



Webinar Week Series: Innovation Essential Take-Aways

Recently, Frost & Sullivan hosted a complimentary Webinar Week Series: Innovation, consisting of 30-minute daily webinars with a members-only discussion afterwards. These informative sessions were industry thought leaders who shared strategies and best practices of organizations taking on the very real challenges we currently face. Now more than ever, the ability to adapt to all that has and will continue to change is paramount.

Here are some of the essential take-aways from the presentations:

June 22nd - Powering Innovation with a Process Driven Gut

Richard Sear, *Partner, Senior Vice President and Chief Solutions Officer, Frost & Sullivan*

In parallel with the growth of the digital world, innovation is increasingly seen as a prominent driver of growth in competitive and challenging business environments. In this webinar session, Richard Sear leveraged over twenty-five years of experience in the field to analyze the (sometimes conflicting) results of a recent Frost & Sullivan Innovation Survey Assessment. His goal was to provide participants with insights and mechanisms that included a process-driven innovation approach; one that ensured that innovation would bring value to the organization. Richard shared that he hoped there might be two or three things stated that would inspire or spark an idea with participants, and help them determine where and how to focus innovation efforts at their own companies.

Key take-aways from the survey results and analysis included:

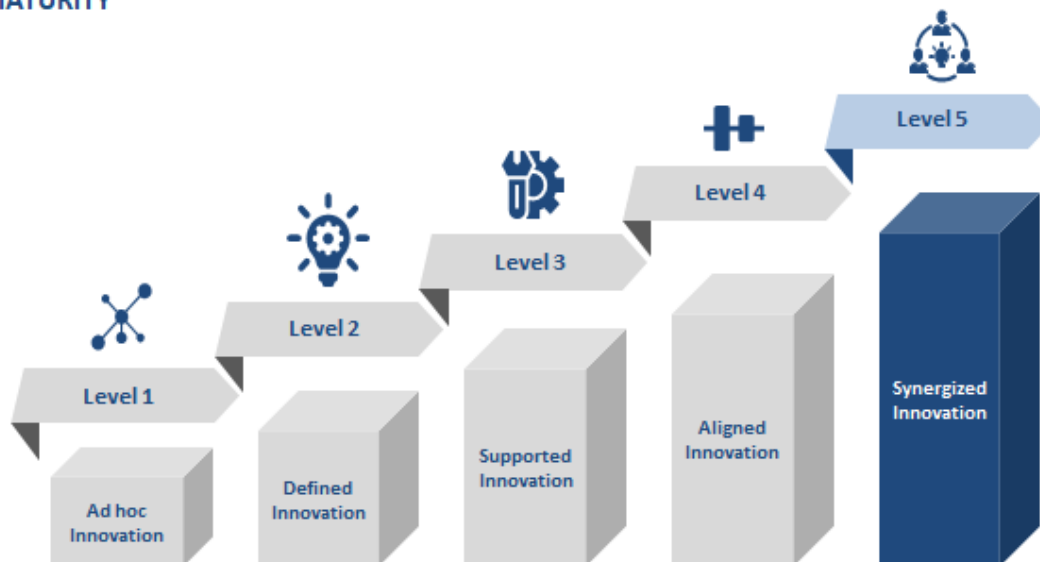
- Although 72% of respondents indicated that their companies' executives are either driving or significantly driving innovation within their industries, most companies are only keeping pace with change (not leading it)
- 72% of respondents suggest that their companies' executives are driving innovation in their industries, while only 47% believe the same of traditional competitors
- When asked, "On which areas of innovation is your company focused?" business model innovation received the least attention from companies across all business models. This finding was troubling to Richard, as business model innovation is usually where the most significant and financially rewarding innovation occurs

Richard stated that he believed a "process-driven gut" is what is truly needed to drive innovation in companies. He underscored the need for a clearly defined innovation process in the enterprise, one that included assessment criteria. As stated, "You should be able to show me

the process and methodology.” The innovation process should include empowerment across the organization and a platform and system for exploring new ideas and opportunities.

