



INNOSIGHT
STRATEGY AND INNOVATION AT **HURON**



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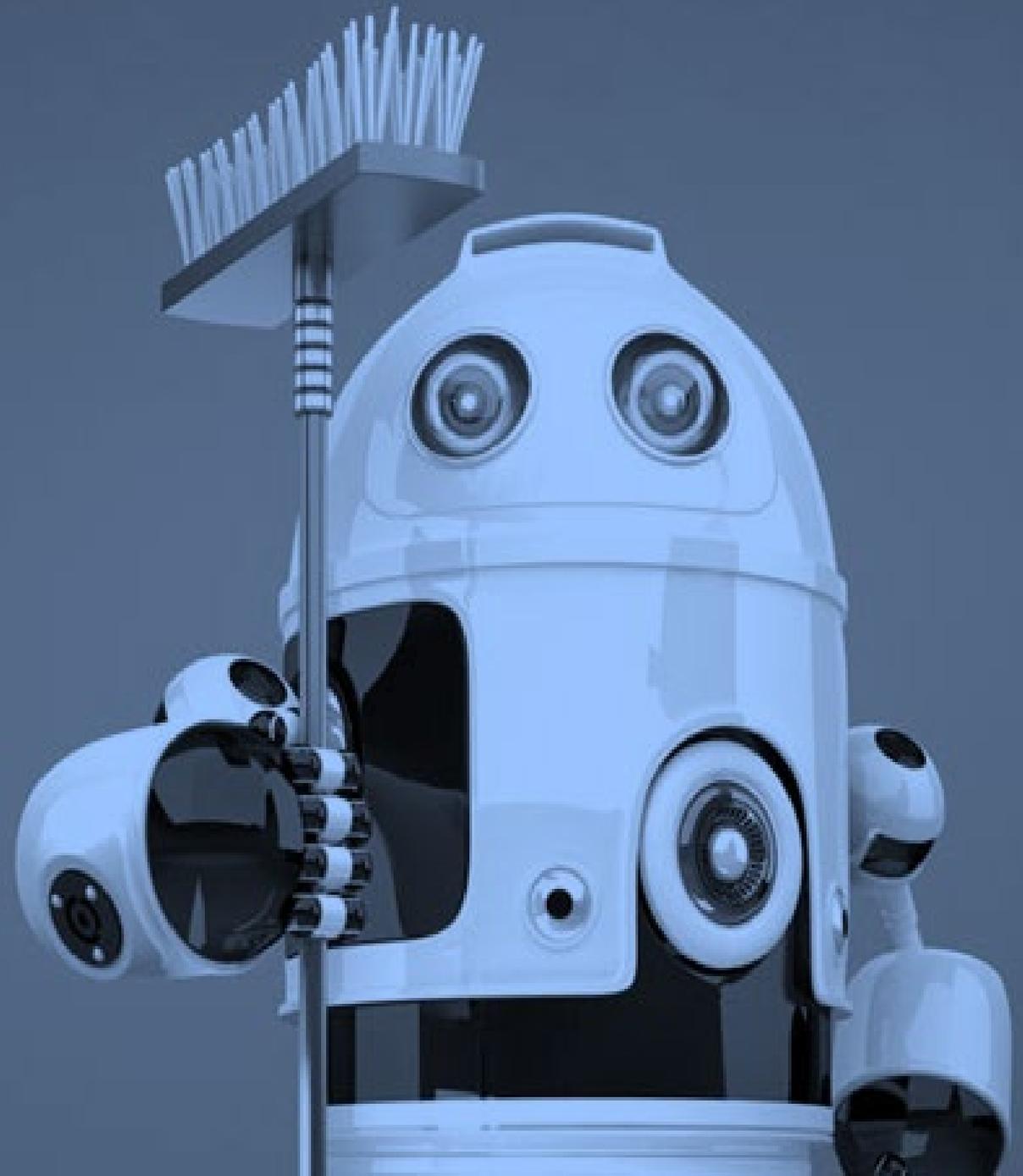
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Unlock the Hidden Value in Your Innovation Pathways



Housekeeping Notes

- The webinar is being recorded
- The link to the recorded webinar and to the presentation slides will be shared
- All participant lines have been muted
- Please submit questions using the **“Q&A”** function that appears in the toolbar; we will try to respond to relevant questions in real time
- When we have **Poll** questions, please make sure to click the “submit” button
- Feel free to comment in the **Chat**, and we will try to monitor that too...





