



INCREASE Modular Training



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Module 1

Innovation across organization

Sub-module 1.1

Introduction to the world of innovation

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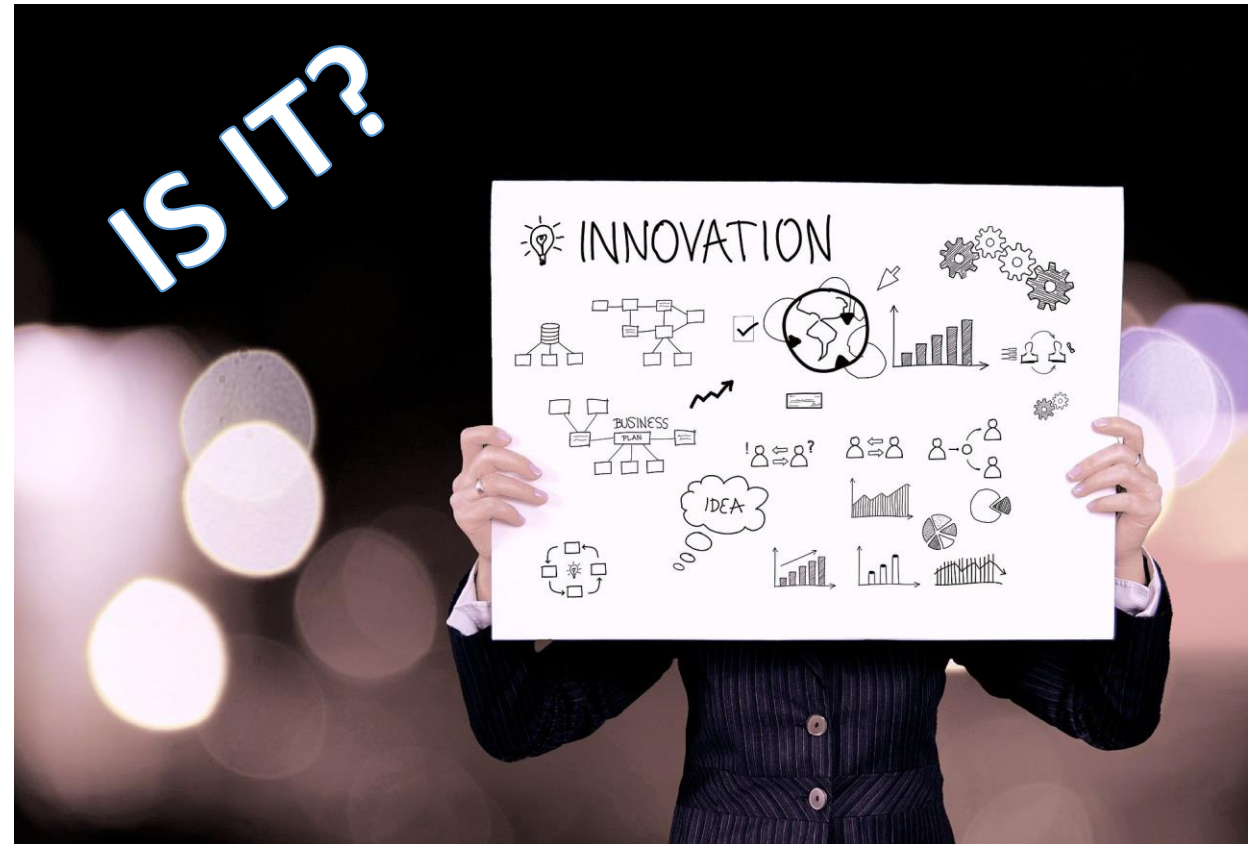


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Is innovation really all around?

Nowadays, almost every organisation claims to work toward innovation. However, innovation often stays just on paper - as a part of strategic statements or slogans.

Why is it so? It is because there is often a lack of understanding what innovation is or of the skills to initiate it. Common misconceptions assume that innovation is a strict domain of high-tech companies, that it is possible just in big firms or that it is just up to research or management staff to deal with innovation.

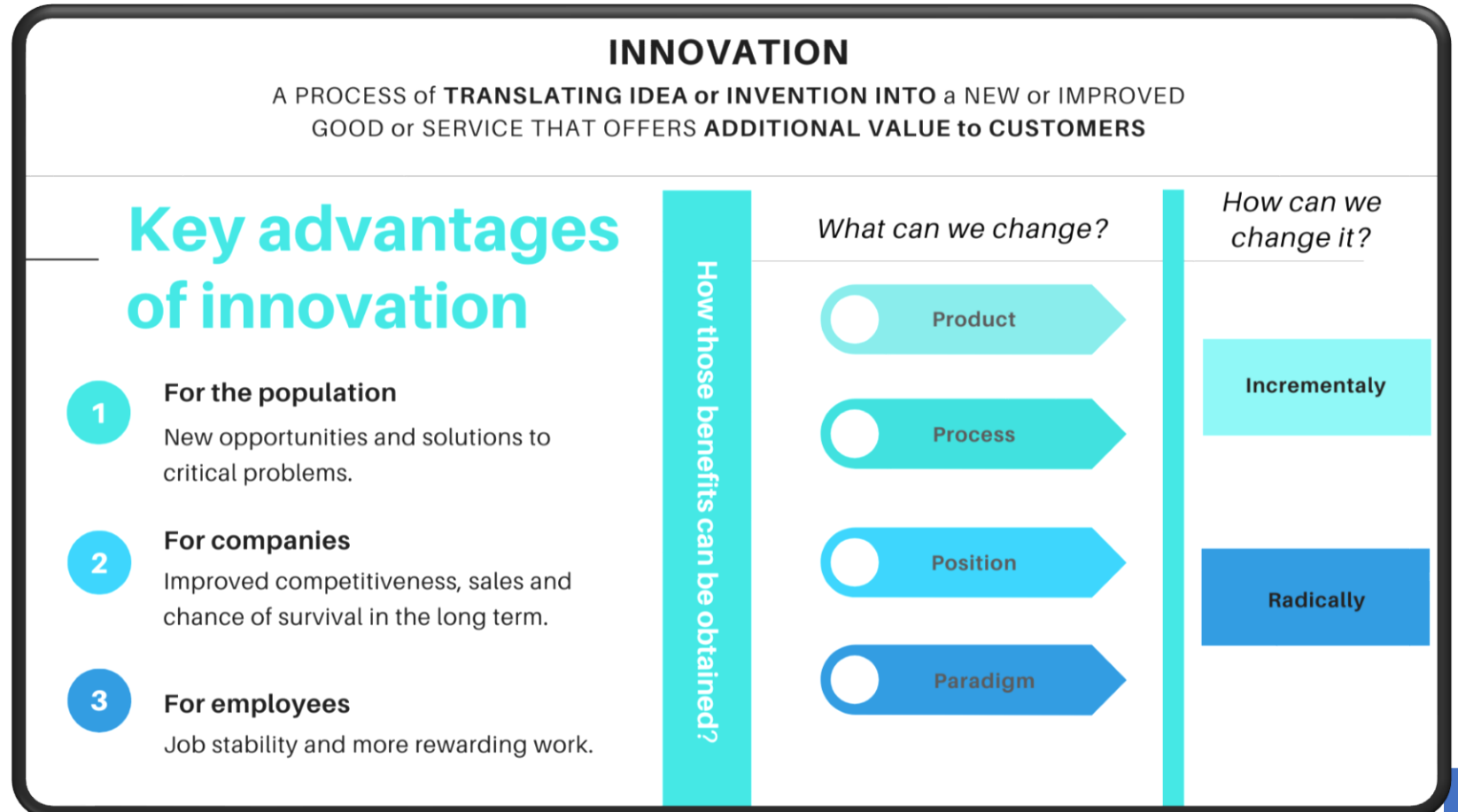




Welcome to the World of Innovation

Meanwhile, innovation is a process that can be initiated with a simple observation or an idea by any of us and can happen in any organisation.

Understanding what innovation is and how you can contribute to it will help you improve your value as an employee or support you in developing innovative ideas on your own. We will start with helping you with better understanding what innovation really is in practice.





What is innovation?

Innovation is often equalized with new technologies.

But, **innovation is not just that!**

Innovation is about **making changes** or **creating something new**, but not just to change things, but **to bring additional value**, i.e. improve quality, provide new functions, lower costs of production leading to lower prices, enable your customers to perform previously impossible actions etc. The greatest idea or invention has no value unless it answers to a need or deliver on a new opportunity. But to do so it **HAS TO BE** also **successfully implemented**.

Key innovations

and their relevance

Printing press:

was a revolutionary invention which implementation allowed common access to knowledge and information.

However, only its application in local languages (rather than earlier used latin) and graphical prints allowed broad distribution of information across the general population.

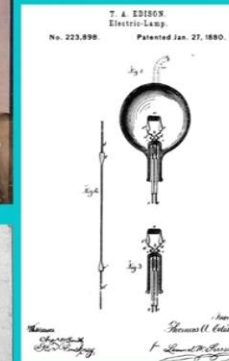


This Room Is Equipped With
Edison Electric Light.
Do not attempt to light with
match. Simply turn key
on wall by the door.
The use of Electricity for lighting is so safe, healthy, and economical that it is the only way to light a room.

Photo by: Frank Schulenburg



Photo by: William J. Hammer



The electric light:

Before Thomas Edison 22 inventors have been considered to develop incandescent lamps. However, only the more integrated lightening system made the solution economically viable.

Only by providing invention with added customer value and its commercial applicability Edison was the one turning the invention of incandescent lamp into innovation.

Banking and cash free travel:

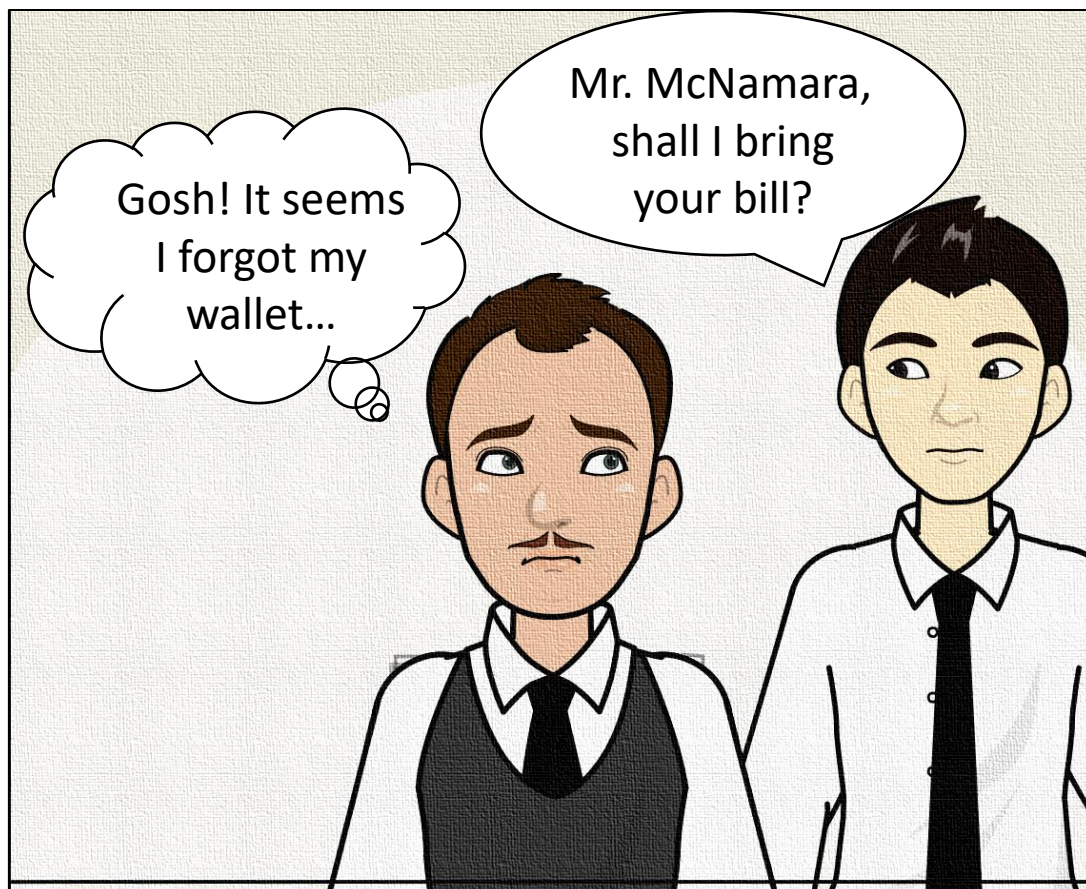
To enable efficient travel for the Holy Land the Templars provided Crusaders the option to deposit money in one place and withdraw it elsewhere. That allowed them to purchase supplies and weapons in the Holy Land rather carrying them from Europe.

Demand notes allowed also to finance purchases within any castle in Europe, providing ability to travel not only faster, but without the usual risk of robbery while travelling.



Product innovation

Product innovation is about **introducing changes to products or introduction of new products.**



1949: Franc McNamara has forgotten his wallet to the dinner at the New York Mayors Cabin Grill, not being able to pay his bill.

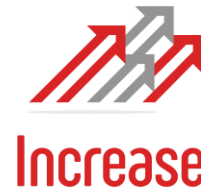
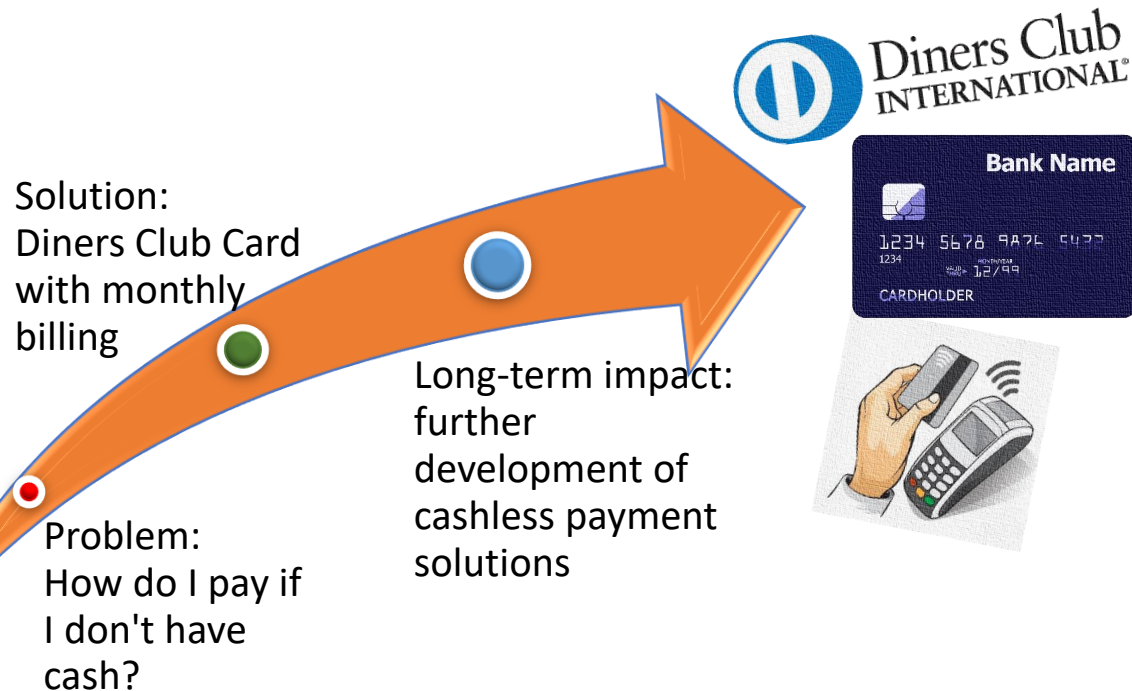




In February 1950 Franc returned to the same restaurant with his business partner.



Franc's solution - the Diners Club charge card, allowed to avoid dependency from cash in dinner settings. Just within 1st year, Diners Club® attracted 10'000 members from New York with 28 restaurants and 2 hotels prepared to accept this card for monthly billing. The simple idea revolutionized not only hospitality industry, but it was a first step toward financial sector innovation - the credit card.



Looking for product innovation

Through product innovation company can offer to the world new or improved things, as well as services.

In practice, product innovation originates from an observation or an idea

i/ how can we improve our product to offer our customers more than they already get from us or from our competition or,

ii/ what the customers need and don't get yet that we could offer them by new or improved product.

Product innovation can be easily spotted all around us and can have different level of impact on our life. Examples of relevant product innovations include i.e. introduction of smartphones or online shopping , but also i.e. a raise of solo travelers offer or glamping within the tourism sector.



Process innovation

Process innovation is yet another common form of innovation.

In process innovation companies **find better ways to create and deliver** their **products and services**. It can take a form of change in manufacturing method or use of better tools.

In practice, process innovation originates from an observation or an idea **how could we do what we do but better – cheaper, faster, with less risk etc.**





Process innovation in practice

Process innovation can take i.e. a form of improvement in logistics, replacement of repetitive activities with automatized process or finding a way that less products will get broken or less risk will be created to the employees' health in the production process.

At the end, you will still offer the same product, but you will be able to do it i.e. cheaper, get more profit or produce bigger quantity. And in this way improve revenues of your company. I.e. use of drones for fertilizing fields did not change the product offered to customers. However, it strongly decreases the need for tiresome work and gives farmers the ability to easily spread fertilizers across i.e. terraced fields making farming more efficient and less work intensive.



Process innovation

But my department has some ideas how to improve the logistics, which could help decrease the costs!

We were also discussing in marketing some possibilities to use some new more effective and cheaper tools.



So, it seems we were actually sitting on many ideas how to cut our costs...let's try to collect them and chose those that will help us to keep competitive prices for our current product!





Position innovation

Moreover, innovation can be also based on your existing product.

Introducing existing product or service into a new context or application is yet another form of innovation. Position innovation usually takes a form of using an existing product in new application or changing target customers for your product.

In practice, position innovation originates from observation or an idea **which different customer group could benefit from our product?** Think for example about adventure camps. While originally such holiday activities have been developed to keep kids busy during summer period, adventure camps for adults are gaining popularity not only as a form to spend exciting holidays with other adventure lovers, but also as company activities for team building.





WRIGLEY'S GUMS - 100+ years of position innovation

THE KEY PRODUCT EVOLVED SLIGHTLY ACROSS THOSE YEARS, BUT WRIGLEY'S SUCCESS HAS BEEN BUILT ON A CONSTANT POSITION INNOVATION AND THE MARKETING EXPERTISE AHEAD OF ITS TIME.



That included numerous shifts in the product position



In 1911 the Wrigley's Spearmint was directed to the general population, becoming America no. 1 chewing gum.

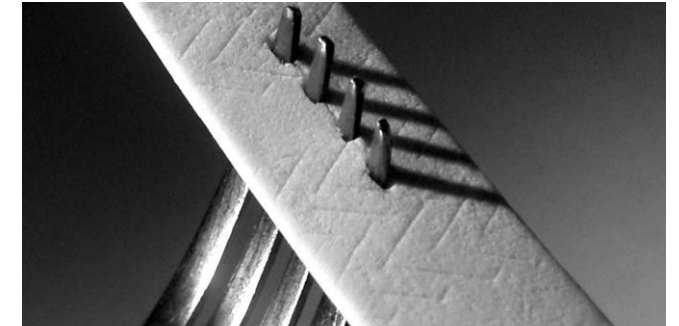
In 1944 the overall Wrigley's production has been devoted to the U.S. Armed Forces overseas and at sea.



After the war, raise of Rock'n'roll teenage rebels make them a perfect market for the company, as the constant jaw motion of the youngsters drove majority of adults nuts.



More recently, Wrigley positioned his product to respond to the dental hygiene concerns of busy adults as a substitute to washing teeth.

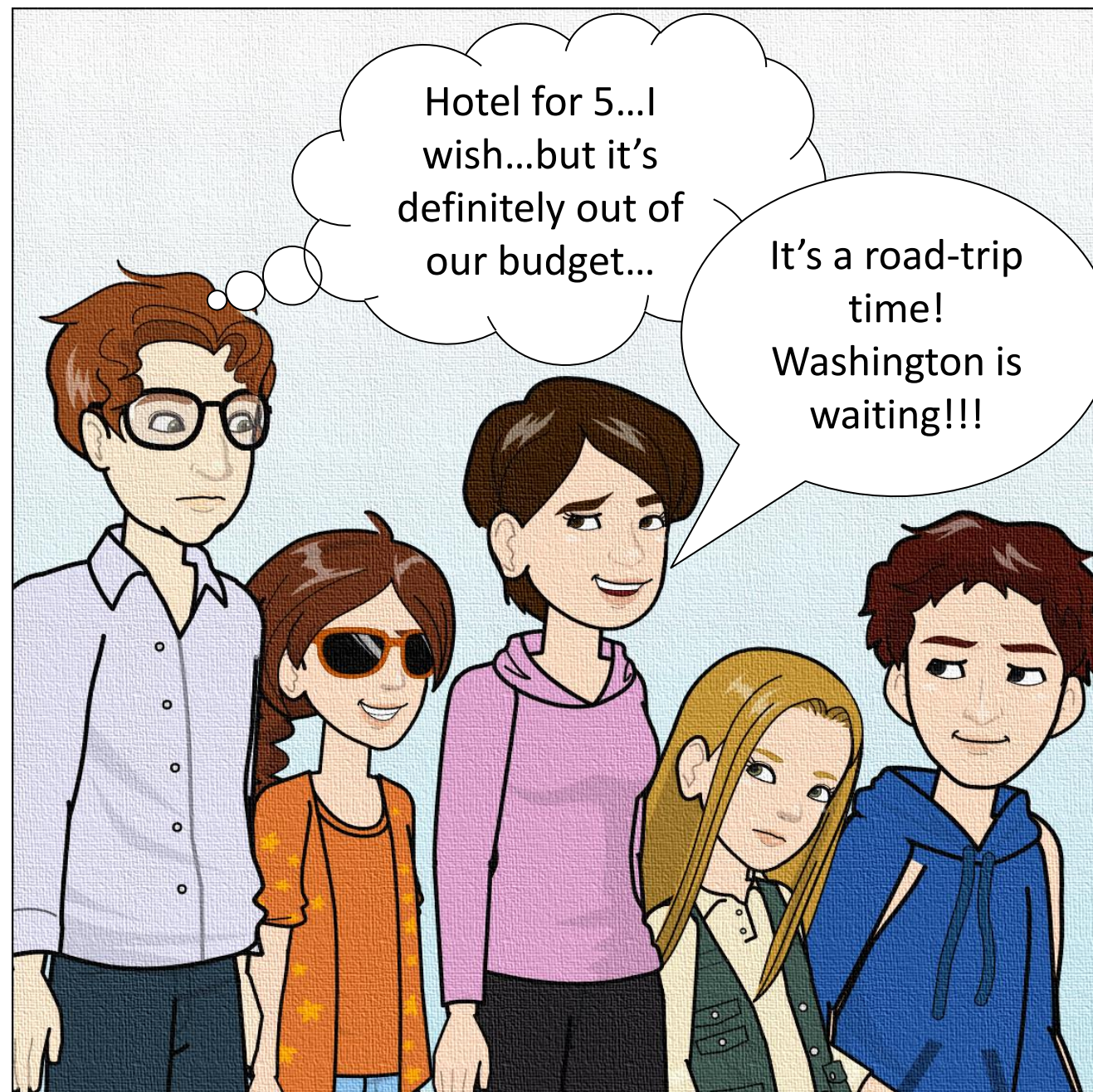


1 PRODUCT – MULTIPLE POSITIONING OPTIONS



Paradigm innovation

We can also innovate just by changing the way we look at something.





I just hope it's
at least a bit
cleaner than
the last one...

Are you sure it is
our motel?

It looks scary...

It was really too much needing to squeeze my family in those sleazy motels along the road this summer...but hotels are not only overpriced, but don't have solutions for big families...why no one made sure that families can travel comfortable on a reasonable budget???



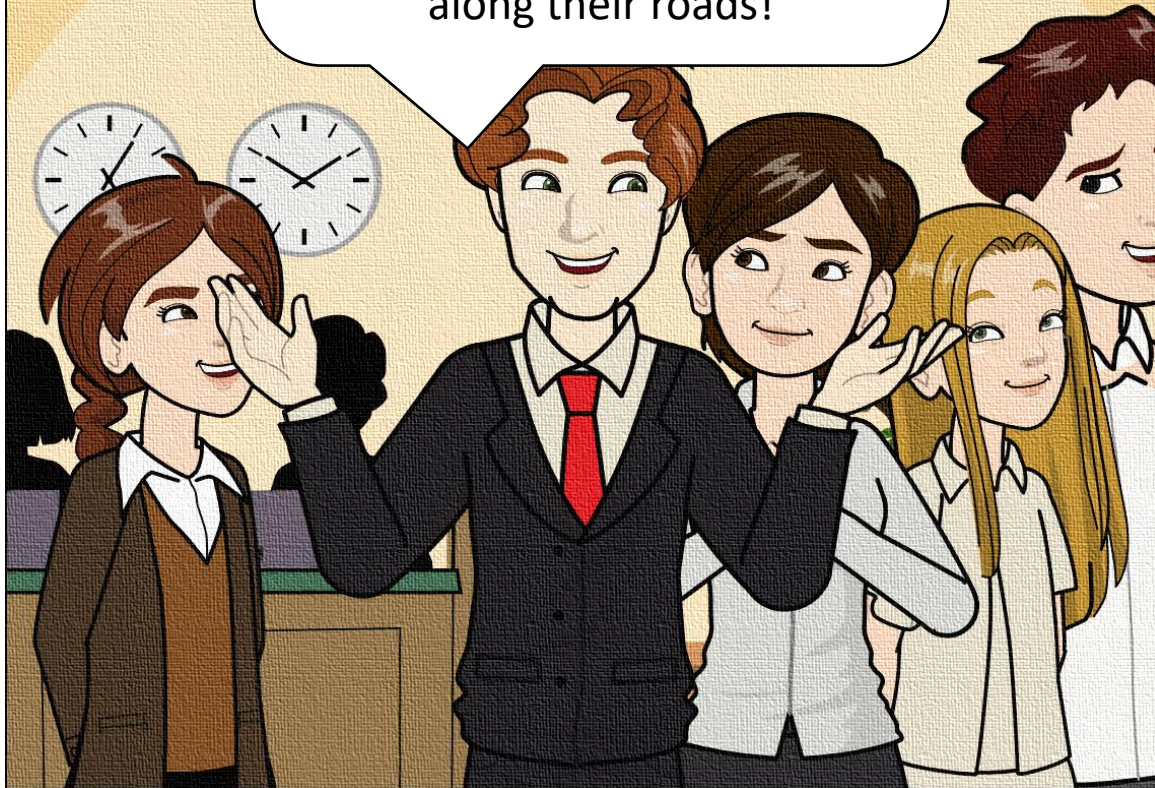


Does it need to be this way?

Paradigm innovation takes place when we decide to **change our assumptions or beliefs** related i.e. to our product, business or customers.

1 year later

Welcome to the Holiday Inn!!!
The first family friendly hotel
chain. In Holiday Inn we
believe that American families
deserve good affordable hotels
along their roads!



Holiday Inn started as a response of a
frustrated husband and father to his
family not met needs.

By the time the founder Kemmons Wilson
retired, Holiday Inn was the largest
lodging chain due to breaking the believe
that cheap accommodation cannot be
clean and functional.



Paradigm innovation in practice

Think i.e. about coffee. For years the main assumption was that customers care mostly about quality and/or price. But recently coffee companies changed their thinking. They often promote their products as ‘designer’ products and ‘lifestyle choices’.

Similarly, in the past, travelling by air was a luxurious experience reserved for wealthy customers. Then, low-cost airlines redefined this assumption, showing that air travel don't need to be luxurious and can become accessible.