The Innovation Continuum and the Technology Innovation Continuum were also briefly discussed. As noted, USAA achieved a maturity level of 4 on the continuum. This was attributed to senior executives being very involved in the process, as well as the encouragement of an innovation mindset across the company, and a centralized system for both accepted and rejected innovation ideas. Not surprisingly, Google has a maturity level of 5 on the innovation continuum. This was attributed to a hands on, dedicated innovation process, strong idea generation mechanisms (including openness to failure) organizational alignment, and CEO support and involvement in innovation overall.

THE TECHNOLOGY INNOVATION CONTINUUM: THERE ARE FIVE LEVELS OF MATURITY



FROST & SULLIVAN

The Growth Pipeline Company

16

When selecting innovation growth opportunities, it's important to engage the entire enterprise to achieve the vision, especially the C-Suite, which is often focused on other things. Stage gates, collaboration and seed funding were key themes for mitigating risks. Finally, in an ideal innovation scenario, there is visionary leadership and agility supported by a framework that allows for change and evolution, and a process that supports this.

Growth Innovation Leadership Council Member Discussion

Rapid prototyping by healthcare organizations in response to COVID-19 is a recent trend, in addition to a drive to get projects and approvals through the pipeline more quickly.

Current initiatives in the innovation mix include remote monitoring, incidence planning, and home based products like connected appliances and security apps.

In the current pandemic environment, there is a need to re-frame the concept of home, i.e. the “home hub” must accommodate work too.

The importance of stage gating to the innovation process was underscored and examined. The pitfalls of stage gating too early in the process was also discussed.

The need for agility in innovation was contrasted with an emphasis on structure and process; a participant pointed out the need to avoid being too process driven early on, and instead to widen the lens to foster creativity and experimentation.

Ultimately, innovators need to bridge the gap between creating a process that enables the latitude and ideation needed for innovation, with one that provides enough focus to consistently deliver return on investment to the C-Suite.

June 23rd - New Customer Problems in a Post Pandemic World: How to Identify Changing Needs and Take Action

Alex Goryachev, *Managing Director/General Manager - Global Co-Innovation Network and Employee Innovation Programs, Cisco*

Hayley Horn, *Data Scientist, Insights & Strategy, Interstate Batteries*

Hardy Simes, *Innovation Product Manager, Office of the Future, HP*

The global pandemic has created significant uncertainty for both consumers of solutions as well as executives. In this session, three innovation experts tackled that uncertainty, answering questions posed by Moderator Richard Sear, Partner, Senior Vice President and Chief Solutions Officer, Frost & Sullivan. Collectively, they examined the need to provide a focus on the areas that will require a “reset” and explored how that reset should be actioned. They also discussed whether end users have changed their requirements, and what to do about it.

How does innovation cope with these dramatically changing times? Responses included:

Innovation is to be present, listen and execute. We are rapidly prototyping and testing new solutions with our customers.

There is a triaging of innovation. We need to maintain the infrastructure and prioritize matters at hand.

Don't get too ahead of the curve or overcorrect...it may change.

It's easier to meet with customers now.

Has there been a fundamental change in consumer responses? Is there a new normal for innovation?

Big change in stakeholders in the enterprise; there are new stakeholders entering conversations now.

It's exceptional to see more stakeholders...harder at first but maybe there will be a better product in the end. The exposure is good for innovation, which was often marginalized in the past.

There are accelerated responses. Per consumers, we are examining what the culture of working from home means to business and technology.

There is more C-level engagement...companies spinning up teams, bringing in executives.

How has the C-level engaged? Looking for quick returns? Or focused on pre-COVID goals?

There are more agile conversations...less hierarchy in meetings. Also, there are more diverse levels of people participating in meetings (horizontal model).

Executive teams are traveling less. They are asking, "What can we do now?" "What needs to change?"

