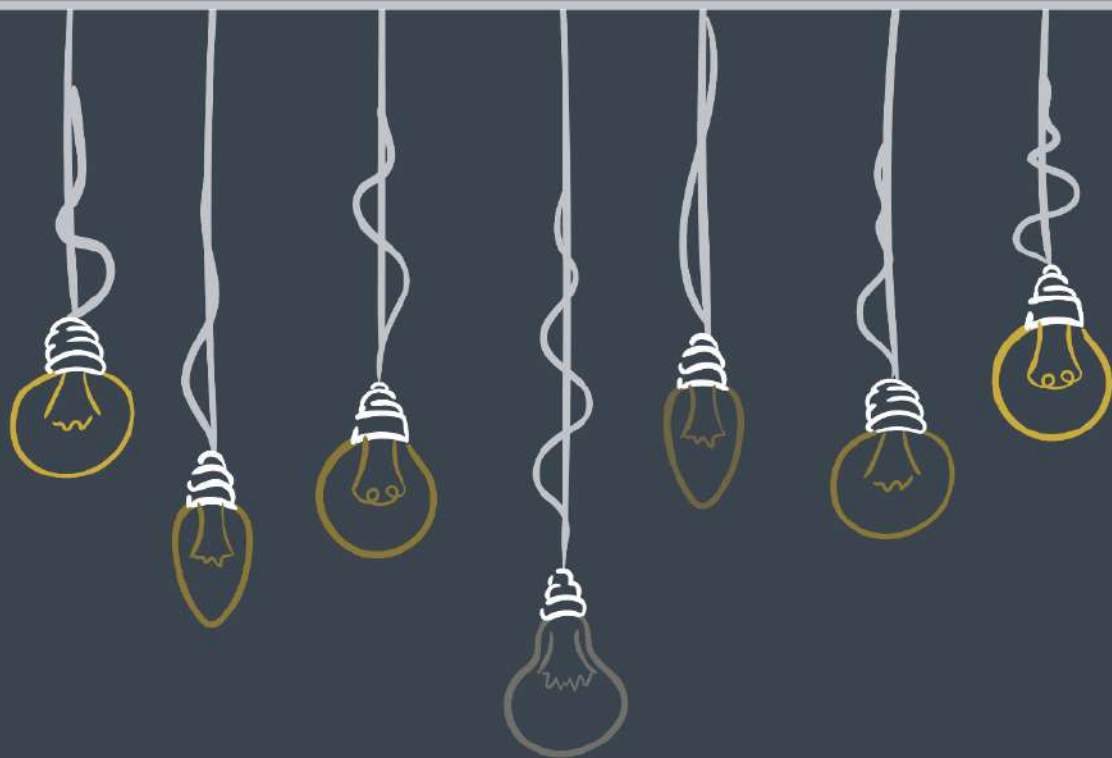
Numbers That Spell Innovation

- Worldwide Spending on digital transformation technologies to reach **\$1.3 trillion** in **2018**. ⁵
- Annual worldwide R&D spending breaks through **\$700bn** for the top **1000** corporate R&D spenders for first time. ⁶
- **25%** of global business executives have reported experiencing pressure to change how or where they conduct innovation. ⁶
- **61%** of global business executives said that they are embracing open innovation to generate new ideas. ⁷



What's stopping the Innovation then?

- Sluggish attitude in seeking innovation opportunities
- Absence of well-defined innovation strategies
- Lack of guidance and structured innovation process
- Resource and budget constraints
- Increasing workforce skill gap



Silo-run for innovation models is passé in this era of collaboration

Moving Past the Barriers for an Innovation-First Culture

- Relook at the mission and vision of the company
- Create new structures or reform existing ones to allow for innovation scope
- Revisit the past decisions to avoid future mistakes
- Put up a practicable execution plan
- Allocate requisite budget
- Plan dedicated L&D initiatives
- Practice diversity inclusion



Strategy, not size, matters in innovation spend

Simple Ways to Promote Innovation in The Company

- Encourage collaboration and co-creation
- Embrace technology
- Identify potential bottlenecks
- Experiment with gamification
- Promote story telling
- Create a challenging environment
- Recognise innovation/ employee efforts
- Celebrate efforts and be prepared for failures also
- Invest into execution of ideas



Innovation is a product of strategy & structure and an innovation-positive culture promotes both these.

