

20 THINGS YOU NEED TO ASK YOURSELF ABOUT INNOVATION

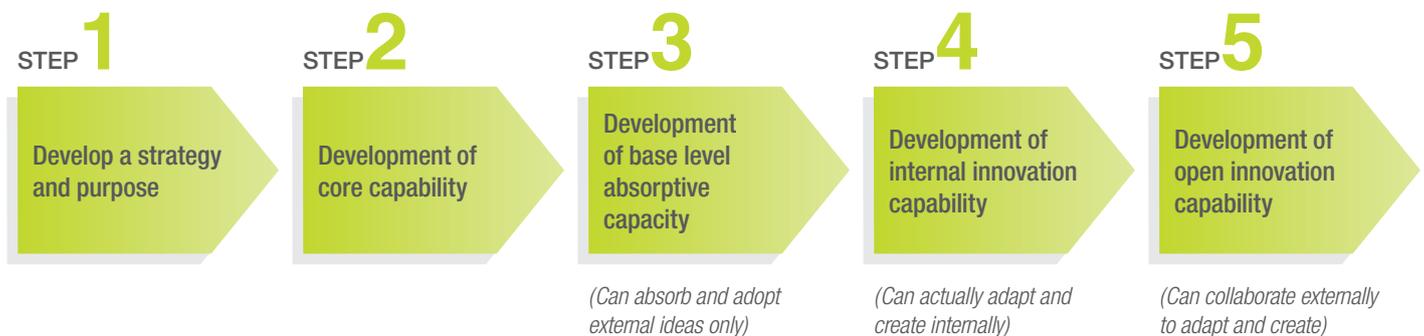
The Innovation Journey

By Dr Rowan Gilmore, CEO of the Australian Institute for Commercialisation

Australian companies are being told that they need to work smarter and more collaboratively to beat the current global economic slowdown; that they will need to be innovative. While we talk about it a lot, ask most people what innovation really means to their organisation and you could be met with a blank look. A simple way to think about innovation is to think of an 'innovation journey' that starts when the organisation is created but never ends.

The innovation journey describes how organisations develop their ability to innovate. The first step is about developing a basic strategy and the second about developing a core competency. Firms that have

successfully done this are better placed to start to identify and adopt useful new ideas from outside the business (Step 3). Successfully adopting other people's ideas can lead organisations to see new opportunities which may result in new products, processes, services or even a new business model being developed (Step 4). Organisations that regularly innovate or develop ideas may then start to attract or even proactively seek out potential external collaborators to boost their innovation capability. Collaboration offers the opportunity to work with other companies to develop ideas. It decreases the sole reliance on internal capability to develop ideas to improve and grow the business (Step 5).



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A study by the consultancy firm Arthur D. Little found that innovative firms enjoyed a 4% boost to their profit margins and that top innovators had over twice the sales of new products and services. A global CEO survey conducted by IBM studied over 1,000 companies and found that of the three most significant sources of new ideas for companies, two were from outside the organisation.

Greater collaboration with other organisations can provide new sources of ideas, new routes to market and can also spread and decrease the risk of innovating. While collaboration sounds desirable, many of the CEOs surveyed said that collaborating and partnering is 'theoretically easy,' but 'practically hard to do.' Successful collaboration requires

organisations to first develop the necessary skills by successfully completing the first four phases of the innovation journey.

Where does your organisation stand along the innovation journey? Whether you're a company selling products or services, a government department or a university, you could still be innovating and implementing new ideas that could make you stand out from the pack and become a leader. Take this quiz to help you understand your organisation's innovative abilities and also to identify a few practical ideas to help your organisation along its own innovation journey.

