

Why is **innovation** so hard to get right?

These days any company that wants to survive needs to be able to innovate. Yet, only a few companies consistently create impact on their business through their innovation efforts. Many view innovation as the icing on the cake, rather than the cake itself. At Bax & Company, we believe innovation is a core business function that needs to be managed as such. Your company can't afford to treat it as an add-on.

You may identify with these typical challenges...



Difficult to measure the results



High risk of failure involved



Disconnect with mainstream business units



Focus on harvesting ideas rather than delivering on them



Some innovations just take very long to deliver

*Innovation doesn't just require creativity, but also **discipline**. A structured innovation process is crucial to become better, faster, and more efficient.*

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But don't just take our word for it...

Corporate innovation executives need to develop a set of metrics that demonstrate a return-on-investment to senior leadership and business unit leaders. But they also need to develop the relationships — and at times fight — to have the resources and white space that allow them to incubate high-risk, potentially high-impact projects

- Scott Kirsner in What Big Companies Get Wrong About Innovation Metrics

Just as product designs must evolve to stay competitive, so too must innovation strategies. Like the process of innovation itself, an innovation strategy involves continual experimentation, learning, and adaptation.

- Gary P. Pisano in his article 'You Need an Innovation Strategy' for Harvard Business Review

Innovation is a bottom-up, decentralized, and unpredictable thing, but that doesn't mean it cannot be managed

- Eric Riess in The Lean Startup

Don't get fixated on short-term numbers

- Jeff Bezos in 2005 shareholder annual letter

Some of our own experiences...

When developing a Innovation Machine for a large multinational insurance corporation, we initially spent a lot of time explaining to senior management that they had been running innovation projects for years...without knowing it.

When making an inventory of business growth opportunities for a large semiconductor company active in RF signal amplification chips, all new opportunities were 100 times smaller than their present business. How do you keep top management engaged with such 'small fish'?

Clients and employees feed a good pipeline of incremental innovations, but we really needed to tap into other sources to get more disruptive opportunities in.

Innovation is best managed as a portfolio; just like shares held in privately or publically held companies. As in such company share portfolios, the hardest thing is to know when to get rid of some of your investments. Weeding the garden allows the best plants to grow.

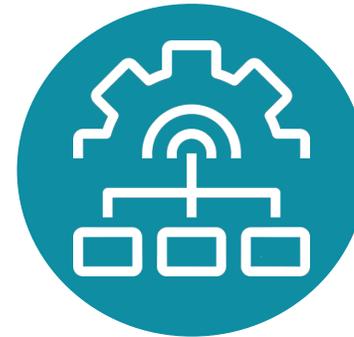
Back to basics

The innovation capability of a company resides in getting three basic things right:

- 1** A **strategy** that allows you to set objectives which can be translated into quantified innovation
- 2** A **well-defined process** that allows you to know where you stand and make timely decisions
- 3** **Team capabilities**, attitude, incentives and culture that provoke and reward innovation contributions made by people and departments inside the company.



Strategy



Process



Team

Although many companies are well aware of these basic building blocks, there are many ways to end up with a sub-optimal innovation system.

The good news is, things can often be substantially improved by just tweaking a few key aspects.

Some things to consider...



Strategy

Making sure that innovation portfolios are fully aligned with what the company wants to achieve

- Translate corporate strategies to innovation needs
- Quantify the Key Performance Indicators you want your innovation outcomes to contribute to



Process

Making sure that you know exactly where you stand, and which decisions must be taken when

- Put a Stage Gate process in place that actually works
- Avoid demotivation by templates and forms
- Build collaborative innovation and ecosystems
- Embed new tools such as Crowdsourcing, Startups
- Shape pilot projects that really enable decision-making



Team

Ensuring your team has the proper skills to harvest ideas and see them through

- Use Customer Journey / Design Thinking tools
- Organise innovation challenges that inspire
- Project architecture and project leadership skills

How **Bax & Company** can help

We have developed a streamlined method of diagnosing your organisation's innovation capabilities with minimal time requirements from your side. The diagnostic method combines peer-reviewed knowledge from academia with specific proprietary practice experience at Bax & Company. It allows us to deliver a fresh, structured and critical assessment of where you stand on innovation today, and how you could get even better at it.

Click one of the buttons below to gain some outside perspective on your present innovation capabilities, and how they can be improved:

I'd like to know more about a quick **independent diagnosis** of my innovation function

I'd like to schedule an exploratory phone call to **discuss innovation at my company with a Bax & Company senior expert**

Download our 10 page white paper on how to build an Innovation Machine [here](#)

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