Have C-suite beliefs changed because of COVID-19? Can you comment on the innovation pipeline, i.e. opportunities or clouds in the future?

We are re-prioritizing. The new reality breaks old ways of thinking; innovation will change forever.

You may need to pivot fast, so be prepared to innovate quickly.

Has the pandemic changed talent? Has it changed the innovation environment?

Our focus is now widening to geographically diverse employees and communities.

Now, everyone wants to help with innovation and there is more communication, up and down the organizational ladder.

Distinctions between consumer and the enterprise are changing. The overarching final question: What are we solving for?

Growth Innovation Leadership Council Member Discussion

It takes 30 to 90 days for a new habit to form. We have reached that point with the pandemic and how it has affected work and home behaviors.

As many companies move to a remote work model, it opens up a bigger geographic talent pool with no relocation costs.

With the new work from home model, it's important to understand workflow issues; how to correctly map them and how to build in agility when needed.

As we increase reliance on data, it's important to balance that with a human touch, too.

Technology can be a double-edged sword; we should be hyper-aware of how we are using it.

When it comes to innovation, there have been incredible examples of small businesses that have pivoted out of necessity.

June 24th - Generating Solutions for Long Term Success and Customer Loyalty

April Bertram, *Business Development Director, IoT, GOJO Industries Inc.*

Michael O'Connor, *Ph.D., Director, Strategy and Project Management, Medtronic*

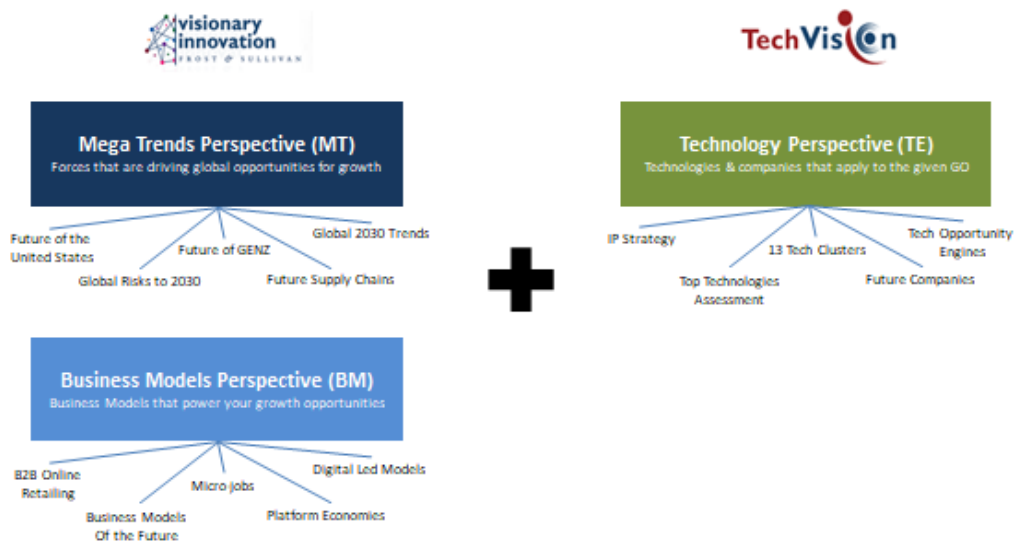
Sharon Parsons, *Associate Director, Product Design/Development, Humana*

Growth is increasingly difficult to achieve and as such, solutions must be generated to be as anti-fragile as possible, leaning on data to assume a position of ongoing assessment. Solution generation must be focused on rapid incubation and testing to tease out optimizations and drive higher customer loyalty.

In this Wednesday webinar, three innovation experts discussed their successes and challenges, including how to align solution generation to success metrics and best practices in incubating solution testing in light of rapidly changing environments.

