

# BUSINESS INNOVATION ASSESSMENT FOR SUSTAINABLE GROWTH & PROFITABILITY

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## Report & Recommendations

(Abridged Example)

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**BUILD. INNOVATE. GROW. SUMMIT**

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Assess.Diagnose.Transform.

# BUSINESS INNOVATION ASSESSMENTS

The Business Innovation Assessment helps companies to sharpen their innovation capability, generate and re-innovate their value propositions, and speed up their global go-to-market projects through innovative strategy, business and organizational development. We do this together with our licensed practitioners, all over the globe, and by means of research-based innovation assessments and measurements, based on our global innovation database and research in the innovation area, evidence-based analysis, and recommendations on concrete execution plans for sharpened innovation capability, profit, and growth.

A few of our specialties are:

- Improvements to our client's profit and growth through strategic innovation
- Business model innovation
- Organizational design and implementation of innovation systems driving the changes necessary to making it happen.

The goal of all our assignments is to support our clients to execute and launch projects, products and services with excellence in accordance with the ISO 56000 standards to gain today's horizon (H1) and tomorrow's horizon (H2) as well as the future horizon (H3) gains.

## AS-IS & TO-BE ASSESSMENTS

**AS-IS ASSESSMENT** is conducted to check the current status of the organization across on-going operation, projects and strategic direction of the organization. It also highlights Gaps and Positive Compliance available in the organization.

**PRE-INNOVATIONIQ ASSESSMENT** is conducted to check the readiness of the organization before attempting the formal Innovation IQ Assessment. It provides output of immediate action to close the gaps and sets up the directional framework for Implementation

**INNOVATIONIQ ASSESSMENTS** are the formal quantitative and qualitative assessments conducted to provide ratings of the Innovation IQ of organization (Level 2-5). This is the most formal and rigorous which results in corrective, preventive and transformational recommendations based on Maturity Level and Innovation IQ.

**IMPLEMENTATIONS & PERIODIC RE-ASSESSMENT:** This is putting into practice and support for the recommendations from the InnovationIQ in tandem with recommended periodic assessment.

# BUSINESS ASSESSMENT RATING

ASSESSMENT LEVEL	I2Q INDICATOR DESCRIPTION	BUSINESS PROCESS INDICATOR	PROCESS INDICATOR DESCRIPTION	CERTIFIED LEAD ASSESSOR
<b>InnovationIQ 0–30</b>	Lack of innovation capabilities. No clear strategy, leadership or culture in place for innovation.	Erratic and unstructured	Strategy, tactics, goals, project, changes and operations processes are reactive, poorly controlled and <b>erratic</b> .	<b>Yellow Belt or Basic Accreditation Low I2Q Assessor</b>
<b>InnovationIQ 31–50</b>	Some innovation capabilities in place. Strategy, leadership and culture should be developed further to empower innovation.	Partial & Basic Project Coordination	Only <b>new goals, projects (new initiatives) processes</b> are planned, documented, performed, monitored, and controlled in reactive manner. This does not cover strategy, changes and operational activities which are purely at level 1 (Initial)	<b>Yellow/Green Belt Low/High I2Q Assessor</b>
<b>InnovationIQ 51–70</b>	Strong innovation capabilities in place. Strategy, leadership and culture aligned with their innovation capabilities, but still room for major improvements.	Full Business Process Standardization	Strategy, tactics, goals, project, changes and operations processes are well characterized and understood. Processes, standards, procedures, tools, and structure are fully defined <b>organizational wide</b> and proactive.	<b>Green/Black Belt High I2Q Assessor</b>
<b>InnovationIQ 71–90</b>	Very strong innovation capabilities in place. Strategy, leadership and culture are aligned with their innovation capabilities, and still room for minor improvements.	Quantitative Management	Strategy, tactics, goals, project, changes and operations (processes) are monitored and controlled using statistic ( <b>data-driven</b> ) and <b>performance</b> techniques	<b>Black Belt High I2Q Assessor</b>
<b>InnovationIQ 91–100</b>	Superior innovation capabilities in place. Strategy, leadership and culture highly aligned with their innovation capabilities.	Continuous Improvement	Strategy, tactics, goals, project, changes and operations (processes) performance improved through <b>incremental and innovative technological improvements</b> .	<b>Master Black Belt or Black Belt High I2Q Assessor</b>

