



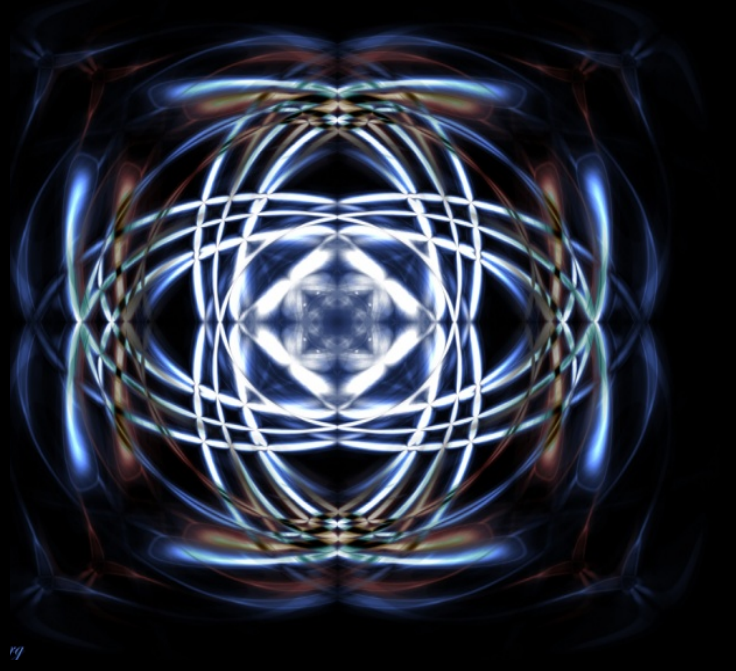
# KLC Associates

Chicago ■ New York ■ London ■ Köln

## Getting **Innovative**

Karen L. Cornelius  
President  
KLC Associates

Jeffrey T. Walsh  
Executive Vice President  
KLC Associates



# Innovation

What is it?



**Inventing** a new  
product or service  
concept ...

That may change  
everything

# Innovation

What is it?



Creatively **extending** a **concept** to **improve** upon an existing product or service



# Innovation

## What is it?

Creating **new applications** for an existing product or service



# Innovation

What is it?



Adapting your product or service to increase adoption rates

or

penetration of new markets

# Innovation

What is it?

Capturing  
imagination





# Getting Innovative



## Creating a climate for Innovation

### Make innovation a priority

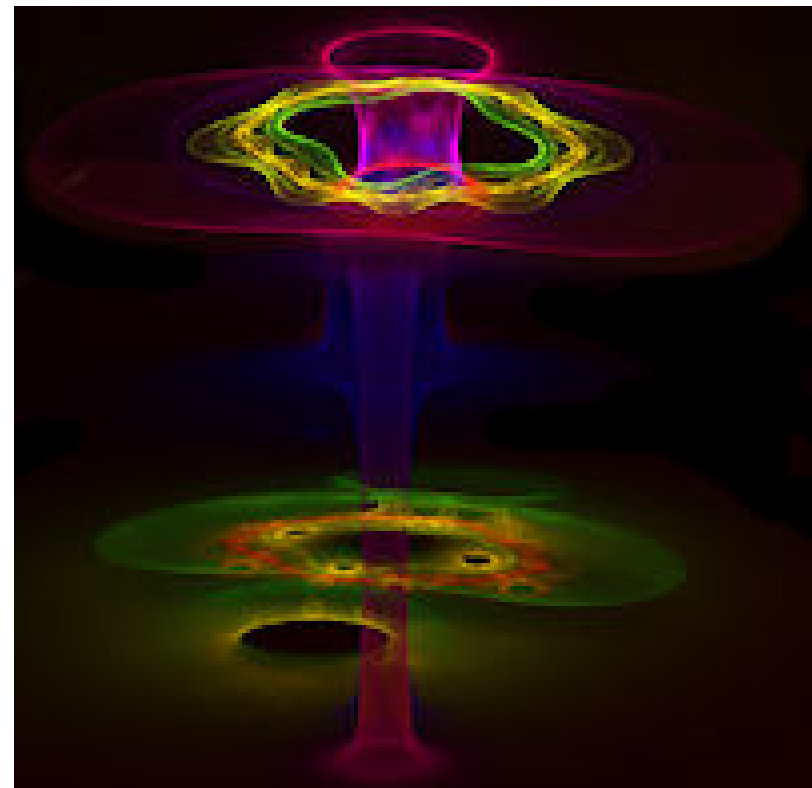
- Formal skunkworks structure
- 3M 15% rule; encourage informal skunkworks groups