**Every large, successful organization
has a legacy of great innovations...**

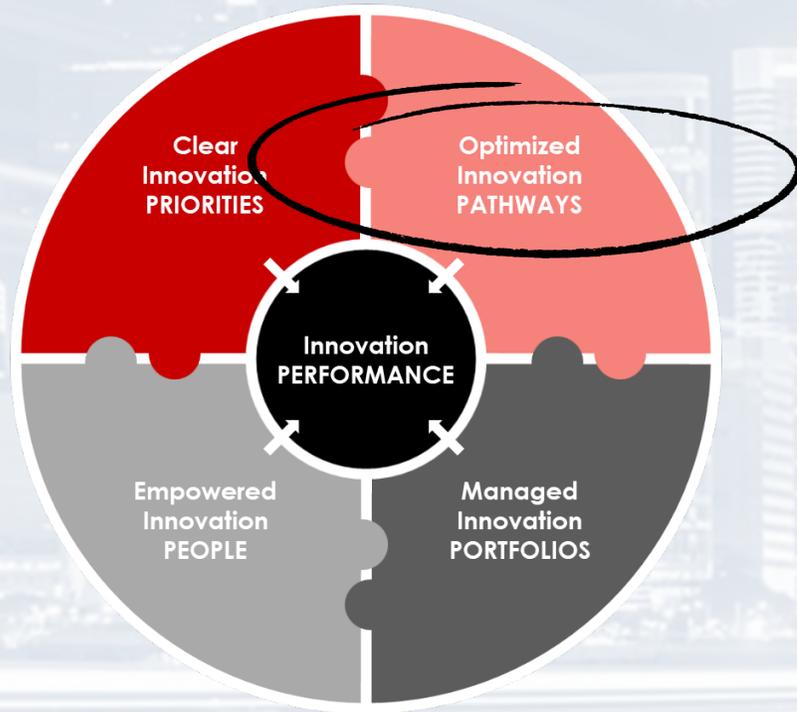


**...but many are unsure how
to replicate this success**



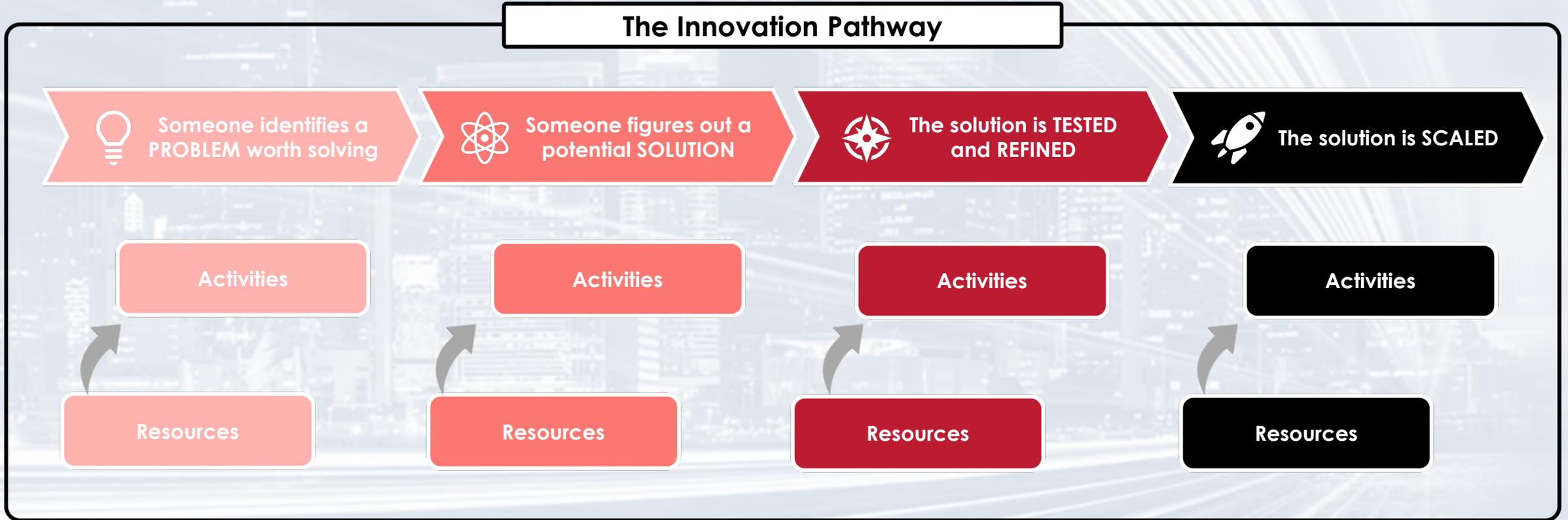
insurance

Solving the Paradox



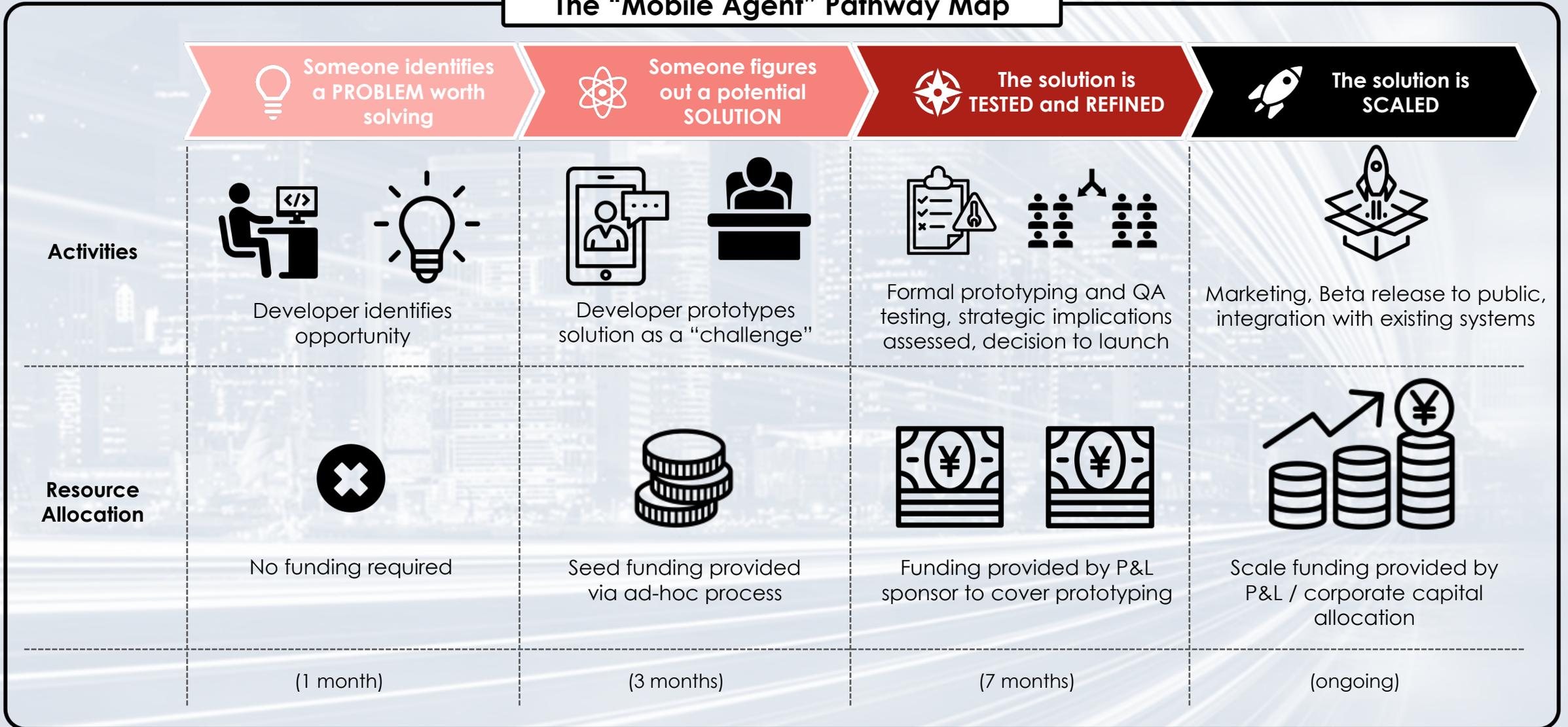
We must understand how innovation *actually* gets done today

Innovation Pathways



Innovation Pathways: The Mobile Agent

The "Mobile Agent" Pathway Map





5 Steps to map your innovation pathways

Step 1: Identify past projects for review

Step 2: Map your innovation pathway

Step 3: Identify your pathway patterns

Step 4: Identify the pathway-specific & systemic issues

Step 5: Design your interventions

Step 1: Identify past projects for review



Consider

- Innovation type
- Project size
- Strategic objective
- Project outcome
- Geography
- Business Unit

