

ENHANCING
YOUR
STRATEGIC
INNOVATION
EFFORTS

STRATEGIC INNOVATION

“...creation of growth strategies,
new product categories, services or
business models
that change the market
and generate significant new value
for consumers, customers and
the organisation.”

Saswati www.innovationandimprovement.com and Palmer and Kaplan www.innovation-point.com.

“Innovation is the *sine qua non* of economic and social progress. It is the predominant source of new or improved products, processes, and methods of marketing and organization that drive the competitiveness of our business sector; generate the income that sustains our standard of living; alter the way we interact with each other and the natural world; and solve (and sometimes create) the technical and social problems we face.”

Council of Canadian Academies, 2013. *Innovation Impacts: Measurement and Assessment* www.scienceadvice.ca

APPLICATIONS

Start-ups and
Early-stage
Companies

Firms Exploring
New Markets

Companies
considering
partnering or
merging

Established
Firms with a
New Idea

Internal Projects
Seeking the Go
Ahead

Due Diligence
for Potential
Investors

THE METHODOLOGY
IS BASED ON

PLANNING
LEADING TO
ACTION

“Written goals provide clarity.
By documenting your dreams,
you must think about the process of achieving them.”

Gary Ryan Blair

ADVANTAGES

Increases the
Probability of
Success

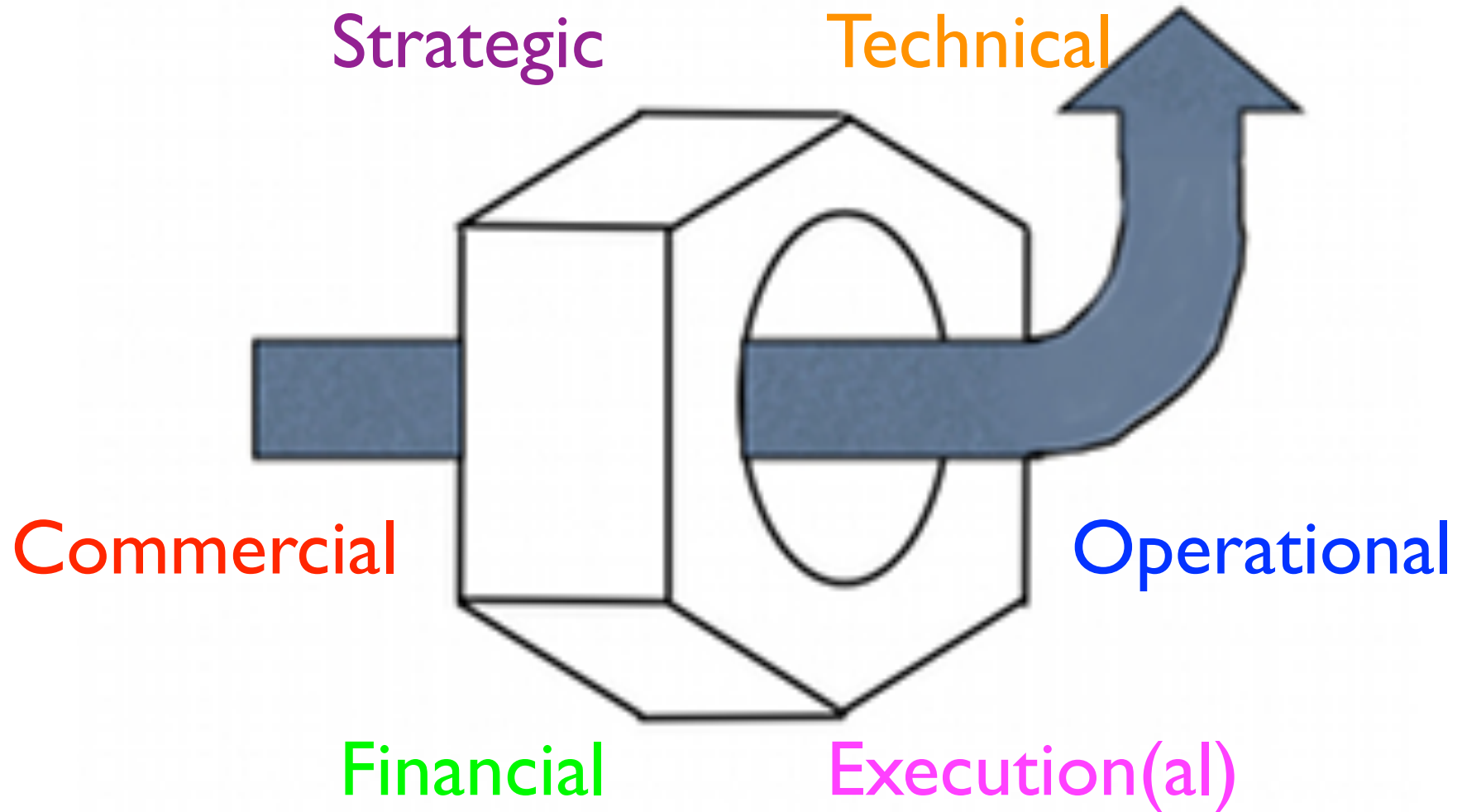
Accelerates the
Implementation

“Strategy without tactics is the slowest route to victory.
Tactics without strategy is the noise before defeat.”
Sun Tzu, The Art of War

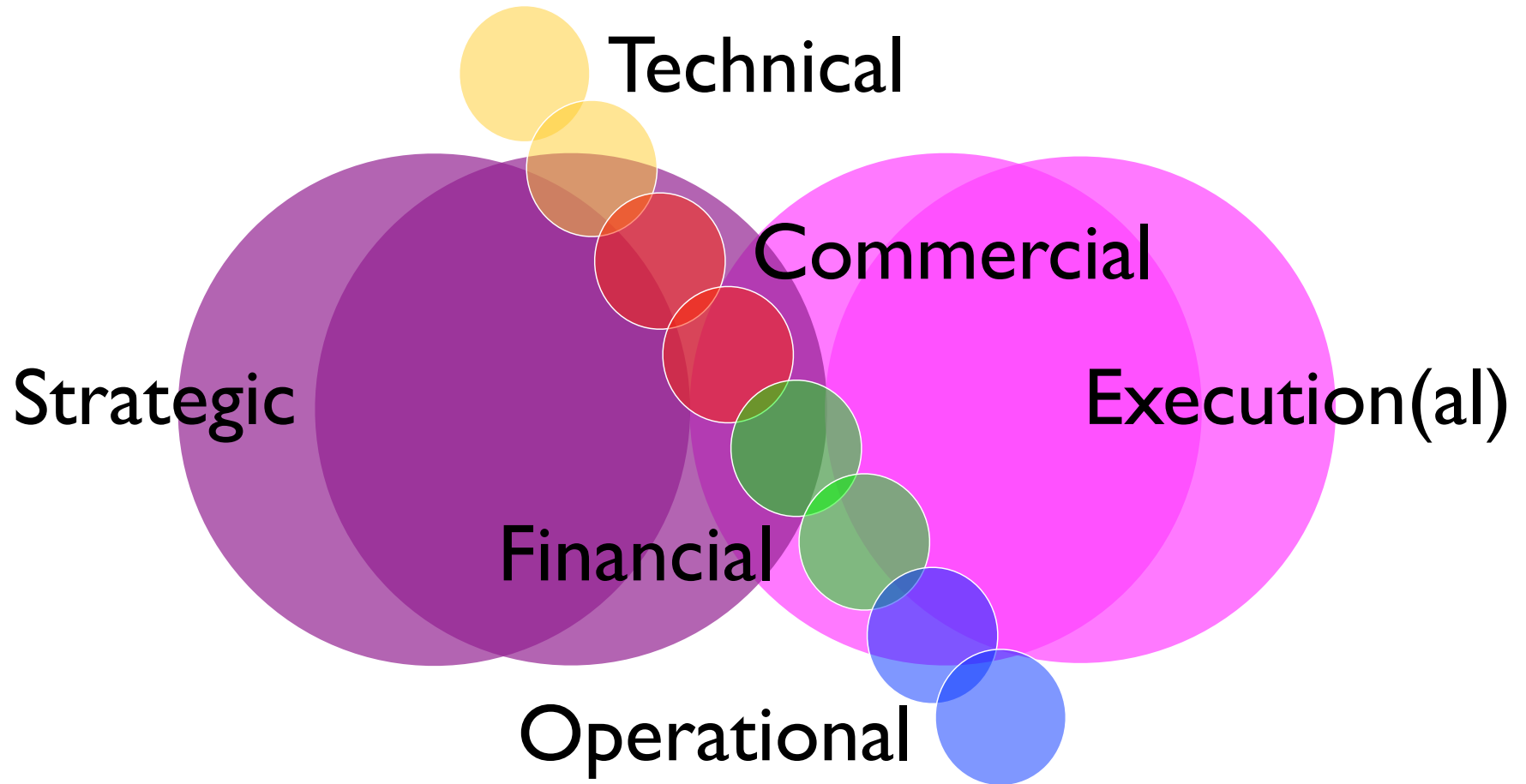
Identify
Additional
Opportunities
and
Improvements