So, looking for paradigm innovation you look to understand what do we and our industry believe about our product or customers that could blind us to alternative opportunities?!

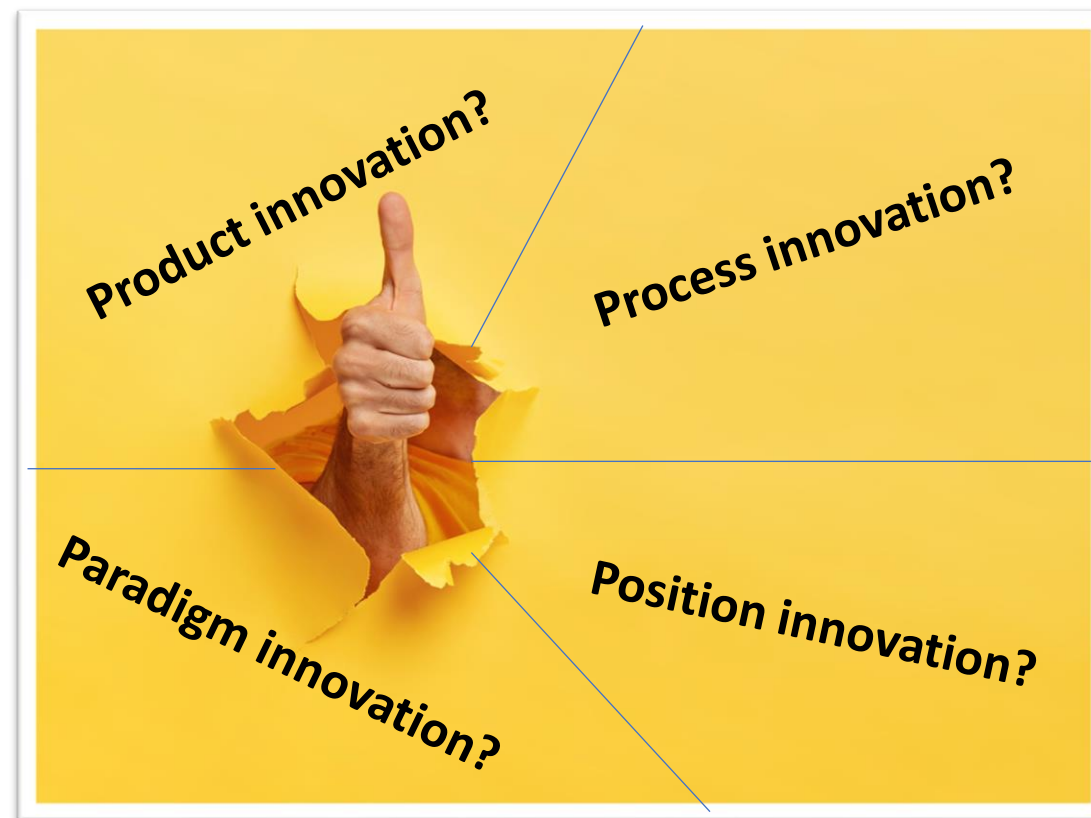


Innovation mix

Now, when you know the 4 different types of innovation, it should be easier for you to look for possible improvements or potential for new solutions in your working environment. But innovation is not always so black and white.

When you create something new, it is often because you see connection between different concepts. So, try to use the categories to guide you, rather than to limit you. If you look for an idea it can be useful to think how we can innovate our product or process. Maybe our paradigm could be changed? Maybe the assumptions we have are not the right ones.

But once you have an idea and you can't fit it in any of the categories, do not worry, as long as the idea or solution is viable and can bring relevant value to customers. **Do not let borders to limit you.** After all, **innovation is about pushing the boundaries and enabling the previously impossible.**





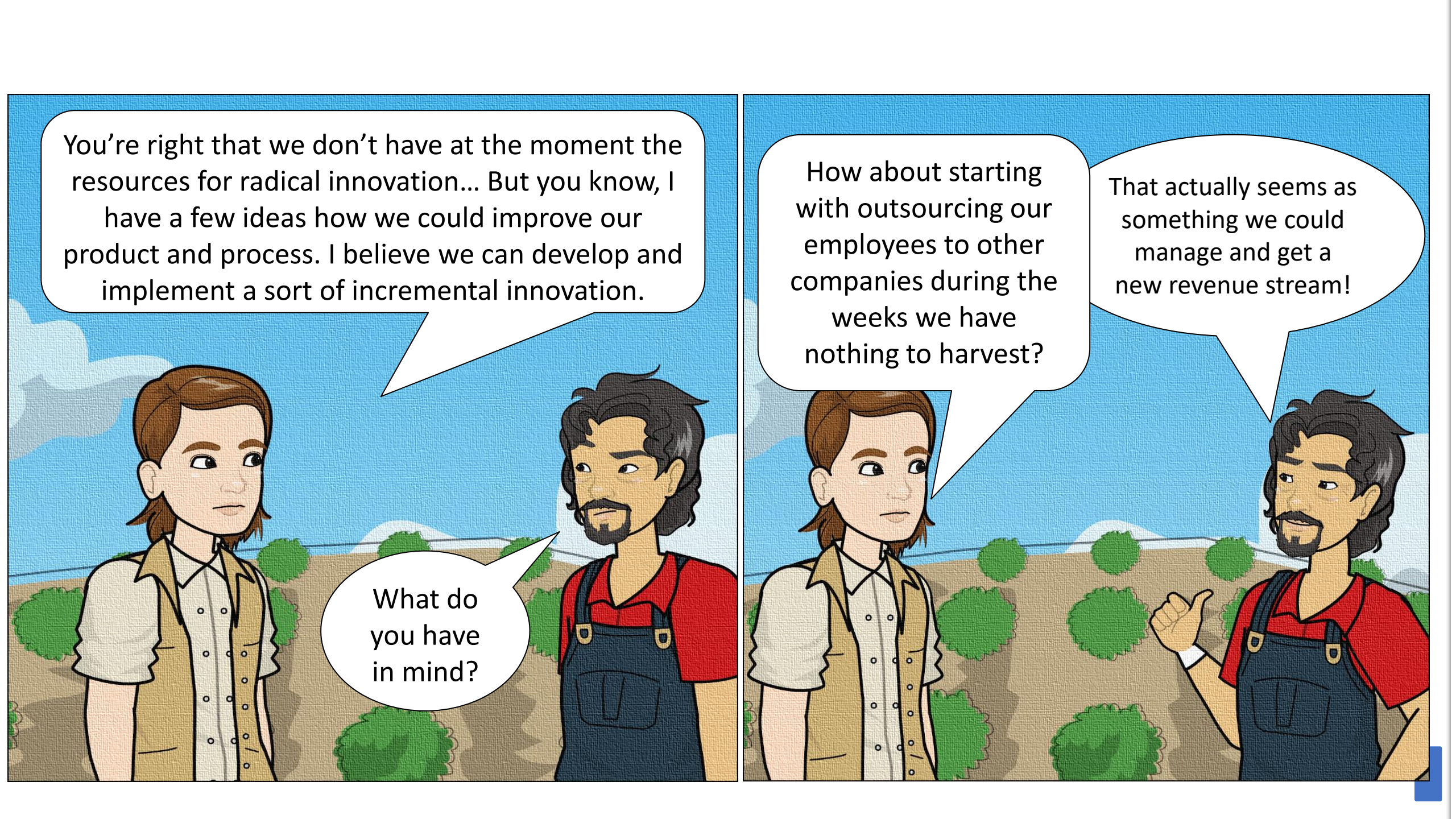
Incremental vs. radical innovation

Looking to innovate, companies try to improve what already exists or do something completely different.

In your work for sure you had those realizations that your company could make some things better; those moments of realization 'there has to be a better way' or 'it would be so much better if we just change'. **Incremental innovation takes place when you implement novel improvements in the way we do things.** You can look to introduce such changes in all innovation areas, in products, in processes, in paradigms and in positioning.

However, what comes usually to our mind when we hear 'innovation' is when **something completely different** appears. Whether it is a new technology, new business concept or a new service, most companies aspire to successfully introduce such **radical innovation**.





You're right that we don't have at the moment the resources for radical innovation... But you know, I have a few ideas how we could improve our product and process. I believe we can develop and implement a sort of incremental innovation.

What do you have in mind?

How about starting with outsourcing our employees to other companies during the weeks we have nothing to harvest?

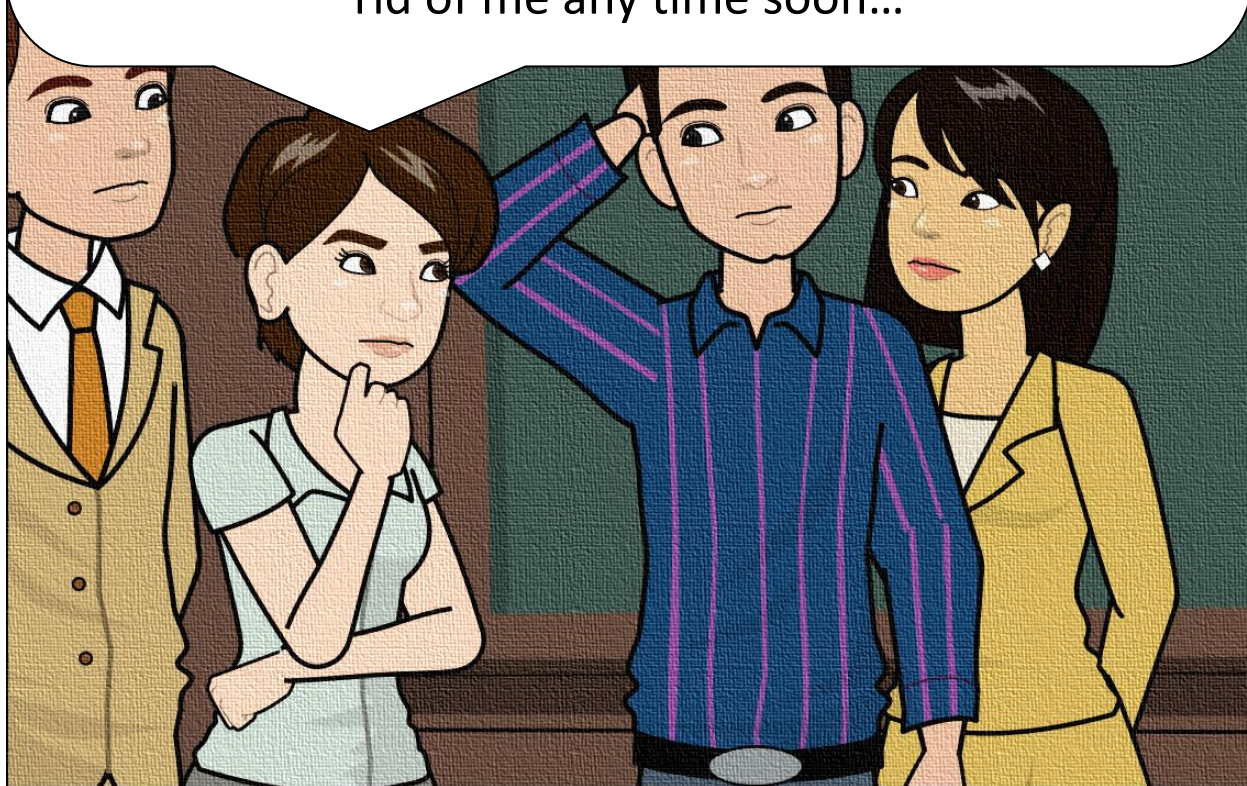
That actually seems as something we could manage and get a new revenue stream!



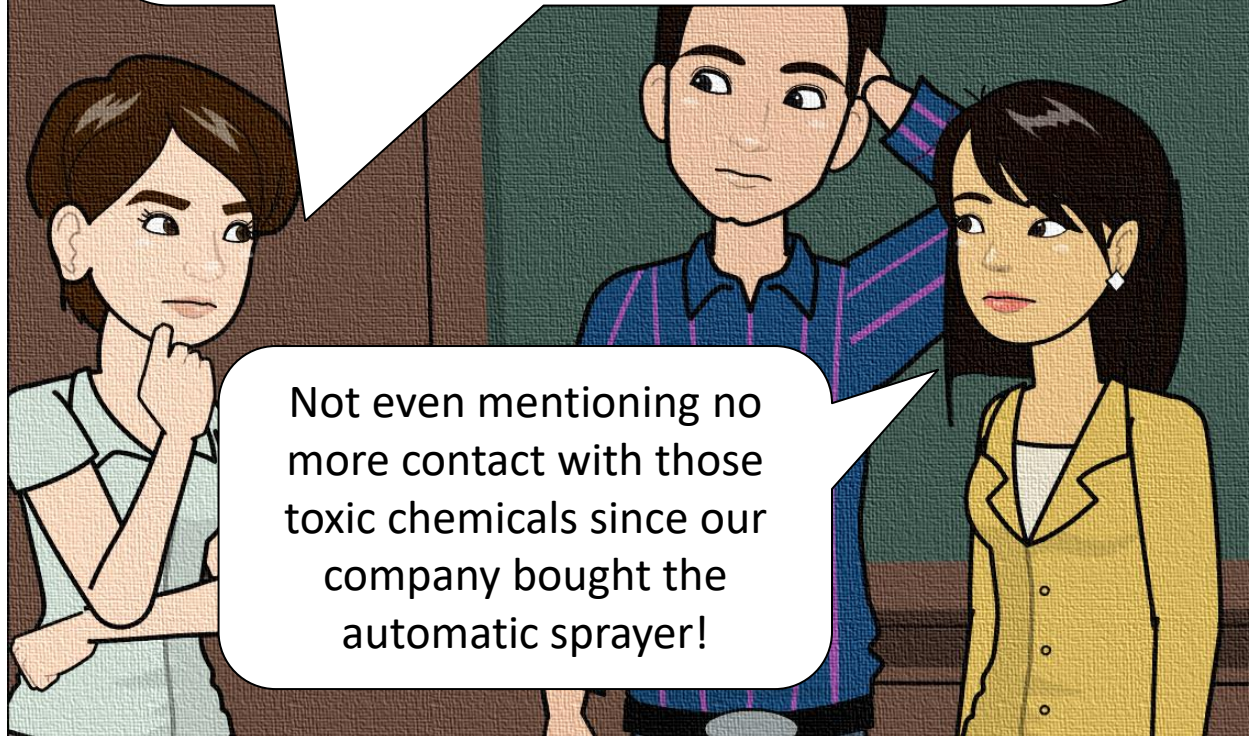
Radical innovation

While radical innovation can give a company huge advantage over competition, incremental innovation happens more commonly and can provide huge benefits as well.

Listen, I know innovation is fashionable and our boss would love to show off some innovation coming from our company. But honestly...I'm against innovation. Its main impact is just that my kids are all the time glued to their smartphones and I'm afraid that our boss will find a way to automatise my work and get rid of me any time soon...



Are you serious? You told us, just last week, how much your relationship with your sister improved since you can video call her. And how about your new electric bicycle saving you so much time and effort cycling to job through all those hills on your way?



Not even mentioning no more contact with those toxic chemicals since our company bought the automatic sprayer!



OK, I guess you are right...after all it's almost 2 years since we don't need to do those long, boring and time-consuming reports after our manager simplified the process... I just wish that someone find a way to make them disappear altogether.



Why innovation matters to all of us?

Innovation requires taking idea or invention and translating it into a good or service that is valuable for your customers.

In this way, it **provides us options that were not available before and improves our lives**. Just think how innovation allowed us i.e. to connect to information or others independently from our location (smartphones/computers, internet and mobile networks) or to buy cheaper or previously inaccessible products (online shopping).





Key relevance of innovation

But, innovation is more than that.

It **provides critical for human lives solutions to existing problems** i.e. allowing us to stay healthier (i.e. medical developments), improve our working conditions (i.e. protection equipment) or improve our access to resources that can be scarce in our location, i.e. food or clean water.

Especially in underdeveloped countries, finding cheap ways to improve or save people lives makes innovation critical. New solutions to make contaminated water drinkable or providing healthcare in the poorest rural areas not only improves quality of lives but saves them every day.





Innovation is a key to SMEs' survival

Most of companies do not realize that innovation is one of the main requirements of survival in the long term.

SMEs need to change as the market do and especially as their customers' needs and preferences change. After all, no one will pay for something that they do not need and/or won't interest them.



Saying that you don't need to innovate because you are not with a technological company is just an excuse.

Innovation is constantly happening in all industries. It is the keyway to keep market position and build competitiveness in low-technology and non-technology industries, as much as in the high-tech areas.



Innovation should be a solution, not a problem

Because simple solutions make a difference

Innovation is all about positive change and solving problems.



ADAPTIVE EYE CARE

Glasses allowing to fit the glasses to your vision with a simple pump offers long-term access to proper vision in poor developing regions



ROTATING SEATS

Benches that you can rotate using the handle so you can sit on a dry area if it has rained.



LIGHT IN A PLASTIC BOTTLE

Easy to make solar bottle bulb allowing cheap access to light within poor neighbourhoods with steal rooftops



NAP CABS

Sleeping cabins enabling travelers rest and work within a quiet private space within an airport

Remember that

a non-technological company can be highly innovative, while a technological company can have no innovation at all.



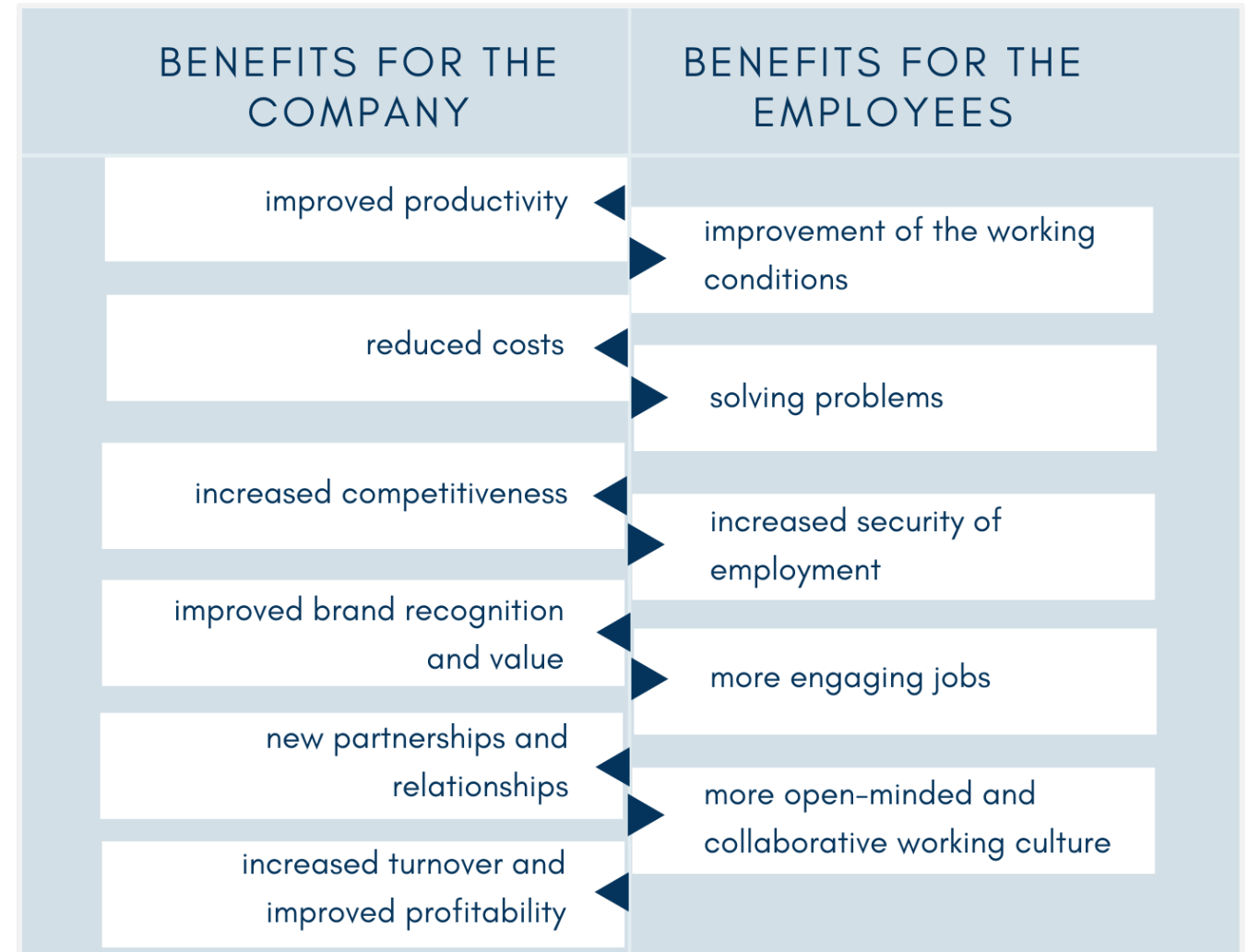
Why does it matter for you?

Innovation helps us all to do more with less or solve our daily problems.

But being currently critical for companies' survival, **innovation is crucial also to employees.**

Engagement in innovation allows you to get involved in less monotonous work and in more creative environment. It can help you, as the source of ideas for improvements and new products, to make yourself more valuable to your employer.

But in the first place, as **innovation is the requirement for your company long-term survival**, it is simply needed for your employment to continue. Therefore, **your opportunity to remain employed by the specific company is dependant from its innovativeness.**





Innovation in agriculture

Innovation is about inventing and reinventing with purpose. **There are needs for improvements being constantly revealed in every industry.**

INNOVATION IN TOURISM AND HOSPITALITY INDUSTRY- EXAMPLES



OBJECTIVE: Addressing decreasing population of family travelers and growing single population of travelers.

INNOVATION: Portfolio of travel offer catered for solo travelers - raise of quality hostels, local meetups and events for backpackers, cruises for singles or adventure journeys for individual travelers.

OBJECTIVE: Allowing hassle free check in at any time in dispersed locations, i.e. for local accommodation rentals

INNOVATION: Key-less entries - code or smartphone operated rooms.





Innovation in retail

Independently from the industry, successful innovation is looking to offer their customers a unique value. However, such **'unique value' can take different forms.**

What should drive your decision about what value can be relevant for your innovation is the established, based on real needs or future oriented trends, **objective for the innovation.**

INNOVATION IN RETAIL - EXAMPLES



OBJECTIVE: Easy updates to stock prices.

INNOVATION: Electronic Shelf Labels (ESL's) made instant prices updates possible allowing coordination of prices in a real time.

OBJECTIVE: Responding to difficulties of customers in imagining available in stores furniture in the context of their own home

INNOVATION: Augmented reality apps allowing customers to see how a specific product will look like in their chosen private location





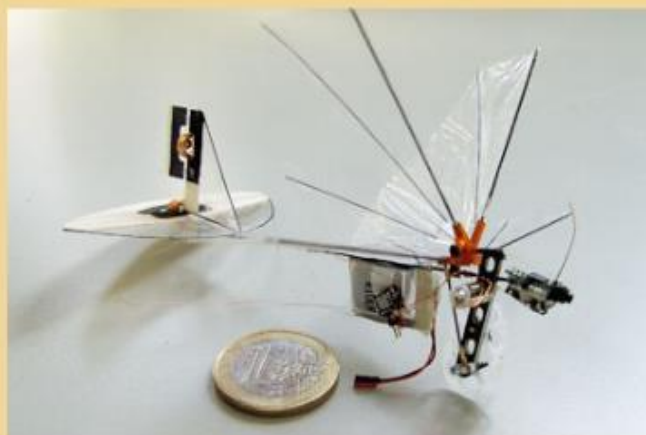
Increase

Innovation in tourism and hospitality sector

Operating in this area requires not only competing with other firms. But it is related with a strong exposure to economic shocks and changes in customer preferences. Expenses within tourism and hospitality are commonly the first one to be cut in a home budget of most in case of budget shortages.

Meanwhile, the mobile technology made the space more competitive and rose customers' expectations and importance of reputation. That made companies in this industry especially in need for increased adaptability and ability to innovate.

INNOVATION IN AGRICULTURE - EXAMPLES



OBJECTIVE: preventing drop in agri-production levels due to decreasing population of bees.

INNOVATION: DelFly - use of drones technology to supply bees pollination efforts

OBJECTIVE: Dealing with limited farming space in highly urbanized regions

INNOVATION: Vertical gardening&farming and smart agricultural methods increasing production efficiency and reducing waste





The employee imperative

Independently from your current position, the importance of innovation is constantly increasing.

That makes the ability to contribute to innovation crucial for your future employability.

After this module you should understand better what the innovation is and how the process of innovation looks like.

But **your ability to contribute to innovation can come not only from the knowledge you are developing, but also from your specific behaviors, characteristics and skills.** Those include some inherent ones and others that you have been developing and can be further developed along your life-time.

INNOVATIVE EMPLOYEE

- analytical thinking
- innovation and innovation management
- creativity, originality and initiative
- active learning and learning strategies
- technology design and programming
- critical thinking and analysis
- complex problem-solving
- leadership and social influence
- emotional intelligence
- resilience, stress tolerance and flexibility
- systems analysis and evaluation



Key areas

INITIATIVE AND SELF-DIRECTION

- manage goals and time
- work independently
- be self-directed life-long learner

LEADERSHIP AND RESPONSIBILITY

- be a changemaker
- guide and lead others
- be responsible to others

FLEXIBILITY AND ADAPTABILITY

- embrace change
- be flexible

CREATIVITY AND INNOVATION

- think and work creatively with others
- implement innovation

CRITICAL THINKING AND PROBLEM SOLVING

- reason effectively
- use system thinking
- make judgements and decisions
- solve problems

DIGITAL SKILLS

- use of digital technologies for professional purposes
- aware of security issues
- accessing information online or using relevant software and collaborative tools

SOCIAL INTELLIGENCE

- communicate clearly
- collaborate with others
- be empathetic

PRODUCTIVITY AND ACCOUNTABILITY

- manage projects
- produce results

Module 1

Innovation across organization

Sub-module 1.2

Innovation processes in SMEs

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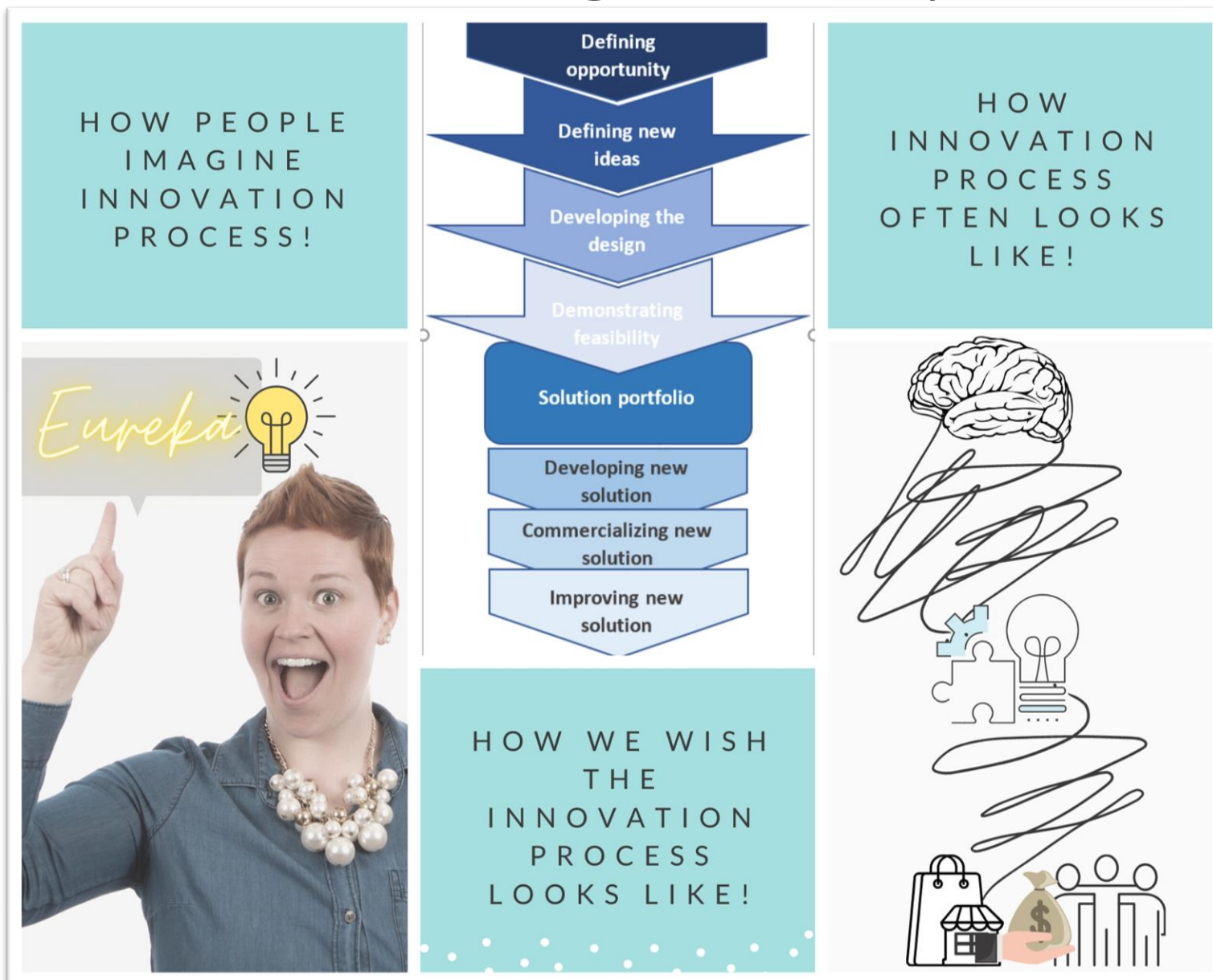


Innovation process – common image vs. reality

As you probably understand by now, **innovation is not the Eureka moment** type of experience!

