

POINTERS

Getting an Innovation Program Started: Advice for the First Year

EXPERT GUIDANCE ON
INNOVATION STRATEGY



LETTER FROM THE EDITOR

So you've just been tasked with building the innovation capability at your company. Or maybe setting up a new innovation lab or team. At Innovation Leader, we know how difficult it is to make change inside established organizations, especially when you're just starting out. That's why we're always working to provide you with the guidance, data, and case studies you need to make that change happen—at all levels of innovation maturity.

Some of our biggest allies in that mission are the strategic partner firms that regularly share their advice with Innovation Leader's members—at live events, in our print magazine, and in this series of PDF publications.

For this edition of Pointers, we asked our partners to share their best advice on how to get an innovation program started—from creating the right culture, to setting up a corporate accelerator, to understanding which habits and practices you might need to leave behind.

We hope this document provides some guidance, and we encourage you to share it with others who might find it useful. And if you have your own tips for what worked well when you were just starting your program, I'd love to hear from you at the e-mail address below...



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What's Essential to Launching an Innovation Program—And What You Can Build As You Go

BY GINA O'CONNOR, BABSON COLLEGE

When launching an innovation program, it's normal to feel overwhelmed and confused about where to start. In my research on innovation over the last 25 years with more than 40 companies, as well as consulting projects with many others, I find that people often handle this challenge in two ways: they dive in and make it up as they go along, or they get bogged down planning every detail before they start. Neither of these paths paves the way for launching a successful innovation program.

At Babson College, we teach an entrepreneurial mindset that strikes the right balance between planning and action, helping them become agile, strategic thinkers who navigate through ambiguity to identify opportunities for growth. As you launch an innovation program, you need a vision of the robust, fully-functioning system you want to build—a view of the endgame, so to speak—but also a recognition that you can't over-engineer it at the outset or build it all overnight. Successful entrepreneurs and innovators combine a strong vision with the agility to navigate the unknowns as they build toward that vision.

When launching an innovation program, you need to be clear on where you're going, what essential elements you must have in place to get started, and what parts of the system you can build out over time. Below we'll talk about these priorities in four key areas: organizational commitment, systems, people, and projects. An entrepreneurial approach that balances planning and action can help you avoid being overwhelmed by the unknowns and instead focus on getting the essentials in place so you can hit the ground running.

Organizational Commitment

One of the most important findings from my research is that truly breakthrough innovation happens when innovation is defined as an essential organizational activity and is recognized and supported as a distinct business function, like marketing or customer service. This is the only reliable way to achieve breakthrough

innovation that creates new platforms of growth to ensure the health of the company for years to come.

Building out a robust innovation function that everyone in the organization recognizes as essential is a long road. It must start with a clear mandate from the top that defines the purpose and importance of breakthrough innovation and distinguishes it from the ongoing incremental innovation taking place in various parts of the company.

This mandate should be announced across the organization and must come with a commitment of resources. You don't need substantial people and funds to start; what's more important is that you have resources committed exclusively to the innovation program. Launching in stealth mode or expecting to peel off resources from other parts of the organization will set you up for failure.

While you must have the mandate and commitment of resources in place before you start, building out organization-wide buy-in will take some time. In fact, a big part of the first year will be spent educating your colleagues to see innovation as a long-term investment in the company's growth; to understand the difference between breakthrough and incremental innovation; and to have a realistic view of how they're managed differently.

Systems

Building an innovation function can be a daunting challenge, but our research has found that there are specific management systems and processes that will produce breakthrough innovation. This is what you should be building towards as you launch your program:

- a complete management system that includes a dedicated team reporting to an organizational leader responsible for the innovation mandate;
- a clear vision for your company's future that creates guideposts for opportunity recognition;



Gina O'Connor,
Babson College

“As long as you have an entrepreneurial mindset and a vision for where you’re headed, you can develop the processes and management systems as you discover what works for your organization.”

- strong organizational capabilities to discover, incubate, and accelerate innovation;
- processes to govern the portfolio of opportunities and navigate the inevitable uncertainties that will surface;
- a culture that supports innovation; and
- appropriate metrics for progress.

You won’t be able to build this system overnight, however. I’ve seen companies get stuck in the planning stage as they try to hammer out all the details of how the system will operate. As long as you have an entrepreneurial mindset and a vision for where you’re headed, you can develop the processes and management systems as you discover what works for your organization.

People

A key part of creating an innovation function is cultivating a strong team of skilled innovation professionals in clearly defined roles. Pegging your success on a few creative geniuses with vaguely defined titles as “intrapreneurs,” “innovation catalysts,” or “chief innovation officers” is a common mistake. Instead, you will need to develop a set of roles and career ladders that professionalize innovation within your organization.

Developing and staffing a robust innovation team will take time, but it’s important to have a core group in place from the start that has ownership over driving the innovation function forward. They should be well networked within the organization so they can take on the critical tasks of creating buy-in and gathering resources.

This initial team must include people whose time is devoted exclusively to the innovation program. If their time is split with other organizational functions, the immediate concerns of those projects will almost always take precedence over building out a long-term vision for innovation.

With a solid core team in place, you can flesh out and fill the appropriate innovation roles over time.

Projects

You will eventually want an innovation portfolio of a few big strategic domain areas with multiple opportunities being cultivated in each area. However, it will take time to build sophisticated discovery,

incubation, and acceleration capabilities, and you don’t want to get bogged down trying to create a full project pipeline overnight.

That said, you will need some projects to start with. Many companies put out an open call, only to be inundated with early-stage ideas that are too small to move the needle. A much more effective approach is to gather up promising orphan projects that have been languishing across the organization. There may actually be something to these projects but perhaps they haven’t fit the existing incremental innovation process model.

These initial projects can serve as testing grounds to hone the discovery, incubation, and acceleration capabilities that you’ll need to work a complete portfolio over time. Launching with projects that are further along also provides an opportunity for early successes that can help build buy-in across the organization.

Ready to Launch

Building an innovation function at your organization is a long-term project that can benefit from the ability to be agile, and identify and cultivate opportunities.

While many things will be figured out as you go, you must have certain essentials in place at the start to have a solid foundation for success. These include:

- a clear, widely-recognized mandate to seed the future through potential breakthrough innovation;
- a vision for where you’re headed and what a successful innovation function looks like;
- a commitment of initial resources, especially people with ownership over the innovation function and time devoted exclusively to it; and
- a small set of projects to start with, drawn from existing orphan projects across the organization.

Having these essential elements in place will lay the groundwork for building out a robust, successful innovation function and enable you to cultivate your first generation of breakthroughs along the way.

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Learn more about Babson: www.babson.edu

Getting an Innovation Program Started: Advice for the First Year

BY JEFFREY PHILLIPS, RTI INNOVATION ADVISORS AND TAD HAAS, EDISON365

While many of the readers of *Innovation Leader* probably have developed an innovation program, considering how to develop a robust, sustainable innovation program is still relevant. Whether your company has an established innovation program, is implementing one now, or hopes to do so soon, thinking about good practice is valuable in all three situations.

Building the Infrastructure

First, decide if your company has the commitment for creating a sustained program. Innovation projects come and go as needed, but a sustained innovation program requires planning and consistent investment over a longer period.

The commitment to build an innovation capability means there must be links between the strategic goals of the company, business unit, or product line, and the innovation work and goals. This is exceptionally important and often overlooked—what is innovation “for” and how does innovation help to achieve strategic goals? These questions form the scope of the innovation effort.

Next, decide what type of innovation activities and teams are right for your needs. If you are considering transformative change, then riskier and longer innovation projects may be in your future. Transformative activities may require a “skunkworks,” which will allow the team to get outside of current rules and structures. If your team is considering bringing ideas in from the outside, then an open innovation approach may be right for you. Or, if you are interested in understanding an emerging technology or solution, creating accelerators or incubators could be the right option. Choosing the best innovation structures and governance models is an important first-year decision.

Next, consider who will be innovating. Once your strategy and structures are in place, people are the next most important aspect. If you want more transformative ideas, then you’ll want to recruit people who are divergent thinkers and who aren’t wedded to current products or services. Conversely, if you seek incremental innovation, then the best participants are the people who manage products and services day-to-day. Rethinking reward and recogni-

tion programs for innovators is important, as innovation work isn’t reflected in existing evaluation and reward systems.