# SAMPLE REPORT: TEN FACES OF INNOVATION

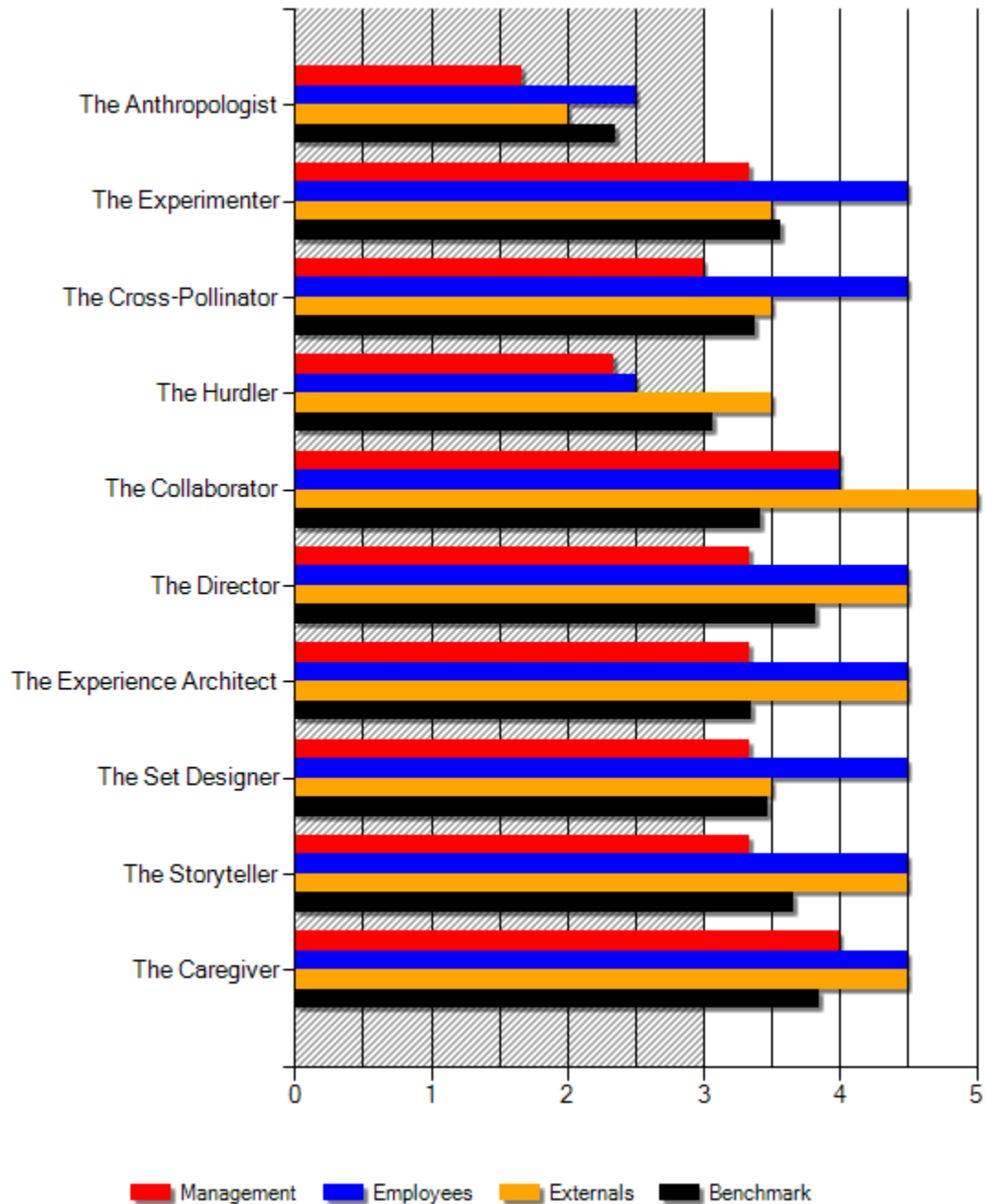


Figure 1: Faces of Innovation (Innovation Personas) - based on the work of T. Kelly and J. Littman (2005)

## LEARNING PERSONAS

The *learning personas* are individuals digging for new sources and knowledge. They are typically very useful in the discovery phase, where you look for new possibilities.

**The anthropologist** is rarely stationary. Rather, this is the person who ventures into the field to observe how people interact with products, services, and experiences in order to come up with new innovations. The anthropologist is extremely good at reframing a problem in a new way and humanizing scientific method to apply it to daily life. Anthropologists share such distinguishing characteristics as the wisdom to observe with a truly open mind, empathy, intuition, the ability to see things that have gone unnoticed, a tendency to keep running lists of innovative concepts worth emulating and problems that need solving, and a habit of seeking inspiration in unusual places.