Prepare for
Contingencies
and Minimize
Surprises

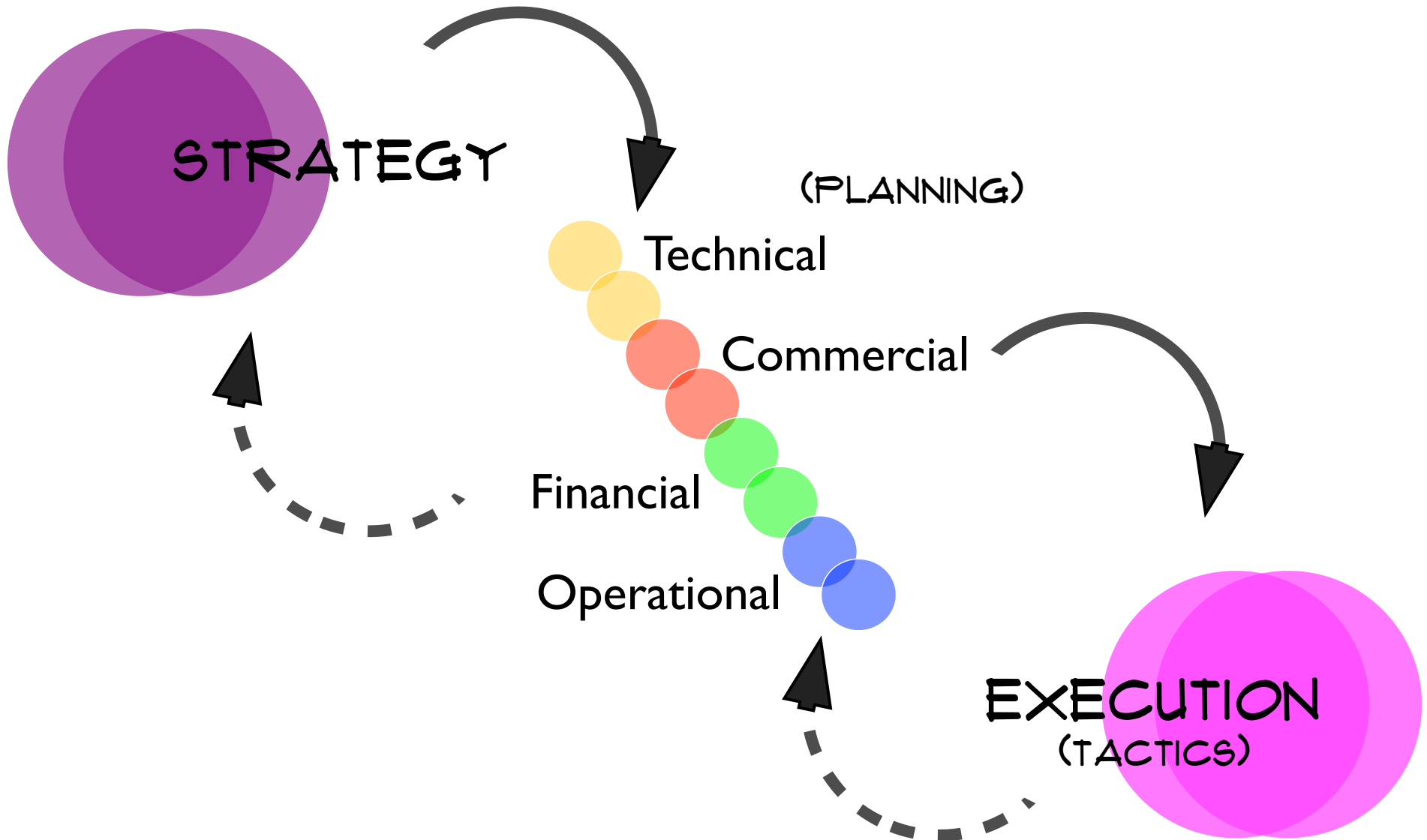
6 CONSIDERATIONS



INTERRELATIONS

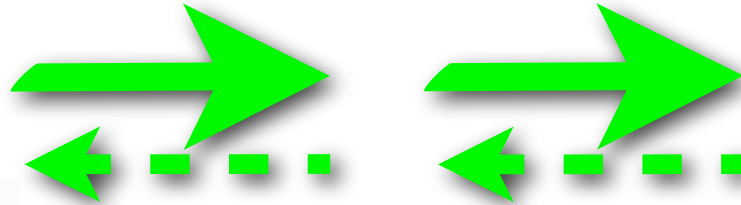


ITERATIONS



FOCI

Effectiveness



Efficiency



25,000 m

80%



12,000 m

80%



4,700 m

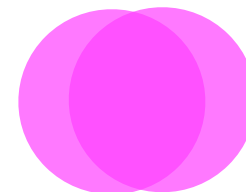
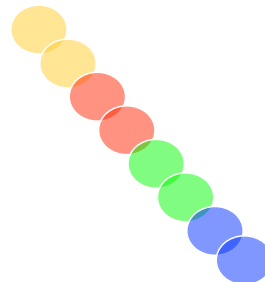
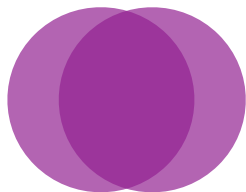
20%