Next, create an innovation process that is scalable to the need, but as consistent as possible across the business. Every other important business activity has a defined business process that participants can view and understand. This process should define key steps, next actions, supporting tools, and other facets to make the innovation steps more understandable and less risky.

Full implementation of the recommendations listed above could take three to six months. Getting these strategic, structural, and personnel factors right helps ensure more consistent innovation and sends signals to the culture that innovation work will be important and well-executed.

Generating Ideas and Converting to Products and Services

Next, find important strategic challenges or opportunities that require new thinking and innovation to solve, and identify an executive sponsor who is willing to provide people and resources to support the strategic opportunity. In this way, you ensure that the opportunity:

1. is strategic
2. has a senior executive’s support and commitment
3. will receive the investments necessary, and
4. has a sponsor who is likely to implement the best solutions coming out of the investigation.

Some innovation projects work effectively based on “challenges”—which provide problem statements and allow large groups to submit ideas. These individuals can be employees, suppliers, or customers. This “crowdsourcing” can be based on a specific challenge or can act as a simple suggestion box. Supporting this bottom-up innovation approach can also positively impact employee engagement.

No matter how you generate ideas, you’ll need to evaluate them against a common evaluation framework. There are some simple frameworks that you can adopt or edit to your needs, including one that



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examines desirability (how desirable is the solution to customers), viability (how viable is the solution from a financial point of view), and feasibility (can you create the idea with readily available components or emerging technology).

Idea management solutions can simplify these later tasks: capturing ideas through crowdsourcing and challenges or simply having employees submit ideas and evaluating others. Idea management software has an important role to play in corporate innovation, but only after the strategic, structural, personnel, and cultural challenges are addressed. Providing a place to generate ideas, process documents, share best practices, encourage collaboration, and ultimately keep stakeholders and participants accountable will accelerate innovation program maturity.

Software becomes valuable once these issues are addressed in a couple of ways. First, idea management software (like edison365) can help capture ideas (or project requests) in your day-to-day work environment, Microsoft Office 365. This makes adoption easier and collaboration second nature. One executive who took this approach, Tim Rath, the Chief People Officer of e-commerce company Lazada Group, remarked, “Before we knew it, we had 60 ideas submitted—ranging from blockchain to wish list optimization—20 of which we wanted to take forward to the next stage. This was really a great result and one that showcased innovation across the organization.”

Second, the database becomes a storehouse of ideas. Rather than track sticky notes or flip charts from past idea generation sessions, with software you can review previous brainstorming results and idea challenges to consider and harvest old ideas or perhaps to spark new ones. Third, the database can become a great mechanism for others to weigh in (voting, etc.) on ideas, providing comments or suggesting new features, linking the ideas to new products or services in the marketplace, or helping evaluate ideas.

Where Do You Stand Today?

Whether you are just starting to build an innovation capacity or have years of experience, the definition above of the “first year” should provide a sense of the work that needs to be done and provide a framework for you to evaluate your efforts to date.

In our experience, we find that many companies confuse innovation programs with innovation projects. A project is a one-and-done, short-term commitment; a program has longer term implications. Too often, companies start with the idea generation activities, neglecting to think through the strategic, structural, resource, and cultural issues. When they find innovation challenging, they are apt to blame the activity rather than the lack of preparation or the fact that many of the participants have conflicting goals or skills.

As A.S. Raghavendra, Head of Technology at WaterHealth, puts

“In our experience we find that many companies confuse innovation programs with innovation projects.”

it, “Transitioning from a manual process to a completely automated one has helped us go a long way in fostering a culture of innovation and ensuring participation from all quarters of the organization.” (WaterHealth is an edison365 customer.)

Where does your innovation capacity stand today? Have you effectively linked corporate strategy to innovation? Have you defined a repeatable innovation process? Have you found the right people and linked them to the projects where they can have the most success? Do you have capable innovation champions who are willing to define strategic needs or gaps and fund the innovation work, and ensure good ideas are implemented? Whether your team is just starting out, or has experience innovating, these criteria apply equally.

In this article, we’ve noted that strategy, structures, resources, and culture are vital components to building a sustained innovation practice, and that idea management software adds a critical capability once the infrastructure is built. Innovation Advisors offers the [Compass Strategic Innovation assessment](#) to evaluate how well you are implementing each of these factors in your innovation work. edison365 provides software solutions, built on Microsoft Office 365, that will help you turn great ideas into visible and actionable plans.

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3 Practices Innovation Managers Should Retire (And 3 to Keep)

BY OANA MARIA-POP, HYPE Innovation

Every year, new tools, technologies, practices, and even full-rounded ideologies invade the innovation space. Those of us working in this space witness this change daily as we watch projects reach (or miss) their targets as a result of new information and tools used. However, the real changes in how we manage innovation are even more evident when innovation managers gather to share their stories of success and failure at industry events like HYPE Innovation's annual customer forum.

At this year's forum, many discussions focused on practices to retire as well as practices to keep. We boiled these learnings down to three things innovation managers should avoid when managing an innovation program—and three methods to implement instead.

When Addressing Culture...

Understanding your company's attitude towards innovation and collaboration, as well as its culture overall, is essential to the health of an innovation program. According to David Willets, UK Head of Innovation at Baxi Heating, "...creating an environment where culture and strategy can eat breakfast together" will pave the way for true transformation.

Yet, don't confuse "creating a culture" with "creating conformity." Cultural diversity is a critical component of success. Empowering the organization to speak and act respectfully with dissenting opinions creates an atmosphere of trust and willingness to share.

According to Professor John Bessant from the University of Exeter, innovation managers should survey and understand the various innovation-related behaviors and attitudes, as well as the values and beliefs in their organizations before planning the next steps of their cultural transformation—i.e., creating a high-involvement innovation culture. As Bessant writes in his whitepaper, "[A Maturity Model for High Involvement Innovation](#)":

"An important part of any organization's culture is the way it handles the idea of innovation. We'd expect to see structures for creating ideas and developing them into something which creates value. There would be reward and recognition systems in place, measurement frameworks, resource

allocation rules, all sorts of things to enable innovation to happen. People working within this system would behave in particular ways, reflecting their shared belief about innovation."

An innovation culture survey can lead to interesting and sometimes surprising results; for example, discovering that it's not one but many innovation subcultures that develop and co-exist. In a perfect world, the values and beliefs of all innovation groups within an organization—whether in marketing, R&D, procurement, or elsewhere—would align and collectively support the overarching innovation strategy.

Innovation managers in pursuit of a unifying culture, and arguably of happiness, must plan their steps carefully. After first examining your organization's culture, continue by making small changes introduced in stages. Instead of dictating directives to employees, reinforce existing productive behaviors—e.g., welcoming ideas from all corners of an organization or cross-departmental story sharing—and gently discourage destructive ones—e.g., creativity being seen as a threat to productivity; also, secrecy and suspiciousness.

PRACTICE TO RETIRE:

Promoting conformity and ignoring the natural diversity of thought that exists in your company.

PRACTICE TO KEEP:

Examining and understanding culture in your organization. Then, bridging the many innovation subcultures that already (co)exist.

When Addressing Scale...

The number of ideas generated in an innovation program alone is not a good indicator of success—it is a vanity metric. While focusing on specific audience groups for specific tactical efforts might not sound like a lot of fun, resisting the temptation to "go big or go home" can produce impressive results in the mid- and long-run.

According to CommScope's Director of Global



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Innovation, Lauren Miller, going “Oprah Winfrey on people”—i.e., enabling everyone in an organization to share their input simultaneously—is a sure-fire way to garner company-wide excitement. At the same time, innovation managers agreed that this practice is also a guarantee of burn-out and frustration for the campaign/challenge teams. While every opinion in an organization matters (in theory at least!), not every opinion should be solicited on every occasion. To avoid nasty pitfalls, filter your topics down, write clear, engaging questions around them, and then invite smaller, yet diverse audiences to contribute.

Once you've established confidence in the innovation management process, organizations can become more ambitious. When addressing the scale of your program, aim first for small, quick wins to build credibility. In the long-run, however, aim for 10×, not 10 percent. In other words, invest in radical and strategic projects to complement the tactical and efficiency projects in your portfolio. A great example is Airbus. In 2015, Airbus Helicopters launched an open innovation initiative to engage more effectively with suppliers and find potential breakthroughs. This initiative functioned as a “Match.com” service for technology, and enabled small and medium enterprises to promote their technology to Airbus Helicopters.