Instead, **innovation is a process** that involves multiple stages, need for different competencies, resources and flexibility.

In this submodule we will take you step by step through the process of innovation. You will learn what each step is about and how they are connected. The content will help you to better understand how and when you can contribute to innovation.





Discovery is just the beginning

Innovation is a two-side process.

All **initial steps of innovation are related with looking for new solutions** – products, processes, positions or paradigms.

This part of the process (so called front-end innovation) is focused on the process of discovery - a way to **define a feasible solution to the problem you want to solve or to the need you want to respond to.**

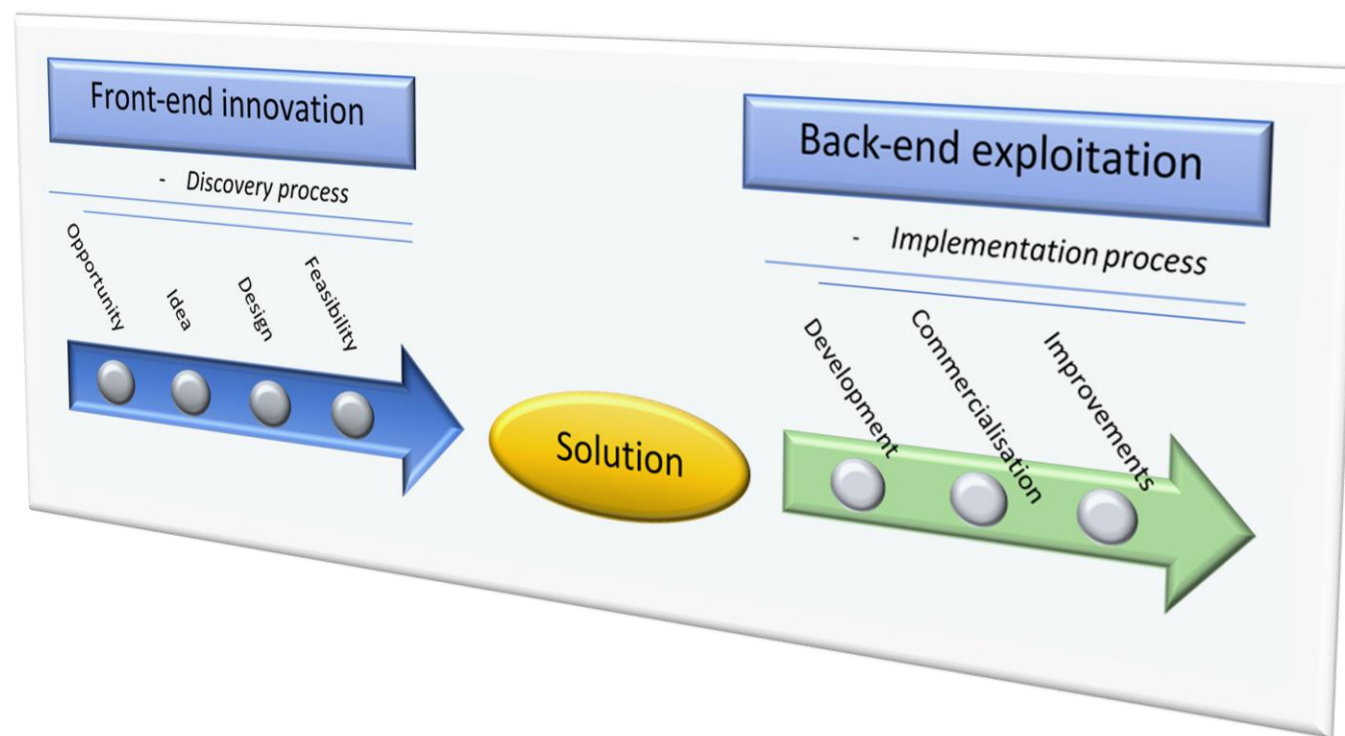


I.e. finding ways to decrease negative ecological impact generated by your company or defining how recently developed materials could be applied in your products to improve their performance and their value for customers.

Moving from the discovery to the implementation

But defining how the solution should look like, is just a part of the journey.

After you define the solution, it's time to develop the solution, implement it (i.e. commercialise the product) and then introduce the improvements according to the feedback received from the initial users.

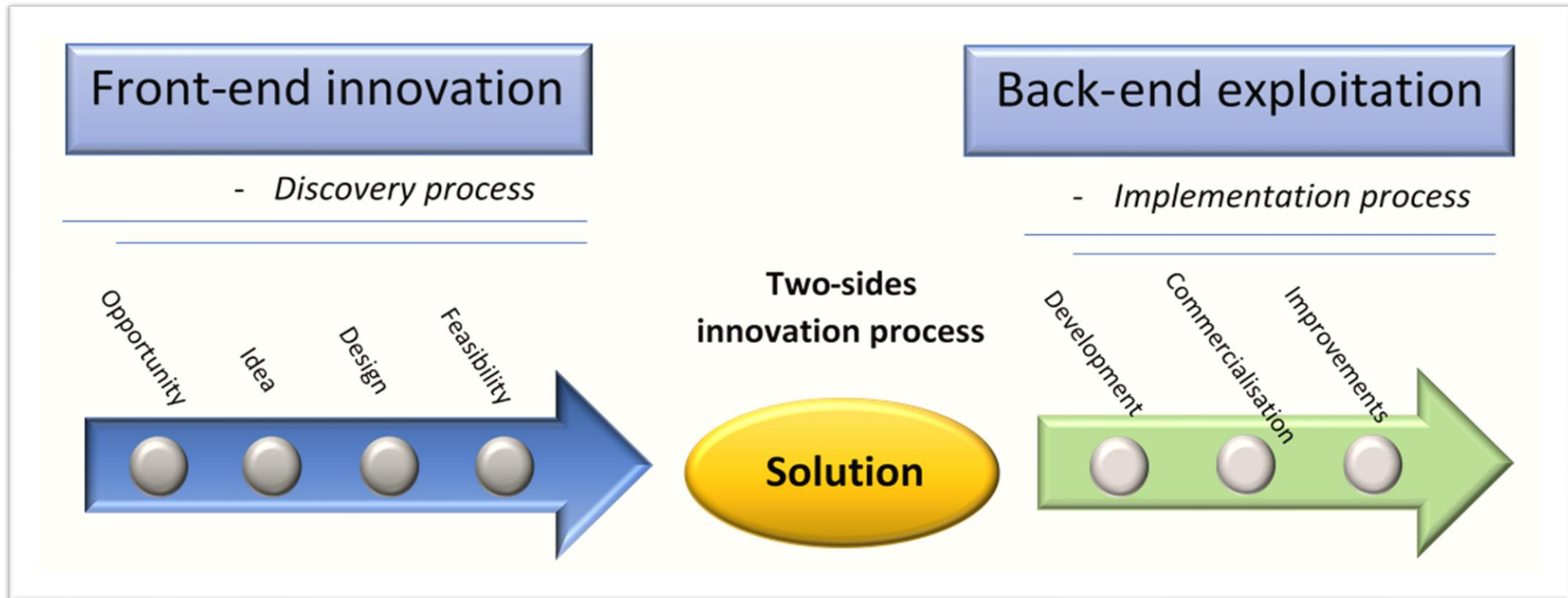




The two-side process of innovation

It is critical for innovation success to understand that, while innovation is often far from linear, those two distinctive phases – **the discovery process and the implementation process, are both required for innovation to exist.**

While individuals are commonly more interested in one phase than in the other, **within an organisation discovery and exploitation are both critical and none should be ignored nor treated with less attention.**

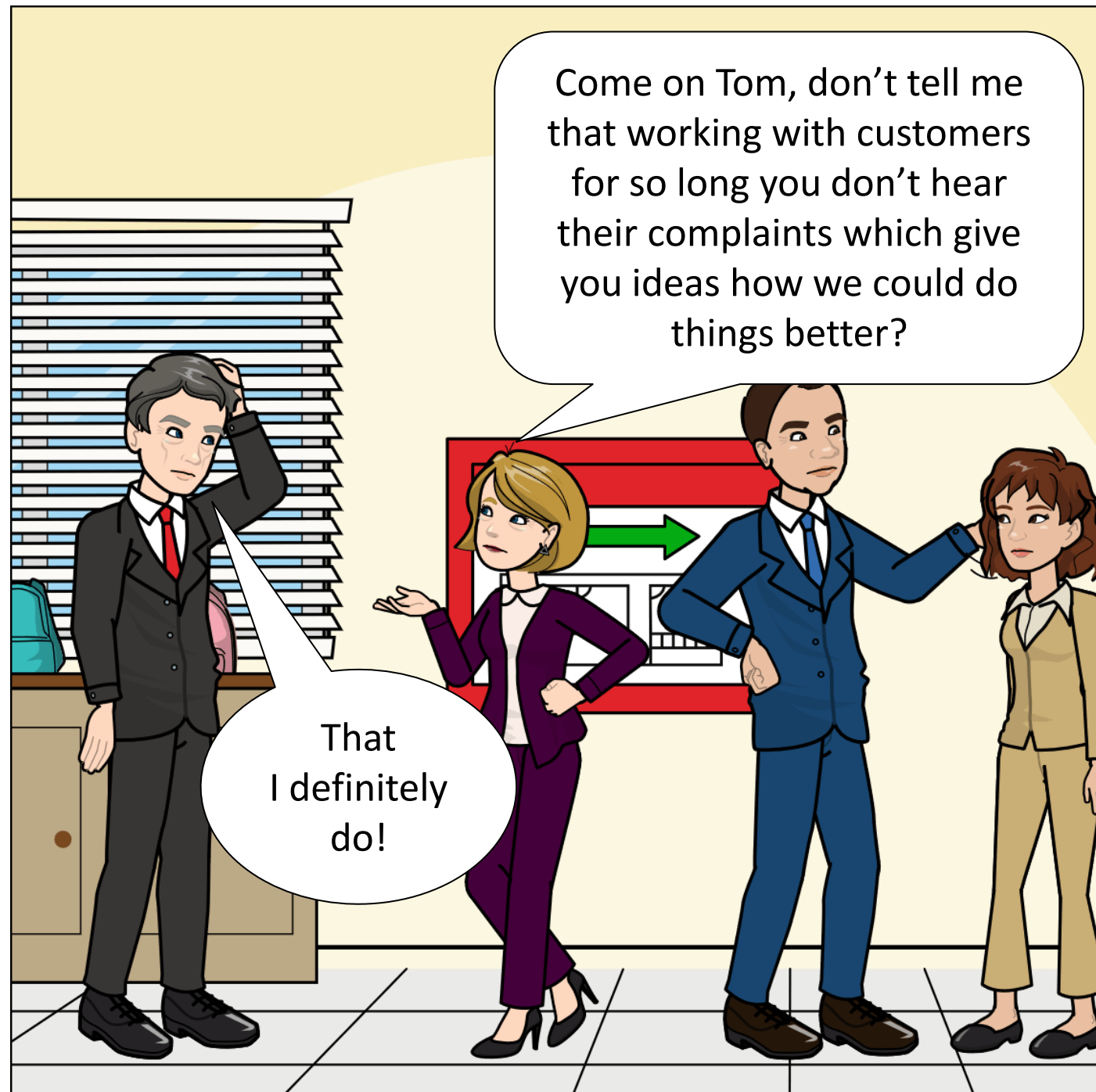




Don't get discouraged...

Innovation is an organisational process. What it means is that **it is not up to one person to make it happen.** It is a team effort that requires involvement of individuals with diversified functions, knowledge, ideas and expertise.





So, let's focus on what we can do rather than on what we can't and leave it to our managers to figure out the boring part. So, let's just gather all the info about what our customers would like to see changed and let's think about ideas how can we change it to our advantage.






That actually
sounds
good...

and more...you know that our
customers always look for novelty.
If we don't give them that, they will
buy from someone else, so our job
simply depends on it. But even if
not, that just sounds like an
interesting change for once to do
something different then our daily
obligations.



Front-end innovation step 1 – Define the opportunity



*'Finding
opportunity
is a matter of
believing it's
there'*

B. Corcoran

Be playful, open-minded, observe and listen. Think out of the box.

Think about what you know about your customers, processes, market position and the assumptions under which your company and industry operates.

What could be done better or differently that your customers would appreciate?



Embrace changes

...or maybe there are some changes happening or going to happen in the laws, fashion trends, available technology that your company could take advantage of to serve your customers better than the competition?

Embrace the changes and previously missed opportunities! Look for multiple issues that you could possibly address and then choose just 1 or a small number of identified opportunities.



March 2020

Gosh. Because of the Covid regulations we won't be able to sell anything in our stores!!!

Don't panic! What a splendid opportunity for us. Now just sky is the limit!

Are you mad?!

No! We were thinking to redirect our business model toward the online sales for a while. But we were afraid our customers will not accept the change. Now it will be easier to get them to accept it!

But so many online stores to compete with...

Yes, but at least for a while everyone will need to buy online. The whole country is in our reach and who said that we need to even limit ourselves there?

Is our online store even ready?

In general, yes. But now we need to pop up with a brilliant idea how to be different from our competitors.



Step 2 - Define ideas that will respond to the opportunity you defined

Discover possible solutions by generating ideas. After you identified the opportunity, try to generate multiple ideas how the specific issue can be addressed (*check our next module to learn more about generating innovative ideas). **You should initially explore a broad number of ideas. Don't be shy and get creative.** After you get through the creative process of idea generation, there will be the time for selection of the most promising ones.

To narrow down the ideas it is relevant to account for often overlooked aspects:

- < will customers buy?
- < is the product cheap enough to make?
- < does the solution based on this idea will provide big enough value to customers for them to compensate you for your innovation efforts?



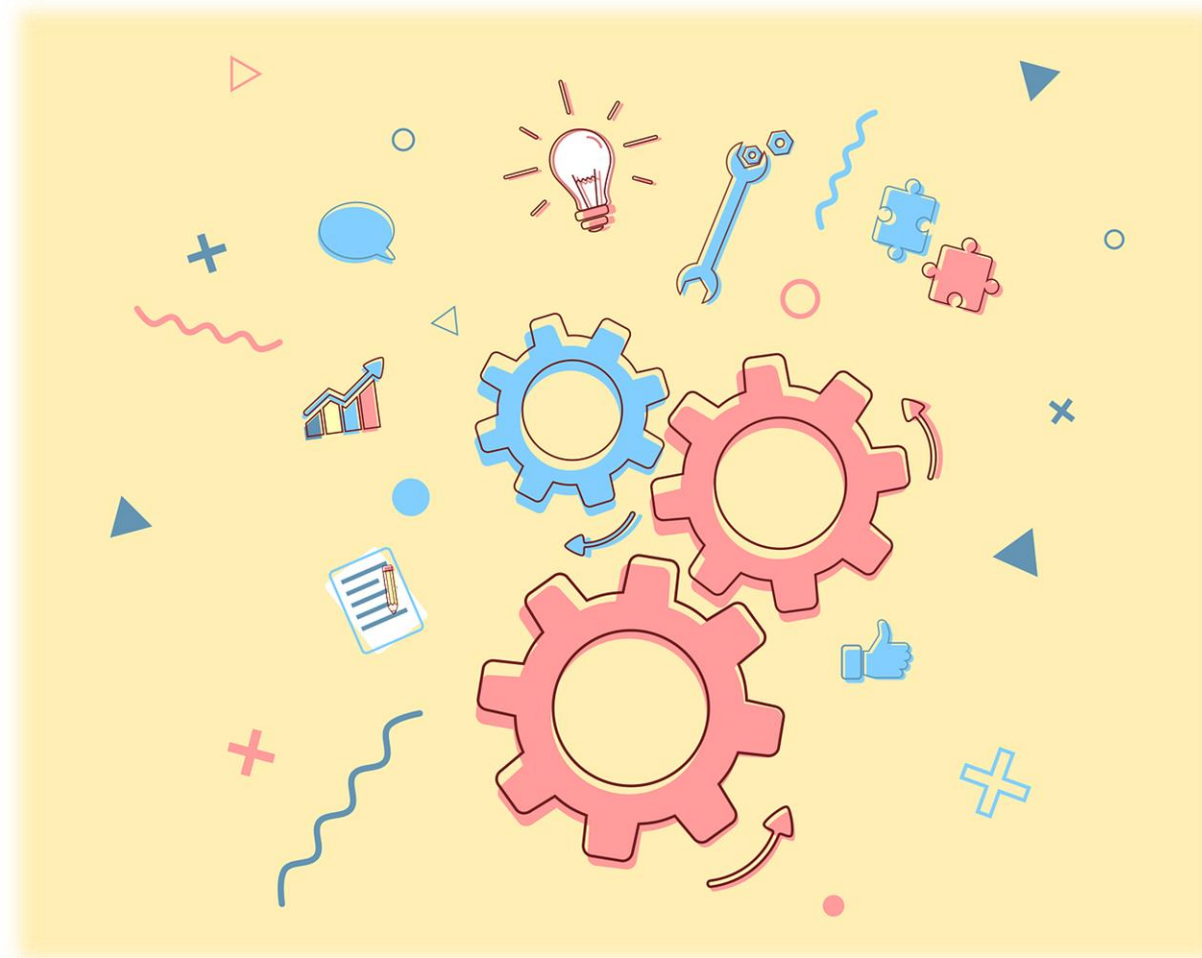


Step 3 - Develop the design

You spot the one in the lifetime opportunity for your business? You have a great idea how to fulfil the customers' expectations? Then, what next?

Now it's the time to develop the right design.

While developing your idea, you were looking to define what we do to address the opportunity we want to pursue. But **now, it's the time to understand how to build an implementable concept corresponding to our idea.**



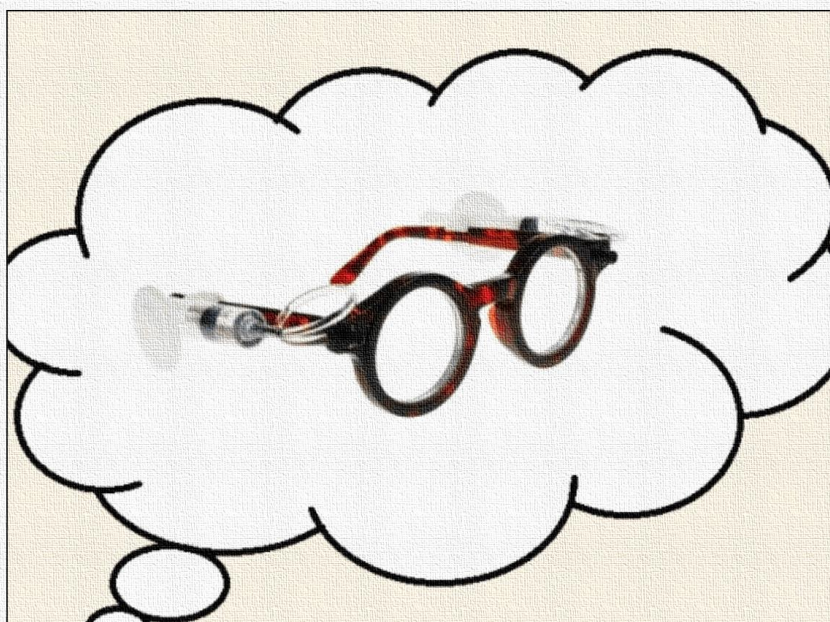
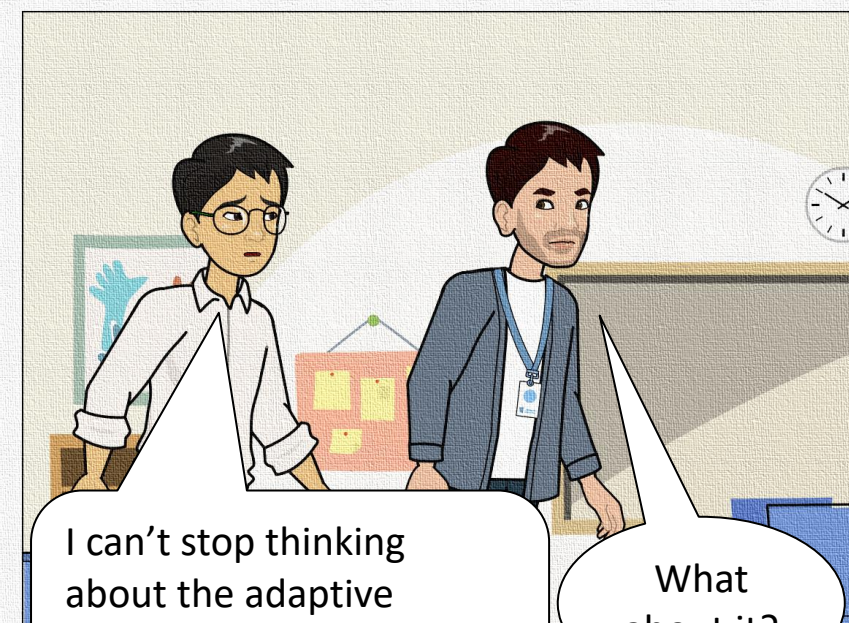


Designing your solution have always your customer in mind

Keep in mind **what is the objective** for the future solution, **what problem should it solve**.

But also think about **what key functions the design must perform**.

Develop your concept for the product/innovation based on your idea, but also on the knowledge of your customers and the existing competitive products. It will allow you to account for the market expectations. At this stage you will understand what do you need to ensure within the future innovation to make your invention successful.





Step 4 - Ensure feasibility

'The first step is to establish that something is possible; then probability will occur'.

(E. Musk)



impossible

When your design is developed, you will land with a concept as a bundle of assumptions focusing on the key features and functions that your solution must perform. Afterwards, **it's time to verify if it's actually feasible.**

At this stage you want to verify if your design assumptions are right and bring them to life.





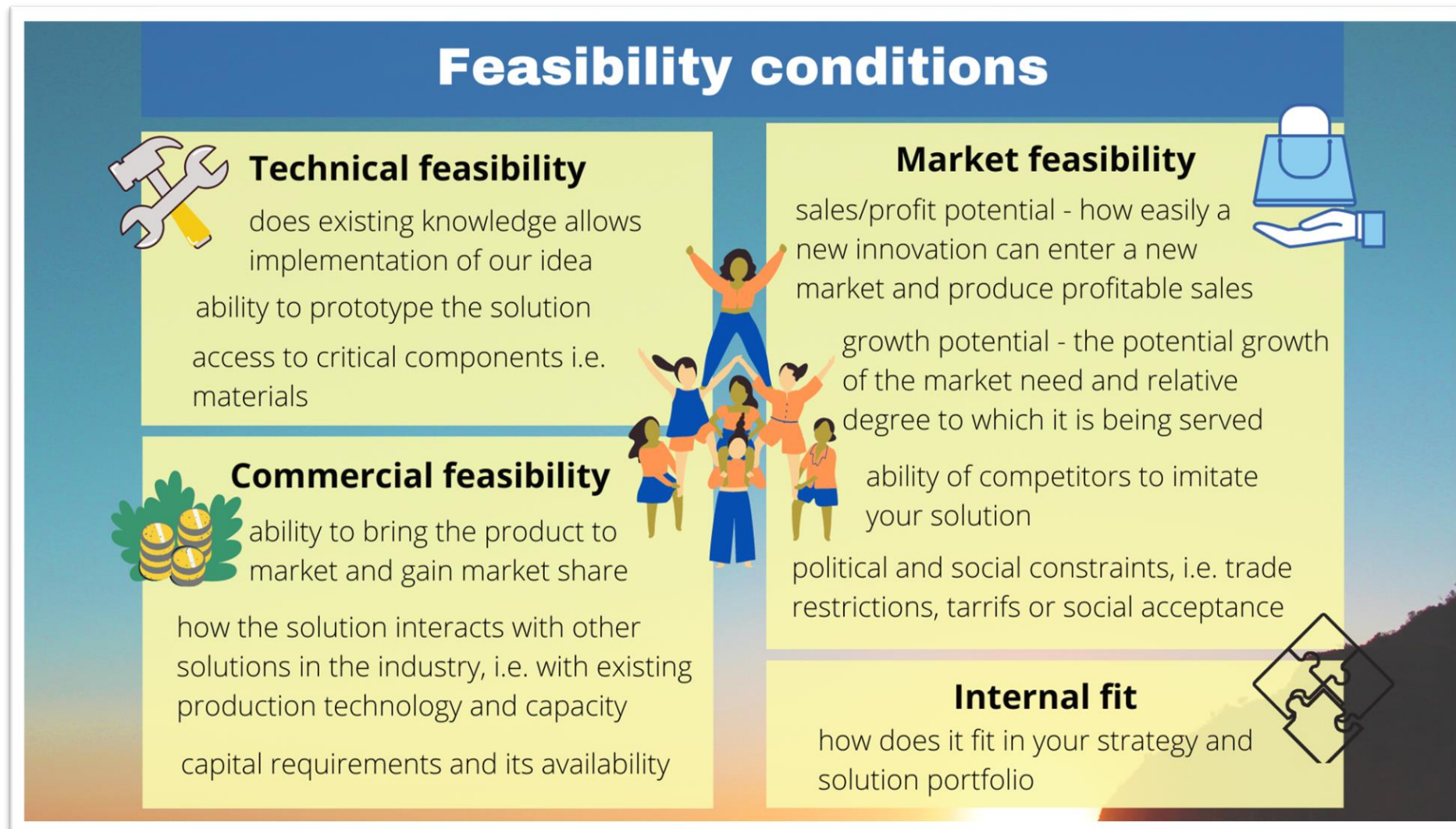
Feasibility analysis

In this stage you need to verify not just **whether the solution can be realistically developed and implemented.**

What is important?

You need to understand if **the costs of the solution development are realistic, whether what you want to propose is legal**, develop the prototype of the solution and run a pilot testing to show the solution feasibility.

But you should also never forget to answer the question **how do we make money** on our new solution.





