

S 2 I NEWS

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S2I News is a monthly publication of Strategies 2 Innovate. It aims to present information on topics important to today's business leaders. We hope these articles will help you develop a clear framework useful for guiding your organization's innovation and strategy.

This is the final edition of a three-part series on best practices for managing innovation in your organization. Our past series on developing a core competence strategy included issues such as: Feb/Mar 2003 "Identifying Your Core Competencies: Pt-1&2." Apr 2003 "Leveraging Your Core Competencies."

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info@strategies2innovate.com
www.strategies2innovate.com

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Management Practices That Boost Innovation: Pt-3

Thirteen Operational Practices Continued

A practical approach to boundary spanning and environment scanning should be adopted. One method involves using multidisciplinary teams that seek out examples of external innovation within a chosen topic area and establish contact with the related Champions of Innovation⁴⁴. This approach results in fertile idea generation and concept formulation. It is an efficient means of innovation expenditure using only a small proportion of the R&D budget. Another significant advantage gained through this method of concept formulation is the low likelihood of cancellation or specification changes.

The application of Competitive Intelligence analysis techniques based on organizational competence⁴⁵ will further help the firm determine the capabilities of its competitors and forecast their future directions and product output.

Another important aspect of this method is the efficient management of attention⁴⁶ of formulation teams. Part of the management of attention will be the constant interaction with the most demanding customers or Lead Users⁴⁷ that will trigger action thresholds and stimulate them to pay attention to changing environ-

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Thirteen Operational Practices That Will Boost Your Innovation

	ACTION	OPERATIONAL PRACTICE
1	Develop	Absorptive Capacity
2	Acquire / build up	Architectural Knowledge
3	Perform	Boundary Spanning
4	Seek out	Champions of Innovation
5	Perform	Competitive Analysis
6	Manage	Attention
7	Interact with	Lead Users
8	Practice	Empathic Design
9	Facilitate	Coalition Building
10	Foster	Positive Political Processes
11	Evaluate	Technological Trajectory
12	Identify	Dominant Design
13	Minimise	Product Observability



LARRY VAN DEN BERGHE, Ph.D.

Larry van den Berghe is the Founder and Principal of Strategies 2 Innovate. He has 20 years international experience in the aerospace and information and communications technology industries in England, Australia, Singapore and Canada. He has been an active manager and contributor in R&D and new product development in electronics, VLSI and software. He holds two US patents, one UK patent and has a number of publications. He is a Chartered Engineer (UK) and a Fellow of the Institute of Electrical Engineers.

Larry is also an adjunct professor for the Management of Technology @Distance graduate program at the University of Waterloo and a past faculty member with the Technical University of British Columbia. He has developed courses in new product development, strategic management of innovation and technology, entrepreneurship and knowledge management. His recent research on core competencies examined the adoption of emerging technologies for product innovation within the Canadian information and communication technology industry.

He holds a Ph.D. in Management Sciences (Management of Technology) from the University of Waterloo, a M.Sc. in Microelectronics (with Distinction) from Middlesex University, London, U.K. and a B.Appl.Sc. in Applied Physics from Curtin University, Perth, Western Australia. Larry has served as Chairman, Board of Directors, serves on the Education Committee of the Saskatchewan Advanced Technology Association and is V.P. Public Relations of a Toastmasters International Club.

Operational Practices

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mental conditions and understand market needs. This provides the need-pull required for innovation. Another approach of significance is the application of Empathic Design methods that involve the gathering, analyzing, and applying of information gleaned from observation in the field⁴⁸. This method aims to understand how customers use their products in their own environments and how the products can best be improved to meet customers' needs. It requires specific allocation of resources for given periods and close relationships with customers but results in new insights for product formulation. Once new project concepts are formulated, they need to be sold. Innovators must undertake a process of Coalition Building or acquiring power by selling the project to potential allies⁴⁹. An understanding, fostering and application of positive internal political processes⁵⁰ is necessary to enable effective communication and power sharing resulting in investment decisions for innovation. Management must be aware of these processes and provide a supportive infrastructure to innovators.

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At each new product formulation, an expected Technological Trajectory⁵¹, or path of progress established by the choice of a core technical concept at the outset, should be evaluated. Such an evaluation will help the firm to predict how such a product might evolve over time both chronologically and in term of technological timescale. In addition, it will be an aid to understanding trends in the application arena that may result in the emergence of a Dominant Design⁵¹. Firms must strive to capture such a dominant design leadership or bypass competition with such leaders by novel architectural innovation.

Finally, as part of the development process, the Product Observability or the degree to which capable competitors can copy the manufacturing capability⁵², should be evaluated and minimized in order to increase entry cost for competitive responses. This may be achieved by imbedding the innovations with a high level of tacit knowledge.

Next month we will start a new series looking at characteristics that help ensure your products are superior and are readily adopted by the marketplace. See you then!

Larry van den Berghe

For more information and for references to the literature as identified by superscripts notations (e.g. ¹) please visit our innovation strategy knowledge portal www.strategies2innovate.com and follow the links to "Knowledge References."