Step 2: Map your innovation pathway

The "Mobile Agent" Pathway Map

	 Someone identifies a PROBLEM worth solving	 Someone figures out a potential SOLUTION	 The solution is TESTED and REFINED	 The solution is SCALED
Activities	<ul style="list-style-type: none"> Customer job-to-be-done was identified by Junior Developer Opportunity was assessed as "high value" by developer Buy-in and validation sought through informal conversations with colleagues 	<ul style="list-style-type: none"> Prototype was developed and shared (informally) with friends and colleagues Additional validation sought by sharing with Chairman Chairman elected to sponsor and ensure resources are allocated 	<ul style="list-style-type: none"> Development and testing proceed according to existing New Product Development (NPD) process Market Assessment completed (retroactively) QA testing conducted 	<ul style="list-style-type: none"> Marketing Roadmap development
Resource Allocation	<ul style="list-style-type: none"> No formal resources were perceived to be available or accessible Developer made decision to allocate personal time (nights and weekends) to research & explore the opportunity Primary motivation was the technical challenge 	<ul style="list-style-type: none"> Initially, no formal resources allocated (employee personal time) Post-intervention, \$250k allocated (FTE costs) to cover ~ 3 months development. Temporary team assembled from existing resources within Developer's team 	<ul style="list-style-type: none"> \$2.8M over 7 months Product team grows from 4 to 11 FTEs Resources allocated directly from corporate to the project (vs. funded through the Business Unit P&L), through existing Quarterly Business Review and Global Capital Allocation meetings 	<ul style="list-style-type: none"> >\$5M allocated to support marketing and continued product development Resources allocated as part of existing strategic planning & budgeting cycle
	(1 month)	(3 months)	(7 months)	(ongoing)



Step 3: Identify your pathway patterns



Consider

- When the teams were successful – to what they attribute their success?
- When teams struggled – what barriers did they point to?



The Dark Pathway

Symptom

New products or service frequently struggle to gain traction with customers

Potential Root Causes

- Technology or solution-bias
- Lack of customer-centric process / activities
- Lack of training

The Tollbooth Highway

Symptom

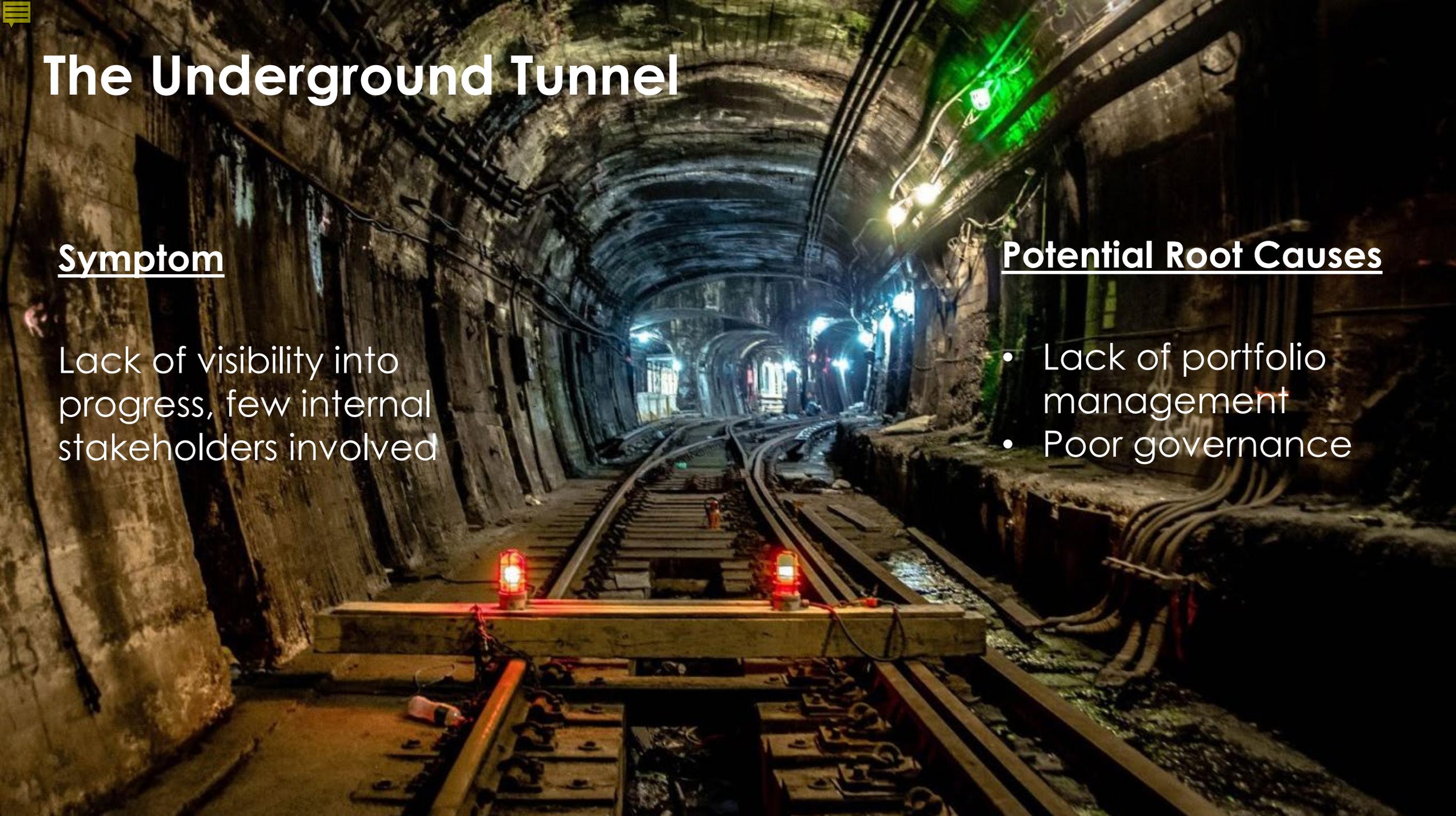
Slow progress and long delays in getting approvals and resources to proceed

