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Unlocking Innovation

27/02/2012 | 0 comments

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In uncertain times, it can be easy to put innovation on the back burner as too expensive, too time-consuming and too risky. Yet controlled, ROI-driven innovation is an essential element of a successful business growth strategy and can generate ideas worth millions of dollars. In our experience, fresh thinking is essential to take organisations to new heights at any stage of the economic cycle.

Australia was founded on innovation and natural entrepreneurial spirit is now part of our DNA. Every day, innovative people generate ideas in every Australian organisation. Realising the value of these ideas is something that few organisations do well; they lack formal processes for collecting, qualifying and prioritising ideas based on strategic and financial returns.

By investing time and effort into channelling smart, results-focused thinking, you can gain a competitive edge and secure a more sustainable future for your business.

You should aim to create a culture of innovation, with robust processes that underpin and crystallize the value of ideas. Innovative businesses grow regardless of how the economic landscape looks. Why? Because they are clearly differentiated, they invest cleverly through different market cycles, they seize growth opportunities and they respond quickly to changing markets.

But how do you turn a reactive, risk-aware operation into a proactive, progressive, entrepreneurial enterprise?

Ensure top-down support

As an innovative management consultancy, Maximus is often approached by companies wanting to transform their businesses and leverage further growth opportunities. We work with medium and large organisations to create a platform for bottom-up innovation that aligns with their overarching business strategy and their risk profile.

Because innovation means different things to different organisations, our innovation programs are highly customised. We always start at the top, because executive leadership support is essential for true culture change. Every senior executive must be on the same page around the balance of innovation and risk. Clear parameters must be defined to empower different business areas and teams to step outside their comfort zones, encouraging entrepreneurial skills and exercise lateral thinking that may otherwise be regarded as too risky. This must be balanced with the 'business as usual' requirements of meeting KPIs, targets and performance initiatives.

Leaders within innovative cultures have to be able to operate across two horizons: the here and now, the next horizon of growth and, ideally, the horizon beyond that.

Discover millions in extra revenue

Recently, we helped a leading insurance company to identify new initiatives worth over \$10 million using innovation as a catalyst for improved business performance. In an industry that is highly competitive, this organisation was looking for immediate, credible and innovative ideas to make it stand out and create new platforms for growth and business improvement. Given the insurance industry is naturally averse to risk, our approach was to engage a cross-section of key business leaders across the top two layers of the organisation to focus on 'business unusual'

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initiatives. These would either return improvements to the bottom line within a key time horizon, or create value through business growth opportunities within a predetermined timeframe.

The solution spanned several months. It involved intensive, innovation-oriented events with executives and senior leaders; business unusual projects; integration with the organisation's strategy and planning team; and alignment to an ROI framework. As part of the solution, the Group identified 16 ideas that aligned with their business strategy and had a strong financial payback. Their teams developed seven of these ideas into business cases with an estimated total revenue potential of \$12.7 million year on year. Several of these initiatives were implemented immediately.

As well as helping our client to uncover and fast track nearly \$13 million of previously-hidden revenue-generating ideas, our innovation program kick-started a focus on innovation that cascaded through the whole company. It now has a pipeline of other ideas that can be implemented in the future; a framework for identifying, fostering and implementing new ideas; and a workforce that understands their ideas are valued. In other words, it is well on its way to being an innovative organisation.

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Right now, innovation should be high on every company's agenda. Over the next decade, fundamental demographic, consumption, lifestyle and technology changes will transform the whole world, including Australia. Already, they are causing a seismic shift in the global economic landscape that is affecting every sector. These changes present great opportunities for Australian companies. We will all be forced to rethink the products and services we offer and how we deliver and market them. In this environment, organisations that take a strategic, commercially focused approach to innovation will not only survive, they will thrive.

How to harness innovation:

- Define what innovation means to your organisation.
- Ensure members of your Executive Team understand and are aligned in terms of what good innovation looks like for your business.
- Engage your broader Leadership Group to think-tank innovative concepts regularly and build a bottom-up culture of idea generation.
- Leverage your strategy teams and business experts to work with your high potential leaders to turn concepts into strong business cases.
- Prioritise good, ROI-focused ideas and gain executive agreement on value-based investing.



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- Create a culture that supports the continual flow of new ideas and strong feedback loops.

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