Moderator Richard Sear opened the webinar by referencing the need for rapid responses during the pandemic and asked the panelists to share a few recent lessons learned. The panelists shared that they had seen an increased need for agile responses, as well as the need to look outside of the organization for help. This included forming partnerships and an increased reliance on a virtual network. The need to align with existing and new partners, including universities, and in some cases even competitors, was echoed by all. Following up on the replies, Sear asked, “Has the meaning of the word “agile” evolved during COVID-19?” “Has it helped the innovation function?” The panelists all agreed that the definition of agile had recently evolved and that they had ramped up decision making, and worked fast to move into new markets...perhaps more quickly than they had previously thought possible!

PERSPECTIVES TO DRIVE STRATEGY, PRODUCT & INNOVATION



Examples

Another key take-away: remote working will continue, and companies will need to enable and become comfortable with remote productivity. One challenge will be maintaining a company culture virtually. To do so, supporting technologies like video will need to be top notch. A 3.0 hybrid of virtual and in office working was also discussed. This will be a new, innovative model, and it was recommended that metrics be a part of the plan.

The challenge of balancing existing corporate goals with new, pandemic related customer demands was also addressed. One panelist stated that they were definitely dealing with new requests, but were also trying to stay true to previous strategies and pre-existing long term projects. Another shared that they were impressed with the leadership and evolving strategies in their organization during this trying time. Yet another added that they had seen amazing support for the company's customers and employees too. This included acquiring masks for all employees, waiving virtual telehealth copays and even delivering meals to those in need.

Technology innovation was also covered, including the use of real-time data to help doctors and blue tooth technologies being implemented to take temperature and blood pressure. There will definitely be more virtual experience innovation that includes technological disruption. These initiatives are being accelerated. As noted, data will continue to become more critical as it leads to more informed decisions. Applications might include real-time location services that can assess building occupancy to support crowd control and cleaning protocols with the end goals of safety and health; positive and long-term solutions.

Growth Innovation Leadership Council Member Discussion

Achieving a balance between incremental innovation (i.e., as a response to pandemic) and game-changing innovation was discussed. Several of the panelists cautioned against over-focusing on the short term. They recommended iterating as necessary and then shifting to a big-picture innovation strategy.

Instilling innovation at all levels and evaluating funding as you go was suggested.

COVID-19 has ramped up new markets. Sourcing for them typically includes business development groups, partners and internal programs, often with different operating and funding models.

It some ways, the pandemic has simplified the innovation game as leaders have been empowered to "just go for it" (without going overboard) and see what works; they are not as constrained by a lengthy and/or rigorous process right now. This new working model has led to some surprising successes.

Data analytics is and should be a key driver of innovation and structural changes

It has been necessary to get creative and innovative to address supply chain disruption wrought by COVID-19. AI is a tool that can be used to streamline the process and even blunt the impact

The importance of partnerships and looking outside the organization for products and support was an overriding theme of the discussion

June 25th - Agile Research & Development Strategies to Drive Higher Success Rates

Paul Campbell, *Former Chief Innovation Officer, W. L. Gore & Associates*

Evren Eryurek, Ph.D., *Director of Product Management, Google Cloud, Data Analytics, Google*

Jeffrey Worsham, *Global Lead, Technology & Innovation, Northrop Grumman Corporation*

To understand the future of research and development (R&D) is to know the form and function of R&D in the innovation process. This session examined the way R&D must evolve, remain agile, and respond to customer needs as well as innovation efforts.

When the panelists were asked, “How do you see the role of R&D evolving in business transformation?” the first reply was threefold: 1. We need to recognize the impact of digitalization. 2. R&D should conduct active and early exploration of new markets and address company challenges in finding new markets. 3. R&D must identify where to strategically focus, and possibly partner, i.e. universities or start-ups.

Focusing on core strengths and partnering when needed was emphasized. As noted, there is a trend towards specialization. (Versus “jack of all trades”) Asking challenging questions and encouraging internal and external cross-pollination can be helpful...sometimes it's the shackles of internal thinking that thwart innovation.