**The cross-pollinator** draws associations and connections between seemingly unrelated ideas or concepts in order to break new ground. Armed with a wide set of interests, avid curiosity, and an aptitude for learning and teaching, the cross-pollinator brings big ideas in from the outside world to enliven the organization. People in this role can often be identified by their open-mindedness, diligent note-taking, tendency to think in metaphors, and ability to reap inspiration from the constraints persona.

**The experimenter** celebrates the process, not the tools, and tests and retests potential scenarios in order to make ideas tangible. A calculated risk-taker, this person models everything from products to services and proposals in order to reach solutions efficiently. To share the fun of discovery, the experimenter invites others to collaborate, all the while making sure the entire process is saving time and money.

## ORGANIZATIONAL PERSONAS

Organizational personas are the ones structuring, challenging, and orchestrating the work. Typically, these personas are very useful in prototyping and testing, and also in the development phase of innovation.

**The hurdler** is a tireless problem-solver who gets a charge out of tackling things that have never been done before. When confronted with a challenge, the hurdler gracefully sidesteps the obstacle while maintaining a quiet, positive determination. This optimism and perseverance can help upend the status quo with implementable big ideas as well as turning setbacks into the organization's greatest successes—despite doomsday forecasting by shortsighted experts.

**The director** has an acute understanding of the bigger picture and a firm grasp on the pulse of the organization. Consequently, the director is talented at setting the stage, targeting opportunities, bringing out the best in the players, and getting things done. Through empowerment and inspiration, people in this role motivate those around them to take center stage and embrace the unexpected.

**The collaborator** is the rare person who truly values the team over the individual. In the interest of getting things done, the collaborator coaxes people out of their work silos to form multidisciplinary teams. In doing so, the person in this role dissolves traditional boundaries within organizations and creates opportunities for team members to assume new roles. More of a coach than a boss, the collaborator instills teams with the confidence and skills needed to reach the shared objective.

## BUILDING PERSONAS

Building personas are typically the intellectual architects, the storytellers, and the caregivers as well as the ones setting up a proper environment. The building persona is very helpful when it comes to commercialization, making sure that the innovation really takes off internally or externally.

***The experience architect*** is a person who relentlessly focuses on creating remarkable individual experiences. This person facilitates positive encounters with his or her organization through products, services, digital interactions, spaces, or events. Whether an engineer or a sushi chef, the experience architect maps out how to turn something ordinary into something distinctive.

***Set designers*** view every day as a chance to liven up their workspace. These people promote energetic, inspired cultures by creating work environments that celebrate the individual and stimulate creativity. To keep up with shifting needs and foster continuous innovation, the set designer makes adjustments to a physical space to balance private and collaborative work opportunities. In doing so, this person makes space itself one of the organization's most versatile and powerful tools.

***The storyteller*** captures our imagination with compelling narratives of initiative, hard work, and innovation. This person goes beyond oral tradition to work in whatever medium best fits his or her skills and message: video, narrative, animation, or even comic strips. By rooting these stories in authenticity, the storyteller can spark emotion and action, transmit values and objectives, foster collaboration, create heroes, and lead people and organizations into the future.

***The caregiver*** is the foundation of human-powered innovation. Through empathy, caregivers work to understand each individual customer and to create a relationship. Whether a nurse in a hospital, a salesperson in a retail shop, or a teller at an international financial institution, the caregiver guides clients through the process to provide them a comfortable, human-centered experience.