### Establish an innovation forum

**Presentations** on emerging social, market, consumer, and technological research and trends

**Training** on innovation models and techniques

**Work environment?** Does it stimulate creativity



# Getting **Innovative**

## Formal **'Skunkworks'**



An organisational unit to transform captured **imagination** into **tangible products and services**



# Getting Innovative

Formal 'Skunkworks'

What goes wrong?



- Unit only has 'creative' members who cannot construct a viable business case

# Getting Innovative

Formal 'Skunkworks'

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- Unit only has analytical members ...

# Getting Innovative

Formal 'Skunkworks'

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- Unit reports to a conservative middle manager who suppresses new ideas

# Getting Innovative

Formal 'Skunkworks'

What goes wrong?



- Unit only has **'creative'** members who cannot construct a viable business case

- Unit only has **analytical** members ...

- Unit reports to **conservative middle manager** who suppresses new ideas

- Unit is **isolated** from the organisation



# Getting **Innovative**

Formal 'Skunkworks'

How to do it... (so it works)



1<sup>st</sup> step --Executive sponsorship:

- **Funding**
- Buffering the unit from hierarchy



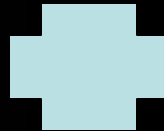
# Getting Innovative



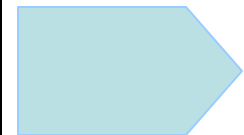
Formal 'Skunkworks'  
Structure and Roles  
One Unit – Two Sections



'Greenhouse'  
Group Dreams it



Business Group  
Translates it



*Into  
system*



# Getting Innovative

Formal 'Skunkworks'



Greenhouse Group

Purpose:



# Getting Innovative

Formal 'Skunkworks'



## Greenhouse Group

Roles:

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- Create ideas
- Identify **new opportunities**
- Test ideas in customer and employee clinics & **innovation forums**
- Nurture and grow ideas

# Getting Innovative

Formal 'Skunkworks'



## Greenhouse Group

Membership:

---

- **Creative**/ideation people (MBTI NT/FP)
- **Designers** and **inventors**
- People with a history of **break-through thinking** in solving problems

# Getting Innovative

Formal 'Skunkworks'



## Greenhouse Group

Inputs:

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- **Futurists'** projections
- **Life-style** and business trends
- **Cutting edge** developments & ideas from **other industries**
- Consumer/market & competitor **research**

# Getting Innovative

Formal 'Skunkworks'



## Greenhouse Group Environment

~~No conventional office furniture~~

Should stimulate creativity

Colourful bean bag chairs

Round tables

Rugs

Posters and art work

Flipcharts and markers Toys



# Getting Innovative

Formal 'Skunkworks'



Greenhouse Group  
Vital Protection

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**No** management reviews,  
**No** assessment  
**No** critiquing

..during **greenhouse** phase



# Getting Innovative



Formal 'Skunkworks'

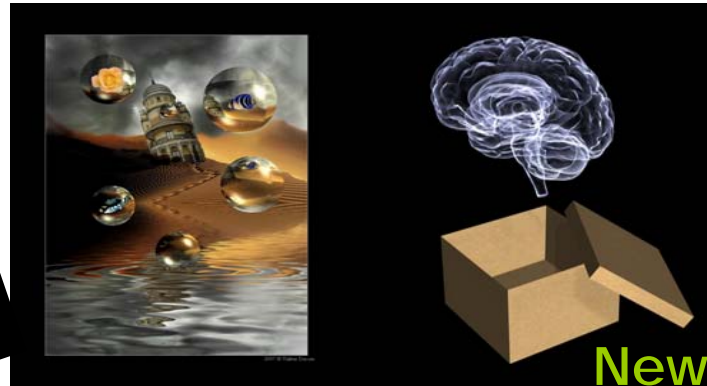
Greenhouse Group

Helpful Tools

"What would make it possible?"