Additionally, you must do more with what you already have and what you already know. For example, before pulling in additional knowledge and insights from external audience groups, look for opportunities to exploit ideas, concepts, and projects that you might have previously shelved.

PRACTICE TO RETIRE:

Adopting the “go big or go home” attitude.

PRACTICE TO KEEP:

Gradually building confidence in the innovation management program, and choosing your audience wisely.

When Addressing Your Organization's Broader Role...

No organization is an island. I didn't say that. NASA did.

While every organization should know and nurture their core capabilities, it seems that many organizations are still overly reliant on their (historical or perceived) strengths. Just as the myths of individual brilliance and self-sustenance are debunked in works such as Steven Johnson's "Where Good Ideas Come From," notions of organizations that can succeed without outside influence ring hollow. It's fair to say that the entire open innovation movement was

a result of organizations realizing the limitations of their own capabilities and knowledge.

And while innovation powerhouses still exist—i.e., Netflix, Amazon, Tesla, or Marriott—their successes are not built on in-house capabilities. Instead, they're built on the ability to create portfolios, networks, and even ecosystems with organizations around them. For example, the innovation teams at Fujitsu developed a framework called Activ8. This framework facilitates customer co-creation as well as communication and resource-sharing with the organization's broader ecosystem. By bringing together people from different organizations—be they researchers, customers, or even competitors—Fujitsu can generate more value than it could ever create on its own.

By leveraging strategic suppliers, startups, researchers, students, end-users, and even society, organizations are becoming more skilled at reaching beyond their own boundaries. Seeing an organization in relation to others can open vast opportunities for innovation. It can also create more impact and address more complex or pressing topics than would be possible if organizations worked alone.

To harness the power of external audience groups, start by assessing your innovation maturity. For example, survey your organization's values and beliefs around open innovation, as well as what structures are in place and what processes exist (some might need reconfiguration). Next, map out your stakeholders and understand the relationships between each. Finally, develop strategies to engage in productive dialogue with audience groups to explore opportunities.

PRACTICE TO RETIRE:

Treating your organization as an island.

PRACTICE TO KEEP:

Looking at your organization in relation to others and working toward a common goal.

To cite John Brockman, publisher of the online salon Edge.org, “...staying at the cutting edge has as much to do with shedding outdated notions as adopting new ones.” Whether seeking a change in culture, increased scale, or more clarity on their broader role, all innovation managers should continuously scrutinize their activities to achieve greater levels of sustainability and success.

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Learn more about HYPE Innovation: www.hypeinnovation.com.

The Agile Innovation Master Plan

BY LANGDON MORRIS, INNOVATION LABS

Is there any doubt in your mind about the importance of innovation?

Do you recognize that innovation is vital to the future of your company? And perhaps to your own future as a business leader?

Since you're reading this article, it's reasonable to assume that you do.

And of course I agree with you.

...

As you've been thinking about innovation, it's likely that you've already discovered that the process of innovation is difficult to manage. It's risky, expensive, and unpredictable.

This explains why Einstein supposedly said, "It's called 'research' because we don't know what we're doing." If we did know what we were doing, we'd call it something else, like "engineering," or "product design," or "marketing."

And even when we think we do know what we're doing, the results from the innovation process frequently fail to live up to our expectations.

Further, our innovation efforts must improve not only to our products and services, but also the very processes we use to run the business. Louis Gerstner puts it this way: "In almost every industry, globalization is leading to overcapacity, which is leading to commoditization and/or price deflation. Success, therefore, will go to the fittest—not necessarily to the biggest. Innovation in process—how things get done in an enterprise—will be as important as innovation in the products a company sells."¹

Yes, innovation is important, necessary, and difficult; this much is obvious.

Magic or Methodology?

Yet some executives look at the innovations that come from companies like Apple or P&G or any of the most admired firms, and they think to themselves, "Well,

we don't have the people or the resources like theirs. We can't do that kind of magic."

But the truth is that Apple's success, or P&G's, or Toyota's, or the innovation successes of any company that you admire, isn't due to their proficiency with magic; it's because they follow a disciplined innovation process.

So if you want to compete with companies like that, and you want to be admired as their peer, then the best way to get better at innovation is by developing and applying methods that will improve the results by improving the process: adopt a systematic approach that makes use of the best tools, and also goes beyond tools to address the bigger patterns and issues to help you manage the large-scale risks and opportunities that your organization faces. This system elevates innovation to what it really should be, a strategic asset to your organization.

Defining that system is the intent behind *The Agile Innovation Master Plan*, which has become a global best-selling book, and is now used in MBA and undergraduate programs worldwide to help prepare the next generation of business leaders.

Innovation's Virtuous Cycle

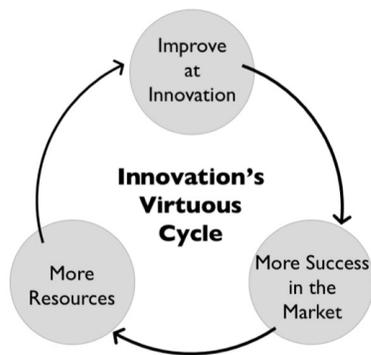
When you have a good plan and you implement it well, the results will be evident and powerful: dramatic improvement to your innovation practice, all the way from the strategic perspective at the beginning, to the heart of the innovation process in the creative endeavor, and then to the marketing and sales processes at the end when you reap the rewards for your efforts in the form of competitive advantage, brand enhancement, revenue, and profits.

Results will also show up as a culture of innovative thinking and innovative results that pervade your entire organization, leading to a virtuous cycle in which you get better at innovation, and your results in the market improve, which then gives you more resources to get better still.



Langdon Morris
Innovation Labs

¹ Louis V. Gerstner. *Who Says Elephants Can't Dance*. HarperBusiness, 2002. P. 270.



Innovation's Virtuous Cycle
The reverse also applies—lagging at innovation creates cascading problems.

This is what a well-crafted and well-executed master plan must do.

The Framework for Your Master Plan

The universally effective innovation framework should be useful to all types of organizations, large and small, public and private, and must necessarily address and organize a very broad range of issues, from the 30,000-foot perspective of innovation strategy to the 10-foot view of the inner secrets of creative thought, and everything in between.

We need to know how to create and manage a rigorous innovation process, and how to nurture the innovation culture and bring forth the creative and innovative spirit from the people in our organization. And we also need tools.

And while these are complex topics, it's best that the framework itself remains simple and accessible.

After exploring a great many options and issues, we've found that a powerful framework for thinking about and effectively managing innovation, and for defining a very useful Innovation Master Plan to support this, can be developed by asking five simple questions:

Why? What? How? Who? Where?

This is the overall structure for the innovation framework, and while the questions are simple, the answers, of course, are not. In fact, they're quite detailed; hence a book.

We ask, "**Why innovate?**" and this quite simple question leads us to examine the strategic nature of innovation. We know that innovation is a strategic necessity because the purpose of innovation is to assure that our organization survives, and the evidence shows overwhelmingly that any organization that doesn't innovate probably won't stay in business. Hence, your innovation process must be aligned with your organization's strategy, and innovation will be a key actor that defines how your strategy will be realized.

We ask, "**What to innovate?**" and we recognize that the unpredictable nature of change requires us to prepare many innovation options for a wide range of possible futures. These options constitute an investment portfolio. As with any portfolio, some will do well, while others will not, but the portfolio approach enables us to balance risk and reward and to find the sweet spot for our organization. This allows us to pursue disciplined exploration across a broad range of possibilities, and it is necessarily geared toward managing risk in order to successfully meet the onrushing flow of change.