Be Wary of These Innovation-Busters

The Feasibility Trap

Sticking to 'simple-only' solution to remain in the risk-free, non-experimental bracket and simultaneously killing creativity

The Cue Difference

Letting the innovation pitch be judged on widely vague parameters owing to non-establishment of precise expectation/ goals beforehand

The 'How' Focus

Letting the focus shift from the eventual goal of innovation with supporting factors taking the centre stage.



Keep a Track of Your Innovations

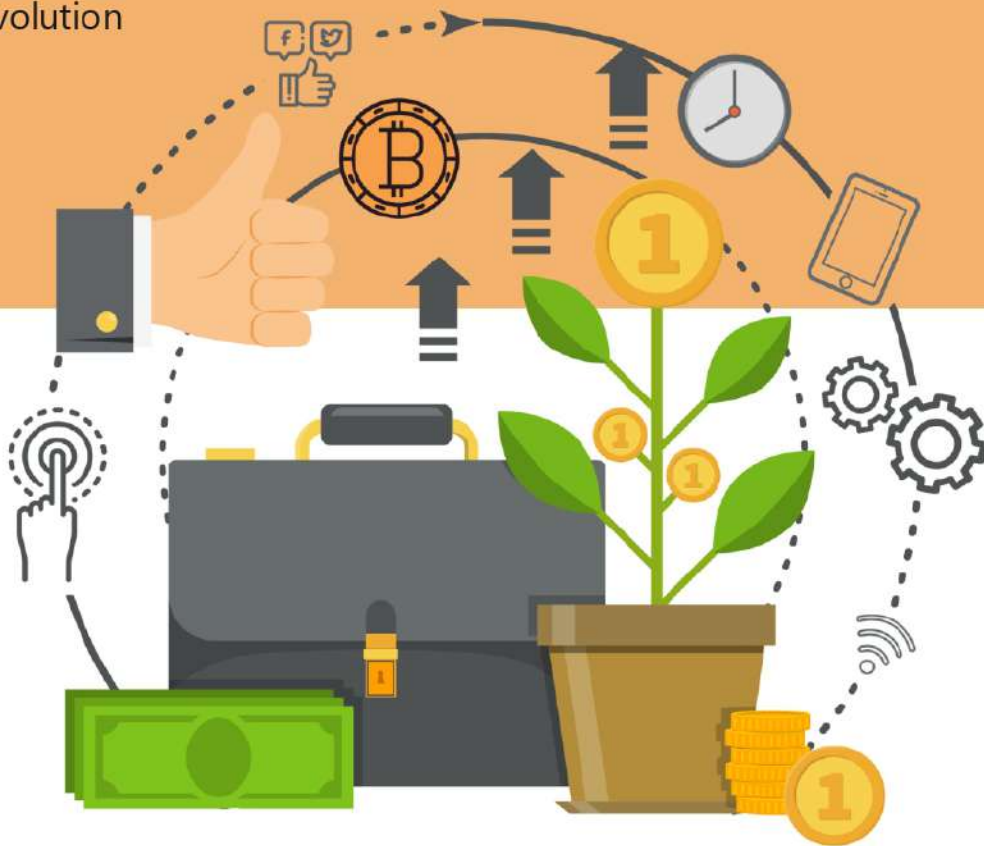
- Be Realistic
- Give It Time
- Adopt Simple Tracking Metrics
- Rebrand the New Strategies
- Honour a Flat Hierarchy



Moving away from blind bets with viable future models

Some Innovations Which Changed the Face of Sales

- Intelligent CRM
- Social Selling
- Marketing Automation
- Augmented and Virtual Reality
- Financial Technology and Currency
- MarTech Revolution



Digital overhaul is accelerating the pace of innovation

The Big Q-Are You an Innovation Optimist?

- Are you leveraging digitisation for measuring your return on innovation?
- Are you investing into demonstrating the in-house innovation to your clients and users?
- Do you have a precise process and structure to measure innovation across departments?
- Are you ready to accept an innovation that breaks any of your long-standing strategy?
- Do you have a data security program in place to avoid any risk while manoeuvring existing processes for innovation?

If answer to any of these questions is 'No', then you need to relook at your innovation-first strategy and plug-in the preparedness gap firsts to ride on the wave of innovation.



Innovation is not about ideas. It is about making ideas happen



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