# SAMPLE REPORT: INNOVATION PROCESS

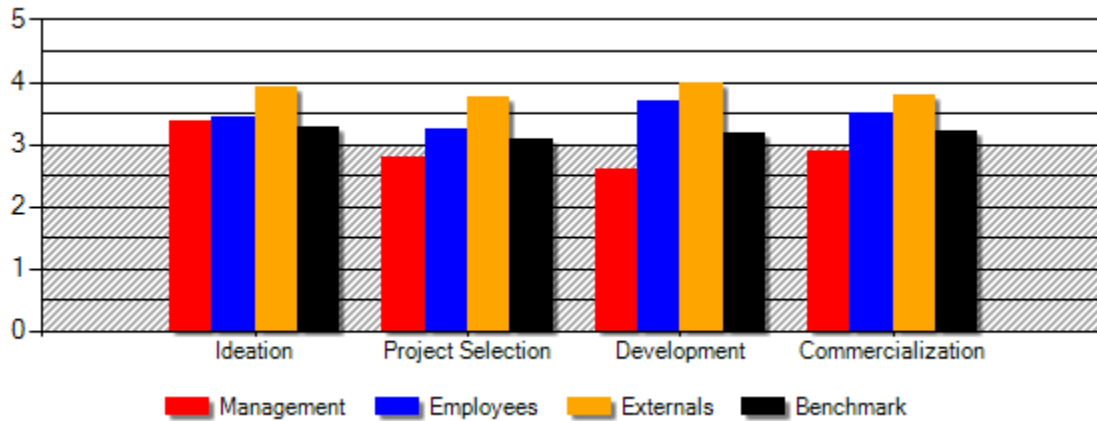


Figure 2: Innovation Process

## IDEATION

The organization needs systematic and working ideation phase (in the innovation process). The organization may engage suppliers and distributors in the ideation process, or bring independent competitive insights from the marketplace as well as driving open innovation, capturing ideas at any point in the process. The organization should have an understanding of emerging technologies and trends, as well as deep consumer and customer insights and analytics.

## PROJECT SELECTION

The organization needs systematic and working project-selection phase (in the innovation process). Strategic decision making and transition plans should be in place. The organization should be doing technical risk assessments, rigorous decision making around portfolio trade-offs, resource requirements planning, and ongoing assessments of market potential.

## DEVELOPMENT

The organization needs to have a systematic and working development phase (in the innovation process). The organization does need to be doing adequate reverse engineering, supplier-partner engagement in development, design for specific goals, product platform management and engagement with customers to prove real-world feasibility.

## COMMERCIALIZATION

The organization does not have a working commercialization phase (in the innovation process). ). The organization does not seem to be doing neither diverse user group management, production ramp-up, regulatory/government relationship management, global enterprise-wide product launch, product lifecycle management nor pilot-user selection/controlled rollouts.

# STRENGTHS AND WEAKNESSES IN RELATION TO EXPLICIT STRATEGY, LEADERSHIP, AND TYPE OF INNOVATION

This section describes, with diagrams, the company’s strengths and weaknesses in relation to explicit strategy, leadership, and type of innovation. This is the result of an advanced correlation analysis of innovation capabilities (which are the most granular analysis objects and what build up the 16 aspects in the Innovation Footprint, a.k.a. the Wheel of Innovation) in relation to explicit strategy, leadership, and type of innovation. It is useful to understand what the correlations are in the most successful combinations in order to out-compete competitors.

Capability name	Description	Score	Benchmark
Innovation Priority	The management to prioritise innovation efforts.		
Idea Diffusion	The organization's structure and/or system support to capture, generate or take advantage of new ideas.		
Idea Generation	The organization systematically looks for new ideas.		
Systematic Service Innovation	The organization is working systematically to innovate new services that will offer competitive advantage on the market.		
Prototyping	The organization have a process in place to evaluate and prototype ideas.		
Cross-Function Collaboration	Collaboration between functions or departments to work well.		

**Table 1: Strengths of capabilities (total of 66) in relation to type of strategy (Incremental or Radical)**

# SAMPLE RECOMMENDATIONS

This section provides 10 recommendations based on the quantitative analysis, each of them named in accordance with a specific element of the Innovation360 Group's Innovation Framework.

**Recommendation #1** referring to potential weakness in 'Need Seeker'

**Recommendation #2** referring to potential weakness in 'External Knowledge Sharing'

**Recommendation #3** referring to potential weakness in 'Social Science'

**Recommendation #4** referring to potential weakness in 'Automated Usage and Experience Analysis'

**Recommendation #5** referring to potential weakness in 'Linkages for development'

**Recommendation #6** referring to potential weakness in 'Patent Exchange'

**Recommendation #7** referring to potential weakness in 'A/B Innovation Testing'

**Recommendation #8** referring to potential weakness in 'Product to Market'

**Recommendation #9** referring to potential weakness in 'Prototyping'

**Recommendation #10** referring to potential weakness in 'Reverse Engineering'

# QUALITATIVE ANALYSIS OF THE COMPANY

To be filled in by the consultant in charge of this assignment.

# STRATEGIC INNOVATIONS

*Strategic moves*, as described by Kim and Mauborgne (2015), are managerial actions and decisions that fundamentally change the business, open new markets, and result in large leaps in demand. Moreover, Kim and Mauborgne (2015) argue that strategic moves offer an organization the possibility of profitable growth instead of the prospect of becoming stuck in the red ocean, as described earlier in this section.