Front end innovation as a fuzzy process

At first sight, the process of front-end innovation seems as a highly organised process focused on a pursuit of new solutions – products, processes or business models:

1. Identify the right opportunity,
2. Discover by generating ideas an attractive solution,
3. Create the overall concept for your solution,
4. Bring the concept to life and test the prototype.

However, **in practice the process commonly is not linear**. In some cases, you can pop up with an idea first and then check whether there is a business opportunity there for its further development.

But, even if you systematically look for a new solution, the **front-end innovation is often requiring iteration** and coming back to the previous steps making the process fluid and non-linear.

The non-linear reality of front-end innovation

While managers usually love well defined processes, innovation is full of uncertainty and unexpected twists. In this creative process you are looking for and investing in ideas that seem worthy and valuable. But that requires discovery, learning, creativity, evaluation and constant readiness to loop back.

There is a number of possible scenarios that can occur that will require you to move backwards and forward within the front-end innovation. Some examples including:



From idea generation back to opportunity definition



If your business have no ability to generate any idea that can fulfil the arising opportunity, you should not give up easily, but define the point when to stop investing more time into the opportunity and look for a new one.



Don't overlook the exploitation

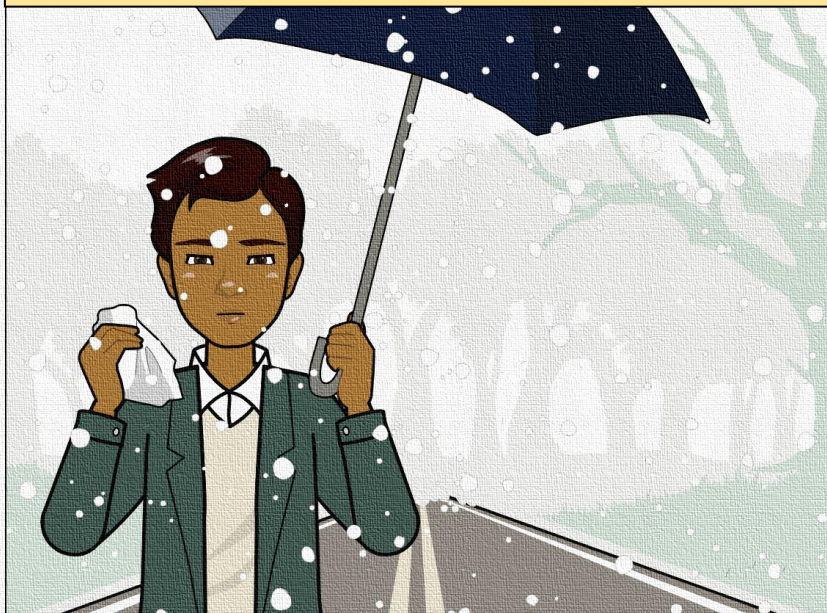
Innovation is commonly associated just with the discovery process (the front-end innovation).

That is the point where many innovations are being lost. **It is not enough to discover and develop a prototype. It is equally important to turn it into a valuable application (i.e. product or process) and successfully commercialize it.**

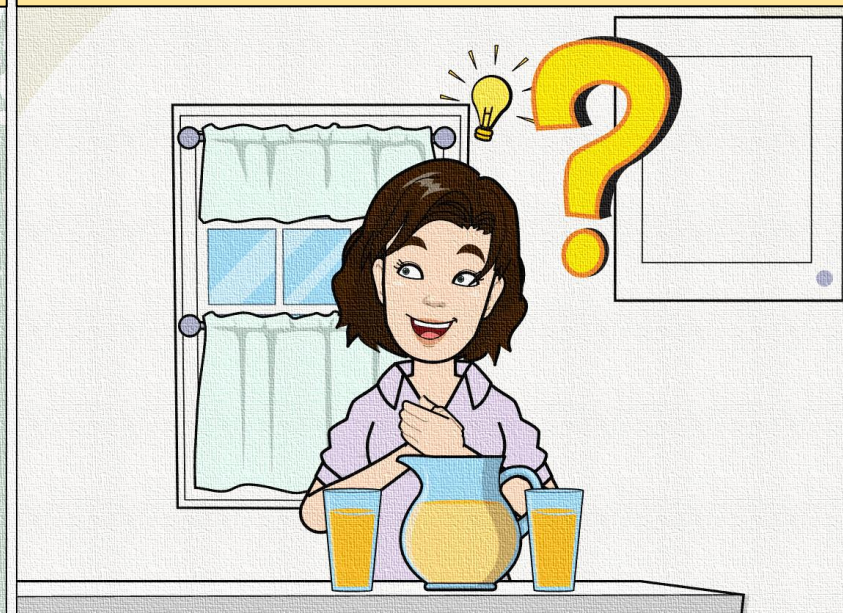
In 1902 Mary Anderson was traveling to New York when a snowfall has started.



She was surprised and concerned that her driver needed to constantly stop the car, go out and clean the car windshield to keep visibility in such conditions.



Back at home she was thinking how to improve this ineffective approach and the idea of the windshield wipers have occurred to her!





Exploitation

Implementation is commonly divided into a few clear steps:

- Develop a new solution,
- Commercialise the solution,
- Improve new solution or/and its commercialisation strategy.

While in case of employee innovation already at the discovery stage a team gets commonly involved in supporting an employee idea or concept processing, the exploitation stage is related with stronger interventions.



The work on yours or your team's idea is often taken over or supervised at this stage by a specialised staff.

The overall process is focused on taking the feasible idea from the front-end innovation and maximally exploiting it (making sure that optimal benefits are obtained for customers and the company).



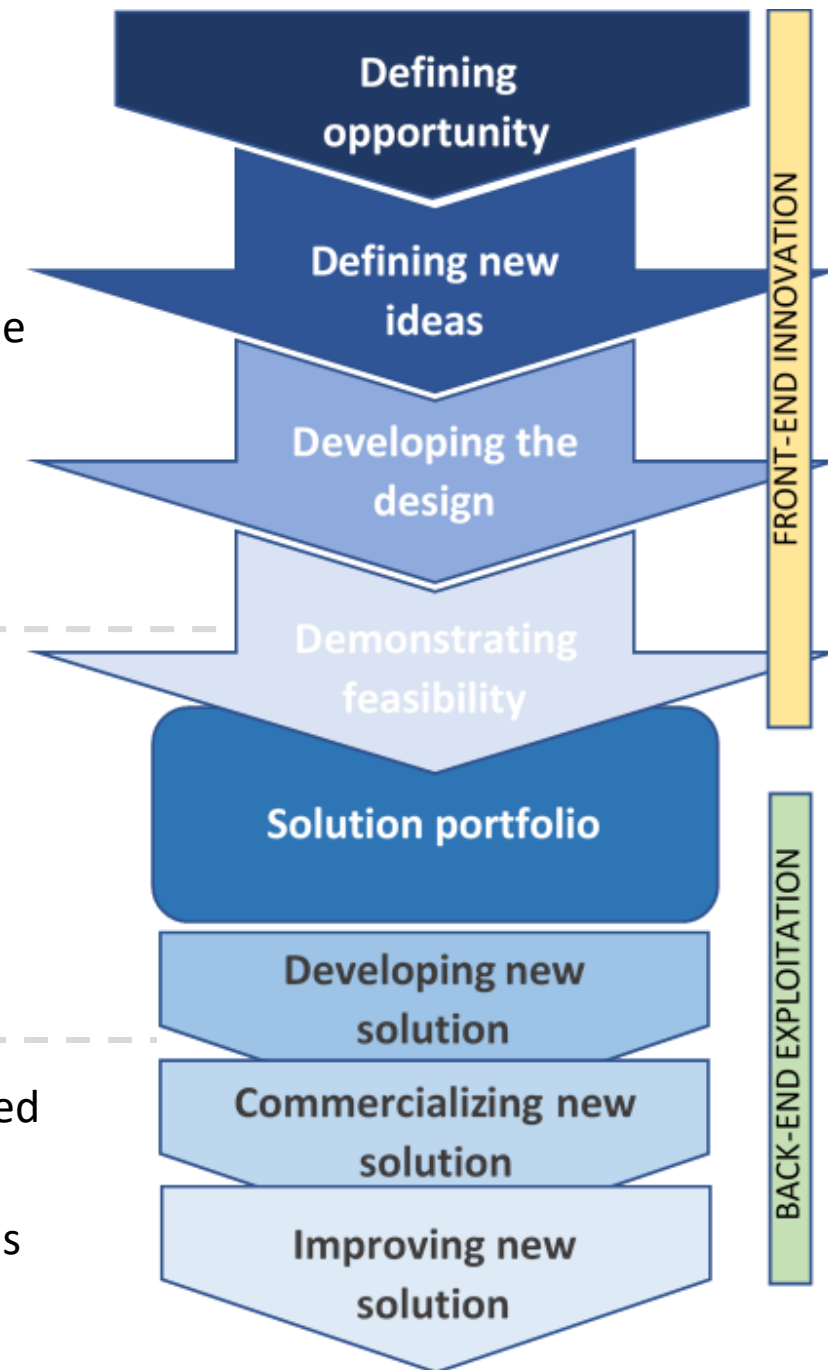
The steps of successful innovation process

As you have seen, **you can think about innovation as a set of steps** divided into the discovery process (front-end innovation) and the solution exploitation (back-end exploitation).

Each of the 2 specific phases requires different attitude, practices and culture.

The **discovery** is a more open process where diversity of knowledge, visions and perspectives are of high relevance. **It is where involvement of all employees is especially important for SMEs.** Expertise, skills and information in every company are dispersed across the company employees. Bringing that expertise together is important at each step of the discovery process.

Meanwhile, the **exploitation** requires more focused professional expertise required for product development, commercialisation and improvement. At the backward exploitation stage, specialised employees from production and marketing functions respectively accompany the process of bringing the idea to the market.





Different forms of employees' contribution

Independently from a position in the company and from the area of expertise, **every employee can be an important source of knowledge and ideas.**

Does it mean that you are expected to be a fountain of great ideas to be useful for your company innovation?

Ideas for improvement or new solutions can be just one of the ways to be useful for innovation. Being attentive and spotting customers' needs or problems that should be addressed, hence identifying opportunities can be your way to contribute to innovation.

But even if you are not a source of original ideas or information regarding potential opportunities for innovation your engagement in discussion of inputs of others can help their ideas evolve and lead to a more optimal solution.

Hence, your engagement in the front-end innovation can take the form of:



- > identified opportunity,
- > idea for new solution or improvement, or
- > constructive feedback to proposals of others.



Innovation and inclusive innovation in practice

It is important to have something to contribute to innovation as an employee.

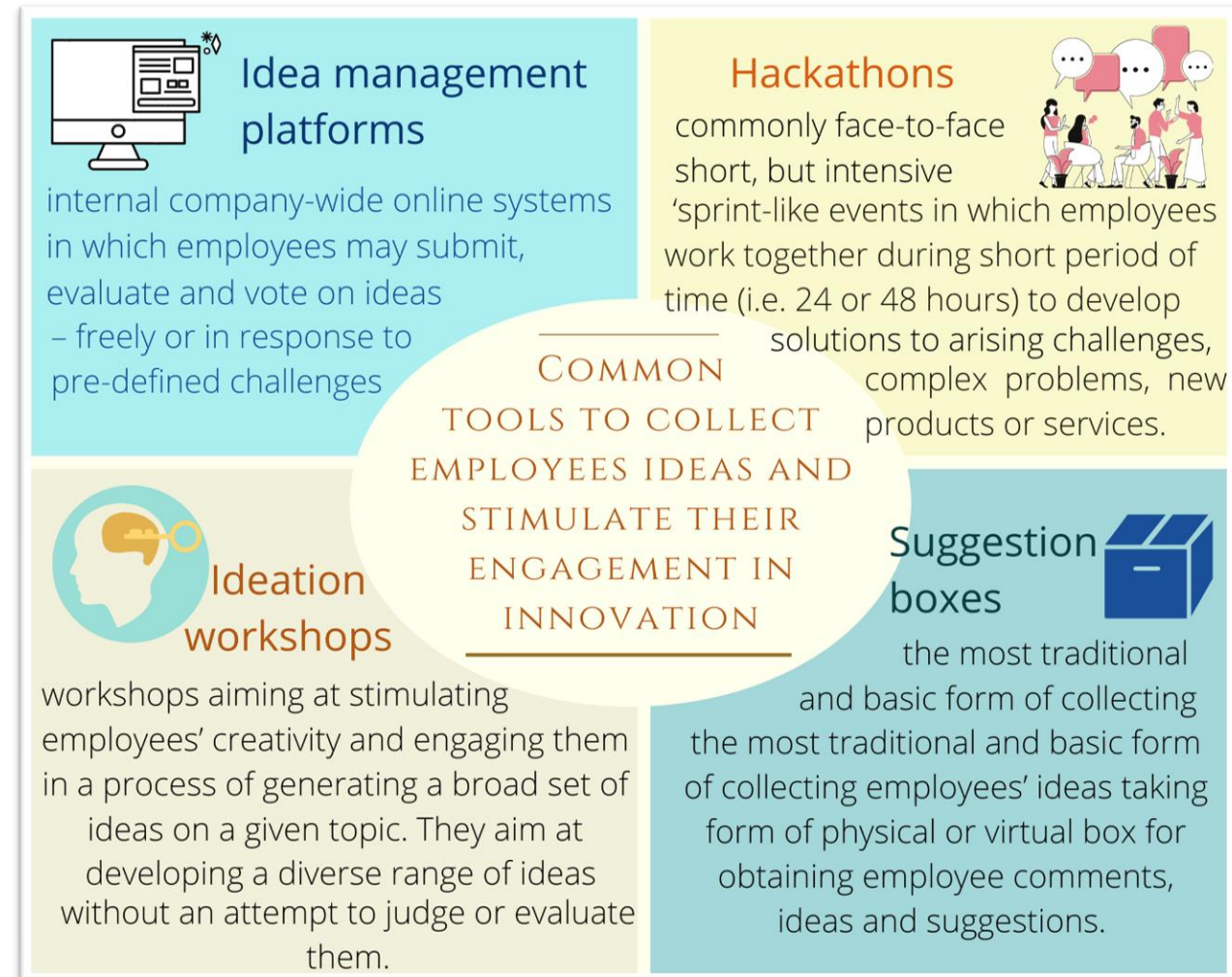
But it is also important to know how to share your ideas with the rest of your company.

In small companies, engagement of employees in innovation has often a very informal character.

Innovation often starts with mentioning a new opportunity or product ideas to supervisors or company owners within daily conversations or during general staff meetings.

However, increasing importance of innovation and engagement of all employees in innovation makes systems for collecting employees' inputs to innovation becoming common in companies.

Take a pick at the popular forms of gathering employees' ideas and feedback ➡

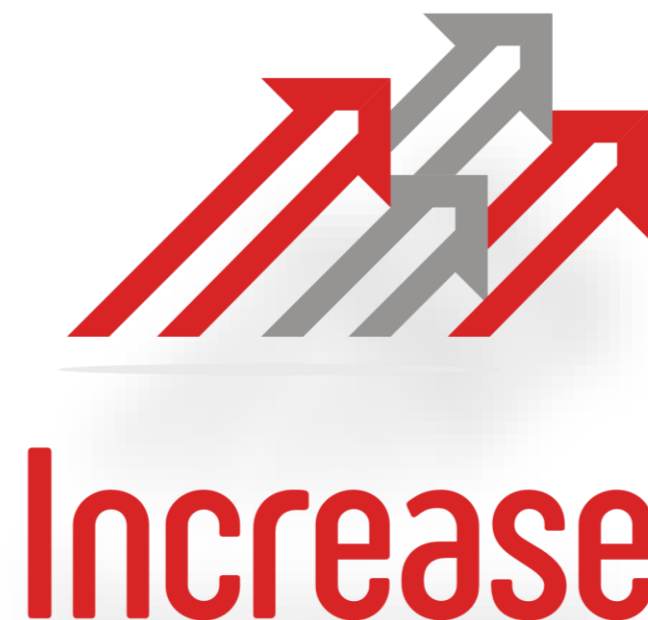


Module 2

Where innovative ideas come from

Sub-module 2.1

From idea generation to innovation



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Increase

Introduction

Innovation is a process through which an idea becomes a value.

To reach that final point and be successful in the attempt, considered must be the value-proposition, the objective behind the idea and your intention to improve an identified condition or situation.

This submodule will concentrate on the concepts, roots and techniques of idea generation, along with the behaviours affecting innovative ideas and how team-working supports turning ideas into innovation, as well as the importance of interdisciplinary perspectives in relevance to idea generation.

Innovation is a process through which an idea becomes a value.

- But where does the innovative idea come from?
- What initially provokes thinking to result in an innovative idea?
- How does the mind transmit a concept into an idea?
- How to categorize an idea as innovative?
- Do innovative ideas come from personal needs or are they imposed by another stimulus?

Idea generation – definitions and concepts

Ideas make improvements and introduce change.

According to the online [BusinessDictionary](#), an idea is: „a thought or collection of thoughts that generate in the mind. An idea is usually generated with intent, but can also be created unintentionally. Ideas often form during brainstorming sessions or through discussions.”

But do you know that on the path to innovative ideas first comes idea generation?

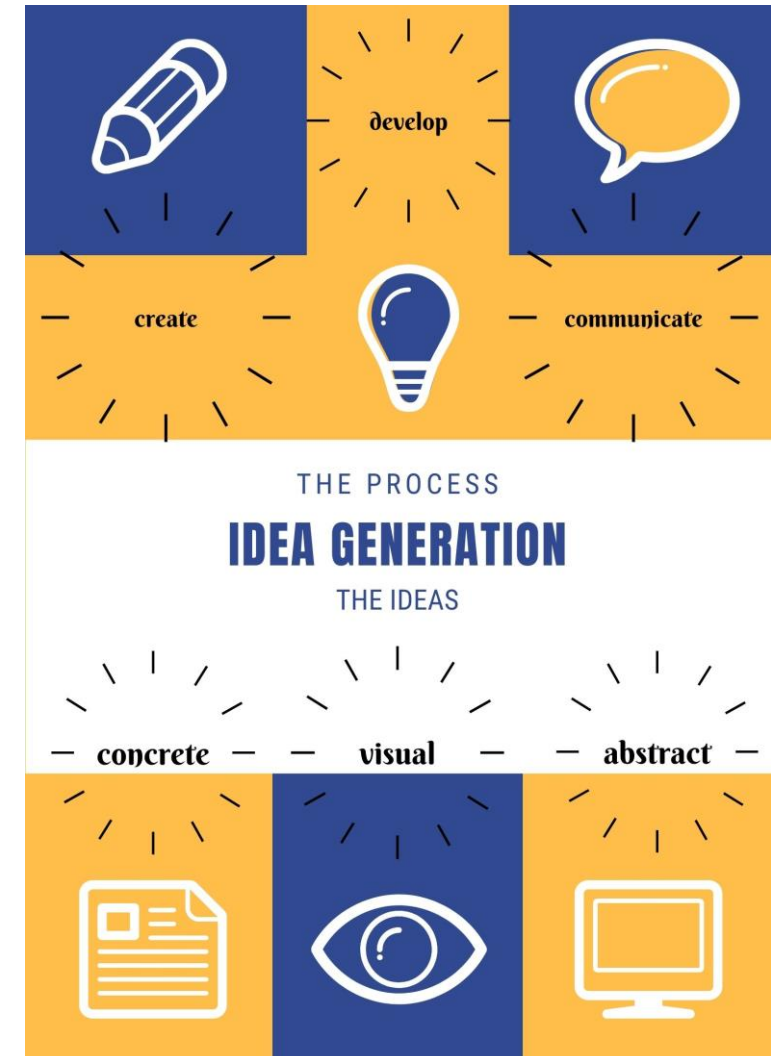
The same dictionary defines idea generation as:

„the process of creating, developing, and communicating ideas which are abstract, concrete, or visual.”

It includes „the process of constructing through the idea, innovating the concept, developing the process, and bringing the concept to reality.”

Generating ideas is the first step to innovation.

But where do ideas come from?





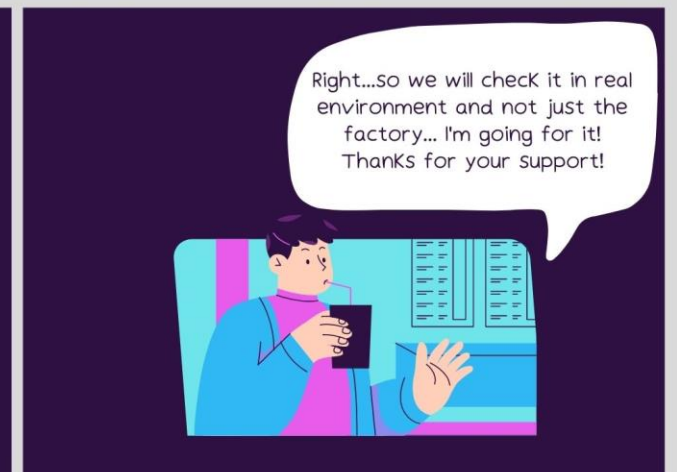
The roots of idea generation

Ideas in fact come from many places. Initially ideas **come from connections in the brain**, meaningful minds, with the freedom to immerse without the confines of traditional thinking.

Ideas start and end with your own vision. Many ideas come **from life and personally felt needs.**

But ideas are not born only from individual activity. Ideas often **originate from dialogues** in which someone hears about a challenge and recognizes a new path for solving it. Environments that foster dialogue are the places where great ideas are born. **Environment leads to innovation.**

JOHN IS WORKING ON A NEW PRODUCT WRAPPING. HOWEVER, ALONE HE IS STUMBLING TO GET IT FINISHED. HIS DIRECTOR IS ORGANIZING A TEAM MEETING. JOHN IS STRESSED SINCE HE IS NOT READY WITH THE PRESENTATION OF THE FINAL PRODUCT. HIS COLLEAGUE SHARES SOME THOUGHTS BEFORE THE MEETING...





Two schools of where innovative ideas come from

There are also **two schools** from where ideas come from.

The first is the “artist as antenna” concept, where ideas are out there waiting for them to be captured.

The second is based on the belief that ideas are the product of hard work and thoughtful concentration.

The second school implies that preparation is necessary in order to understand where own creativity comes from. **Creativity is often linked to curiosity**, which is characteristic for both schools, while the effort to make a change will result from individual behaviours.





Curiosity behind innovative ideas

Curiosity keeps your kind from being bored, makes room for exploration and inspiration. That is why you should invest in developing curiosity and here are a few quick ways to do it:

Do things in the opposite way.

Why?

Instead of building around the same concepts, introduce some changes to your routine, and remember that there is more than one way to do things.

Change your environment.

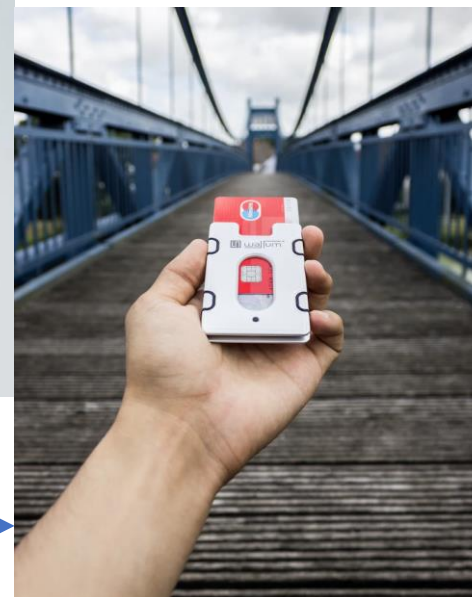
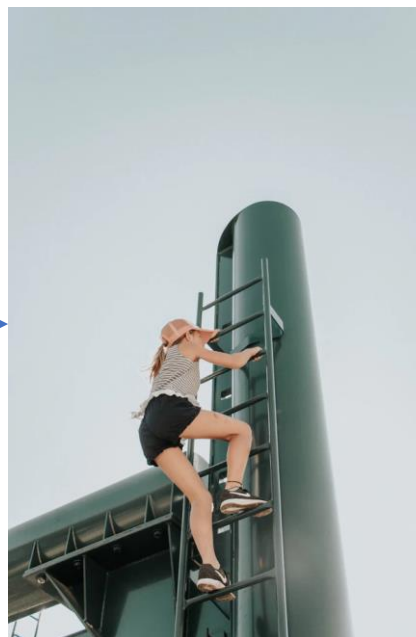
Why?

Introducing new perspectives and going to new places, will provoke you to question current decisions and actions that you might have considered as complicated, when in fact they are not.

Follow your interest.

Why?

It is always important to focus on own aspirations, do what you want to do in life and invest in yourself, and when you are doing things that interest you, you will be in a more favourable environment for innovation.





Mistakes stimulating idea generation

There is always **place for mistakes** and in fact with mistakes it is easier to figure out solutions to problems. Therefore, if you should experience disappointment, do not feel a sense of rejection since this is not the case.

- Seeking for the advice of others,
 - looking for guidelines that will prove to be useful and
 - coming up with an improvement path,
- are also **ways stimulating idea generation**.

Observation of your own behaviour and the behaviours of others will help you **notice the unnoticed** and possibly **control the uncontrolled** bringing innovation to your work environment.

What *techniques* can help you to go from **invisible to visible** ideas?



MISTAKE



IDEAS



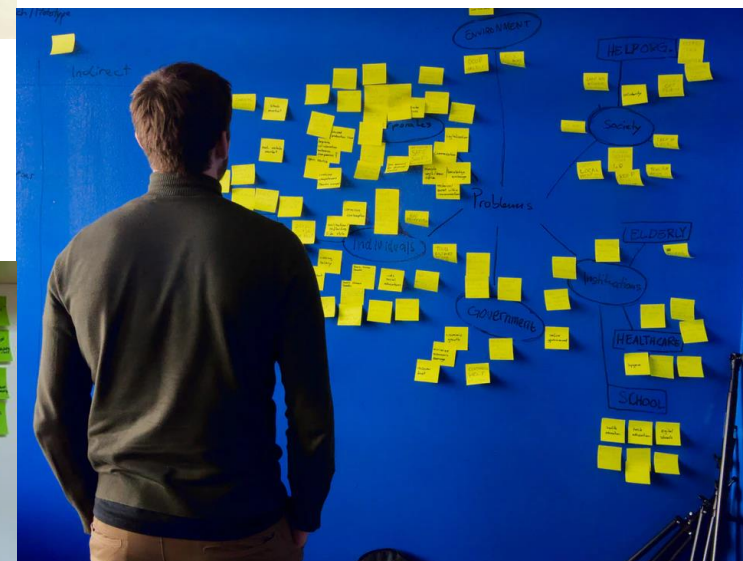
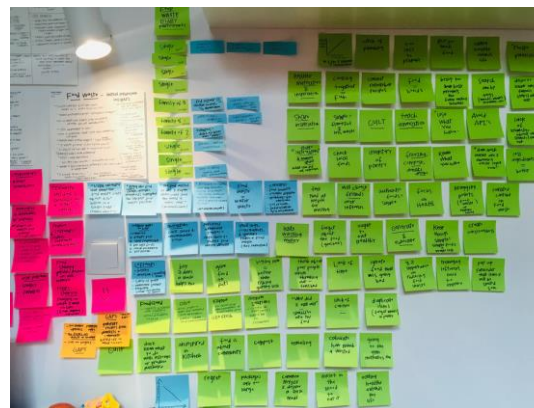
IMPROVED
CHOICE

Where innovative ideas come from - techniques

There are many techniques for idea generation. And many simple ones, like **brainstorming** or **mind mapping**, can already be effective, under the condition that the activities of *scheduling*, *organizing* and *documenting* are in place.

