






Executive Brief

Innovating For Long-Term Horizons

Moderated by Richard Sear, Partner & Senior Vice President, Frost & Sullivan

INNOVATION DISCUSSION

Top tools for long-term innovation	Embedding long-term thinking within innovation culture	Balancing both short-term and long-term priorities
		
1: What tools or resources have you used that have worked?	1: What approaches have served you well to ignite longer term thinking?	1: What is the ideal balance for your business & has that changed?
2: How Often do your Refresh Your Toolkits? Why Would you?	2: How do you engage senior executives?	2: Possible recession? How will this effect your innovation strategy?

Abstract

Many companies focus exclusively on short-term and incremental innovation, placing less effort on the long-term horizon (10+ years). Yet, without a strong long-term strategy and aligned innovation goals, companies remain vulnerable to disruption. Solving the ongoing challenge of embedding long-term thinking within the organization's innovation culture ultimately requires a clear, defined processes and strategic adaptability.

Key Take-Aways:

- Consensus on the best tools to use for long-term innovation
- Process insights for embedding long-term thinking within innovation culture
- Perspective on how to balance both short-term and long-term priorities

Richard Sear opened the virtual, members-only event by asking participants: *What single piece of advice has served you well when tackling longer term thinking or strategizing?* Their responses included:

"We should do it more."

"The importance of managing challenges related to executing the plan."

"Setting aside quality time to do it and to focus on long-term thinking. Leverage a 5 year model to align and point in right direction."

"Do it early and often."

"Get your company excited to pivot. Your North Star may change as you go, but you can set an overall direction."

Frost & Sullivan's Innovation Engine Seven Stage Model

Next, Sear shared and discussed Frost & Sullivan's Innovation Engine Model, which outlines a proven process and seven key steps for innovation success as follows:

1. Input: Identification of consumer or customer needs and wants, megatrends, market hypes, behaviors and wishes; prescreening of opportunities in terms of company strategy. Data is critical and stakeholders must be willing to understand what's happening in the market.

2. Insighting: Insight is drawn from consumers and customers, market research studies, observations and interviews with target consumers. Outcomes are mapped according to level of opportunity. Bias is the number one problem here. It's important to bring in new people to challenge assumptions; diversity is a good thing.

3. Problem definition: Good opportunities are converted into a problem or set of problems to be solved. Sometimes this leads to new questions leading to a circular process that goes back to input and insighting phases.

4. Solution generation: This is a process of generating ideas for solutions to the identified problems, using both internal and external resources. Other unrelated ideas, initiatives, or problems may enter the process at this stage. Note: more than one idea or solution is desirable! In many companies, multiple solutions are not generated due to budget constraints and other limiting factors - try to avoid this.

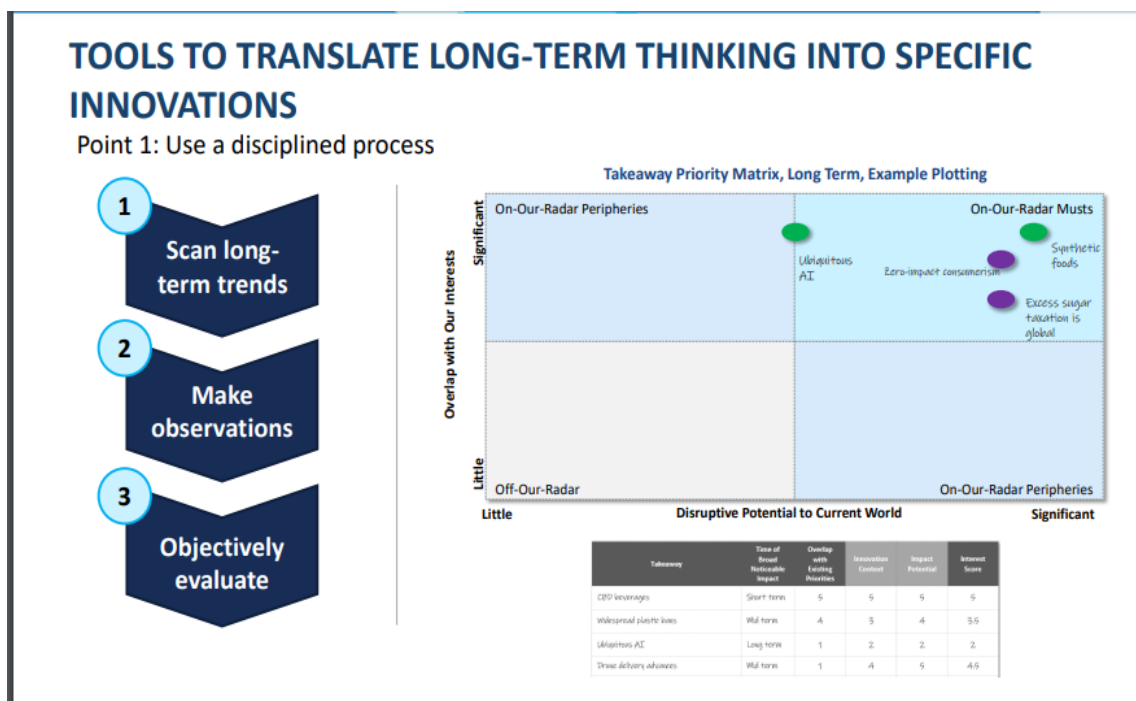
5. Qualification phase: The process to define, evaluate, and prioritize ideas. Here, it's critically important to make sure the right questions are being asked and there is data and info to back up conclusions. *Per Sear, "You can usually chase the failure back to this stage. Money and marketing are needed here."*