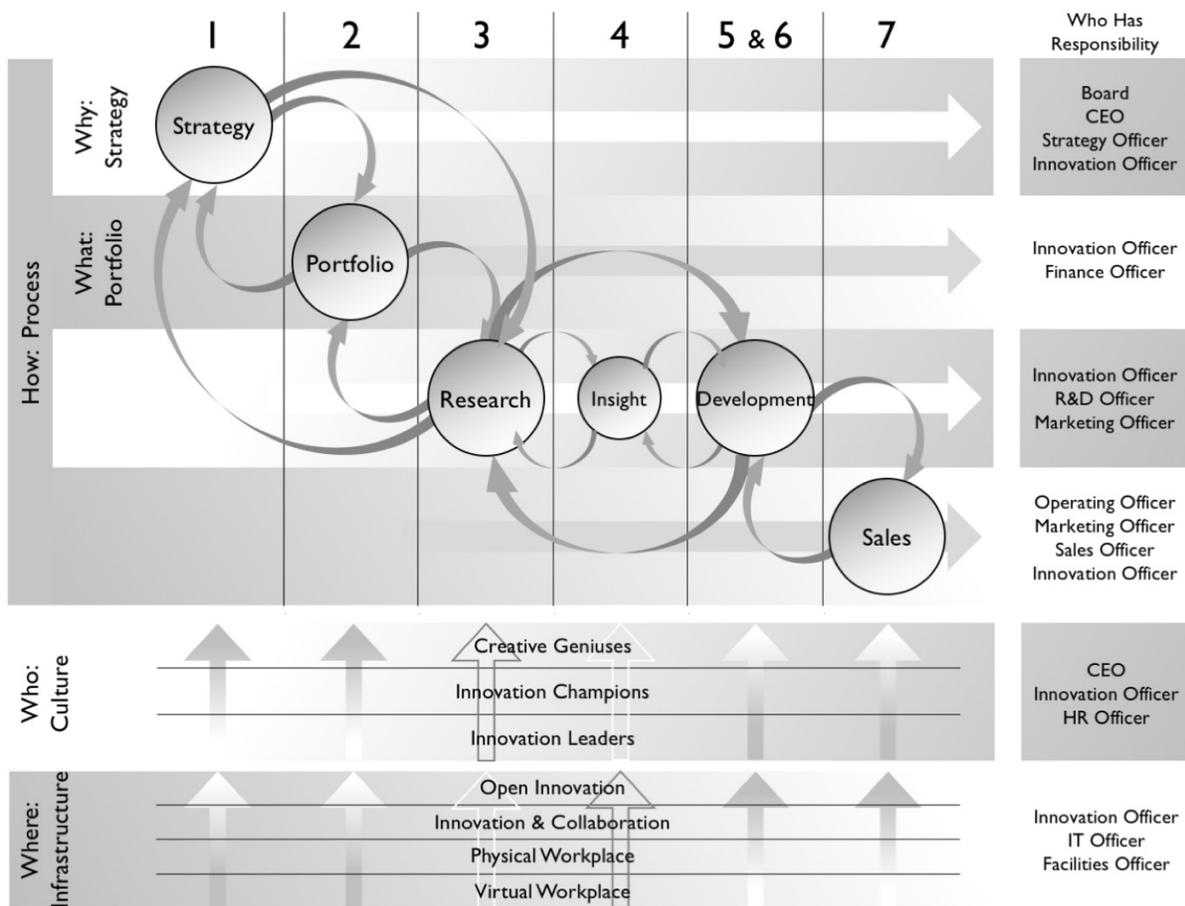
We ask, "**How to innovate?**" and we grasp that a rigorous innovation process is essential. This is R&D, shown on our graphic (see page 11) as steps 3, 4, 5, and 6. The process must be driven by strategic intent, the "why" of innovation, so in fact the innovation process itself begins with strategy, as noted above. The second step is the "what" of innovation, the design of the ideal innovation portfolio. And while many people tell us that "coming up with ideas" is where innovation begins, we see that to the contrary, ideation actually occurs only after the strategic framework and the ideal portfolio are in place, so research-driven ideation is the third step of the rigorous innovation process.

When we think about "**Who innovates?**" we see that while everyone participates in a robust innovation culture, there are three distinct roles to be played in achieving broad and consistent innovation results. These are Innovation Leaders, who set policies, expectations, goals, and the tone for the innovation culture; Innovation Geniuses, who come up with great ideas and insights; and Innovation Champions, who organize the pursuit of innovation and support those who develop great ideas and turn them into business value. All three roles must be well played for innovation to flourish, and they must be aligned together in a system.

The "**Where?**" of innovation constitutes the tools and infrastructure that support the innovation process and the innovating people. The four principal elements of this infrastructure are open innovation approaches that engage a broader community in the innovation process; the virtual infrastructure that supports effective remote communication and collaboration; the physical infrastructure, the work place where people engage together face to face; and the collaborative methods that bring forth the best ideas from all participants, inside and outside the organization, in the most efficient manner possible.

Together these five key elements constitute the Innovation Master Plan. *The Agile Innovation Master Plan* explains the concepts, and also walks you through the key steps to begin applying the concepts to your organization, with two chapters covering each of the five key questions.

And a last point before we continue is the sixth question, the one I didn't mention: "**When?**" But it's really not worth a detailed discussion because you already know the answer: if you understand that change is accelerating, and if you know how important it is to develop the innovation mindset and your innovation practice, then the "when" of



The Agile Innovation Master Plan Framework
 A rigorous innovation system that balances the art and science of innovation.

innovation is obviously now. The market, which ruthlessly demands innovation, and your competitors, who are relentlessly creating innovations of their own, wait for no one. You'd better not wait either.

Agile and the Master Plan

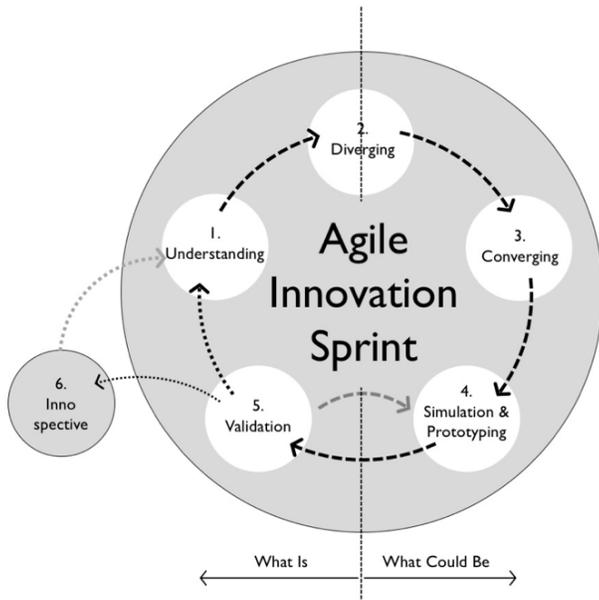
In preparing your own innovation master plan, it's essential to address each of these five key questions, and naturally you're going to end up with quite a lot of very useful detailed structure and guidance to enable, empower, and optimize our innovation efforts. This may require you to engage in a pretty large scope of planning work, and if you do it in the traditional, linear fashion you're likely

to get bogged down in a massive analytical effort long before you see much, if anything, in the way of useful results. And this is where the benefits of agile come in.

You may know that "agile" not only means quick, but that it's also a quite significant movement in the software development world. "Agile" in software refers to the very innovative process model that is now used for developing complex software systems with a clever iterative approach that breaks down giant jobs into bite-sized chunks.

By working in this way to create the innovation master plan, you can avoid the black hole of endless planning and start creating usable value almost immediately.

The Agile Innovation Sprint
Steps 3 – 6 in the overall framework.



sprint as agile software developers have defined it. They make a great pair, and with a master plan framework in place, and implemented through agile techniques, the results are accelerated progress and enhanced results. Companies all over the world are now benefiting from this approach, which some have called “the most effective innovation system in the world.”

...

As more and more business leaders understand these challenges, and understand the vital role of innovation in the well-being of their companies, their nations, and across all of human culture, effort is channeled toward innovation like water over Niagara Falls. The job at hand is to make those efforts pay off, which is why you need a disciplined and systematic framework, and why the agile innovation master plan may provide helpful guidance and useful tools to enhance your work.

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The agile process applies a simple process called an “innovation sprint,” which fuses the design thinking approach that was developed at Stanford University’s d.school with the idea of a speedy working

Getting Started: Five Habits to Break

BY BRANT COOPER, MOVES THE NEEDLE

The average lifespan of an S&P 500 company has decreased from 67 years (1950s) to about 15 years (today). The market is changing faster than ever, and an organization's ability to move at the speed of the Internet is its only chance at surviving and thriving.

For the enterprise world, the rallying cry is similar to the classic American Revolution meme, "Join or Die." Except in today's climate, the corporate chorus says, "Innovate or Die!" To drive effective enterprise innovation requires effort at every level of the organization, and it requires alignment among many moving parts.