If brainstorming lies in the area of preference, the following techniques can also be used to improve a brainstorming strategy:

- 1) Idea challenge
- 2) 5 Step BRAVO Method
- 3) SCAMPER technique





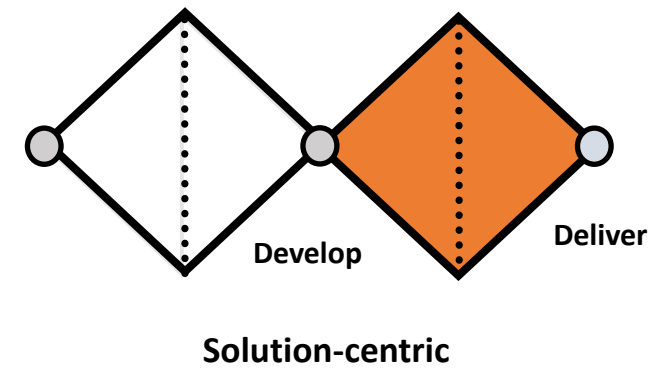
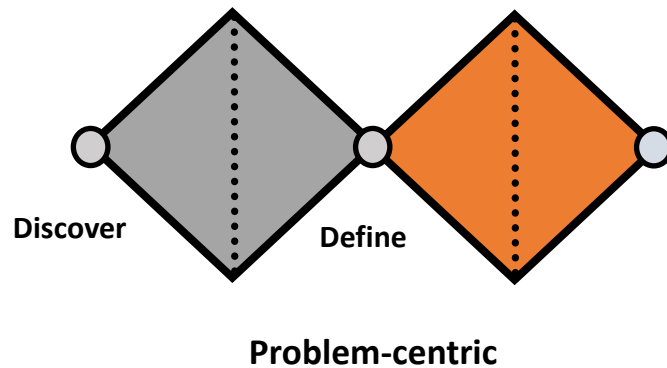
Introduction to the idea challenge technique

Idea challenge relies on coming up with new creative ideas by bringing to light a problem or introducing an opportunity. Ideas are generated around the problem or opportunity for a limited period of time. Therefore, there are two types of idea challenges:

- Problem centric approach (discover and define) and
- solution centric approach (develop and deliver).

In the first you are going to identify challenges, while in the second develop potential solutions for the problems.

Whichever approach you choose, it is necessary to decide on the: theme, target audience, responsibilities, time and channel used for communication.



Creating the idea challenge

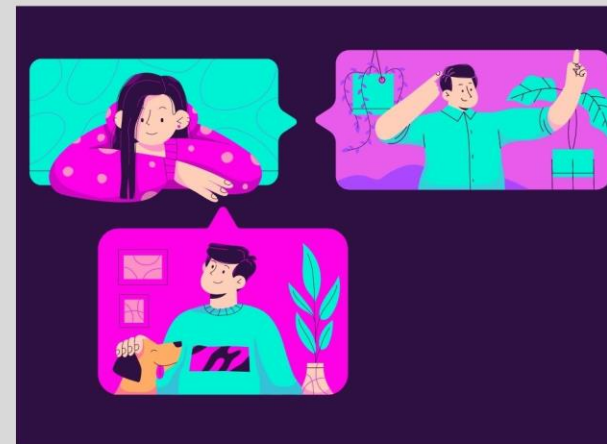
Step by step creation of an idea challenge:

1. Picking a topic and setting goals
2. Addressing specific problems with quantifiable goals
3. Choosing the target audience based on size, reachability and relevance
4. Planning the implementation
5. Confirming time, channels and responsibilities
6. Implementing the idea challenge
7. Proactiveness in promotion and collection of ideas
8. Conclusions and reflection
9. Analyzing collected data
10. Follow-up

JOHN NEEDS TO FIND CUSTOMERS FOR HIS NEW PRODUCT. THE PROBLEM IS ALREADY IDENTIFIED, SO HE WILL REPLY ON THE SOLUTION CENTRIC APPROACH. FIRST HE WILL DEVELOP AN ACTION PLAN FORMED OF A SET OF IDEAS AND CONCEPTS.



JOHN WILL DELIVER HIS SOLUTION BY CHOOSING BETWEEN DIFFERENT CUSTOMERS IN HIS DATABASE THAT MATCH THE GROUP OF CUSTOMERS THAT COULD BE POTENTIALLY INTERESTED IN THE NEW PRODUCT. HIS AUDIENCE WILL ONLY BE A SPECIFIC GROUP OF CUSTOMERS IN THE DATABASE, WHICH HE WILL REACH BY THEIR PREFERRED MEANS OF COMMUNICATION.



Idea challenge canva

In the preparation process helpful is the use of an **idea challenge canva** (as presented below).

Ideas are provided by the target audience, quite often experts, to receive more precise outcomes.

It is a good technique when seeking the generation of a multiple number of ideas.

<p>THEME 🎨</p> <div style="border: 1px dashed black; height: 100px; margin: 10px;"></div> <p>✎ Write down your top priority agendas</p> <p>❓ Can you find a key theme based on those agendas?</p>	<p>AUDIENCE 👤</p> <div style="border: 1px dashed black; height: 100px; margin: 10px;"></div> <p>✎ Write down the factors that limit your audience size</p> <p>❓ What defines the most relevant stakeholder group for you?</p>	<p>RESPONSIBILITIES 🤝</p> <p>TASKS</p> <div style="border: 1px dashed black; height: 150px; margin: 10px;"></div> <p><u>Decision makers:</u></p> <p><u>Subject domain experts:</u> <i>(category admins)</i></p> <p><u>Organizing team:</u></p>		<p>RESULTS & FOLLOW-UP 📋</p> <p>(post-challenge)</p> <div style="border: 1px dashed black; height: 150px; margin: 10px;"></div>
<p>GOALS 🏆</p> <div style="border: 1px dashed black; height: 100px; margin: 10px;"></div> <p>✎ Build a quantifiable goal around your chosen theme</p> <p>❓ Are you satisfied with that goal or should you repeat the earlier steps?</p>	<p>TIME ⌚</p> <div style="border: 1px dashed black; height: 100px; margin: 10px;"></div> <p>✎ Write down what you feel is an optimal length for gathering ideas.</p> <p>❓ What disruptive factors should you avoid from overlapping with your launch?</p>	<p>✎ Write down various tasks regarding the challenge and assign them</p> <p>❓ How do you choose the right people for the positions?</p>	<p>✎ Gather results from the challenge and plan future steps for ideas</p> <p>❓ What did you learn from your successes and shortcomings?</p>	






Idea challenge canva – template – click to download to your desktop



Introduction to the 5 Step BRAVO Method

The 5 Step BRAVO Method to idea generation is related to the development of content ideas: combining elements to reach a connection that either you are satisfied with or that makes sense.

These are the 5 Steps:

- 1) Brainstorm ideas  Come up with as many ideas as you can!
- 2) Rest your brain  Abandon the process of idea generation to a fresh insight into your work done! Walk away from your computer, leave your notes aside and get a coffee!
- 3) Assess & select ideas  It is time to review the list of ideas, evaluate them and select your ideas! Recommendations of others will be useful!
- 4) Vet & qualify ideas  Now check and validate the best ideas! You should connect them with data, facts and keywords in order to end up with high quality ideas making a difference!
- 5) Outline content  Finally, put all information in logical format and start working on your plan!



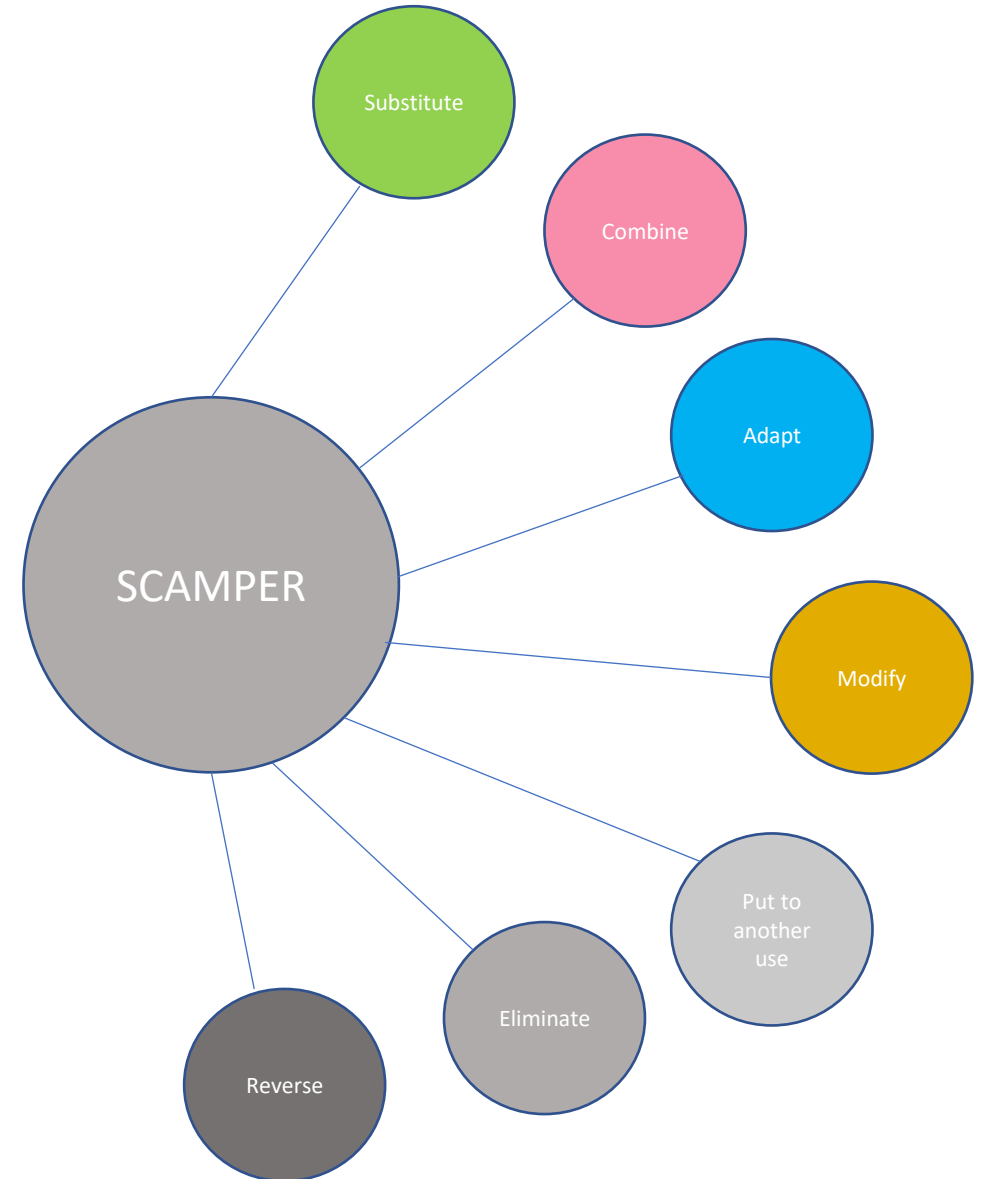


SCAMPER technique

SCAMPER technique is a base for problem-solving and creative thinking. This holistic technique introduces critical thinking for the purpose of modifying existing ideas, concepts or processes. Therefore, it relies on **adjustments to ideas, not their initial creation.**

The technique includes 7 actions:

- S – Substitute
- C – Combine
- A – Adapt
- M – Modify
- P – Put to another use
- E – Eliminate
- R – Reverse



Behaviours reflecting idea generation

As already recognized before, the process requires the competences of creativity, problem-solving and critical thinking, but also effective communication to be able to inspire real change.

In fact, innovative behaviors include both **creativity** (generating ideas – new and useful), and innovation understood as the ability to implement them. Therefore, in the characteristics of **innovative behaviours**, the following dimensions are distinguished:

- seeking opportunities
- generativity
- formative evaluation
- promotion and defense
- application



How did **Airbnb** start?

It was from the idea of two designers who had spare space and decided to host travellers.



How did **Uber** start?

It was the result of two entrepreneurs, trying to figure out how to reduce transportation cost.



Innovative behaviour factors

There are many factors determining the innovative behaviour of employees, related both to the working environment and the employees themselves, and therefore are of a subjective and organizational nature.

The **subjective factors** include:

- personality traits,
- psychological capital,
- knowledge,
- personal competences,
- employee motivation and
- commitment.

When it comes to **organizational factors**, special emphasis is placed on the impact of the:

- organizational culture or
- organizational environment.



Graphic source: Unsplash



Different ways of thinking

Thinking outside the box is related to being proactive in developing new ideas.

The concept represents a model of thinking that is characterised by the development of new perspectives or solutions to an issue or situation. It is beyond the standard way of thinking, challenging the mind to break the pattern and come up with **different ways of addressing a problem**.

An environment in favour of this way of thinking is characterised by a combination of individual and team work, but with space for sharing opinions and contributing to growth.





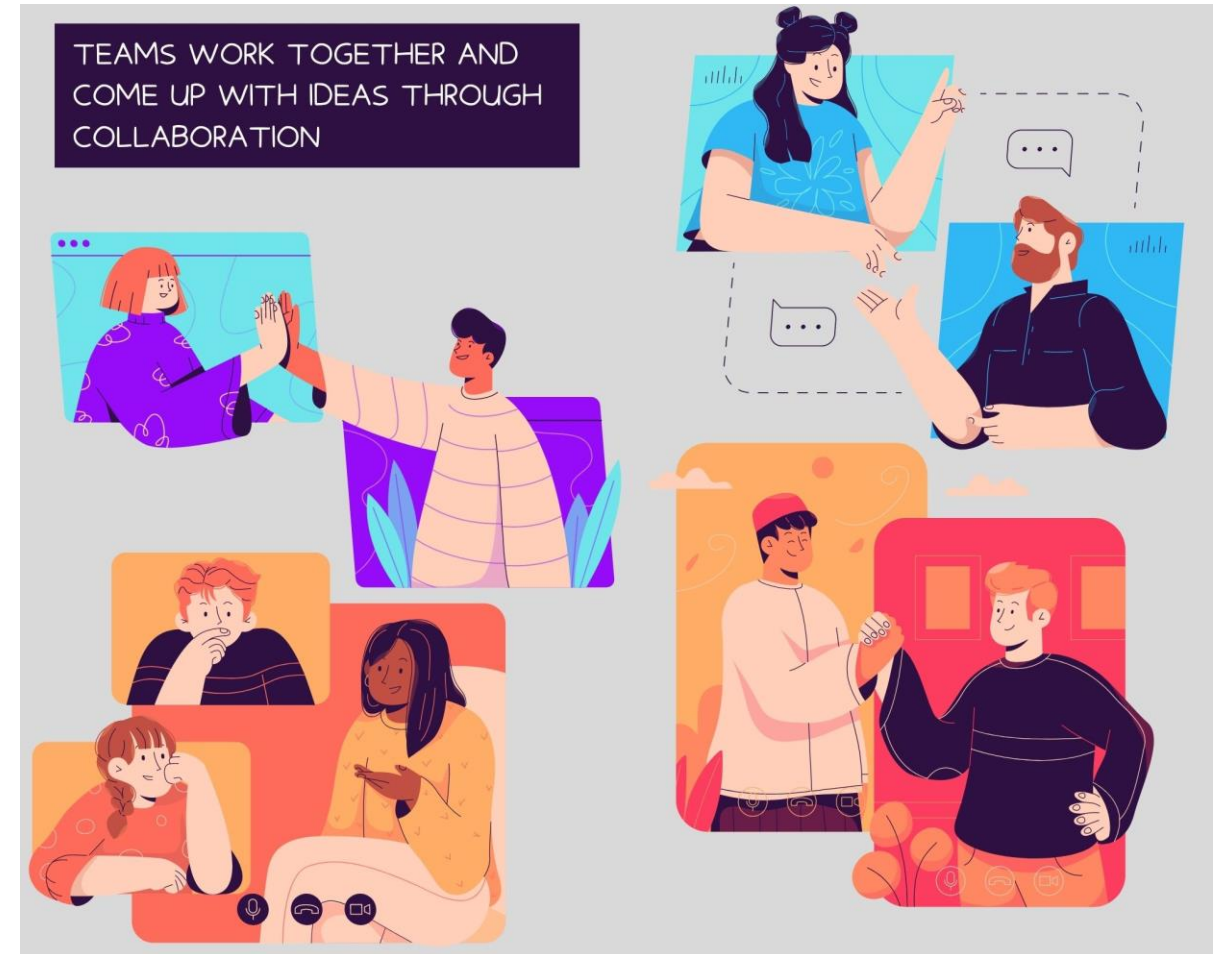
Capacity towards innovation – team-working

This leads to working behaviours for the capacity towards innovation. **Teams that get along better will demonstrate higher probability to create new ideas.**

Work environment is conducive to new ideas only when it is barrier-free and effective time management is in place. Interdepartmental collaboration introduces space for the development of new ideas and reflection facilitating their structurization leading to implementation. Teamwork strengthens the capacity for multi-sectorial perspectives and innovation management enforces the participation of a team for carrying out all the steps in the innovation process.

Start coming up with new ideas together!

In Module 4, you will find out more about effective communication.





Capacity towards innovation – collaboration

Innovation is critical to any business or industry. Although anyone can come up with an idea, more frequently it is in **teams** that an idea is turned into innovation. It is through **collaboration** that the potential of an idea to become an innovative one can be **further investigated** and consulted. Collaboration is essential in sharing different knowledge-bases and experiences. **Collaborative innovation** is looking for new perspectives to better understand a topic on a different level. Outcomes are especially valued by those that have been invited to participate in research, design or **development process**.



Graphic source: Unsplash



Capacity towards innovation – advantages

Innovation and ideation play an important role in the work of employees. Advantages:

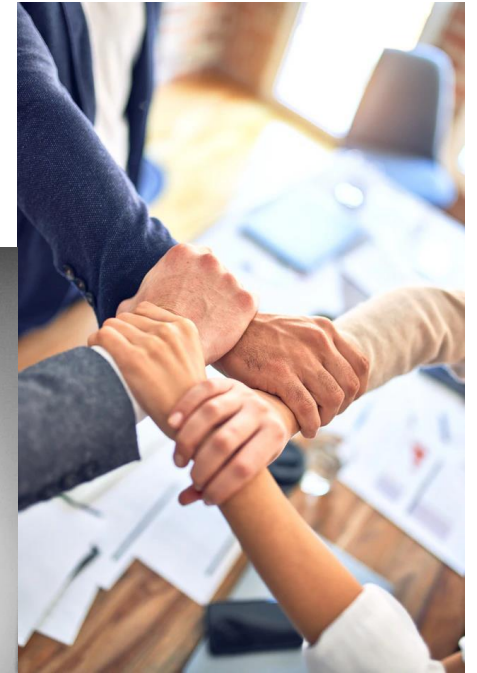
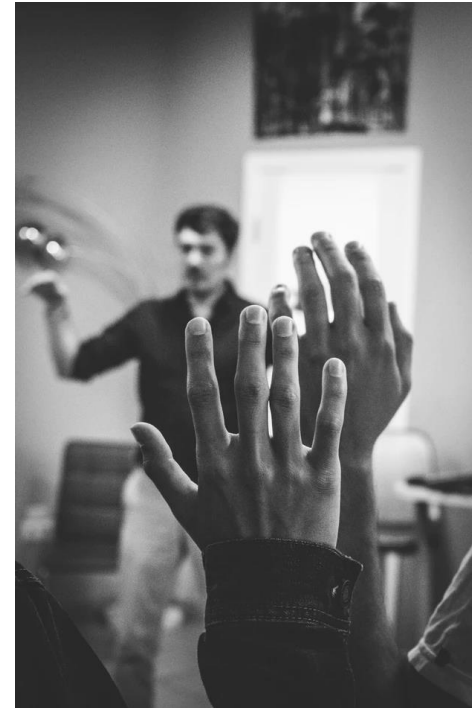
- ✓ boosts motivation,
- ✓ impacts self-development,
- ✓ connects teams,
- ✓ improves creative thinking,

but also...

- increases the potential of being promoted,
- builds good relations between employees and the employers,

as well as...

- ❖ introduces new growth opportunities to the business.





Capacity towards innovation – online platforms

For the exchange or collection of ideas, available are also platforms, known as **crowdsourcing**.

An example is [Innocentive](#) which connects organizations looking for solutions to challenges via a network of experts to gain diverse perspectives.

Crowdsourcing disrupts businesses to expand meaningful ideas of the employees.

Another example of a platform for the exchange of ideas are online customer communities. [Get Satisfaction](#) allows to collect feedback from customers, including their ideas for product development.

There are also platforms for idea submission with the chance to turn your idea into a real product. [Quirky](#) pairs inventors with product designers and manufacturing companies to go from idea to product.

But one can also resort to other types of platforms to seek for inspiration, including **forums, freelance communities, global marketplaces** or **social media platforms**.

In Module 7 you will find out more about crowdsourcing.



Graphic source: Unsplash



Increase

Capacity towards innovation – roles in teams

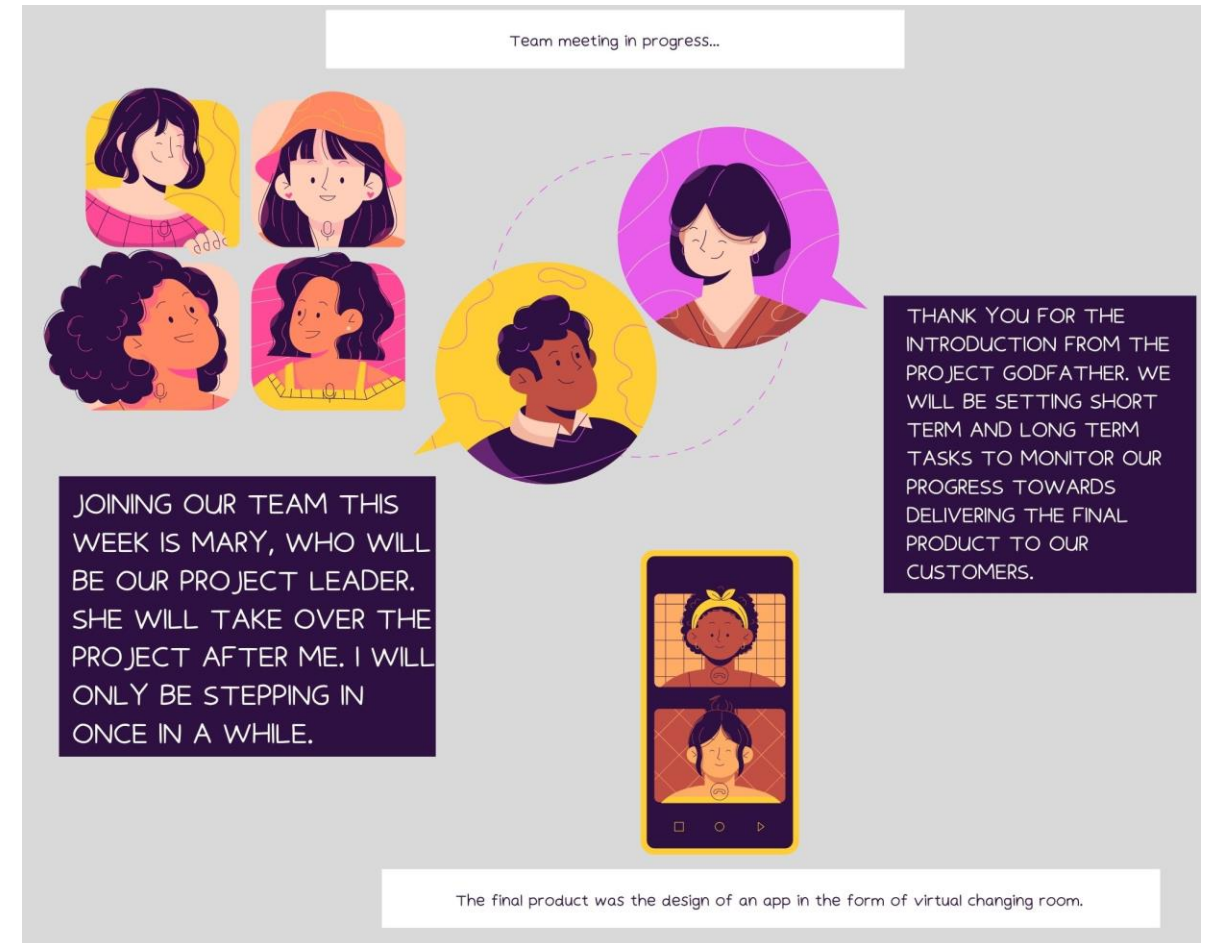
After generating and collecting ideas, their management is crucial. For this purpose, the **division of roles in teams deems to be essential**.

Examples of roles:

1. Godfather
2. Project Leader
3. Technological Gatekeeper
4. Project Champion

The above is known as an **in-company entrepreneurship concept** and its introduction is bound to increase the motivation among employees working on a project by the recognition of their contribution.

You can also take one of the previously mentioned roles – show that you care, that you want to and that you can be trusted!





Importance of interdisciplinary perspectives

Interdisciplinary perspectives are central to idea generation.

Implementing an innovative project, which is supposed to succeed, we need knowledge and experience in many fields, looking at business from various perspectives.

BUT, what if I don't have this experience or expertise?

Look around you and work together!

Already **interdisciplinary thinking** draws upon a very wide range of subjects to understand a problem.

Moreover, interdisciplinary work draws on a variety of sources, concepts and methods, as well as different disciplines in a creative way to in the end bring about new understandings from **different perspectives**.

This means that it may be necessary to involve solutions implemented in different sectors or professions or at least get inspiration from them.

This also means that in order to succeed and turn an innovative idea into an activity, the **engagement of various departments and even experts will be necessary**.



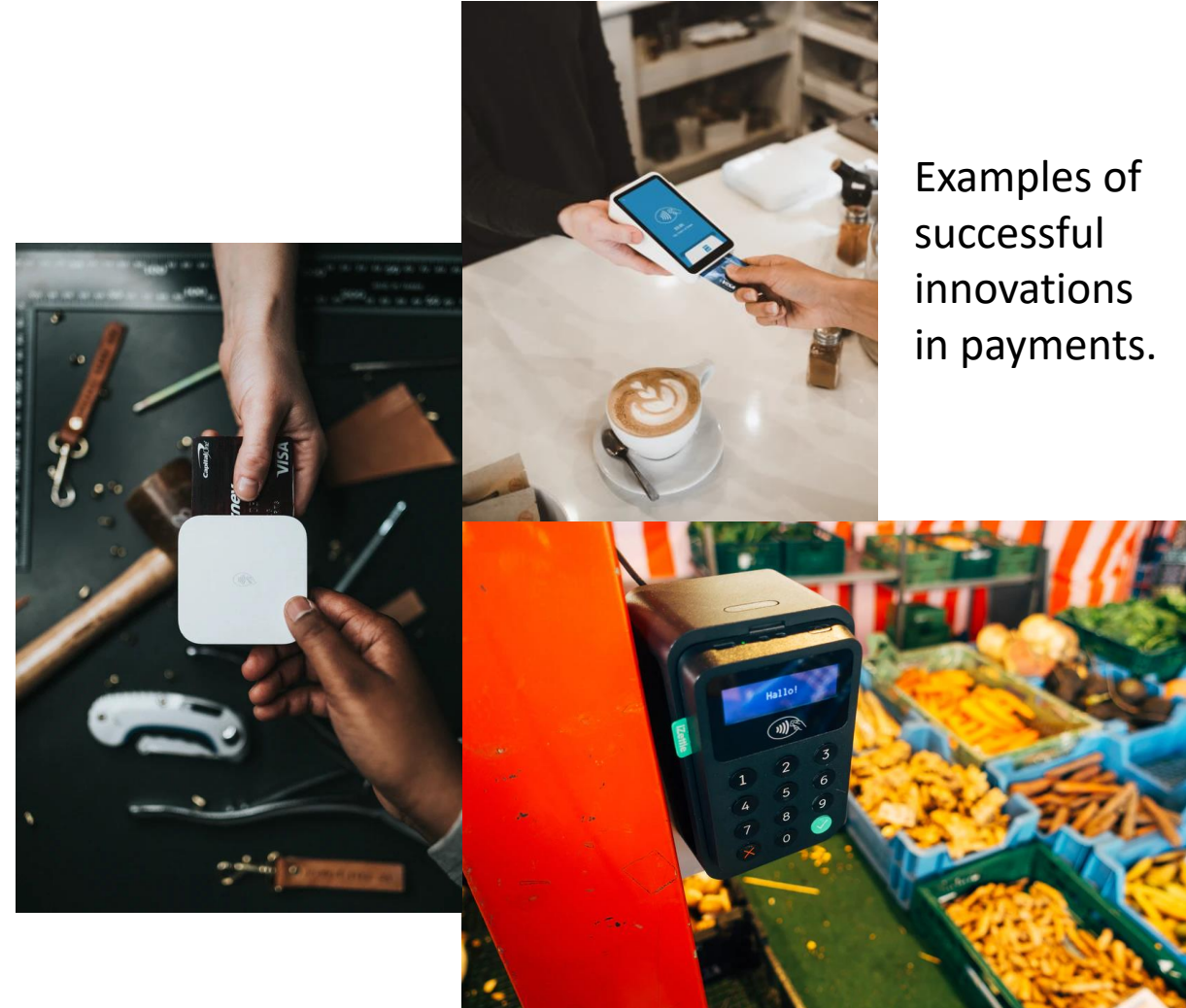
Involvement of interdisciplinary perspectives

Interdisciplinary studies specifically refer to the **inclusion or combination of two or more academic disciplines** into one activity. Research at this level can be beneficial or even crucial for the implementation of projects born from innovative ideas.