Potential Root Causes

- Poor innovation governance
- Core-biased support models



The Underground Tunnel

A photograph of a long, dimly lit underground tunnel. The tunnel has a curved, ribbed ceiling and rough, rocky walls. In the center, there are two sets of tracks running away from the viewer. The floor is cluttered with various pieces of equipment, including wooden beams and metal tracks. Several bright lights are visible, some of which are green, illuminating the tunnel. The overall atmosphere is dark and industrial.

Symptom

Lack of visibility into progress, few internal stakeholders involved

Potential Root Causes

- Lack of portfolio management
- Poor governance

Common (dysfunctional) pathway patterns

Pathway Pattern	Symptoms	Root Cause
1. Dark pathway	New products or service frequently struggle to gain traction with customers	Strong solution-bias and lack of trained leaders allows teams to overfocus on product & testing and neglect building empathy for the customer and their underlying job-to-be-done
2. Silent pathway	The team seems to charge headlong into mistakes that were easily predicted by outsiders	Overconfidence bias combined with the lack of a learning-oriented operating model, and poorly trained leaders allows the team to execute vs. discover
3. Road to nowhere	Projects get shut down the moment they become visible to leadership	Lack of clear innovation priorities and constraints allows projects which are misaligned with strategy, violate implicit "third rails", or pursue opportunities which are just "too small" to proceed when they should be nipped in the bud
4. Tollbooth highway	Slow progress and long delays in getting approvals and resources to proceed	Poor innovation governance and core-biased support models create unnecessary bureaucracy and significant opportunity costs for innovation teams who need to move quickly
5. Paper trail	Slow progress and burdensome meetings and material preparation	Poor innovation governance and poorly trained leaders create an environment where the team spends too much time on "the wrong activities" or those which are unlikely to create value in a discovery-focused pathway
6. Border crossing	Balls get dropped during the transition from one project owner, e.g. an R&D lab to a Business Unit	Insufficient clarity in pathway definitions and ownership combined with a weak link to BU strategy results in a lack of clarity around ownership, objectives and resourcing
7. Underground tunnel	Lack of visibility into progress, project will fail if the sponsor leaves or moves into a new role	Poor governance and a lack of innovation portfolio governance allows individual leaders to hide and fund pet projects

Poll: Which pathway patterns have you experienced?