Govindarajan and Trimble (2005) point out that strategic innovations and entrepreneurship are imperative to succeed in a globalized world, where the economic environment is rapidly changing. Moreover, it is within the process of strategic innovations that new potential customers are explored, delivery of value is conceptualized and analyzed, and the end-to-end value chain is explored and redesigned.

Strategic innovations are like experiments, with several key characteristics: they obtain leverage on an organization's existing capabilities but are not linear extensions; they are launched ahead of competitors; they require at least some new capability and knowledge; they are unprofitable during their infancy; and it is initially hard to judge whether they will be successful or not. Strategic innovations are driven as projects and use the existing business as a platform.

# LEADERSHIP AND CULTURE

Culture and leadership are key to innovation management and creativity, especially when it comes to composition of teams and leadership styles. As an interesting example, Rigby, Gruver and Allen (2009) argue that creative fashion businesses are almost always led by a right-brained individual with imagination, in partnership with a left-brained individual with analytical skills. Another possibility of getting the right dynamic is to "assemble small incubation teams to help directors refine their own ideas" (Catmull, 2008). According to Leonard and Straus (1997), the mix of the teams is important, and "if you want an innovative organization, you need to hire, work with, and promote people who make you uncomfortable [...] you need to understand your own preferences so that you can complement your weaknesses and exploit your strengths" (Leonard & Straus, 1997).

According to Kelly and Littman (2005), ten personas are typically needed to drive creativity through an organization. "The Devil's Advocate may never go away, but on a good day, the ten personas can keep him in place" (Kelly & Littman, 2005). The idea is to create a climate and culture that stimulate innovation, from idea to results. One person might provide the team with one or several personas: the important thing is to make sure all profiles are present within an organization to stimulate and support innovation processes.

Kelly and Littman divide the ten personas into three categories: learning personas, organizational personas, and building personas.

# LEADERSHIP AND BREAKTHROUGHS

People, team composition, and leadership are all important components in the process of running creative work. However, the management team needs an additional skill to guide and orchestrate the brainstorming process and ask the right questions, so that their people make actionable breakthroughs when brainstorming.

Generally speaking, people are not very efficient at running unstructured and abstract discussions without clear goals, or slicing data in all kinds of ways. Instead, exploring unexpected success, looking at other trades with similar challenges and boundaries, and examining binding constraints are more effective ways of orchestrating the creative processes (Coyne, Clifford, & Dye, 2007).

Moreover, people need to be motivated and encouraged. As discussed previously, motivation may be both intrinsic and extrinsic. In this context, extrinsic motivation alone is not enough: if not complemented with intrinsic motivation, it can actually destroy creativity, as people can feel controlled or manipulated. Intrinsic motivation is the stronger of the two, because it gives people's work meaning. It can be fostered by assigning appropriate tasks to the most suitable people, giving them freedom, allocating sufficient resources, and encouraging work (Amabile, 1998).

A well-known innovative practitioner, Steve Jobs, has developed seven principles for breakthrough thinking and success:

Principle 1: Do What You Love.

Principle 2: Put a Dent in the Universe.

Principle 3: Kick-Start Your Brain.

Principle 4: Sell Dreams, Not Products.

Principle 5: Say No to 1,000 Things.

Principle 6: Create Insanely Great Experience.

Principle 7: Master the Message.

## CONCLUSIONS

Tovstiga and Birchall (2005) argue that firms use innovation to differentiate themselves based on their capabilities to gain a competitive advantage in the market and that innovation can be seen as being based on either internal factors (capabilities) or external factors (i.e., whether an innovation, based on supply and demand, will succeed or not). From this review of current thinking, we have found that innovations can be incremental or radical, and that they may be divided into so-called horizons. We have also seen that there are several kinds of possible innovation strategies, such as those of need seekers, who look for potential opportunities by applying superior understanding of the market and rapid go-to-markets; market readers, who capitalize on existing trends and their understanding of their markets; and technology drivers, who drive for breakthrough innovations based on new technology (Jaruzelski & Dehoff, 2010).

Several researchers (e.g., Kelly & Littman, 2005; Coyne, Clifford, & Dye, 2007; Penker 2016; Loewe, Williamson, & Wood, 2001) posit that the capitalization of internal capabilities is dependent upon leadership style, capabilities, the personalities of the people, and the culture of the organization. Moreover, Jaruzelski and Dehoff (2010) suggest that each strategy calls upon different capabilities for success.

## CONTACTS