6. Research and Development The process to research and develop a proof-of-concept for an ideal industrialization of idea. R&D should be embedded with the innovation process.

7. Implementation: The process to select, identify and secure business for the implementation of the solution and to prepare technology for implementation. This step should be smooth if above steps were done well!

Innovation Tools

Frost & Sullivan believes that enterprises should use a disciplined strategy and innovation process for better outcomes. It’s critical to outline and objectively evaluate ideas. Creativity and the use of innovation tools are encouraged, especially when ideas or solutions are not forthcoming. It can be helpful to start with big ideas and concepts, i.e., going to Mars, and then work backwards to rein in the idea to a point of plausibility or a more realistic product or service. Plotting trends and priorities using tools like the matrix graphic below can also be helpful in translating big picture thinking into more granular goals and plans.



Microsoft Teams was recommended as a good collaboration tool for innovation teams. The Innovation Canvas tool, a multi-dimensional framework designed to help develop products and business models, was also endorsed. Design thinking, with its emphasis on the human perspective, is another time-proven product design tool. Putting a strategy on paper and creating a “living document” can also help stakeholders capture and track innovation ideas.

When Sear asked, *"What tools or resources have you used that worked well?"* a member shared that that he had launched an innovation project in the past few years, but now found it hard to keep the momentum going. He planned to create a playbook and process to help drive the innovation initiative throughout the organization.

Member Discussion Highlights

One Growth Council member shared that they had worked with Frost & Sullivan on ideation and business incubation to aid in their digital innovation journey. They had also partnered with a Silicon Valley company to build an acceleration framework and business cases for initiatives. Another member shared that his organization had meetings twice a year to assess whether their business or the market had changed significantly. They also had a strategy meeting every three years where they leveraged an “outside in” approach that included examining external perspectives to balance possible internal biases.

The potential issue of long term thinking or product development being “ahead of the market” was addressed, i.e., the need for a product or service is identified, but customers are not ready for it. Sear reminded members that before a product or service is launched, success indicators as defined in the qualification phase of the Innovation Model above should be reviewed and met. As stated, “Indicators have to be clear and quantifiable. SEO mentions, commercial indicators and multiple metrics should be clear.”

The challenges of involving senior leadership in innovation development and long-term strategizing were also discussed. Ideally, long-term strategic initiatives originate with the C-Suite, but this is not always the case. When it’s necessary to help get leadership on board, Sear advised members to use data and financial indicators that highlight how initiatives will positively affect the business and cash flow. Strong presentation skills can also help in discussions with senior executives.

The effect of a rocky economy and post-pandemic life on long term strategy and innovation efforts was also discussed. Some members noted that such uncertainty prompted their organizations to focus more on short term planning, defined as two years out. Supply chain challenges make it more difficult to get materials, further complicating planning. Labor and skill shortages must also be factored in. As stated, more laser-like planning and re-framing proposals based on current conditions can help remedy some of these challenges.

As the virtual event came to a close, one member suggested building on current capabilities rather than launching new products or services in today’s volatile environment. Conversely, the case was made for mining the current market for unexpected innovation opportunities...another approach to innovation.