With this in mind, if you're a corporate executive or part of a team tasked with innovating in the enterprise in order to achieve revenue and growth objectives, here are some key habits you should want to break, especially in the first year.

1. Stop focusing on products and start focusing on problems.

Problems are goldmines.

Understanding customer problems requires developing customer empathy, and customer empathy requires new forms of market research methods and avoiding market research method traps.

Creating and sharing internally videos of customer interviews, having executives work in a call center, creating customer challenges where employees go through the same experiences as customers—these are the among the ways of building empathy.

These methods are the same ones that many startups use to achieve market traction without spending millions on expensive traditional market research. For established companies, they allow you to get beyond individual problems so you can begin addressing the problems impacting your organization.

The experience is meant to be uncomfortable. But rather than taking the issues surfaced as criticism, they should be seen as an opportunity to deliver robust new solutions, as well as improve your brand through each communication touch-point between your enterprise and the marketplace.

2. Stop thinking linearly and start thinking exponentially.

To be stuck in linear thinking is to be focused exclusively on incremental improvements and cost

reduction. This often results in chasing has-been ideas and me-too features, producing cheaper products that eventually lose their value to customers.

The world is becoming more transparent, more open, and unicorn startups are disrupting what it means to be a 21st-century corporation.

By leveraging the newest technologies, innovating on business models, and leveraging marketing network effects, startups can penetrate existing markets at breakneck speed. As a corporation trying to survive, change is naturally more gradual, weighted down by bureaucracy and executing on existing revenue streams.

When working from an incremental mindset, you're necessarily reactive, and can never get out in front of the current revenue trap. To be successful, you must not only focus on sustaining existing businesses, but also must invest time, research and experimentation on future growth opportunities.

3. Stop disincentivizing entrepreneurial behaviors and start promoting startup skills.

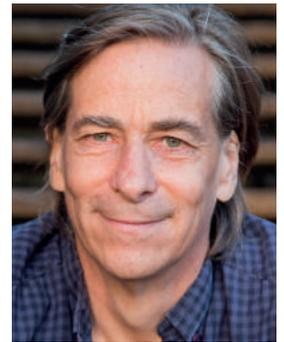
Failure is a necessary step on the way towards success and being afraid to fail is one of the most oft-cited reasons that corporate culture itself fails to produce new growth opportunities. If you encourage people to be bold but don't provide a safe-to-fail environment, you're simply creating fear. Failing small means not failing big.

We can change how we think of failure by thinking of it as required learning. An organization's ability to learn and translate insights into action rapidly is the ultimate competitive advantage. Let's not let the stigma of "failure" get in the way of that.

Entrepreneurial talent wants to explore possibilities, work across silos and traditional team roles; they want to move fast, break assumptions and think outside of existing models. Yet the predominant enterprise culture prevents and even punishes these bold behaviors.

Instead of flipping new ideas with little or no traction over to the core business, where tens of millions might be spent in execution mode, small bets across a variety of ideas with milestone-driven investment and startup-like rewards will more likely result in big wins.

Steve Jobs once said, "It doesn't make sense to hire smart people and then tell them what to do; we hire smart people so they can tell us what to do."



Brant Cooper
Moves the Needle

4. Stop asking the wrong questions—and start focusing on what moves the needle.

The quality of your personal reality is dependent upon the quality of the questions you ask yourself. It's no different in business—the success of your innovation methods depends on the questions you're asking.

Most enterprise leaders struggle with finding the right question to ask, as well as working out the right time, and the right way to ask. Human beings manage what they measure, and they measure based on the question asked.

Typically, the first two questions out of an executive's mouth are: "What's the ROI? When will we see it?"

When going into uncharted territory, focusing on ROI too early (especially in the first year) can be lethal, as you risk either killing a fledgling idea with premature monetization or under-valuing your innovation efforts. The only way to truthfully predict ROI is to look at existing markets, pulling the organization back to incremental work.

To generate successful enterprise innovation outcomes, we must lay the foundation of innovation culture within the firm, and there are several key questions that we can ask:

- **What is the behavior we wish to see?**
- **What role do leaders play?**
- **How do we measure progress toward desired outcomes?**

In large enterprises, new leadership skills are required that empower an ethos of Lean Innovation, where employees are customer-focused, move with speed and agility, and seek market evidence for decision-making.

5. Stop hand-picking innovators and start spreading the entrepreneurial mindset.

Transforming the culture such that the entire organization applies entrepreneurial skills is the only way to survive long-term. Entire business models are ripe for innovation, so leaving discovery and learning to only a handful will likely result in missed opportunities. Additionally, all parts of the organization face some amount of uncertainty, but executing your way through the unknown is a recipe for big failure.

What's needed is innovating the business itself, and no part of the business is immune: back-office support functions, for example, can innovate in the delivery of services to employees, which still adds value to the organization. Hands-on experience with innovation skills also allows them to support the endeavors of product and innovation teams directly.

Marketing, customer service, sales, and other departments can

“The only way to truthfully predict ROI is to look at existing markets, pulling the organization back to incremental work.”

discover new value to be created for customers. While not everyone will “innovate” in the sense of creating product directly, innovation can come from anywhere.

Where Does That Leave Us?

Transforming a massive organization to be more innovative is no easy feat, but if you stop doing these things, the results will be astonishing.

American Family, one of our clients, is deep into a multi-faceted, multiyear digital transformation that is changing how the 11,000-person insurance organization sells and services policies, how they use and store data, how they test and invest in home automation technology.

At the core of the transformation is what employees are doing to help other employees replace their old habits with new ones, by providing support and guidance at every step of the way.

What bad habits do you currently see in your organization? How can you spark the change needed to stop them and start innovating?

Now that you know what to stop doing, here are some ideas for things that you should start doing.

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Learn more about Moves the Needle: www.movestheneedle.com

Fall in Love with the Problem, Not the Solution

BY SHAWN NASON, NASON GROUP

Let's say you are feeling anxious. You go to the doctor and discuss your symptoms, which sound like a classic anxiety presentation: increased heart rate, rapid breathing, intestinal distress, and restlessness.

Your health care provider offers you an anti-anxiety medication, which reduces the symptoms. You feel better and you're sleeping again. Life is good.

Except what if it isn't? What if the medicine that reduces your symptoms is masking a much more serious underlying condition?

Anxiety symptoms can be the result of several serious and life-threatening conditions, including heart disease, hyperthyroidism, diabetes, and a type of rare tumor that causes fight-or-flight reactions in your body. Anxiety medicine could ease your symptoms, but it won't cure your illness.

So, let's go back to that appointment where you are discussing your symptoms with your doctor. I bet you hope that they also ask questions and conduct tests to rule out these other conditions, rather than simply providing a quick fix medication to improve your symptoms, right?

This isn't always the case. Modern medicine was borne out of an era when most people only saw doctors for acute conditions. What's happened over time is a system that forces you to see one doctor, who gives you medicine for one problem. For the next problem, you see a specialist who gives you another medicine for that second problem. And so on.

But are they—are you—missing the big picture?

In medicine, and in life, we have fallen in love with solutions, not problems. If we need more storage, we rent a storage unit. We don't assess whether or not we have a spending problem or belong on an episode of the reality show "Hoarders."

If we have a headache, we take ibuprofen to ease the pain. We don't stop to think about whether we're just dehydrated.

To solve today's problems in business, we can't focus on the solutions, especially the quick fixes. We have to first fall in love with the problem.

Falling in Love

When you fall in love with someone, you think about them all the time. You want to know everything about them. You even watch their old home videos willingly and listen to their crazy aunties and pretend to like their cat. You think nothing of going the extra mile to please them.

The same should be true with big problems we are trying to solve. We want to fall deeply in love, considering them from all angles, hearing all the history, understanding all the exes and why they didn't work out.

And once you fall in love, and really understand the problem, you want to tell the world! You want to take action and do something about it.

The legendary origin story of the Mayo Clinic, recently immortalized by Ed Burns in a [PBS documentary \(now on Netflix\)](#), demonstrates for us what it looks like to fall in love with a problem and solve it through the power of an SFD (a/k/a Shitty First Draft) and a commitment to action.

The Problem: Wished They Could Have Done More

In 1883, a mile-wide tornado hit the small farming town of Rochester, Minnesota. A third of the town was devastated: 24 residents were killed and another 200 were injured. At the time, the closest hospital was 80 miles away (and cars weren't a thing, so 80 miles took a long time).