Thinking in  
Metaphors

Brainstorming



Creativity  
Stimulating  
Exercises

uses

'Connections' (how is an engine like a napkin?)

Mind mapping

TRIZ

Breakthrough  
Thinking  
workshops

# Getting Innovative

Formal 'Skunkworks'



## Business Case Group

Purpose:

- **Assessing** and 'Translating' **best ideas** into viable business cases
- **Guiding** mature, **fully developed ideas** through early phases of implementation



# Getting Innovative

Formal 'Skunkworks'



## Business Case Group

### Roles:

---

- Translating concepts into concrete products/services
- Building business cases
  - Feasibility studies and cost & profit analyses
  - Industry analyses
  - Product sourcing analyses
  - Market/consumer research
- Project management



# Getting Innovative

Formal 'Skunkworks'



## Business Case Group

### Membership:

---

- People from **finance**, **purchase**, **marketing**, planning & **quality**
- People from **product/service development** and manufacturing or service roll out
- People with **strategic business perspectives**
- **Project Managers**



# Getting Innovative

Formal 'Skunkworks'



## Business Case Group

### Inputs:

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- Greenhouse ideas
- Budget, finance data
- Company 'brand', Vision, strategic goals
- Competitor information
- Market/consumer research



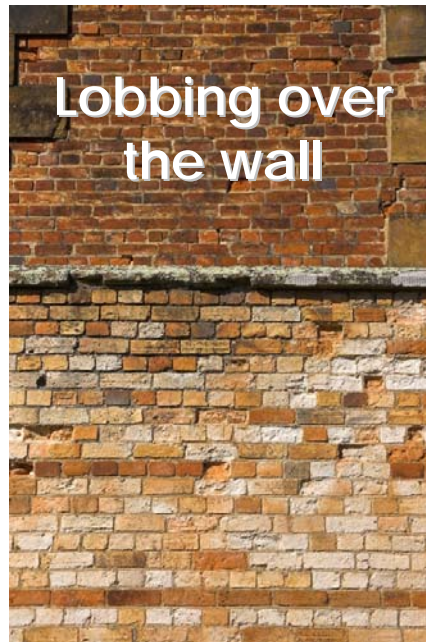
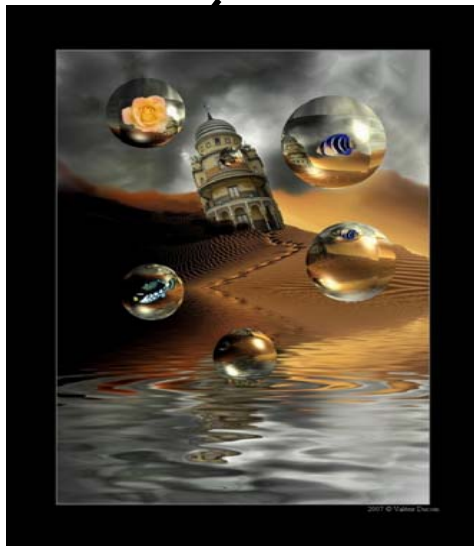


# Getting Innovative

Formal 'Skunkworks'

Key Process Elements

What NOT to do





# Getting Innovative

Formal 'Skunkworks'

Key Process Elements

...Do This



When an **idea** leaves the **Greenhouse...**

Form a **project team** with members from both groups to:

- Further develop the **idea**
- Create a robust **business case**

# Getting Innovative

Formal 'Skunkworks'  
Key Process Elements



Composition of Project Team over Time



# Getting Innovative



## Formal 'Skunkworks' Key Process Elements

Project Team is not a 'Secret Squirrel' group.  
It Solicits Inputs and Feedback From:

Innovation Forums

Other Research and  
Development Groups

Internal and External  
Customer clinics



Functions which will  
Play a role in  
implementing

Cross-functional  
Employee  
Workshops

# Getting Innovative

Formal 'Skunkworks'  
Key Process Elements



**DRAFT**  
Business  
Case



Feedback

Approve

Reject





# Getting Innovative

Formal 'Skunkworks'



**How** to introduce the approved innovation into the **system** depends on the industry....and whether

It is a product



Or.... a service



# Getting Innovative

## Formal 'Skunkworks'



### Cycle for Continuous Innovation