Answers from

- sociology,
- psychology or
- philosophy

will enrich a research project carried out inside the organization. Many intellectual, social, and practical problems require the involvement of interdisciplinary perspectives.



Examples of successful innovations in payments.

Module 2

Where innovative ideas come from

Sub-module 2.2

How innovative ideas generate entrepreneurial ideas



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Introduction

Innovation is a key strategy in coping with the challenges that humanity is facing to tackle difficult situations that lack adequate solutions or require advanced approaches to meet the needs or expectations imposed by technological development.

This means that ideas behind innovation will not only be imposed by personal needs but also other situations affecting the way the society and businesses function.

This submodule will concentrate on the challenges of transferring an idea into an innovation, how personal ideas become entrepreneurial ones and examples of fast-growing companies that are innovative.

Ideas behind innovation will not only be imposed by personal needs but also other situations affecting the way the society and businesses function.

- *But what is the process of making the idea an entrepreneurial idea?*
- *How are businesses introducing innovation?*
- *What are their innovative ideas leading to innovative business solutions?*



What leads to an entrepreneurial idea?

Innovation in fact is invention plus entrepreneurship. This means the process leading to an entrepreneurial idea will only be successful when you determine its market, target users and effectively communicate its existence along with the benefits. Moreover, innovation is the mechanism by which businesses improve their performance. Therefore, the success in transforming an idea into an innovative one can be demonstrated by increased profitability or market positioning.

A would-be entrepreneur is offering his product to retailers...





How personal ideas are transformed into entrepreneurial ones

At a personal perspective, new ideas help move forward, thus the development as an individual is dependent on ideas.

From an organizational point of view, generating and collecting new ideas from employees is the best way to uncover creativity and tactic thinking.

Regardless of the goals, **the purpose of new ideas is to improve operation.**

Without idea generation, both economies and individuals would not grow. Especially on a larger scale, and towards internationalization, idea generation will allow for businesses to remain competitive, and for this purpose ideas and innovation are treated as two parts of an equation.



Examples of different ideas & innovation over time.



Graphic source: Unsplash



Generating entrepreneurial ideas

Good ideas are born from need and knowledge.

There are **three basic key steps** to generating entrepreneurial ideas:

- Research, which means analysis of the potential to develop and introduce an idea, including the needs, solutions and opportunities.
- Need and knowledge, the outcomes of the research, point out to the market and target users' needs, and whether you have found a niche for your idea to make a difference.
- Brainstorming, connected with developing the general idea towards a conceptual model by the engagement of individuals and teams, leading to the application of idea-generation techniques.



Graphic source: Unsplash



Approaches towards entrepreneurial ideas

Specific approaches should be applied to the development of entrepreneurial ideas.

Analogical reasoning, the comparison of two objects for the projection of features from one object to another. The approach allows for the introduction of certain features to be applied in a new context. So you take an idea and rethink how to make use of it in a different situation or for a different purpose.

Geographic arbitrage, the comparison of an idea from different geographical perspectives. This means analysing how an issue is tackled by individuals from other parts of the world, which elements can be shared across cultures and how their solutions can be applied in your local context.



Examples of analogical reasoning:

Uber of transportation > Uber of babysitting

Airbnb of hospitality > Airbnb of tools

Examples of geographic arbitrage:

Purchasing lobster at the harbour and selling it across the country (financial interpretation of the term)

Moving to a lower-cost city or country and working remotely (working as a digital nomad)

Business filters – what do we mean?

Another useful strategy is the use of „business filters” to evaluate new ideas.

- ✓ One of the filters is the **identification of competitive advantages**, according to the customer value proposition.
- ✓ By **trial and error methods** you can explore market and technology directions.
- ✓ Some other filters is the **analysis of risk versus return**, the realism in terms of market demand and needs (**market potential**), **exploration of the business potential**, as well as **identification of resources key in the transformation process**.





Challenges of an idea becoming an innovation

“Innovation is about changing the way we think about or do things to make them more effective and accessible.” — Jamie Lee S

As innovative classified is a product, process or business model that will be significantly different than a current offering.

An innovation is not necessarily always something entirely new, but a combination of existing technologies or a recombination or reassortment of elements to deliver an innovative solution.



From left: innovative product, innovative process and innovative business. Graphic source: Unsplash; <https://cinematicvr.pl>



Technology and innovation

In the XXI century innovation is often linked to technology. It can be that the technology out there will impose the path towards innovation. It can also be that a „**technology watch**” will bring to the assumption that your innovation does not have the potential to succeed.

Design cycles, prototyping and testing sequences assist in checking product or service functionality, but also market needs. **Through experimentation** it is possible to validate whether the solution is innovative and useful for its target users.

More information on this can be found in Module 6 – Digital Transformation.



Example of how technology is changing.

Graphic source: Unsplash



Cultural challenges and innovation

Challenges may arise in the situation when an entity operating on domestic market plans to go international. In such a case the challenge may be associated with the **uncertainty of foreign markets and lack of precise data** regarding the state of development and forecasted growth in the sector your operate in.

Do you have knowledge about your company's research findings regarding foreign markets to differentiate the needs of different cultures?

If you have experience with foreign markets, share it with others!

The identification of the potential for a product to become a niche will take a considerable amount of time and effort, considering cultural specific elements and additional procedures regarding entering a new market. You can contribute to this!



Analyse the problem

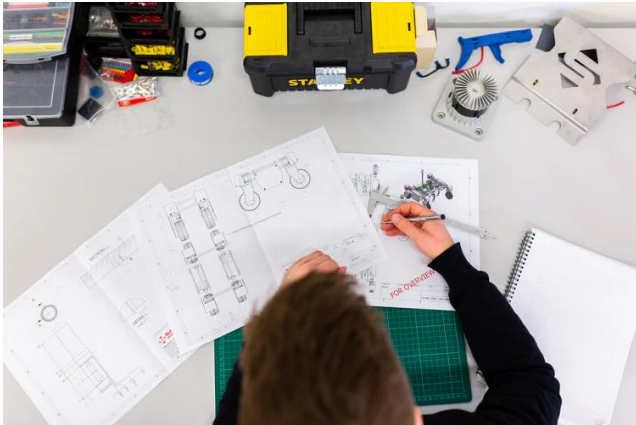
The level of nationalism/patriotism in the country is low, like usage of local products is discouraged and there is a tendency to 'westernize' the country, which is a pathetic representation and follow-up of our history. So, how can it be ensured to have a higher dependency on local products thereby resulting in greater nationalism? How can technology be used to address that? – promotion of local products is just one example! Can you come up with some more?

Graphic source: Unsplash

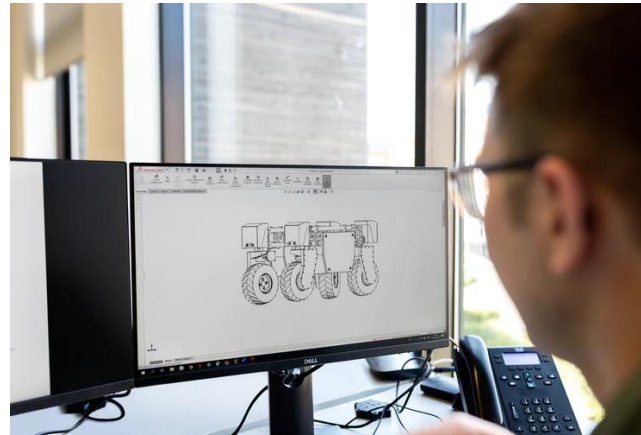


Engineering challenges and innovation

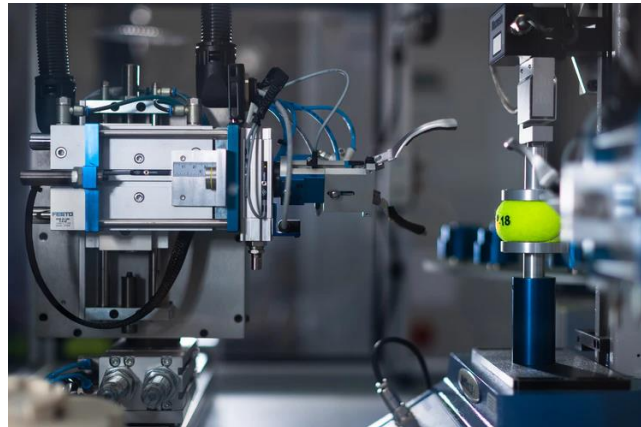
Another block point can be the **resources behind an accelerated design or engineering techniques** that will allow to achieve the progression from an idea becoming an innovation. This is why research, including available budget and supplies, and creation of a canva will provide answers to many uncertainties on the capabilities of an entity to innovate.



OR



OR



Graphic source: Unsplash



How can management facilitate innovation?

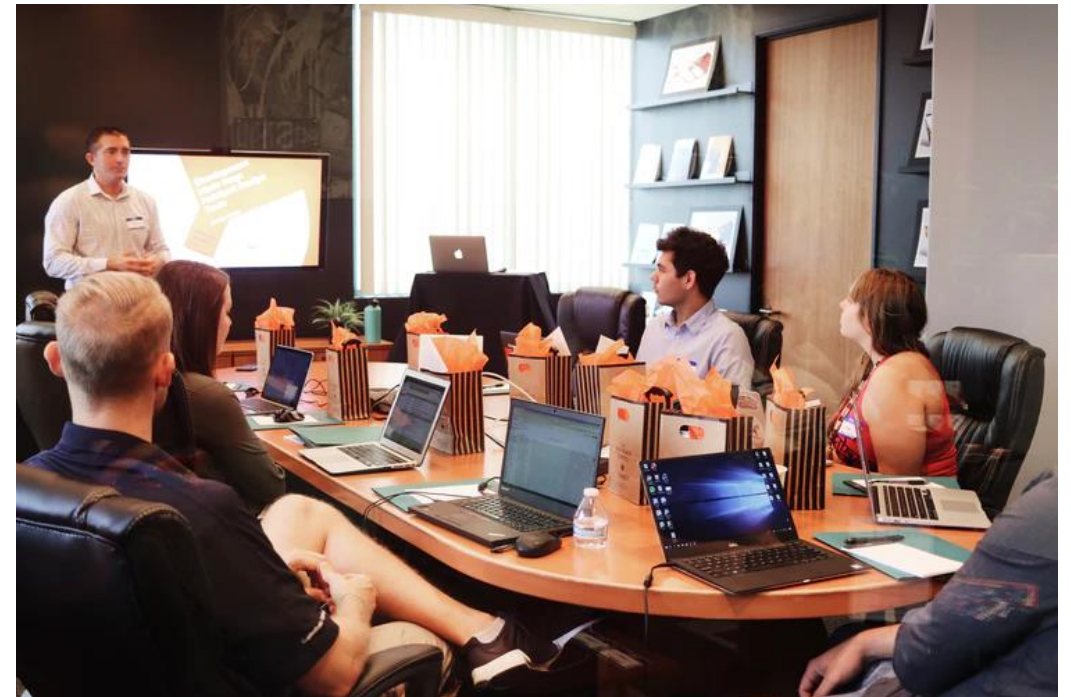
The challenge can also be the lack of management behind the vision or strategy that has already been assessed as innovative. A solution can be the **introduction of an innovation management committee** for planning and monitoring the exchange of knowledge and the decision-making process of an idea becoming an innovation.

Innovation management is key for sustaining an idea, its implementation and further development. It is not the same as idea management, which is only an element in the process.

Innovation management consists of an **innovation strategy**, **innovation portfolio** and **idea management**.

Whereas idea management can be divided into the following steps: generating & collecting ideas, refining & evaluating (the two are part of technology discovery), validation & testing and finally implementation.

However, after implementation, management is even more important in order to guarantee sustainability.





Idea killers

One last challenge is related to **idea killers** – which can be **either actions or individuals**.

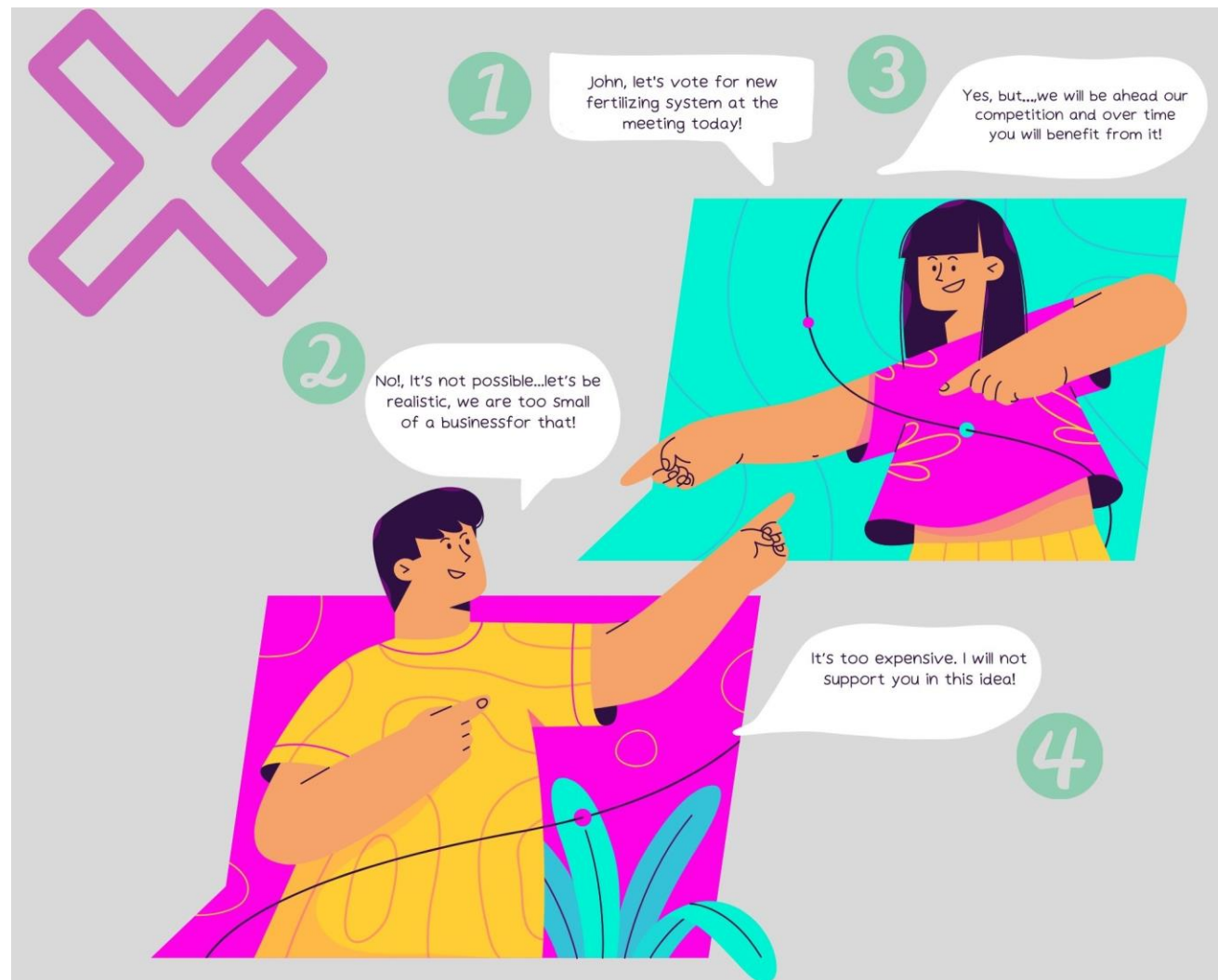
They can take the following forms:

- verbal,
- posture or
- personal conviction.

Idea killers „trash an idea” because it’s painful for them to see someone successfully execute against an idea — it makes them jealous.

To combat idea killers:

- ✓ create awareness,
- ✓ react and
- ✓ don’t judge yourself based on the first impression you have about someone else’s innovative idea.





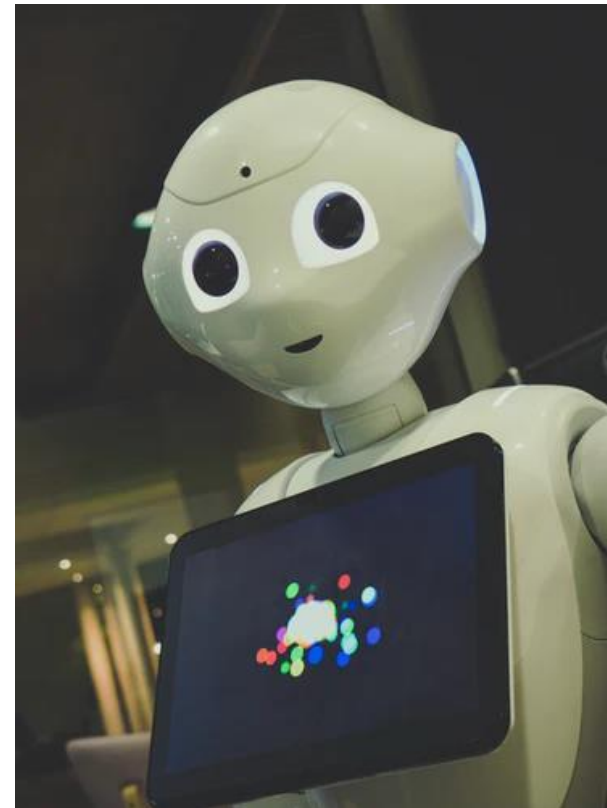
How fast-growing companies innovate

Crucial for the growth of companies is their transformation to digital technologies. The role of science and technology in innovation is at an increase. According to Google the top technological forces impacting company innovation are **artificial intelligence** (AI) and **machine learning** (ML). This is the current state of art, yet tools and technologies are constantly evolving.

FROM



TO



Graphic source: Unsplash



2019 innovative companies...

The graph shows the most innovative companies as of 2019 according to research conducted by [BCG Global Innovation Survey](#).

The top ranked companies have been identified as innovative due to:

- constantly revising its algorithms and offerings (Google),
- continuously inventing new categories, services, models, and ways of engaging its customers (Amazon),
- successfully transitioning from its longtime reliance on the Wintel partnership in PCs to become a cloud-based tech company (Microsoft),
- reinventing itself multiple times, from mainframes to PCs to services to the cloud, AI, and platforms and ecosystems (IBM).

Moreover, **innovation is a top-three management priority** for almost two-thirds of the listed companies.

EXHIBIT 1 | 2019 Most Innovative Companies

1	Alphabet/Google	11	Boeing	21	McDonald's	31	AXA	41	Dell
2	Amazon	12	BASF	22	Marriott	32	Unilever	42	Walmart
3	Apple	13	T-Mobile ²	23	Alibaba	33	Salesforce	43	eBay
4	Microsoft	14	Johnson & Johnson	24	Bayer	34	Pfizer	44	HP Inc.
5	Samsung ¹	15	DowDuPont	25	AT&T	35	Stryker	45	ING
6	Netflix	16	Siemens	26	Allianz	36	NTT Docomo	46	BP
7	IBM	17	Cisco Systems	27	BMW	37	Toyota	47	Daimler ⁴
8	Facebook	18	LG Electronics	28	SAP	38	Volkswagen ³	48	Huawei
9	Tesla	19	Vale	29	Philips	39	3M	49	Rio Tinto
10	Adidas	20	JPMorgan Chase	30	Royal Dutch Shell	40	General Motors	50	Hilton

Source: 2018 BCG Global Innovation Survey.

¹Includes only Samsung Electronics.

²Includes only US T-Mobile, not Deutsche Telekom.

³Includes Audi and Porsche.

⁴Includes Mercedes-Benz.

Graphic source: [BCG Global Innovation Survey](#)



... and how to keep the position?

... and 1 year later (in 2020), only 8 of the previously listed companies have made the list: Alphabet, Amazon, Apple, HP, IBM, Microsoft, Samsung, and Toyota.

When the research was conducted, the COVID-19 was not yet at its outbreak, so how is it possible that results could dramatically differ?

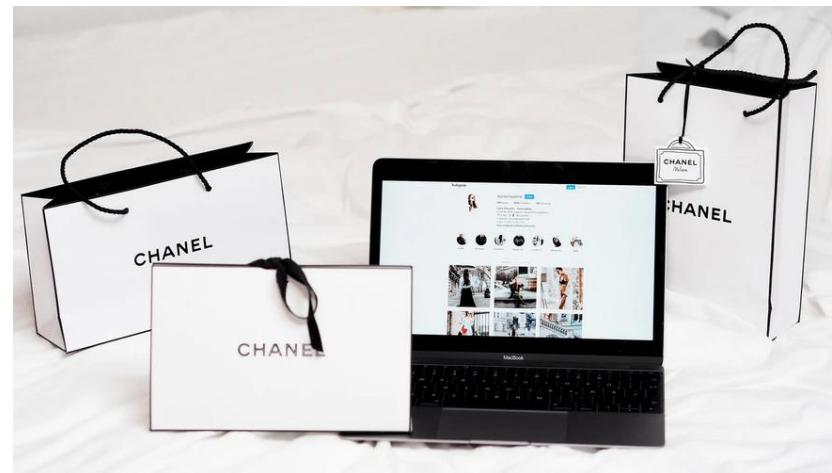
Companies lack the adaptation to shifts in patterns of supply, market demand, consumer behaviour, and ways of doing business at „consumer-first” perspective.

Hence, **companies have the tendency to outperform over the long term with a clear innovation strategy.**

FROM
traditional
shopping



TO online
shopping





What influences fast growing companies to innovate?

Although drive, size, and skill are a powerful combination for success in innovation, there are also some other **factors** that are **influencing the growth of companies to become innovative**:

- ✓ Commitment to innovation
- ✓ Addressing innovation challenges one by one
- ✓ Performing analytics
- ✓ Adjustment to the changing market situation



Example of agricultural equipment towards precision farming enabled by the Internet of Things (IoT).



Technology changing expectations

The rapid development of digital technologies is changing the behaviour of customer expectations.

Therefore, in order to stay competitive (and innovative) companies are also introducing more and more innovative methods, which you should know about!

Examples include **Agile Method** and **Pace Method**.

AGILE means work organization based on greater freedom and flexibility in setting priorities and moving away from rigid divisions into IT and business teams. It allows for a shorter time-to-market and faster response to changing customer and market needs.

PACE is based on project work based on lean start-up, design thinking and agile methodology. The overriding principle is that teams are always close to the customer. Thanks to this, they can easily distinguish key functionalities of a given product from the user's point of view. Then they verify the assumptions if and how much the customer is willing to pay for a specific solution.



DID YOU KNOW?

Both methods promote an approach in which **the customer comes first** and such solutions have the greatest chance of success in the areas of employee innovation.

Module 3

Innovation mindset and what is in it for me?

Sub-module 3.1

Innovation Mindset



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Increase

Introduction

Sub-module 3.1 approaches not the innovation itself as product or result but, instead, it tries to find out how innovation happens to people. The module also explores strategies aimed to inspire and enable employees to trigger and nurture innovation mindset.

Mindset is defined as “mental attitude or inclination” or “a fixed state of mind” (<https://www.merriam-webster.com/>) while innovation is defined as “The process of translating an idea or invention into a good or service that creates value or for which customers will pay. To be called an innovation, an idea must be replicable at an economical cost and must satisfy a specific need. Innovation involves deliberate application of information, imagination and initiative in deriving greater or different values from resources and includes all processes by which new ideas are generated and converted into useful products.” (www.businessdictionary.com/definition/innovation.html).

Innovation skills are not innate but learnt and developed if the person acknowledges and trains it, and if work ecosystem allows and encourages it. Training yourself for innovation is not time consuming, nor expensive. It requires setting a different mentality that enables innovation to happen.





Increase

The right mindset

If innovation is about developing something new that impacts the market and creates value for users – what is required to make that happen?

Innovation is a question of mindset. Creating innovation mindset precedes everything else. The innovation mindset tends to override the aspects of human nature that are often holding back innovation in large organizations.

Once you acknowledge the importance of mindset and you evaluate yourself, you can start to develop it and suggest your company to support you.



I wish I had taken that design course two years ago... Now I would be qualified to get into the new project team. I have always dreamt about such an opportunity...

Oh, my dear, I have seen your work... You are very good!

You do not need a certificate! Show your work to the team leader and have a talk with him. Don't build walls that do not exist!

Remember! Everything is in your head. Your mind makes things possible or impossible.



Openness to change



Change is a tricky thing, and we all must deal with it. Accepting the fact that technological transformation is about to impact your job or business is usually very hard for established organizations.

To be open to change means to admit and embrace the notion that the world is in constant transformation and all areas of society are challenged by this change. It also means to be aware of where this transforming world is heading and to keep track of change and new phenomena.

Finally, it also means that you have to constantly keep analyzing what the transformation means and what the possible consequences of the transformation will be for your job or for your business.

Innovation functions as a behaviour that you perpetuate, rather than a meaningless theory or corporate-driven initiative. By asking yourself what it takes to be innovative—and by being honest with yourself about the answer—you can incorporate innovation into your life much in the same way that you would a behaviour to become happier, to help you give up smoking or to find the perfect partner.