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Step 4: Identify the pathway-specific & systemic issues

Pathway-specific issues result from problems with the pathway

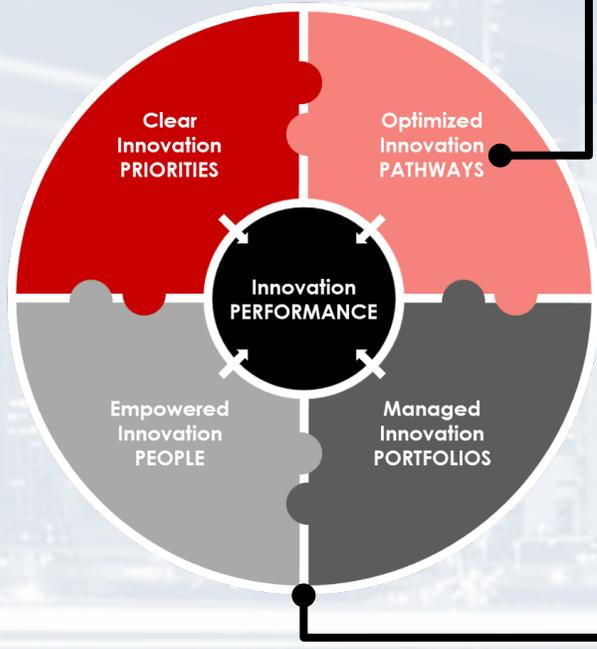
- Lack of customer-centricity built into innovation activities (e.g., Silent pathway)
- Lack of clear process for innovators to follow (e.g., Dark pathway)

Can often be addressed by innovation leaders

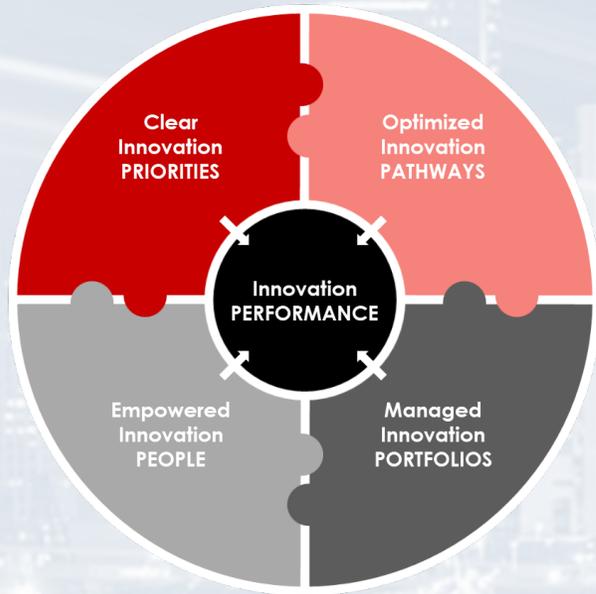
Systemic issues result from problems with how pathways interact with the other system components

- Lack of clear innovation priorities to guide pathways (e.g., Road to nowhere)
- No portfolio management to fund the portfolio (e.g., Zombie pathway)

Requires Executive leadership to address



Step 5: Design your interventions



PERFORMANCE

- Define your ultimate goal?
- Define your success metrics and KPIs

PRIORITIES

- Align on the types of innovation you need to achieve your performance objectives?
- Define where you expect to create value through innovation?
- Agree on how your innovation priorities will advance the long-term strategy

PATHWAYS

- Define the process & activities you will use to advance ideas?
- Define the governance model you will use to make decisions stop/start projects

PORTFOLIOS

- Routinely gather the right data to inform decision-making
- Integrate innovation portfolio discussions into existing leadership operating model

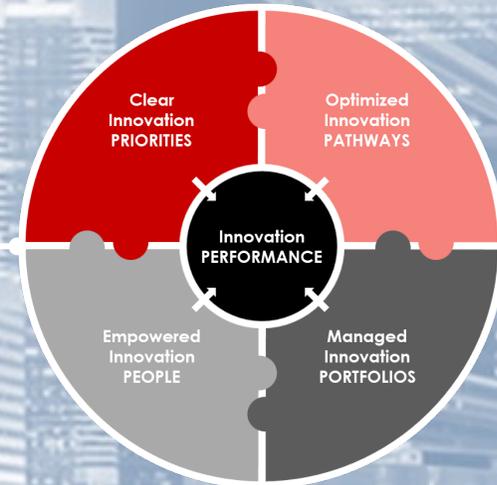
PEOPLE

- Define your desired behaviors, and develop cultural interventions to reinforce behaviors
- Identify the right tools to support your innovators



Strengthen Your Innovation Capabilities to Drive Performance
By David S. Duncan and Alasdair Trotter

BEGIN READING



Define Your Innovation Priorities to Own The Future
By David S. Duncan and Alasdair Trotter

BEGIN READING

Reset Your Innovation Portfolio to Reflect the New Reality
By David S. Duncan, Alasdair Trotter and Bernard Kummerli

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QUESTIONS



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