20%

Strategy

Planning

**Tactics/
Execution**



THE PROCESS INVOLVES
THE IDENTIFICATION AND
RESOLUTION OF

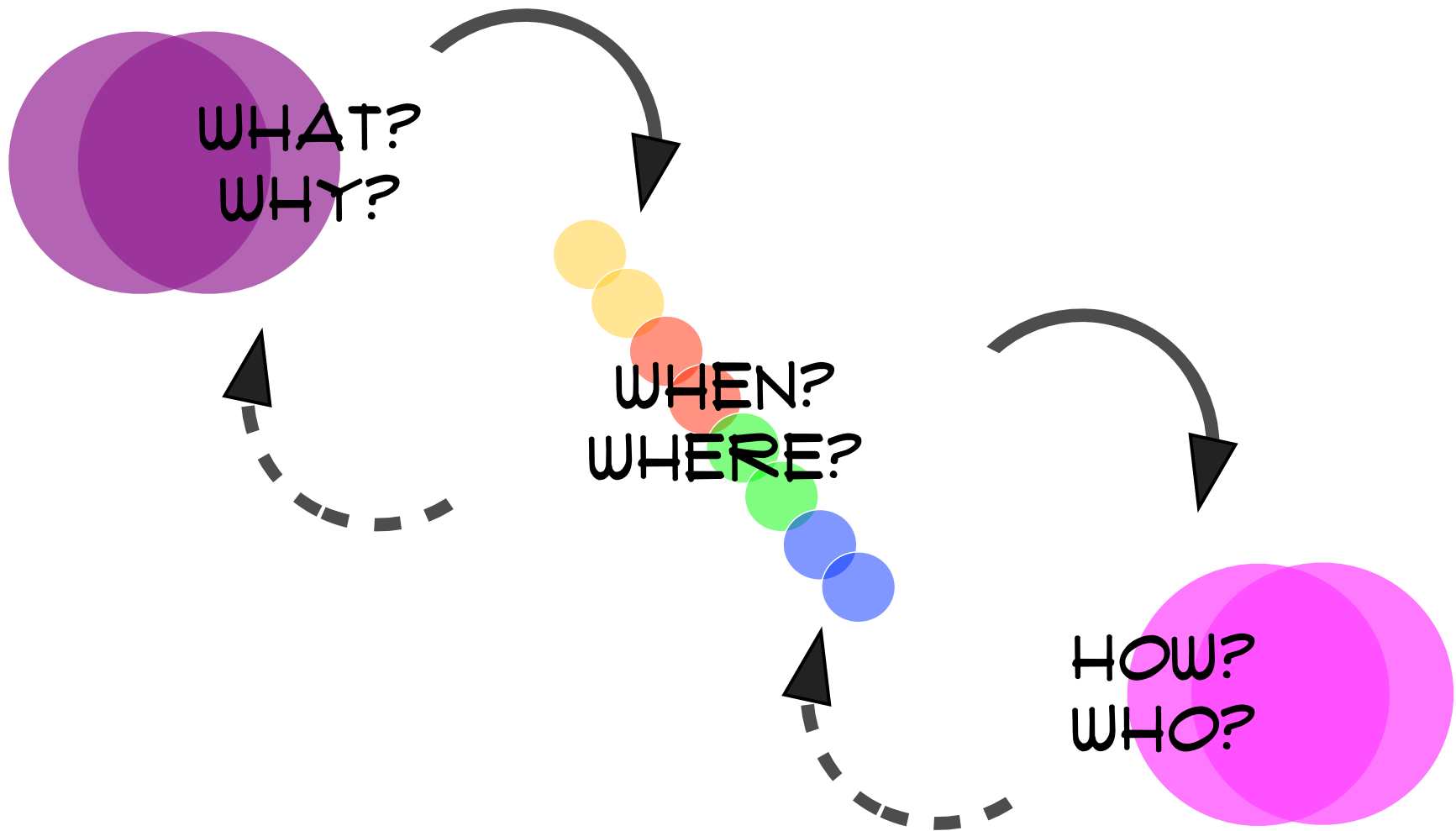
PROBORTUNITIES

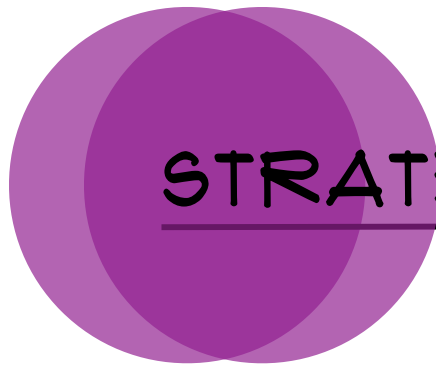
(PROBLEMS AND THEIR
ASSOCIATED OPPORTUNITIES)

AMONG THESE
6 CONSIDERATIONS.

<http://www.encyclo.co.uk/define/Probortunity>

ASKING QUESTIONS AND SEEKING THE ANSWERS IS KEY:





Create Value

STRATEGIC

Capture Value

What is the creative idea?

Is this a potentially disruptive innovation?

What is the customer/ industry pain?

What is the job-to-be-done (outcome-driven innovation)?

What is the underlying magic of the opportunity?

What is the value proposition?

What is the risk/ return profile?

What are the industry drivers?