Empowering teams of all levels was also discussed. The practice of breaking into smaller groups, ideally comprised of those closest to the problem was recommended. This often accompanies an agile mindset and flexible organizational process.

When asked about the challenges of developing and maintaining a structure that supports an agile approach, the panelists stated that agility is often more difficult in large organizations. One participant noted that “forcing” smallness to break down challenges can help.

Creating extensible and configurable micro-solutions that can be pieced together and configured to make new offerings quickly without “reinventing the wheel,” simply adding a “secret sauce” at the end to make a new offering, was also discussed.

One panelist cited the global challenges he faced overseeing a 2000-person team spread over 30 sites in 30 countries and cultures. The enterprise was agile, but there was still a need to adjust the organizational mindset and allow teams to “own” small pieces of the pie, i.e. “sometimes a seven member team can get the job done!” He shared that there was an element of turning challenges into a game, as well as reinforcing connections and shoring up communication.

The discussion then turned to how to systemize team and small group empowerment and continuously engage employees. All agreed that self-organizing teams need a basic status tracking mechanism; one where colleagues and managers can see activities, progress and the status of tasks. As noted, “Don’t police, but give tools, then create a visible dashboard and go over goals.” The concept of aligning incentives with agile initiatives was also discussed. This could be a component of individual and team performance assessment.

Growth Innovation Leadership Council Member Discussion

Agile innovation success (or lack of) was discussed. Specifically, if agile innovation is so important, why are we hearing that the U.S. is losing its innovation edge?

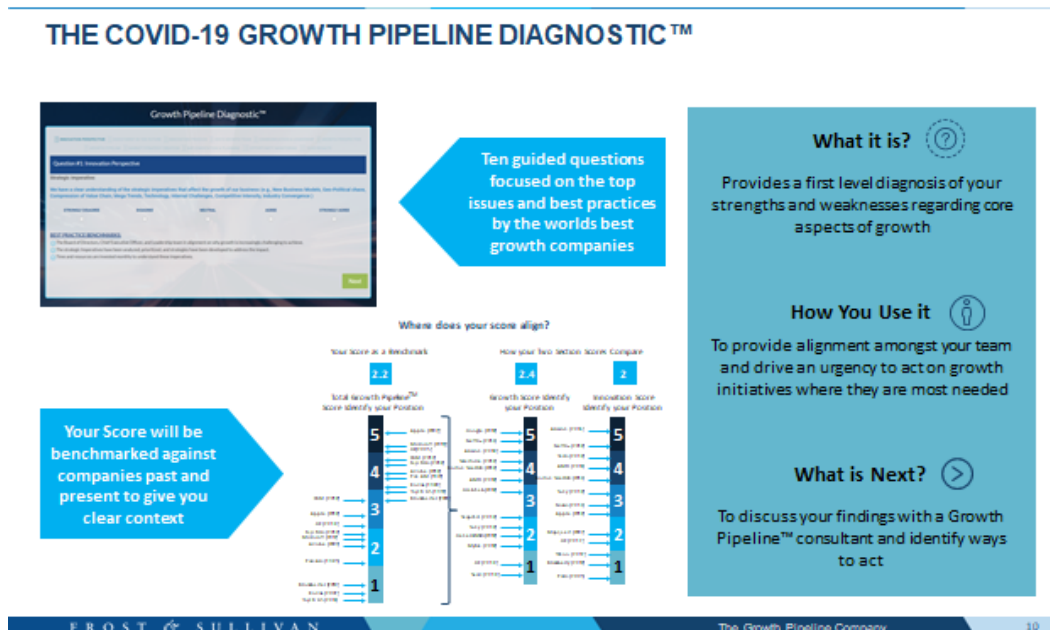
It was suggested that a lack of ideation (innovative ideas) at the core level and few truly innovative, experimental national labs (and R&D) are part of the problem.

Many other countries have cultures that feed an agile approach; and with globalization, the degree of agility and innovation across countries is becoming normalized. We may have led the way, but now the secret is out, and everybody is leveraging these modern philosophies and all associated best practices.