The town's best doctor, W.W. Mayo, began triage on the wounded at a hotel downtown, while his sons, both doctors, treated others at their private medical offices. W.W. Mayo also asked Mother Alfred Moes to house and care for the injured and homeless at their convent.

W.W. Mayo observed that the hope and care the Sisters provided was a key component of the type of care that could truly heal patients.

Mother Alfred recognized after this event that the City of Rochester, which was growing, needed its own



Shawn Nason
Nason Group

hospital. She had a vision for a place that practiced active medical intervention. She presented it to Dr. W.W. Mayo: if he would staff it, then the nuns would supply the nursing staff and the facility.

Active medical intervention was a novel concept. At the time, people only went to the hospital to die. A renowned medical center seemed even more novel, given Rochester's small population. Nuns with no medical training were also not typical nurses.

There was no market study. There was no best practice to follow. They were in love with the problem of providing holistic, aseptic health care to cure patients of disease. The founders of the Mayo Clinic simply finalized their plans with a handshake—a practice that is still followed more than 100 years later for new contracts.

In the fall of 1889, Mayo Clinic Hospital, St. Mary's Campus opened with 27 beds. Mayo's sons Will and Charlie, both doctors, served as attending surgeons, and their father was consulting physician. Five sisters comprised the nursing staff.

The Power of the SFD

The Mayo-Mother Alfred partnership began with a triage center—an SFD if you will. People were injured, and they had to act. There was no time to talk. The nuns weren't trained as nurses, and the facilities were lacking (some historical records say a bar was one of the places used to treat patients). But they shut up and got to work. In so doing, Mother Alfred realized the potential of what their actions could do.

At the time, training for doctors was not regulated. Doctors did not understand that germs caused disease. On the Civil War battlefield, W.W. Mayo had observed the lack of sterility in caring for patients, most of whom died from infections caused by surgical tools that were sharpened on the doctors' boots—rather than the battle wounds themselves.

W.W. Mayo was in love with the problem, though, of providing coordinated health care. After time spent in New York, working as a pharmacist and getting trained in medicine, he became convinced that germs were the problem, and he mortgaged his house to buy a microscope to study them so he could better serve his patients.

After their very SFD in triage, they didn't stop treating patients until they could get all of their ducks in a row to open a proper facility. They kept going. With Mother Alfred's vision and the Mayo family's expertise, they kept treating patients while they planned their clinic.

Stop Talking, Start Doing

Less than 10 years from their very first SFD, the Doctors Mayo were achieving unprecedented success in the field of surgery. They partnered with other doctors and began researching, diagnosing, and treating disease all in the same location. By 1894, the Mayo brothers were operating on 4,000 patients annually. By 1920, over 60,000 people came to Rochester each year for medical treatment. The population of Rochester was only 13,700.

They accomplished this not with talk but with action. They traveled the world to observe new techniques for medical treatment. If they saw something that worked, they implemented it, and they allowed other surgeons to observe. The demand for advanced medical training led them to open their own graduate program in clinical medicine only 26 years after opening their first 26-room hospital.

Since its inception, Mayo Clinic has led innovation and discovery in the medical field, including:

- Developing and implementing the concept of integrated, multi-specialty group practice
- Integrating medical records to improve collaboration and care
- Performing the first series of open-heart surgeries
- Introducing the first CT scanner in North America
- Developing a DNA test to rapidly diagnose anthrax
- Developing a system for grading cancer on a numerical basis (a system adopted worldwide and still used today)
- Establishing the first hospital-based blood bank in the United States
- Demonstrating the link between insulin and diabetes.

The Mayo Clinic founder's passion for innovation and excellence was matched only by their obsession with putting the needs of patients first. It started with understanding the problem and going about solving that problem. The story is still being written.

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Building an Innovation Supply Chain

BY STARTGRID

One of the best insights into the challenges of enterprise innovation came during a recent workshop for roughly 60 innovation professionals from a wide variety of industries at an Innovation Leader Field Study in San Francisco.

Our goal in creating this workshop was to gain a better understanding of where companies are in their innovation journey and to discover the tools, processes, and methods that are working—and which aren't—for navigating the complexities of their innovation ecosystem.

Halfway into the workshop, one team voiced a challenge we have heard many times: “We can't help our companies deliver on the promise of customer-centered innovation if our innovation teams haven't also adopted a customer-first mindset.”

A core tenet of open innovation is solving problems faster by sharing the best ideas from the broadest possible network. The problems to be solved can take different forms. Often, when people talk about innovation, they're referring to product innovation—developing a new product, such as the self-driving car; improving the performance of an existing product, such as increased fuel efficiency; or adding a new feature to an existing product, such as a next-generation navigation system.

Innovation can also include improvements to processes and business models—what new tools and technologies can we use to make cars more efficiently and profitably? How can we deliver something customers want in an entirely new way?

Regardless of the goal, all successful innovation initiatives begin and end with a customer in mind.

A Lesson in Design Thinking

Innovation teams can take a lesson from design thinking and lean startup methods. These approaches to innovation all begin with discovery: product teams talk to customers and develop a deep understanding of their needs, goals, and values. These qualitative insights, combined with quantitative research, help teams become more informed about what customers really need so they can develop solutions quickly and iteratively. The result: a much higher likelihood of introducing new products, cost-effectively, for which

there is real market demand.

These same methods can be used by innovation teams inside the enterprise to better serve their internal stakeholders. Through discovery, team members can gain a deeper understanding of specific problems business units are trying to solve. With a customer mindset driving requirements, priorities, collaboration, and communications, the chances of introducing relevant ideas, products, or technology from outside the organization are that much better.

Empowering End-to-End Innovation

This customer-first mindset can empower the entire innovation supply chain in the enterprise.

By aligning innovation sourcing with the needs of the business, which are in turn aligned with the needs of real customers, companies can be more efficient in bringing successful products to market.

PwC's latest report on [The Global Innovation 1000](#) finds that companies who engage customers directly in generating new ideas (“Need Seekers”) make up 34 percent of the top innovators, yet they report much higher profitability than their peers.¹ This higher performance is attributed to the way Need Seekers embrace alignment between business and innovation strategies. They've shifted the focus more to understanding customer needs and identifying growth opportunities, as opposed to depending upon internal expertise and ideas.

Creating Alignment through Discovery

In our San Francisco workshop, participants identified alignment with the business as a key challenge and one they continue to work on. We often talk about the importance of ensuring innovation strategy is in sync with business strategy. But where and how do you begin?

We can take a lesson from the design thinking playbook by adopting a few principles of good customer discovery.

1. Talk to your customers (and their customers). For most innovation teams, the primary internal customers they serve are the executive team and product

¹ The Global Innovation 1000: “What the Top Innovators Get Right,” by PwC, Winter 2018

teams. The end user of your company's products or services is also your customer. Meet with people in your organization who are on the front lines engaging with customers to develop a deep understanding and empathy for the buyers of your products. At the same time, build relationships with internal stakeholders to understand their goals, challenges, and obstacles. If you spend all your time externally talking to startups and VCs, and haven't invested in building a strong internal network, you won't be effective in bringing outside ideas into the enterprise.

2. Listen. Building effective internal relationships is a function of being a good listener. The best thing you can do when you walk into a meeting with stakeholders is to ask a couple of carefully considered questions and get really curious—then make sure you understand the answers. In the model of good discovery, listening leads to new insights, and eliminates faulty assumptions or the impulse to force-fit your ideas into an organization that doesn't need or want them.

3. Prototype. A key tenet of design thinking and customer-driven innovation is rapid, efficient solution discovery. Work closely with internal stakeholders, early and often, to explore how emerging technologies from the external ecosystem can be leveraged. Keep bringing potential ideas to the table and ensure communications about the pipeline are organized, relevant, and easy to access.

4. Validate. According to PwC, for many companies, the majority of costs incurred in bringing new products to market are locked in the ideation and project selection stage. Develop a competency, together with your internal stakeholders, for prioritizing and selecting the right innovation projects to pursue. Understand how success is measured, and the pressures business teams may face in trading off

short-term outcomes for a potentially significant yet less certain long-term payoff.

The Innovation Supply Chain

Much has been said about innovation as a core competency for enterprises. Without continuous process improvement and a stream of new products and services, no company will survive for long in today's global, customer-driven marketplace.