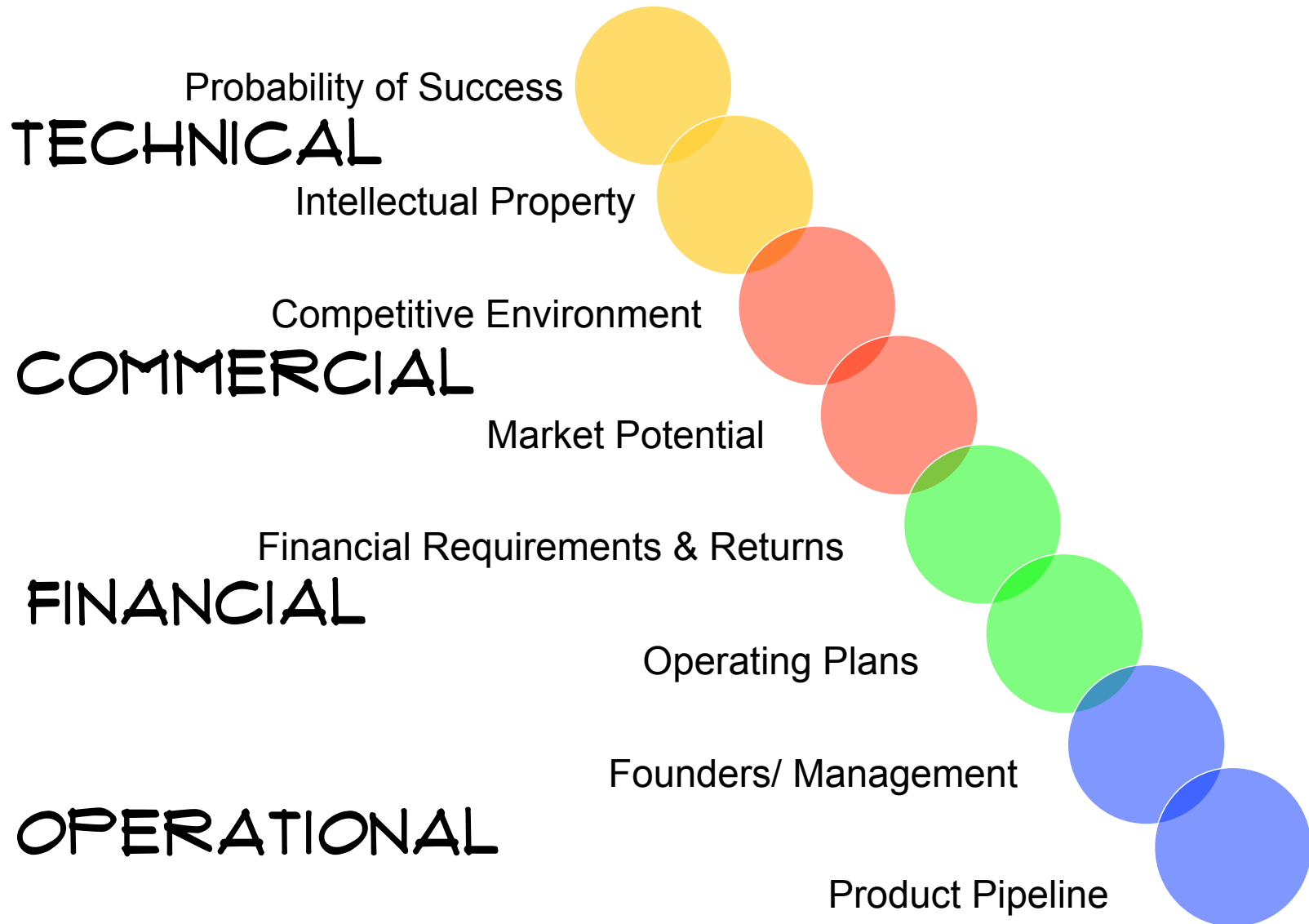
What is the business/ revenue model?

What are the barriers to entry?

What is the sustainable competitive advantage?

What experiments can be undertaken to confirm assumptions?

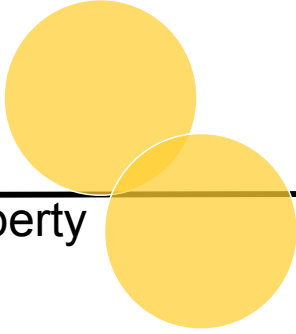
(PLANNING)



Probability of Success

TECHNICAL

Intellectual Property



- What research and development is required?
- What proof(s) of concept have been/ need to be achieved?
- What level of risk remains in the development effort?
- What regulatory hurdles exist?
- What is the time to market?
- Is the offering user-friendly?
- What is the degree of manufacturability?
- Is the innovation easily scaleable?
- Are there critical components/ suppliers?
- Is there valuable know-how or trade secrets?
- Is there formal Intellectual Property (patents, trademarks)?
- Is there Freedom to Operate?

