

INNOVATION

The Five Disciplines for Creating What Customers Want

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MAIN IDEA

Innovation is purely and simply the ability to create and then deliver new customer value in the marketplace. The real starting point for innovation is not whether or not you have an interesting or new idea. Instead, the starting point for all successful innovations has always been three key questions:

- Who is your customer?
- What is the customer value you currently provide, and how do you measure that customer value?
- Which innovation best practices can you use to provide more customer value in the future?

In answering these questions, there are five disciplines which will provide the concepts and tools you require:

The Five Disciplines of Innovation	1	Important Needs	Work on actual customer needs, not just what is interesting to you.
	2	Value Creation	Create customer value fast, using great tools.
	3	Innovation Champions	Champion new innovations rather than doing business-as-usual.
	4	Innovation Teams	Harness collective IQ by using multidisciplinary development teams.
	5	Organizational Alignment	Align your team and enterprise to systematically produce innovations.

Failing to adequately address any of these disciplines virtually guarantees your innovation project will not succeed. If, on the other hand, you excel in each of these disciplines, your innovation has a much greater probability of success. The key lies in the way things get done in your business and not just whether or not you consistently come up with interesting or novel new ideas.

“With the emergence of India and China as major economic powers, the ability to innovate is moving to center stage as a survival issue for most companies and a competitiveness issue for most nations. This period is one of the most exciting, opportunity-rich times in history. It is also fraught with disruption and change. The Five Disciplines of Innovation will help you, your teams, your enterprise, and ultimately your nation thrive in this remarkable period. It will give you a strategy and a plan to master innovation and move forward positively in our world of abundance. The ability to innovate can be significantly, if not profoundly, improved in most enterprises.”

– Curtis Carlson and William Wilmot

Innovate or Die – The catchcry of the exponential economy Page 2

The ongoing need to innovate is the most important issue facing companies today. “Business as usual” is increasingly becoming a recipe for disaster. The survival of all companies, large or small, in the global economy is a direct reflection of their ability to bring new and innovative products or services to the market. Unless companies can do this again and again, they just may become obsolete.

Discipline #1 – Important Needs Page 3

Every enterprise has limits on its resources. To create the greatest customer and shareholder value, focus on innovations which meet actual customer needs rather than “interesting” things to do. It’s vital not to get distracted and head off in the wrong direction right from the outset.

Discipline #2 – Value Creation Pages 4 - 5

All new products need a value proposition which details how much additional customer value will be created when compared to existing offerings. Become adept at developing compelling value propositions, and use all available tools for achieving this intelligently and thoughtfully. If your new innovation doesn’t add value better than the competition already do, you’re dead in the water and going nowhere.

Discipline #3 – Innovation Champions Page 5

For any innovation to move forward, there must be someone – a champion – who will identify with the customer and find ways to address all of the funding, bureaucratic, political, human and technical challenges which will be involved in getting something market ready. If an innovation has no champion, it won’t go anywhere.

Discipline #4 – Innovation Teams Pages 6 - 7

Virtually every world-changing innovation has been the result of teamwork. When you bring a group of talented individuals together on an innovation project, the collective intelligence available can be at or near genius level. That alone should signal the proven best way to innovate is always to start by putting together a multidisciplinary development team.

Discipline #5 – Organizational Alignment Pages 7 - 8

Innovation teams must align the goals of the new product or service with the goals of the enterprise. Unless the team, the project and the enterprise are all working towards a shared objective, it will be impossible to overcome all the barriers which will come along. Creating added customer value needs to become the central hub around which all activities turn.

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