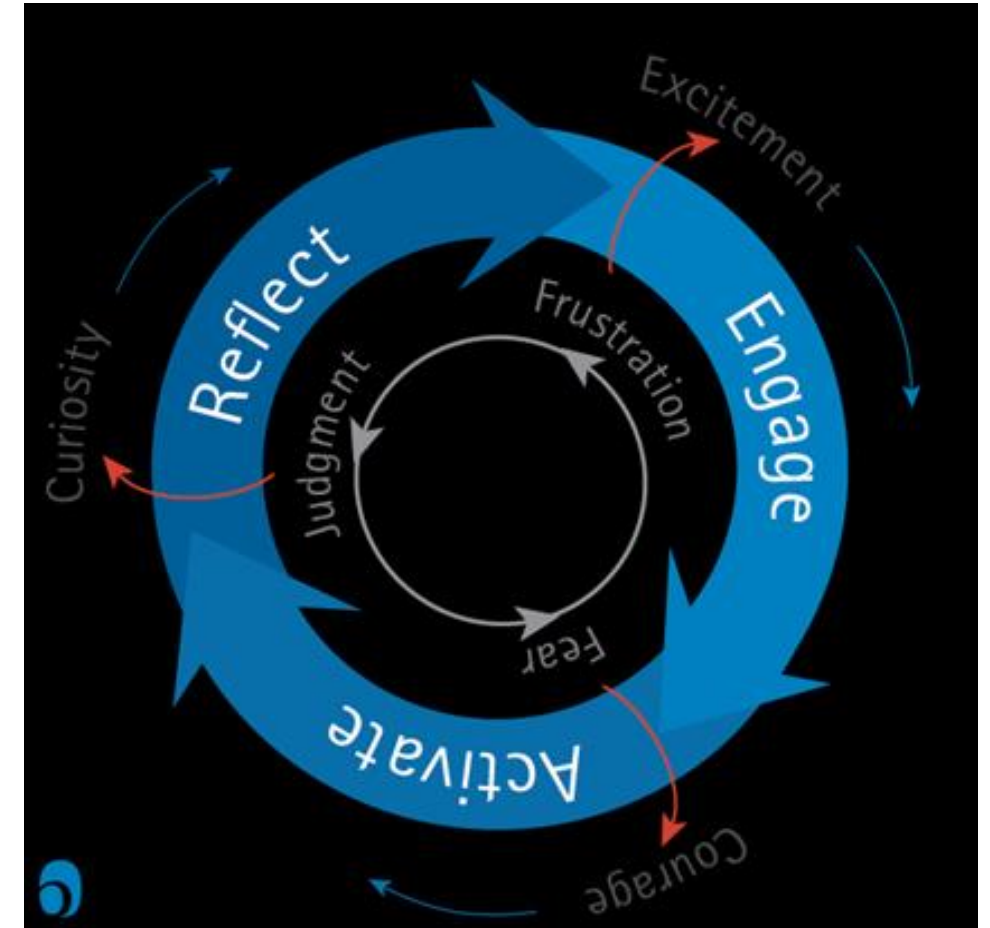
The importance of making changes

Innovation requires change, and if you are an innovator, that is the exciting part, although most people struggle hard with change. To this end, **you need to create regular moments of change in your work and life.**

One day each week, make a conscious change! For example, sit on the other side of the conference room table. Take a different route to the bathroom. Use a black pen instead of a blue one.

Even small changes like this can be a bit annoying, and they will remind you that change is not always the fun adventure you think it is. **Making small changes regularly will train and improve your innovative mindset.**

Going through changes is not easy. It is a challenging journey that involves a transition from the comfort zone to a new destination that can be very rewarding if you are aware of what it implies and patient with yourself. The Kubler-Ross Change Curve explains what change means to anyone willing to welcome it.





Change explained by Kubler-Ross Model

The **Kubler-Ross Change Curve** focuses on the emotional inner journey that we personally experience when coping with transition and change. Change is not painful while resistance to change is usually causing discomfort.

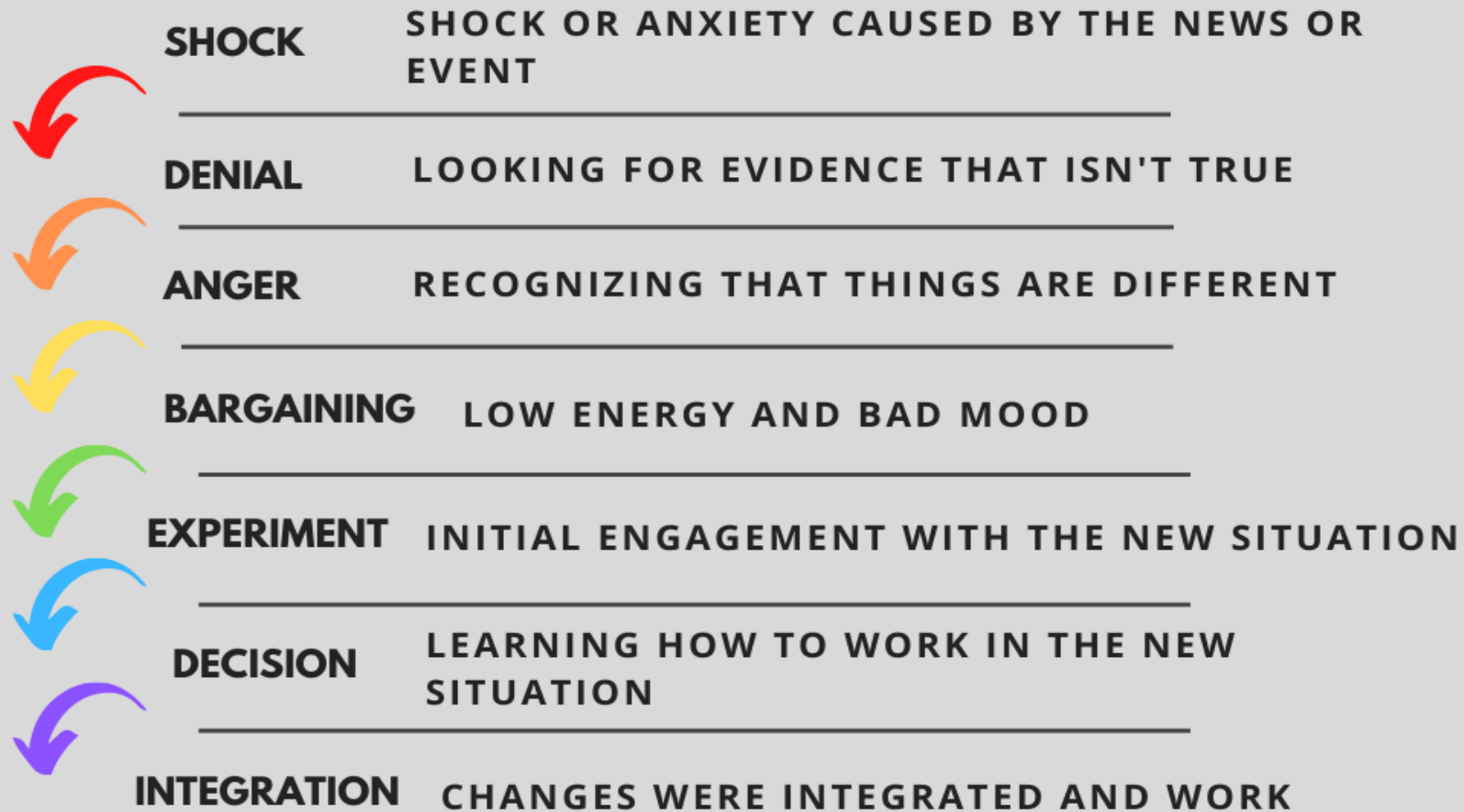
The **Kubler-Ross Model** is successfully applied to business and work environments to explain behaviour of employees going through change process in their organizations. This simple but important model helps understanding the emotional reaction of employees while taking journey towards change. It also gives clues regarding how organization should handle this situation and what should be the responses to each of transitional stage.

The **Kubler-Ross Model** helps people to get a better sense of their reactions and why colleagues are behaving in a particular way.

This model is very easy to understand and apply to any situation. You can relate it to your personal and professional life and be able to understand transition.



KUBLER-ROSS CHANGE CURVE



Changes are like hurricanes for your emotions! Be ready and let them happen to you!



The story of the Change

I have heard that our competitors negotiate with Mike, our best client.

No, this is impossible! I don't believe it! He cannot do something like this to us after so many years...

I simply do not understand how he could do something like that to us! We are the best and he will be sorry, for sure!

The first stage is shock or denial when nobody accepts new realities.

Then, comes the stage of anger when you react to what is happening.



George, let's analyse our approach! Let's talk to Mike and see what made him change the supplier. There must be an explanation... Our team is already stressed.

There is nothing wrong with us! We have been doing it for so many years and it went perfect! I am sure we don't need to change anything. There must be another explanation....

Next stage is bargaining when they think they need some time to delay change.



Nothing can help us now...
It will take forever to
replace Mike! I am going
to sell the company...
There is no point in
starting it all over. I am
not a good manager and I
feel ashamed... I don't
deserve my team.

Oh, dear, come on! You
don't mean it! You have
been a successful
manager and your
employees love you! Talk
to Alex and listen to your
people. Your approach
need to change, and you
will prove to anyone that
you are still the best!

The fourth stage is depression which brings about very low energy and productivity.



Alex, how could I be so deaf and blind? What was in my mind before? The way we are doing it now seems perfect! We need to reconsider us and our strategy more often from now on...

Exactly! That is the approach we have always needed... let's make sure our team gets it right. Change was necessary...

The last stage is of acceptance when employees embrace change and find ways and solution to adjust in the new situation.

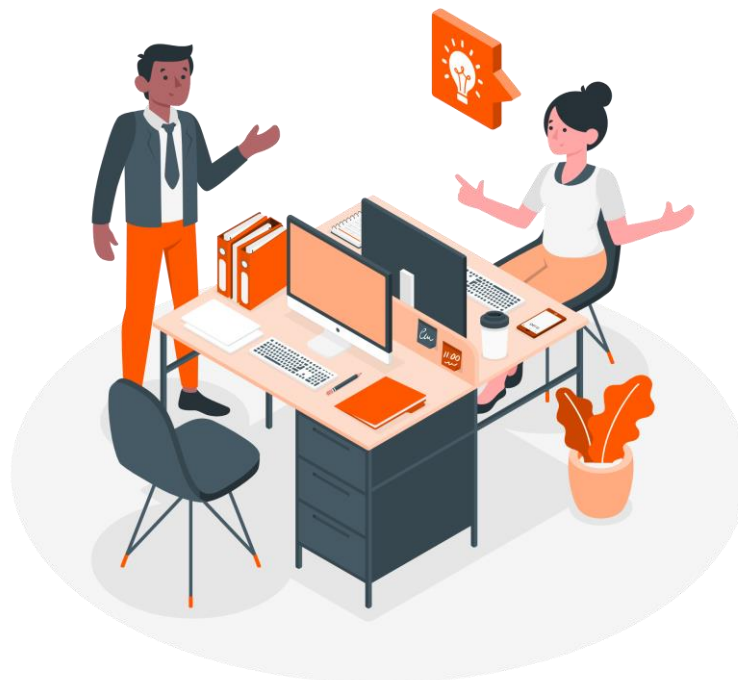


The challenges of innovation (1)

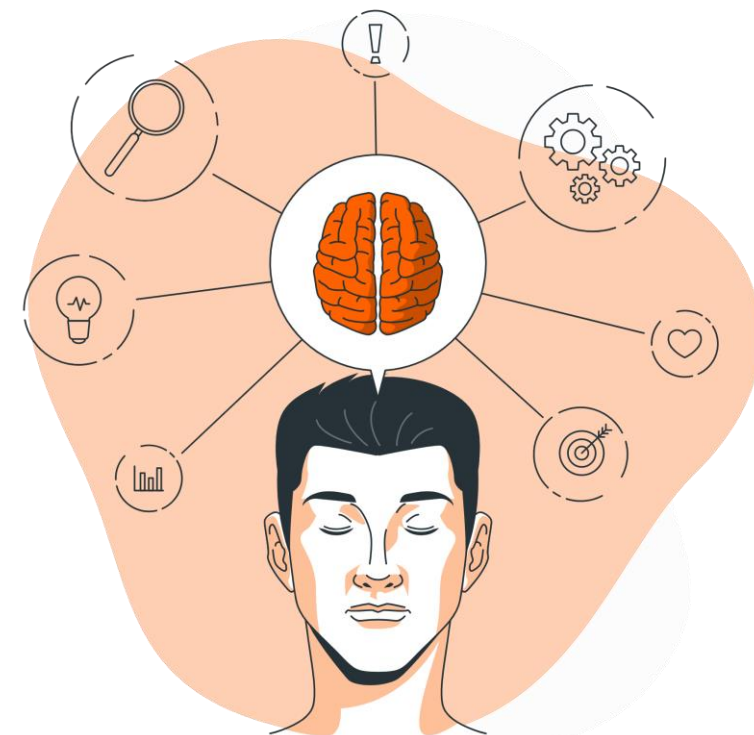
Encouraging creativity is the key to embracing innovation. Practice the following:



Have no fear because fear is the number one enemy of creativity. Avoid feeling powerless and take risks.



Avoid strong attachment to ideas and keep your mind open to novelty.



Find or create motivation to build on your innovative mindset. Personal growth does not require that you have a team around you.

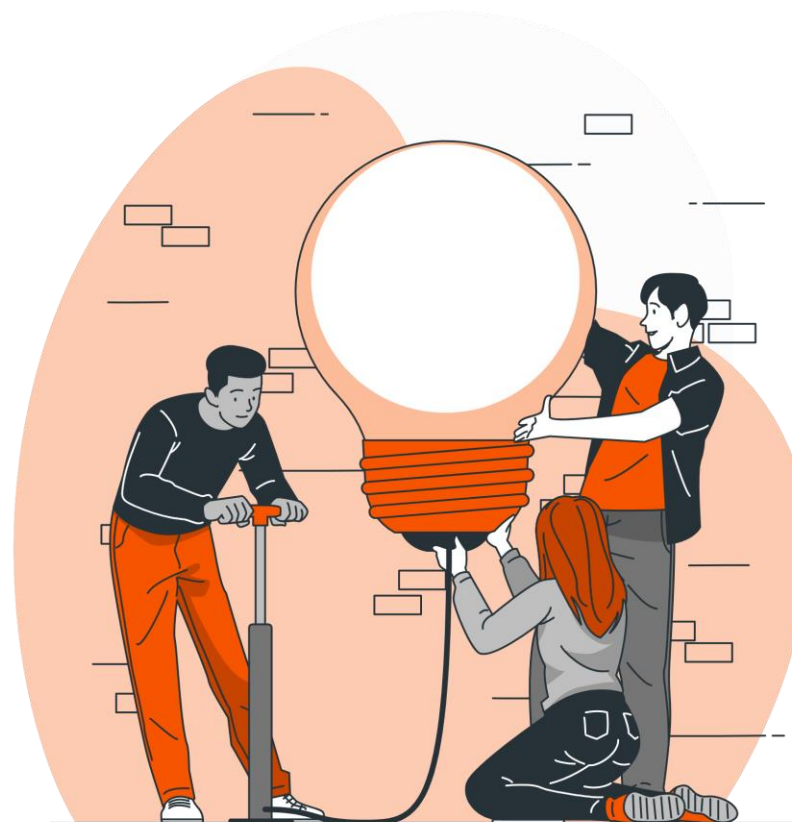


The challenges of innovation (2)

Keep record of the number of new ideas generated and the amount of time spent on innovation. Try to keep them constant or increase them.



Whenever possible, surround yourself with innovative minds and avoid solitude.





The *Innovation-as-art* perspective



- The **innovation-as-art perspective** stresses that the starting point for innovation is creativity, rather than implementation of management processes and organizational structures for innovation, which requires organizations to create innovation enabling creativity. The *innovation-as-art* perspective in business stems from the concept of design thinking. Nowadays, many digital companies position themselves in this area.
- Art has a huge potential, much beyond what you might imagine. Art can amplify social change, it can provoke, disturb and disrupt your thinking in countless different ways. It isn't just about design methods. Art can be a powerful catalyst for innovation.
- The innovative mindset requires embracing creativity. An innovator sees creativity as the solution to problems, rather than a traditional scientific method.
- Science methods are about experimenting on people. Designed methods focus on innovating and inquiring with people.



Think big: Why? Why not? What if?

Today, most academic researchers and experts on innovation agree that **innovation is about more than just incremental improvements to existing products or product extensions**. This leads to the point that innovation requires an ability and the courage to think bigger and beyond the current norms and truths in the market. Innovation is about stretching one's thoughts out of everyday ordinary thinking and analysis. Basically, **big thinking** and **innovation** is a combination of **analytical skills**, **entrepreneurial spirit**, and the **ability to fantasize**.

Joe, where do you get such great ideas from? How does it happen?



Well, Emy, for me it's just a matter of habit... I am not a magician. I simply question everything.





I draw out clear goals and boundaries for my project. It helps me tackle the problem from different angles.



Every day after lunch, I go for a walk around the block... It brings creative solutions to my morning challenges.



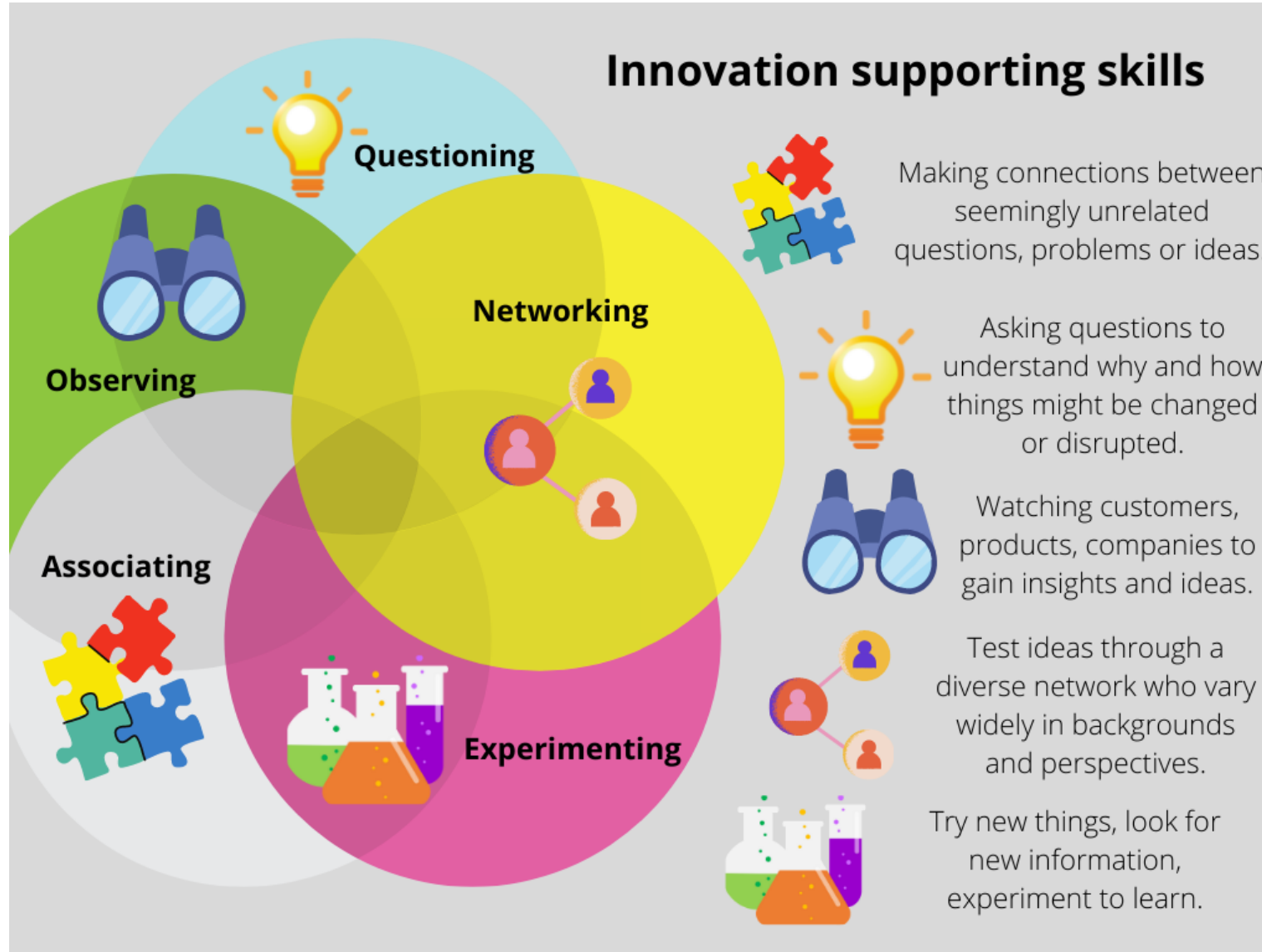
I enjoy my breaks. It frees the creative part of my brain and gives me a chance to talk more openly about work challenges with co-workers.

Wow, Joe, your strategy works, and I am going to try it. It looks like a much better way to approach challenges!

Happy that I inspired you!



Innovation supporting skills



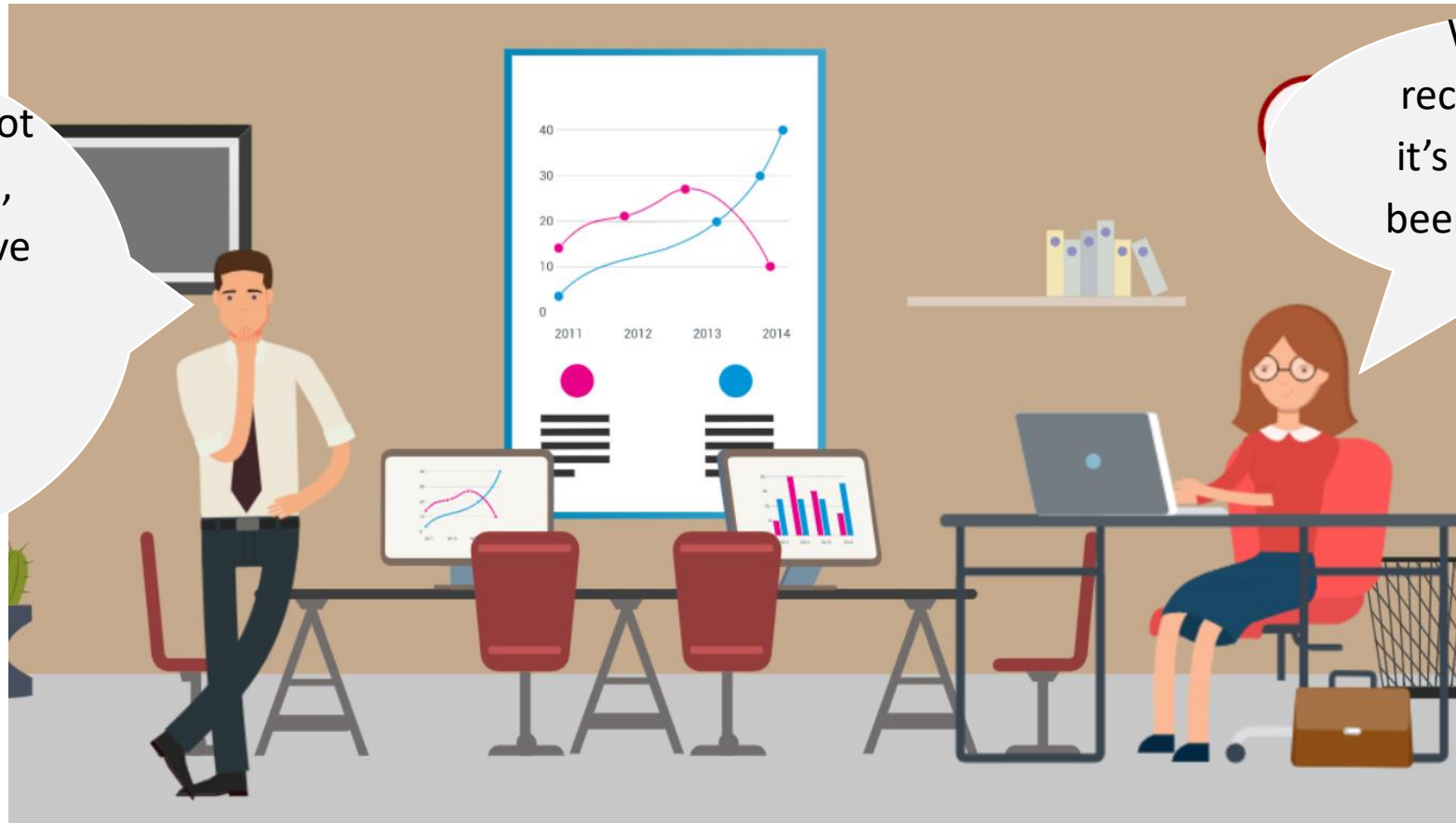
- One of the most common characteristics among the great innovators of our time was found to be their ability to associate, “to make surprising connections across areas of knowledge, industries, even geographies.” Importantly, their associative thinking skills were fed by one or more discovery skills: **questioning, observing, experimenting, and networking.**
- So, try to **feed your associative thinking ability by doing something unrelated to your job or other obligations**, simply because it interests you. You might be surprised where it takes you. Remember that Steve Jobs studied calligraphy, meditation, and car design which he used all in his job.



Rethinking and reconsidering

Innovation does not happen unless organizations and the innovators within them have the courage to **constantly rethink how things can be done**. It takes courage to **challenge proven strategies and successful products and services** before they go into decline. It takes courage **not to conform to widespread beliefs** and popular “truths” in big organizations.

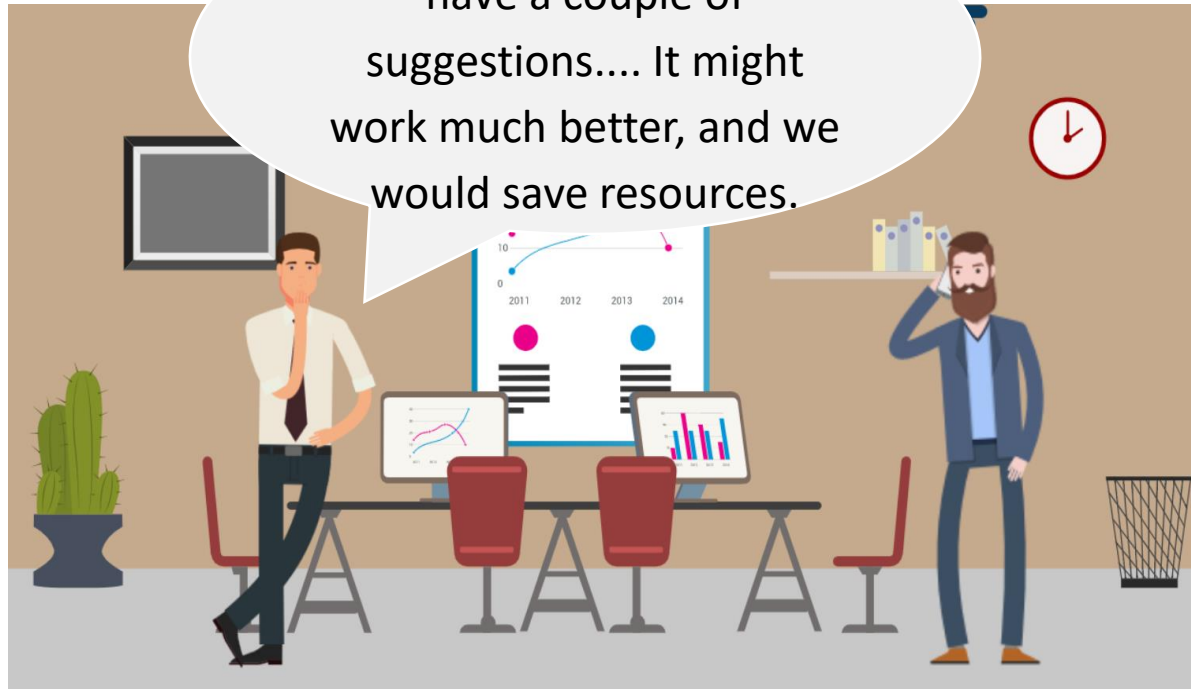
I feel that this is not the only solution, nor the best... Have you considered moving the entrance on the opposite side?



Why should I reconsider it since it's working? It has been already tested and proved.



I know it works well but I have a couple of suggestions.... It might work much better, and we would save resources.



It takes courage to **question management and colleagues** for doing things the way they have always done.