Why has lean startup failed in large companies? One answer was that leadership and culture don’t typically support this approach.

Creating an organizational learning culture in support of innovation was discussed; this would not necessarily rule out friendly competition and could be supported by capacity dashboards and other evolving technology tools.

Ultimately, most believe R&D and innovation success are directly related to organizational culture. Often, progress requires a shift in the organizational mindset.



June 26th - Best Practices for Successful Innovation Implementation

Susan Lucas-Conwell, *Executive Vice President, CSIRO US*

Mohan Nair, *Senior Vice President, Chief Innovation Officer, Cambia Health Solutions*

Beverly Rider, *Senior Vice President & Chief Commercial Officer, Hitachi America*

Written by Susan Lucas-Conwell, Executive Vice President, CSIRO US, and adapted from LinkedIn post

On June 26, 2020, Frost & Sullivan hosted a virtual discussion on Best Practices for Successful Innovation Implementation.” Panelists included Susan Lucas-Conwell, Executive Vice President of CSIRO U.S. and Mohan Nair of Cambia Health. The discussion was moderated by Richard Sear, Senior Vice President of Frost & Sullivan.

Of the many takeaways, the discussion repeatedly stressed the importance of the entire organization embracing the right mindset toward innovation. Without the CEO and C-Suite championing innovation and ‘walking the talk’ success will be elusive. Building the right internal mindset requires defining what success will look like and the KPIs used to measure progress.

Lucas-Conwell stressed that in most companies, innovation groups are often cost centers. Staying aligned to corporate strategy and the long term focus of the organization is critical. Nair stressed that the internal customer is often more important than external customers. Both panelists repeatedly emphasized the importance of culture as an enabler of success.

Not-invented-here (NIH) syndrome is a real barrier to success. Not just the CEO needs to buy-in to the innovation initiative; internal groups ranging from R&D, Engineering, and product development also need to buy-in.

The discussion turned to tools used to manage innovation efforts. CRM systems do not meet the needs and processes of innovation processes. CSIRO US uses StartGrid (<https://corp.startgrid.com/>) to manage contacts, connections, and sources of ideas. Nair shared that tools often come with their own processes, and both should be evaluated for fit. His organization uses idea management software, OKRs / balanced scorecards, @SLACK, and video conferencing. While tools and frameworks are essential, they are just that – tools. The soft skills, internal relationships, and communications are the most important.

A question from the audience on how to build innovation into the core DNA of an organization revealed the absence of any silver bullet. Innovation inherently introduces change, transformation, and disruption to the status quo. Communication, trust-building, transparency, and making sure the innovation team has champions to support them in good and bad times are success factors that should be emphasized.

Lucas-Conwell stressed not to focus on 'counting pennies.' Adopting an overly managed operating focus takes one's eye off the external landscape where small startups will rise to disrupt the market. Always look inside as well as outside.

Growth Innovation Leadership Council Member Discussion

The group discussed ideas and tips to help make innovation a core DNA of the organization. Although most agreed there was no magic formula, it was recommended that senior executives do the following:

1. Define what success looks like and set expectations
2. Understand what innovation initiatives teams are working on and cultivate internal customers
3. Encourage and enable everyone to bring in new ideas and make suggestions. Set up a culture of trust and transparency to support this.

It was noted that when organizations are truly aligned, for innovation they can transform markets.

Alternatively, there are many companies that talk a big innovation game but are not really innovative.

Leaders need to "live the innovation truth" internally in their organizations first...human energy is a top priority.

The recruiting process can be an important factor in innovation, i.e. hiring and empowering the right talent.

Creating KPIs to help stimulate and encourage the out of the box thinking often required for innovation was suggested. Initially, KPIs could be designed to support a habit of innovative thinking and later become outcome-based KPIs.

Patricia Jacoby
Senior Editor, Marketing
Frost & Sullivan