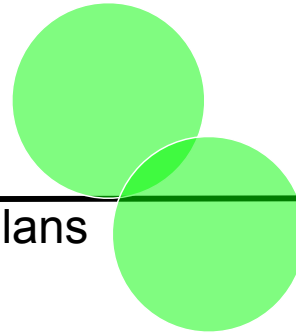
Competitive Environment

COMMERCIAL

Market Potential



- Who are the current/ potential direct competitors?
- Who are possible lateral competitors?
- What are the business models of the competition?
- What are the possible competitive responses?
- What are the socioeconomic trends that may impact sales?
- What is the addressable/ existing/ forecast market size?
- What is the pricing strategy?
- What degree of market penetration is forecast?
- Who are potential sales and marketing partners?
- What are the distribution channels?
- What is the marketing plan (branding, advertising)?
- What are the service requirements?

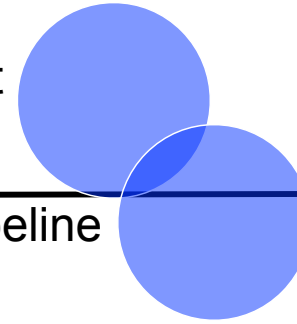


- What are the immediate capital requirements?
- What activities can/ should be outsourced?
- Is the customer also the buyer/ payer?
- What are the forecast revenues, costs, profits and cash flows?
- What are the raw material, WIP and finished inventory costs?
- What are the financing requirements including contingencies?
- What aspects of the financial model are most sensitive?
- What is the expected return on investment (ROI)?
- What is the exit strategy (IPO, trade sale)?
- What is on the critical or near critical path?
- What are the major logistical challenges?
- What are the key performance indicators?

OPERATIONAL

Founders/ Management

Product Pipeline



- How invested are the founders in the opportunity's success?
- Who are the key team members?
- What additional skills and experience are needed?
- How are key personnel attracted, compensated and retained?
- Is there a strong, engaged Board of Directors?
- What additional advisors, experts and mentors are involved?
- How are timely, efficient and effective communications fostered?
- Who are key technical and operational partners?
- What is the estimated useful life of the offering?
- What are the plans for developing and launching improvements?
- What complementary products/ services should be offered?
- What other products/ services are in the pipeline?