McKinsey speaks to innovation that can be procured through an external network using a systematic approach. It finds that "more than half of all innovation originates outside the organization, and externally sourced innovations are typically commercialized 40 percent faster than home-grown ideas, often because they've already been partly validated."

A customer-driven mindset enables innovation teams within the enterprise to develop a structured approach for understanding how the business is addressing customer needs, which informs how to source and commercialize ideas and new solutions outside the organization to best address those needs. But equally important is the ability to manage the innovation pipeline like a supply chain, with tools to power collaboration and communication across the entire process.

Modern supply chain management tools would never rely on spreadsheets and email for tracking the flow of goods from suppliers through to the final product. Neither should an enterprise innovation function.

Learn more about Startgrid: www.corp.startgrid.com

² THE GLOBAL INNOVATION 1000: What the Top Innovators Get Right by PwC, Winter 2018.

³ "Procuring innovation, wherever it may be," McKinsey & Company, August 2017.

What To Expect From Your Corporate Accelerator

BY JENNY LAWTON, TECHSTARS

Partnering with startups is a great way to accelerate the entire corporate innovation journey. In fact, Techstars and Innovation Leader recently partnered to reveal best practices for leveraging startups to drive corporate innovation.

A well-run corporate accelerator can be directed to align with your specific needs and goals to:

- Help startups and their technology evolve in ways that meet your corporate needs, so the company builds the perfect product for you;
- See the future of your industry through the lens of entrepreneurs who are trying to disrupt it;
- Shift company culture to move faster and reduce inefficiencies and costs.

In order to meet these goals, you will want to check that what you're looking at is truly an accelerator. The Techstars mentorship-driven accelerator is not a field trip, hackathon, or "innovation theater." It is a comprehensive solution to accelerate innovation. The best corporate accelerators include:

- Program leadership with a demonstrated history of growing their own companies and helping other startups succeed;
- Early-stage startups that can partner to meet your corporate needs or accelerate industry disruption.
- Curriculum for founders that both helps their startups succeed and de-risks investments for the corporations.
- Strong mentorship, providing founders and executives with the opportunity to learn from each other and build strong networks;
- Commitment, and the understanding that your accelerator will grow in value and returns over time, through a stronger investment strategy and internal corporate capability.

Five Ways To Get The Most Out of Your Corporate Accelerator

At Techstars, we have seven years of experience running corporate accelerators. To date, we have run 83 corporate accelerators in 12 different countries. Through our experience, we've distilled five key principles that we share with our corporate partners—before the accelerator begins.

1. You'll get as much out of the accelerator as you put into it.

This is truly the number one piece of advice for corporations going into their first year of an accelerator program. In fact, it's the number one piece of advice for the founders as well.

The inaugural Comcast NBCUniversal LIFT Labs Accelerator, Powered by Techstars, successfully launched in 2018, and is welcoming a second class in Philadelphia in July 2019. With a corporate accelerator, "You'll get as much out of it as you put into it," says Danielle Cohn, Executive Director of Entrepreneurial Engagement and the Head of LIFT Labs for Comcast NBCUniversal. "You need to have a dedicated team to work with your partner. It takes a lot of time, energy, and effort to educate your internal stakeholders, but without this, you won't have buy-in from the company. You won't meet your goals."

Matt Kozlov, Managing Director at Techstars, who has managed three classes of the Cedars-Sinai Accelerator, Powered by Techstars, and is now preparing for the first year of the Techstars Starburst Space Accelerator, agrees: "The program is only as valuable as the amount of time and attention the executives and the organization pay to it."

Cohn explains, "We hired Techstars to run our program, but you can't just do that and walk away. The benefit of having an outside partner is that you're learning from them and they're learning from you, and you're each accessing the other's subject matter



Jenny Lawton
Techstars

“When selecting companies for the program, over-emphasize finding the best teams, and the products will develop organically.”

expertise.” Involvement and outright enthusiasm from your corporate leadership will ensure that everyone knows that the accelerator is a priority. Get executives involved as mentors, and they will both help the startups in the program succeed, and bring back profound lessons on startup speed and flexibility to their regular jobs.

One great way to ensure that the accelerator gets the support it needs from the corporation is to build engagement with the accelerator into goals or KPIs for everyone involved. Offer incentives—bonuses or other rewards—for outstanding work on the accelerator. Most of all, make it clear to the entire corporation that work on the accelerator is now part of the job, not something tacked on. If you don’t do this, the accelerator can too easily become an afterthought, rather than a launchpad for successful corporate innovation.

2. With startups, the team is exponentially more important than the product. Choose founders who are flexible and take feedback well.

One error that corporations consistently make when choosing startups for their corporate accelerator is getting excited about a company’s product or tech, and ignoring the team.

The startups that benefit most from an accelerator are early stage. Their product is likely still evolving—in fact, this can be a benefit to your corporation, because you can work directly with the startup to develop a product that meets your needs.

“A great founding team can take feedback from every level of the corporation, and then incorporate that feedback into a product. They can adapt to what the corporation is looking for,” Kozlov says. “When you create the right environment, where startups can interface across the entire corporation, then the corporation and the startup can collaborate over three months, and the result is incredible companies and partnerships.”

Kozlov recalls one startup that pivoted early on, and ended up going through at least fifty different product ideas with a corporation before they found one “big enough and important enough to execute on.” A couple of years later, this company is the most valuable one to have come through that program.

When selecting companies for the program, over-emphasize finding the best teams, and the products will develop organically.

3. Startups move very, very fast. Be prepared to work with this—and learn from it.

“Founders move very, very fast. They have a different cadence from a large organization,” says Yossi Hassan, currently Managing Director of the Alchemist Blockchain Techstars Accelerator, and formerly Managing Director of the Barclays Accelerator, Powered by Techstars, in Cape Town.

This difference in pace poses both challenges and opportunities. Jens Festervoll, corporate liaison for the Techstars Energy Accelerator in Partnership with Equinor, experienced this firsthand during Equinor’s first accelerator. He reported that nearly 80 percent of the mentors who worked regularly with startups in the program said that they would work differently in the future, with more agility. This taste of startup speed became the seeds of cultural change, as executives started to see ways to be faster and more flexible in their working lives, making them more efficient and more engaged.

Techstars Network Engagement partner QBE strives to be a “Partner of Choice” for startups, and finding ways to work at startup speed is one part of their plan. Ted Stuckey, Managing Director of QBE Ventures, explains: “Our belief isn’t that startups should be held to a lower standard of security/risk, but rather that we have to be able to address those risk and security concerns faster than we do with companies that have the capacity and teams dedicated to dealing with a large corporations’ processes.”

Learning how to work at a different pace, and the impact that has on process and procedure, can be challenging. In the end, the biggest opportunity is learning how to add sprints into your marathon training.

4. Streamline your procurement process before the program begins.

“A startup in a 13-week accelerator expects things to happen really quickly,” Hassan says. “Do everything you can—before the program starts—to shorten the amount of time it takes for your corporation to work with these startups.”

Both Hassan and Kozlov agree that doing as much as you can in advance to help startups navigate your procurement processes is best. The standard legal review process, for example, can be a huge

hurdle for startups. “Legal fees can kill a startup,” says Kozlov.

“Take some time to really understand what the procurement process is before the program starts,” Kozlov says. “Turn as many pieces as possible into short, simple templates that startups can easily use.” Kozlov also suggests setting aside some R&D budget in advance, so there’s money available to support companies in their commercial pursuits with the corporation.

Meeting startups halfway—by streamlining forms and processes or taking meetings quickly—is essential to making the progress you’re hoping for from the program. An accelerator program goes by very quickly, and you won’t want to waste any time.

5. The program isn’t over when it’s over.

Founders often tell us that they accomplish more in the three months of a Techstars mentorship-driven accelerator than they would in a year and a half without it. But even at this highly accelerated pace, there’s plenty to do afterward.

Your involvement with the startups in the program doesn’t end with Demo Day. If all has gone well, during the program these startups have learned a great deal about your needs, and together you’re starting to run pilots or develop products.

Cohn is proud to report that eight of the 10 startups from the 2018 Comcast NBCUniversal LIFT Labs Accelerator, Powered by Techstars are now working with Comcast NBCUniversal brands including Comcast Cable, NBCUniversal, and Universal Brand Studios.

