INNOVATION LEADER POINTERS — JUNE 2019



Getting an Innovation Program Started: Advice for the First Year

EXPERT GUIDANCE ON INNOVATION STRATEGY 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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ABOUT POINTERS

Published by Innovation Leader, the Pointers series collects guidance and advice for corporate innovators, written by our strategic partners. Feel free to share these documents inside your organization, or with peers outside it.

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