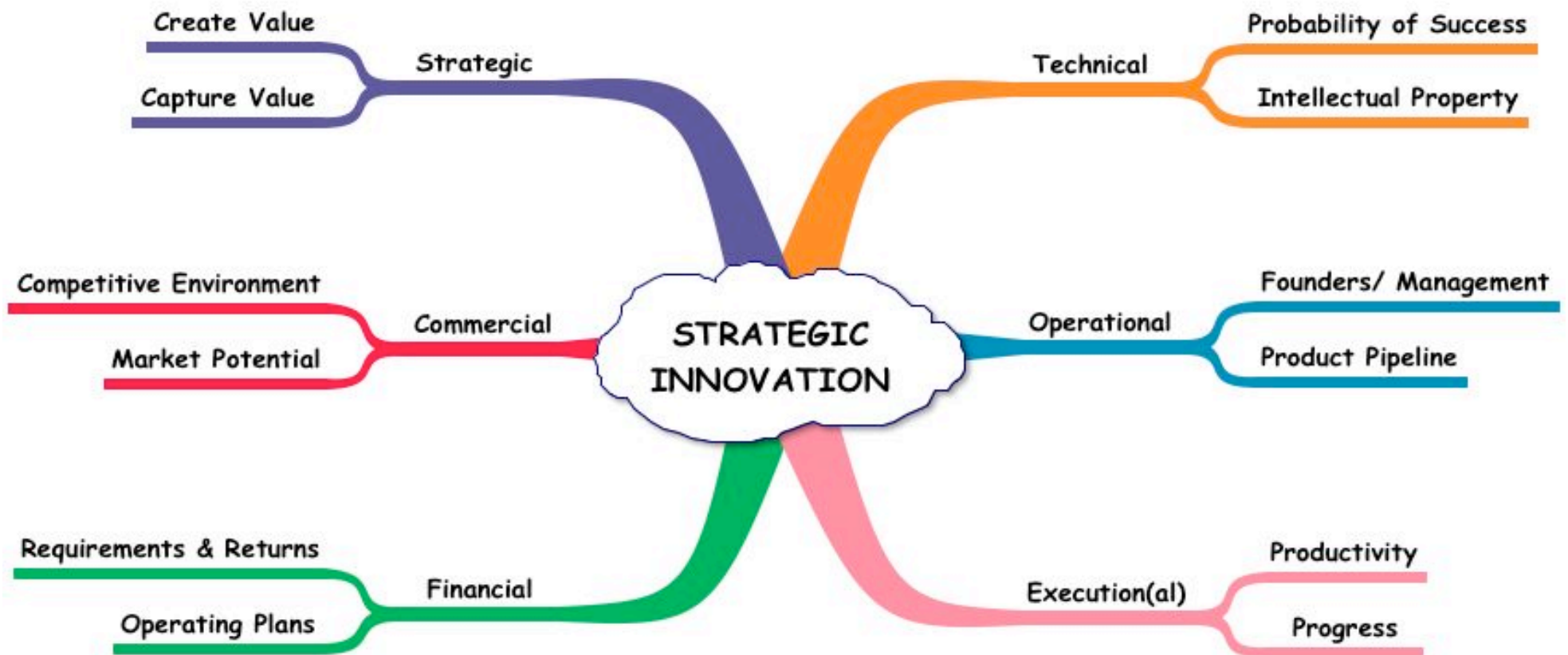
Productivity

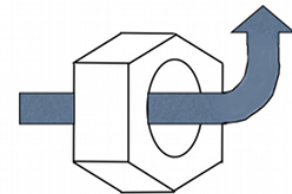
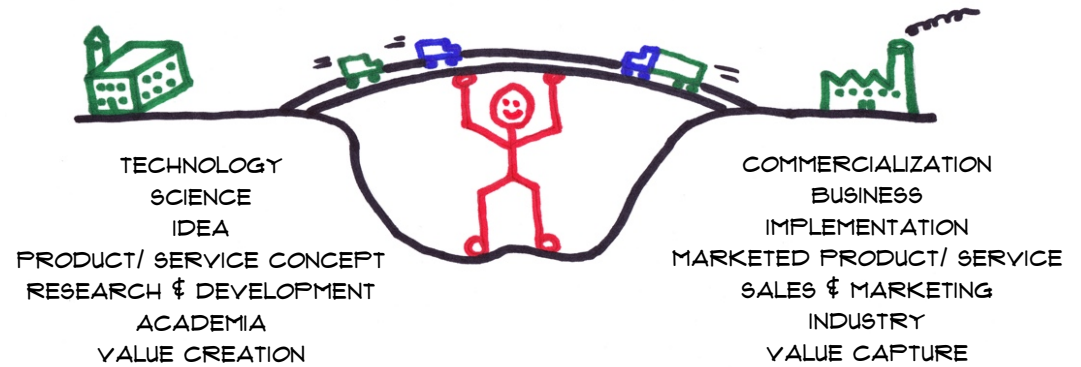
EXECUTION

Progress (TACTICS)



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- What are the (3) current foci/ top priorities/ next steps?
 - How could progress be accelerated?
 - How is the value proposition being tested?
 - What strength or opportunity should be pursued?
 - What weakness or threat needs to be addressed?
 - How are authority and responsibility delegated?
 - Who are the initial target customers and opinion leaders?
 - How are the customers being reached (advertising, direct, trials)?
 - How can the sales cycle be shortened?
 - How is repeat and referral business encouraged?
 - What investments are being made now for the future?
 - How are new probortunities incorporated into the strategy?





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