“It took a lot of hard work from the companies themselves, from our team, our business leaders and mentors, and from the procurement team,” Cohn says. “We all wanted to help these companies grow and try new things, and that effort from across the corporation led to this exceptional success rate.”

Looking Toward Year Two...

All of these learnings hold true for subsequent years of your accelerator as well. The big opportunity after year one is to do all of them

even better, and to streamline the processes even further.

Follow this advice, and your corporation will almost certainly meet its innovation goals. That’s a predictable result. The surprise you may find as you start to engage with the accelerator is how much the mentors from your corporation will learn from the process—and enjoy it.

“Our mentors learned as much from the companies as they gave,” says Cohn. “They’re all eagerly awaiting the next class. They can’t wait to mentor again!”

Not Ready for a Corporate Accelerator? That’s OK.

A corporate accelerator is one of the best ways to stimulate true innovation, but if your corporation isn’t ready for the commitment of a corporate accelerator, there are other great, quick ways to engage in valuable and meaningful ways with startups. You can boost intrapreneurship within your corporation by running an Innovation Bootcamp—a three-day event that empowers your internal innovators to solve real problems. You can build lasting relationships with entrepreneurs through sponsorships. Or you can engage directly with targeted startups in your industry that are solving your problems right now.

You can contact Jenny Lawton at jenny.lawton@techstars.com.
Learn more about Techstars: www.techstars.com

Flip the Six W's for Problem Discovery

BY PLANBOX

Who doesn't like to solve a great mystery? Starting from the time we are young, we all love finding solutions to intriguing problems. Great mystery shows and books are entertaining, and what they all have in common is that you know what the problem is, and all you need to focus on is finding the best solution. But what if you don't even know what the problem is? How do you solve something if you do not understand the real challenges you should be dealing with?

The reason why so much attention, effort, and discipline is placed by most organizations on continuous improvement and incremental innovation in order to protect their core business is because it is a lot more tangible, easier to grasp, and act on. But breakthrough innovations are realized when you discover and focus on the real problem. Learning how to explore and interrogate the unknown is where the magic happens.

"The world is full of obvious things which nobody by any chance ever observes." - Sherlock Holmes

The innovation funnel has traditionally assumed you have an identified issue, and all you need to do is figure out the right people to involve, get them to suggest some ideas, evaluate your best options, prioritize the ones you want to focus on, and develop the concepts until you identify the winning design and business case. In short, people are asked to name their challenge and then the usual process is brought to bear to help solve it.

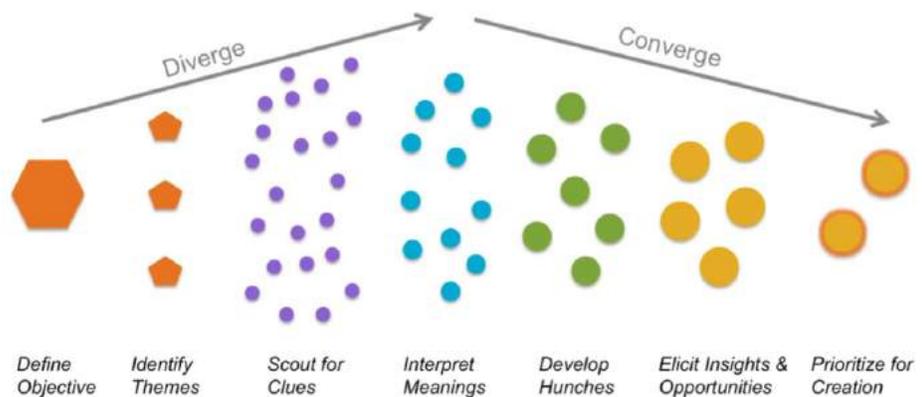
For real problem discovery and to identify breakthrough opportunities, you need to go in the completely opposite direction. True innovators question if they are actually even solving the right problem. They initially look for more questions, not answers. They study the issues until they understand and discover the answers to the "Six W" questions: when, where, what, why, who, and how. By extending your innovation work and spending more time identifying the problem, you will end up hitting the real jackpot.

In the Netflix Black Mirror interactive film "Bandersnatch," you are asked to make some plot choices which dictate the ending you will experience. Typically, innovation is about making these very choices. Your pick will lead you down a possible set of outcomes and each alternative could possibly be explored and experimented on. Similarly, breakthrough innovation is about writing a whole new narrative to discover possible problem sources and sizable opportunities through a different set of lenses.

When you are looking for focus areas, the right starting point is to make sure you are working on a genuine problem worth exploring. Start by defining the possible business outcomes and needs you want to focus on. Where do you want to play, and how does this compare to your organization's core assets and capabilities? Define the various lenses and themes you want to look through. These lenses can encompass key trends impacting your business, clients, markets, industries, and maybe even the world. You are well-advised to choose at least a handful of highly impactful ones that allow you to explore different outcomes.

Now let's apply the "Six W's" approach to breakthrough innovation thinking, and create a completely different process to discover and evaluate problems. To do so, you actually need to think of the Six W's in reverse. (See the chart on the next page.)

Try this core creative process to generate prospective outcomes to explore in any aspect of your business. To self-disrupt means you need to imagine new and different futures that are probable, and then look for ways you can piece together the breadcrumbs, and create new offerings that help you leapfrog your competition.



"It is a capital mistake to theorize before one has data. Insensibly, one begins to twist facts to suit theories, instead of theories to suit facts." — Sherlock Holmes

The approach described here was inspired by the best selling author Rowan Gibson's book, *The Four Lenses of Innovation*, which was used to develop the Planbox Discovery Central process and platform to enable implementation of this systematic and investigative method to establish the real problems to focus on.

Problem Discovery Stage	Questions to Ask to Formulate Problem	Action	What You are Trying to Answer
Create	How is this a problem?	Develop a rich volume of diverse inputs	Look for observations, pieces of knowledge, and experiences from all relevant and accessible internal and external data sources. Assemble clues and as many bits of knowledge as possible. Develop weak signals ranging from your customer needs, market dynamics, competitive pressures, and changing technology landscape. How are the clues leading to identifying a problem or opportunity?
Expand	When does this problem occur?	Explore and interpret deeper meanings	Contextualize the possible meanings from your clues. Look at the world with fresh eyes and leave preconceived notions aside. Start looking for patterns on where these clues come from, where they lead, and what they mean. Select clues that have a richness or implication that could be interpreted in different ways. What is the meaning of these collections of clues?
Connect	Where is this problem?	Uncover hidden motivation: needs, wants, and beliefs	Now deeper truths can emerge, so try to combine your clues and meaning to form a hunch and a creative new belief about the world. Look for patterns in the different types of clues, patterns that seem to illuminate the “why” of consumer behavior. Go beyond obvious patterns, and look for something you've not seen before. What is surprising? Intriguing? Connect clues together and articulate what it could mean about customer motivation and behavior—what is your hunch? Where are your hunches leading you?
Search and Connect Insights	What is the problem?	Develop the key elements to form insights	Now take it one step further and look to see how these hunches maybe connected, and what else can be explored as you learn more about what they represent. Apply different techniques to randomize your approach, create different mashups, and see what these collisions may represent. Look at the hunches and group several of them together that seem to be related. What are they trying to tell you about customer needs, wants, beliefs? What is the parent thought that links these hunches together?
Evaluate Opportunities	Why is this a problem?	Refine into key insights for the business	You are almost at the final stage. This is where you unlock the secret of customer motivation and solve the mystery. Synthesize and vet your hunches into penetrating concepts that look at the world with a fresh new perspective. Don't hold back, as this is the ah-ha moment, and it will require rigor, debate, and courage to turn it into reality. Crystallize these final insights and hold on to them, as you will need them as you embark on your innovation journey. Why do these insights demonstrate a real problem, and what is the opportunity you should be seizing?
Evaluate Results	Who has this problem?	Discover and compare possible futures	Now take these possible futures and evaluate them against each other. Consider different scenarios based on a range of criteria being more or less important, including likelihood, business potential, actionability, and systemic impact. Congratulations—now you have a genuine problem in your hands that can lead to a breakthrough innovation opportunity, and that you need to solve. Time to describe this grand challenge, turn to your innovation ecosystem to select the right contributors, and start innovating. Who is plagued by this problem, and what possible future impacts they will experience?

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