INNOVATION QUIZ

01	Our organisation has a clear purpose, such as providing a product, serving customers or helping people in some way.	TRUE / FALSE <input type="checkbox"/>	11	We have a clear way of collecting new ideas (about marketing, systems, tools, training methods or technology) and deciding whether to adopt or ignore them.	TRUE / FALSE <input type="checkbox"/>
02	Our organisation has the specific skills, equipment or people that we need to make the products or deliver the services we provide.	TRUE / FALSE <input type="checkbox"/>	12	Our organisation invests time or money in training its people.	TRUE / FALSE <input type="checkbox"/>
03	We commit time and resources to changing our processes, products or services, to make them better or more cost effective.	TRUE / FALSE <input type="checkbox"/>	13	When a customer discusses new requirements or ideas, we invest time and resources in developing solutions for them.	TRUE / FALSE <input type="checkbox"/>
04	Our organisation focuses on doing certain things and trying to be good at these things.	TRUE / FALSE <input type="checkbox"/>	14	We use external experts to help us improve products or services, or to solve problems.	TRUE / FALSE <input type="checkbox"/>
05	Team members are encouraged to network outside the organisation to learn what other organisations are doing.	TRUE / FALSE <input type="checkbox"/>	15	We know who our customers are.	TRUE / FALSE <input type="checkbox"/>
06	Team members know what the organisation wants to achieve.	TRUE / FALSE <input type="checkbox"/>	16	Our organisation quickly communicates new, useful, or interesting information to interested people and organisations.	TRUE / FALSE <input type="checkbox"/>
07	We partner with our suppliers or customers to develop or improve products, processes or services.	TRUE / FALSE <input type="checkbox"/>	17	Our organisation makes it easy and encourages other organisations to approach us with new ideas, potential solutions or new opportunities.	TRUE / FALSE <input type="checkbox"/>
08	We ask our customers about their current or future needs.	TRUE / FALSE <input type="checkbox"/>	18	Our customers appear happy with our products or services – we receive repeat business, positive comments or few complaints.	TRUE / FALSE <input type="checkbox"/>
09	We commit time and resources to looking for solutions, new ideas or new opportunities from outside the organisation.	TRUE / FALSE <input type="checkbox"/>	19	In our organisation, honest failures are not punished and I feel I could try something new.	TRUE / FALSE <input type="checkbox"/>
10	It's clear what products or services we specialise in.	TRUE / FALSE <input type="checkbox"/>	20	Our organisation encourages us to suggest ways to improve our processes, products, services, marketing, distribution or other things we do.	TRUE / FALSE <input type="checkbox"/>

PLEASE TURN OVER 





SCORING YOUR ORGANISATION

FIRST

Count the number of times you answered 'True' to the questions.

TOTAL SCORE

SECOND

Use your score to identify the appropriate set of simple, practical recommendations that may be useful in helping your organisation improve and move along the innovation journey.

SCORE RANGE

RECOMMENDATIONS

1-4 POINTS

Hopefully this quiz has given you some ideas to think about. There is a range of things you can do to help your organisation become more receptive to innovation. Here are some suggestions. Read through the other recommendations for more ideas.

1 Innovative organisations effectively communicate their objectives to staff and customers. This helps to create better focus and greater customer loyalty.

Form a team (including management) to discuss and agree on goals for the organisation, perhaps for the next 12 months. Document these goals and let staff and customers know about them.

2 Describing your products and services effectively is critical to convincing team members and customers that you have something of value to offer.

Ask a group of team members to discuss and list the key benefits they believe each product or service offers. Use these key benefits to help you write a simple summary of each product and service, focussing on how it will help your customers.

3 Innovative organisations align their products and services with their strategy. Regularly reviewing this will help keep your organisation on track to achieving its goals and remaining focussed.

Once your strategy is clearly defined, form a team to review each product and service to check whether each fits the organisation's strategy.

5-8 POINTS

There appears to be an opportunity for you to introduce some new ideas to your organisation to improve how receptive you are to innovation and collaboration. Here are some specific ideas:

1 Innovative organisations have the skills and equipment they need to remain competitive. Review your products and services one by one and list the specific skills and equipment required to effectively get the job done.

If gaps are identified, discuss practical ways to your improve skills in that area with team members and management.

2 Innovative organisations ensure their people are trained. Review the skills and training needs of your staff. A quick chat with team members about their formal and informal training and experience is a good way to identify their skills.

You can use this information to map the skills and experience across the organisation which can help when considering or pursuing new business opportunities or when considering training activities.

3 Innovative organisations understand who their customers are and what their needs are. You must know your customer to enable you to improve or develop your products and services.

You can do this by asking team members to review and define what type of person or organisation you are targeting. Use this as a checklist when planning new development or marketing activities to ensure you are focussing on your customers and that the activities align with your strategy.

For more information on initiatives that can assist businesses to innovate and collaborate please visit:

www.business.gov.au

www.ausicom.com.au

www.innovation.gov.au/FMIIC

or your state or territory's business development agency.



9-12
POINTS

There appear to be lots of things that your organisation is doing to encourage innovation, but there is always room for improvement. Collaborating with other organisations, improving your internal communication and asking your customers for their ideas might be something to consider. Here are some specific ideas:

1 Innovative organisations collaborate and are open to new ideas. Involve your staff in networking activities – these are ways to meet potential customers, become aware of new trends in technology and marketing, or identify other organisations that could be useful partners for you.

Think about what other activities could help you make useful contacts or find out about what other organisations are doing.

2 Innovative organisations have good internal communication. Make sure that information and ideas flow to the right people in your organisation.

Circulate information about non-sensitive business opportunities, challenges and ideas discussed at management meetings to all team members.

3 Innovative organisations are receptive to the needs and ideas of their customers. Who knows your customers needs better than your customer?

Asking them for their ideas is a powerful tool to build stronger customer relationships and to align your products and services to their needs. Identify a number of key clients and arrange to meet with them to discuss their current issues and future needs. Use this information to guide your future planning activity.

13-16
POINTS

Your organisation appears to be already investing in innovation by actively improving or creating new processes, products or services. It seems to invest in the capability of its people and generally uses existing team member's skills to innovate. To help you even further, you might like to consider the following suggestions:

1 Ideas are often best generated through group discussions and brainstorming.

Establish an informal 'ideas workgroup' by inviting team members from all parts of your organisation to participate. This group could identify, review and reward the most innovative ideas.

2 Recognising innovative thinking encourages further innovation. Simple recognition of good ideas is a powerful motivator to keep people thinking about better ways of doing things.

A practical reward is to ask the person who suggested the idea to lead or assist in its adoption.

3 Innovative organisations are open to ideas from their people. How can you encourage this?

You could introduce an 'ideas box' or email address for your staff. Review their input periodically and reward the best ideas with a prize or the authority to introduce the new initiative.

17-20
POINTS

Congratulations. You are working in an organisation that is well on its way along the innovation journey. Your organisation appears to be open to new ideas from inside and outside the company, invests in training its people and actively creates new processes, products or services. To help you even further, you might like to consider the following suggestions:

1 Innovative companies don't work in isolation. How can you collaborate further? Identify companies that have similar ideas, specialist equipment or face the same issues and challenges as you and plan to build relationship with them. Your competitors can be a source of ideas to help your business grow and by combining your capability, you could increase your ability to win business.

2 Innovative companies constantly look outside for ideas. Consider attending networking events, trade shows and conferences to see what other organisations are doing.

Even a simple key word search of the internet could assist you identify other organisations active in your area of business. You could consider a formal IP strategy for your organisation, if you haven't already done so.

3 Innovative companies are generally open to approaches by other people or organisations with new ideas.

Can you make better use of the web? Why not encourage your customers to post their suggestions, ideas or opportunities via your website.

For more information on initiatives that can assist businesses to innovate and collaborate please visit:

www.business.gov.au

www.ausicom.com.au

www.innovation.gov.au/FMIIC

or your state or territory's business development agency.