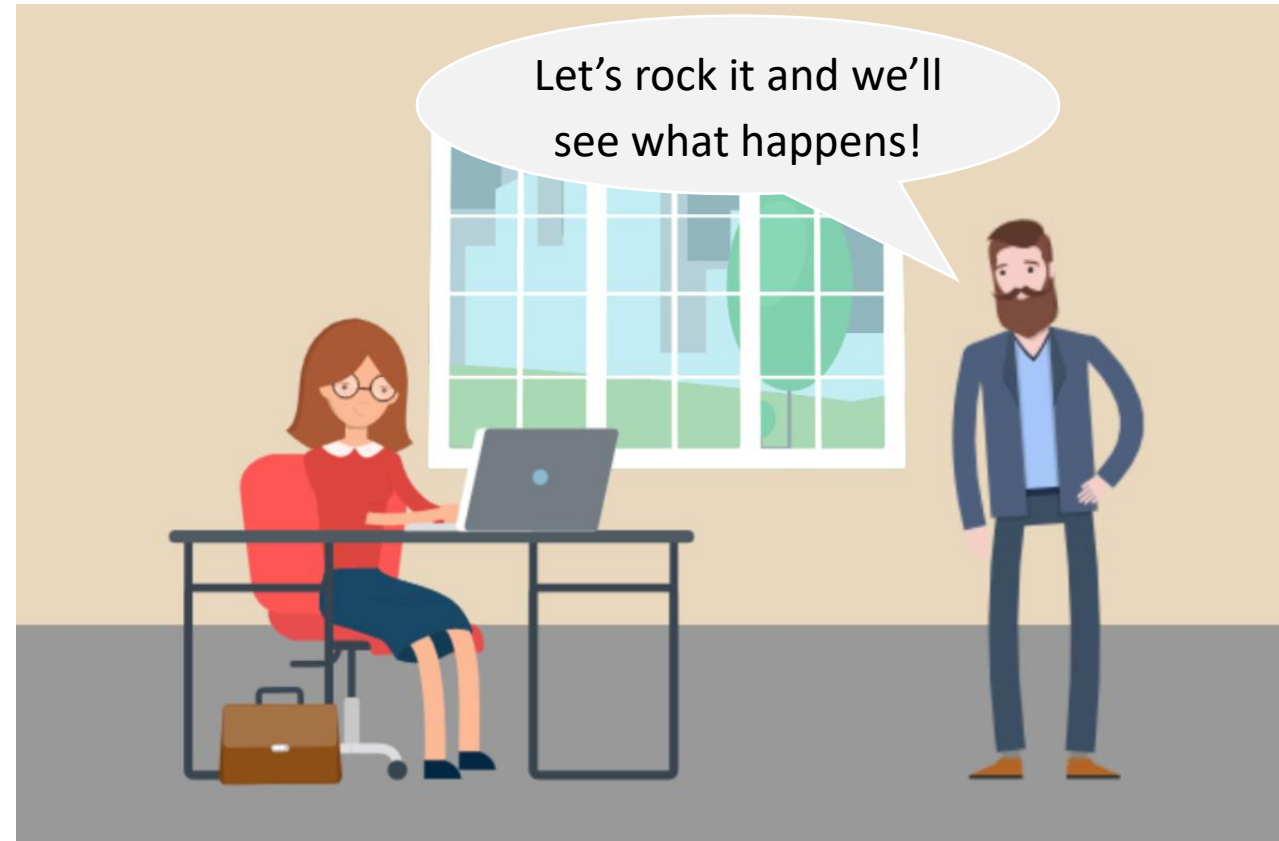
You might be right even if it seems crazy to change something that is approved and implemented...



It takes courage to **constantly problematize** and be that one person who always goes against the grain and tries to **think about things from a different angle**.



It takes courage to **be vulnerable** rather than playing it safe according to established business practice.



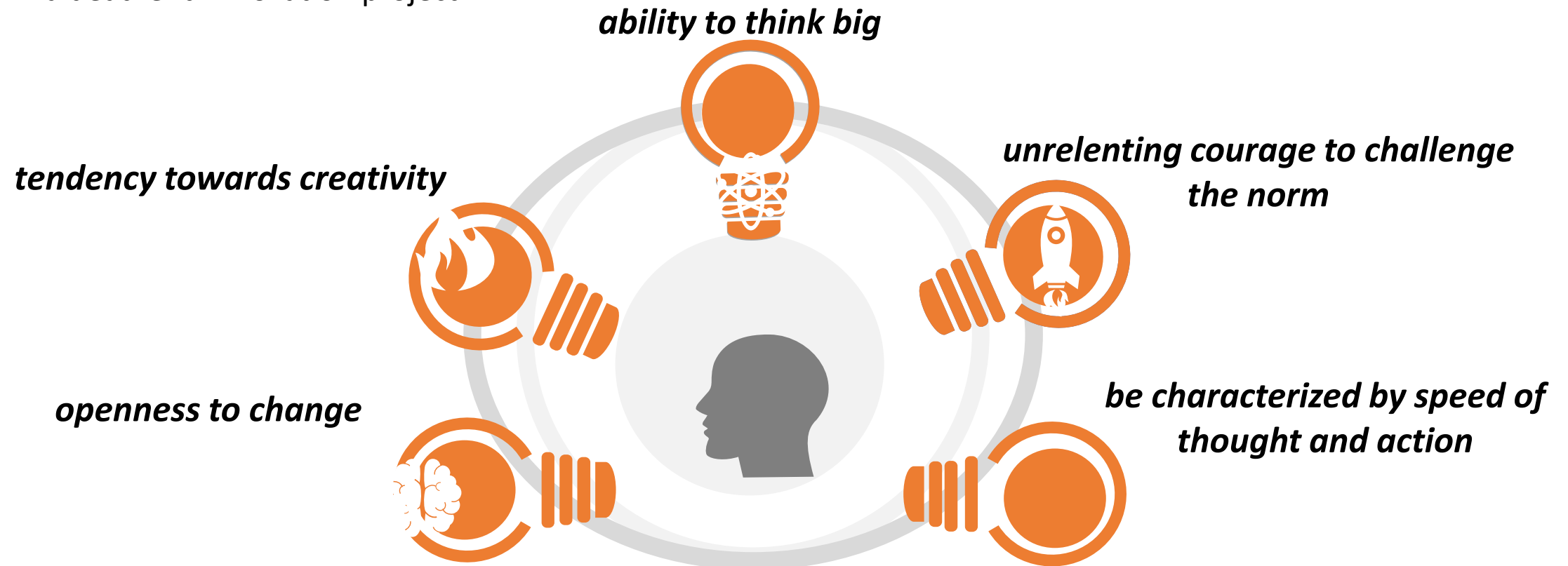
It takes courage to **venture** into the new and uncertain, risking failure.





Main ingredients of innovation mindset

Innovation within an organization must be a fast-moving process to keep up with the change going on outside of the organization. If you have the desire to be innovative, you must think fast and initiate a fast-paced innovation process with an efficient go-to-market roadmap. In this context, it is also critical to adhere to the notion of “failing fast”. New ideas and concepts have to be tested out quickly. Move your resources to the next concept instead of getting stuck in a dead-end innovation project.

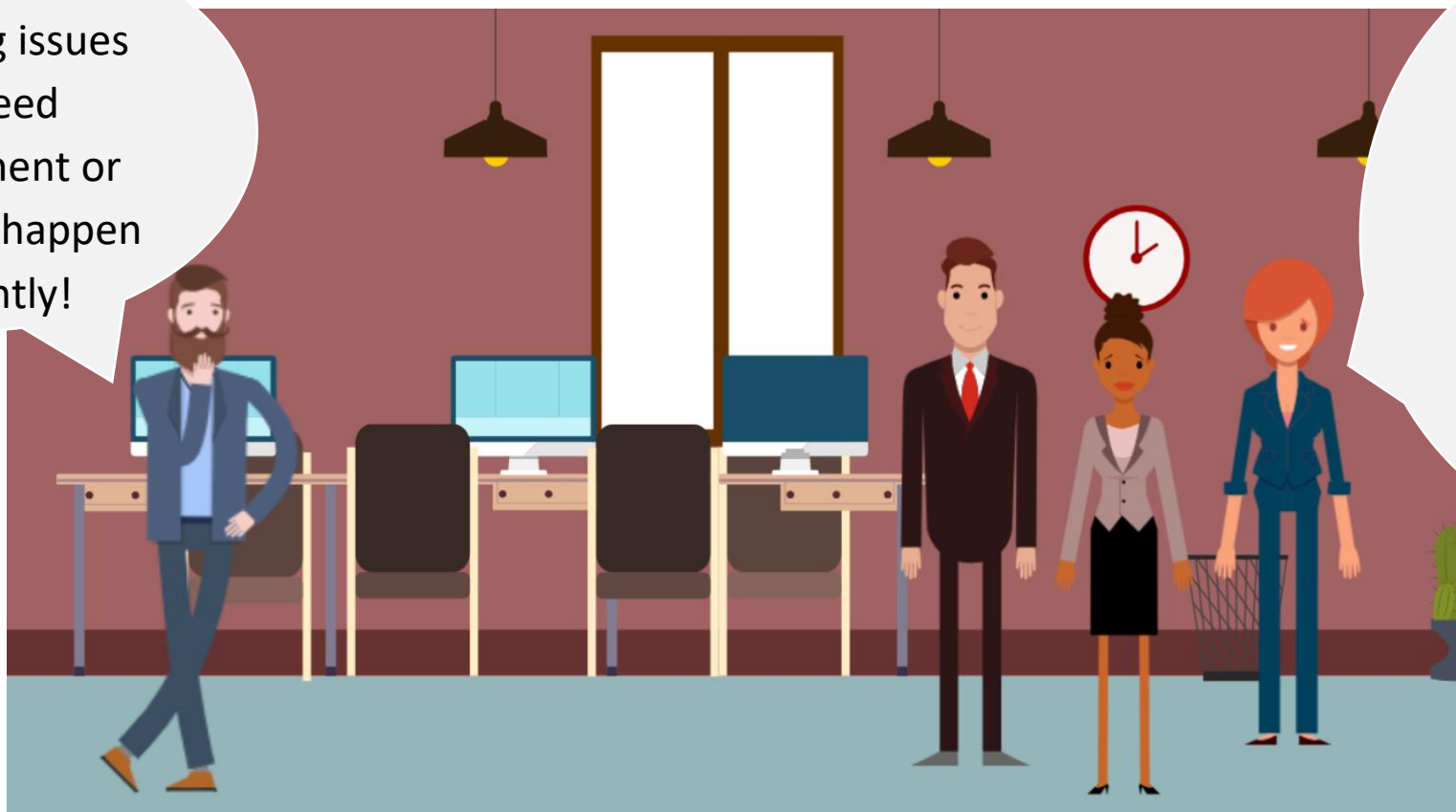




Everything can be improved

Innovation is doing something differently and create value. The easiest way to do that is to find opportunities for improvement. Innovation will never come to you if you do not invite it in.

Let's start by identifying issues that need improvement or that might happen differently!



Interesting perspective... To be honest, I usually ignore or avoid what I don't like, although I knew exactly how I would have liked it to be...



When you find a solution to a problem, how can you be sure that that is the only one? What if there are other answers?

Hmm, I don't know...



Exactly! That is my point. Different can mean simpler, faster, cheaper, or even in a way that is more enjoyable, but whatever it means, the answer will point the way to creating value for the company and for you.



So, next time you are frustrated with or confused by a process, ask yourself “How can I do this differently?”






Risk Culture

You need to build a safe environment around you which can make smart risks acceptable and increase your resilience. This is always required to innovate in a sustainable, repeatable, and predictable manner.

A slogan like “**Learn fast and learn often!**” could work just fine for yourself and it might provide what the team or the company cannot.

You can model other’s behavior by sharing what you learned from things that did not go as expected. No one likes to fail, and very few companies reward it.

So, next time you make a mistake, try to share it with your collaborators!



You've made it!
Congratulations!

If our colleagues would
know how many times I
failed before reaching
here... But I never dared
to admit it openly.

That's it! You are genius,
Alex! Behind every success
story there are the
mistakes, so we need to
share them. We'll organize
"The Most Innovative
Mistake" Event to show
that they are good.

Module 3

Innovation mindset and what is in it for me?

Sub-module 3.2

Innovation Cultures



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Introduction

Sub-module 3.2 explores different types of Innovation Cultures, as well as the influencing factors, such as the strategy, the value system, the management structure and the internal processes, the team composition, the internal communication, the risk culture, and the available resources.

Sub-module 3.2 presents different models of Innovation Cultures and the assessment criteria that will help the employee to evaluate the company they work for or to identify the right professional environment that will valorise their potential and help them grow.

Companies that welcome and nurture a mild innovation driving culture are supporting their employees to constantly develop and refine their innovation mindset which, eventually will make the difference in terms of their success on the market.





Innovation Cultures

Innovation is perceived as the application of creativity which means bringing about change by using ideas. Innovation is not instantaneous or striking, although innovative ideas might apparently appear out of the blue. In fact, innovation is a process that involves multiple stages and factors, and need different competencies, resources, and flexibility.



Companies that initiate the innovation process, first must develop an adequate **innovation culture** which is a prerequisite so that their employees bring in innovation.

Each form of Innovation culture endorses different forms of innovation.

The innovation adoption curve provides a classification of the way businesses adopt innovation based on their level of readiness to accept new ideas.

The Real Story of John Jacobs – the challenge

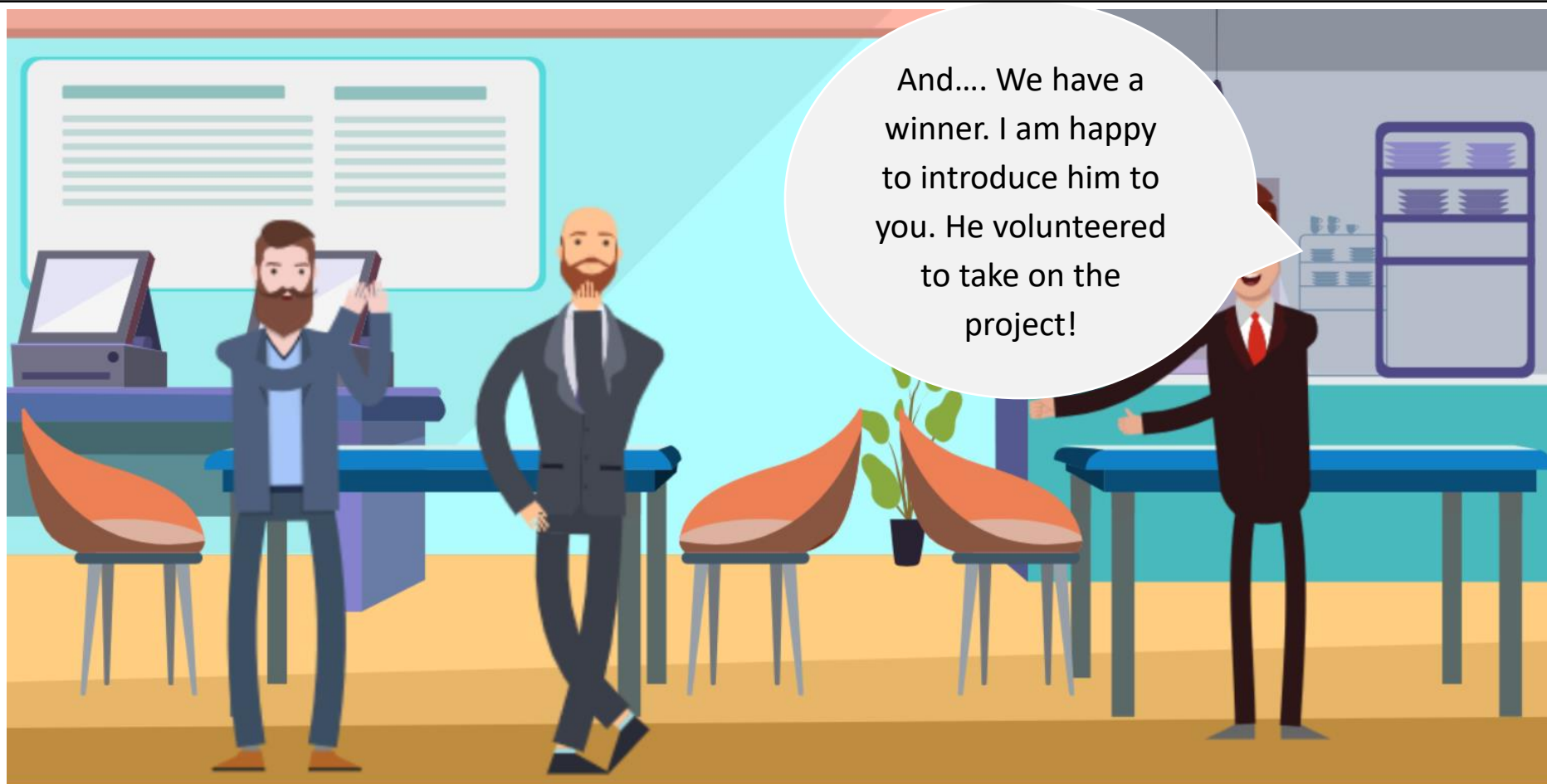
John Jacobs, owner of a company that designs and produces greeting cards, was desperate when he decided to draw on employee creativity to improve in-house communication.



Challenge: Almost every division was constantly griping about poor communication

The Real Story of John Jacobs – the solution

Jacobs' solution was to issue through e-mail an urgent call for ideas. He offered a €100.00 prize to the person who came up with the most creative (and feasible) idea to improve communication.





The Real Story of John Jacobs – How things happened...

The most innovative idea came from a clerical worker, who suggested a weekly news sheet to post on the bulletin boards around our lunchroom.

The news sheet is a single page reporting a maximum of six items. Anyone in the company can provide nonconfidential information they think others want or need to know. People also bring their questions to the editor, and she finds out who can provide authoritative answers. Questions range from, "What were the sales numbers in the western region last month?" to "When does our CEO start vacation? I need his go-ahead on this report before he leaves."

Both the original question and the reply appear on the news sheet. Phone numbers and e-mail addresses of sources are included for those who want further information.

One recent news-sheet item asked people to e-mail their opinion of its effectiveness in improving communication. "Every single one of our 75 employees responded with favourable comments," Jacobs says. "And all this started with one employee's creative idea." With morale and production "way up, we've regained our lost accounts and acquired several new clients."



Progress Flags



- You are on the right path if you display these features:
- You are interested in **continuous learning**
- You like to **challenge yourself**.
- You are able to **take a decision without knowing all the answers**.
- The efforts to develop and train **your innovation mindset need the right work environment** to confirm how good you are and unleash talents that you might have not known before. Companies in need for creative employees who are able to bring in growth are fully supporting the development of their innovative mindset.
- Beware that changing workplace systems and procedures requires **resilience and flexibility**.



Red Flags for Poor Innovation Culture


When looking for the right company to work for, you need to get information about the type of innovation culture they are applying, and which might welcome and help you grow your innovation mindset.

It is important to find out if there will be **compatibility between your newly acquired mindset and the company's openness to support your growth**. It might be difficult to get accurate information, but you must try because your success depends on “being on the right stage”.

Innovation is a process that depends, first of all, on everyone's mentality. So, in order to establish a culture of innovation, mentalities need to be aligned.

Check the following: failure tolerance, open sharing of ideas, rigorously controlled experimentation, apparent hierarchy, responsible collaboration. If you don't find them, then you should keep looking.





My dear, I am going to apply for a position in your company, but I wonder if it is my kind of place. I need challenges and creativity in my life. They seem not to be innovation oriented... But I am happy that you feel so comfortable there.

I am afraid you are right... I expected my job to be more demanding and more challenging. Otherwise, it seems the perfect job.



Innovation Factors

You must be aware that not all companies are prepared to push innovation within their organizations. There are certain details that should draw your attention with respect to the **company's approach to employees' efforts to feed and grow their innovation mindset**. Evaluate the INNOVATION FACTORS below (building blocks) to make sure that your organization's innovation mindset is keeping up with the times:





Outside-In not Inside-Out

Keep open to the outside. Most of what matters starts outside, be it new ideas, new competitors, future trends, etc. If you concentrate only on the inside and do not “**watch the world**”, you run the risk of making bad innovation bets. Furthermore, a company focusing only on the inside issues is not the place where your innovation mindset will be valued, nor stimulated to grow. It also means that the company is focusing on present more than on the future.

Open innovation was coined in 2003, by Henry Chesbrough, a research professor at the University of Berkeley. Professor Chesborough underlines that open innovation provides a reconsidered approach to innovation that empowers growth. Open innovation is the availability to receive input from outsiders or from employees from other departments within the organization.

To understand better, we invite you to watch

[The Innovation Pyramid -- An Effective Tool to Align Your Team's Vision on Innovation - YouTube](#)

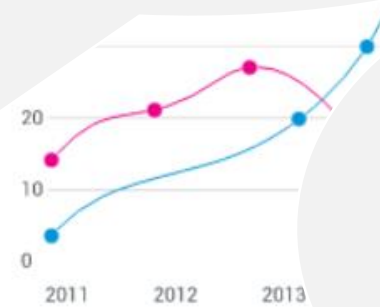




Have you noticed the latest sales reports? It looks like we are doing great!

Have you seen how well our competitors are doing? We look fine, but they look better... I wonder how they do it...

Well... they build on collaboration with experts from outside their company while we rely only on ourselves. I don't understand why we ignore everybody... I am worried....





Customer Experience (CX)

According to recent studies, innovative CX initiatives could double revenues within 36 months and that is coming from the customer's wallet because 86% of the customers are willing to pay more for a great customer experience of buyers.

Customer Experience is a recently theorized concept in marketing and refers to the cumulative impact of all interactions between the company and the customer. This experience includes every element related to the promises made through branding, advertising, packaging, offers, products and services, but especially the way they are delivered: keeping promises, ease of use of services or products, trust, promptness, quality and the efficiency of customer relations before and after the acquisition.

Successful brands and companies build and plan customer experiences to incorporate and deliver value propositions, in every interaction with the company and at every touchpoint. Not all points of contact are equal in value and importance to the customer, and what a relevant channel of interaction means can change significantly over time. Therefore, customer experience overtakes price and product as key brand differentiator.

[37 Powerful Customer Experience Statistics to Know in 2021 \(superoffice.com\)](https://superoffice.com)



Customer Experience Strategy

The main stages and objectives of customer relationship development:

- 1) Awareness - developing the customer's education and knowledge about the product and the company and looking for new customers.
- 2) Initial acquisition - introducing the product or company on the customer's list of alternatives and stimulating interest in the product by stimulating product testing.
- 3) Repetition of the purchase - fully satisfying the customer's needs and desires, meeting or exceeding the customer's expectations or product specifications and providing incentives to encourage repeated purchase.
- 4) Frequent consumer - creating financial ties that limit the customer's ability to change the product or supplier and customize products to meet the growing needs and desires of customers.
- 5) Creating a community - creating social connections that prevent the change of the product or supplier and creating opportunities for customers to interact with each other, within the community.
- 6) Attachment (trust) - personalization or creation of structural ties that encourage a high degree of loyalty by integrating into the client's life, so that he does not want to end the relationship.





Appropriate Teaming

You need to consider **the structure of your team and their approach to challenges**. Polite teams get polite results, which is fine but when big change is ahead, politeness is not an advantage, since it requires challenge and learning. Your team needs to be judged by their capacity to do something radically different.

Today, business success requires constant innovation, and these, in turn, require collaboration between disciplines, geographical areas and cultures. Before this seismic change of jobs, the atomic unit of productivity was the individual. Now it's the team. A high-performance team brings together talented people and works not only as the sum of its parts. It is based on the strengths of each member and compensates for individual limitations. But in an increasingly divided and fast-paced world, not even the chemistry of the perfect team is enough. Teaming has evolved and it is not what it used to be. So, consider carefully the profiles of your team members in terms of interdisciplinarity.

Successful teams have five attributes:


The goal - keeps teams focused, satisfied and focused on achieving goals.

Collective identity - encourages a sense of belonging and helps team members work together as a unit.

Awareness and inclusion - allows teams to manage interpersonal dynamics and appreciate each other's perspective.

Confidence and vulnerability - encourages interpersonal risk-taking within teams.

Constructive tension - serves as a generating force of new ideas, leading to better results.



I cannot understand why the other team gets all the projects, while we hardly receive any... We are nice guys, and we have great results. Still, we are not given the chance to prove our real potential.

Maybe that is exactly the explanation we are looking for. We are too nice, and they are too villains, we are kind, and they are pushy, we follow rules, and they are breaking them all... Let's change!



Increase

Importance of open communication

Consider how comfortable you feel as employee to offer ideas and how much authority you need to try new ways to do your job. Do you get encouragement to share problems and ideas for solutions with the rest of the team or with the management by e-mail, at staff meetings or during lunch conversations?

The brightest ideas are those that arrive first to your mind, without too much processing that often activates automatic rejection and that might be discarded or forgotten. Consequently, encouraging the flow of ideas inside an organisation and considering what would be gained by their implementation is fundamental element of any innovation culture.

Real-life case

Fifteen percent time is a term invented by William McKnight at the Minnesota Mining and Manufacturing Company, or 3M, as it is known today. This policy allowed employees to spend 15 percent of their paid work time daydreaming, doodling, or experimenting with ideas that did not necessarily have to do with their work at the company. As McKnight knew and many other business leaders have since discovered, this kind of daydreaming is the genesis of invention and fosters passion for one's work.



Professional Ecosystems

Do you have a network of collaborators? Are you member of any professional community? Do you like to develop joint work or projects? This is a detail of utmost importance for your innovation mindset since we rarely have sufficient range of expertise, which makes **co-creating with others** a necessity. It is well known that customers and collaborators value more the experience of engaging with companies than the solution or the service provided. Their impression of the company goes well beyond the purchase decision and forms the basis for whatever comes next in their customer journey. Their expectations **focus more on co-creation** than on “here is what we are offering.”

Innovation needs employees who embrace the unknown, instead of spending their time searching for confirmation of things that they already know.

It often requires taking down the walls around you and your team. You need to explore around and let others in to allow synergies and controlled exposure. Join communities of practice and identify possibilities of collaboration that offers challenges.



WHAT IS A COMMUNITY OF PRACTICE ?



COMMUNITY

Relationships
Purposeful interactions
Sense of belonging

DOMAIN

Shared area / topic of enquiry
Inspires participation
Affirms value

PRACTICE

Body of knowledge
Ideas
Frameworks
Tools



Risk taking


Do you feel encouraged to try risky ideas or are you criticized and punished when you produce ideas?

Being inspired by your or other's failures, discussing what went wrong or why the idea was not feasible, or even why it might work well under different circumstances indicate a strong innovation culture of any company because **failure can be the ultimate learning experience.**

You need to learn to **accept failure for the sake of creativity** since great ideas may come from someone who has never offered a useful suggestion but who might come up with a revolutionary idea. That person can be you and such companies should be **the dream of any person with innovative mindset.**


By their nature, risks involve uncertainty and change. Elimination of risk is a guarantee of failure. Mark Zuckerberg, the founder of Facebook, said that "the only guaranteed strategy to fail is not to take risks." If you refuse to take risks in your life, you will give up any opportunity in front of you in favor of secure stability. This stability can be comforting, but it will not give you any increase or advancement in any dimension.





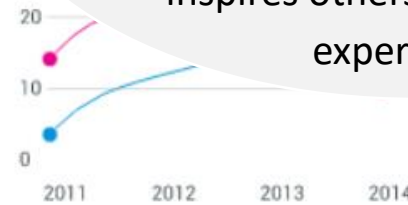
We have tried almost everything, but it still doesn't work as our boss expects it... I think I have a solution but it's too risky and I don't even dare to say it loud... I am new in the company, and I might get punished if it goes wrong...

Well... You need to know that you are lucky to work for one of the most innovative businesses, my dear. Our boss loves crazy ideas and daring people. You should talk to him because you could be our hero!



Is it true that we are here to talk about our mistakes? I am not sure I got it right... Are you sure it isn't going to be some "public execution"?

Relax! We are awesome company, and the management never punishes anyone for failure. On the contrary, they insist that we share with others and that we learn. A mistake that inspires others is an amazing experience!





Awarding the Innovation mindset

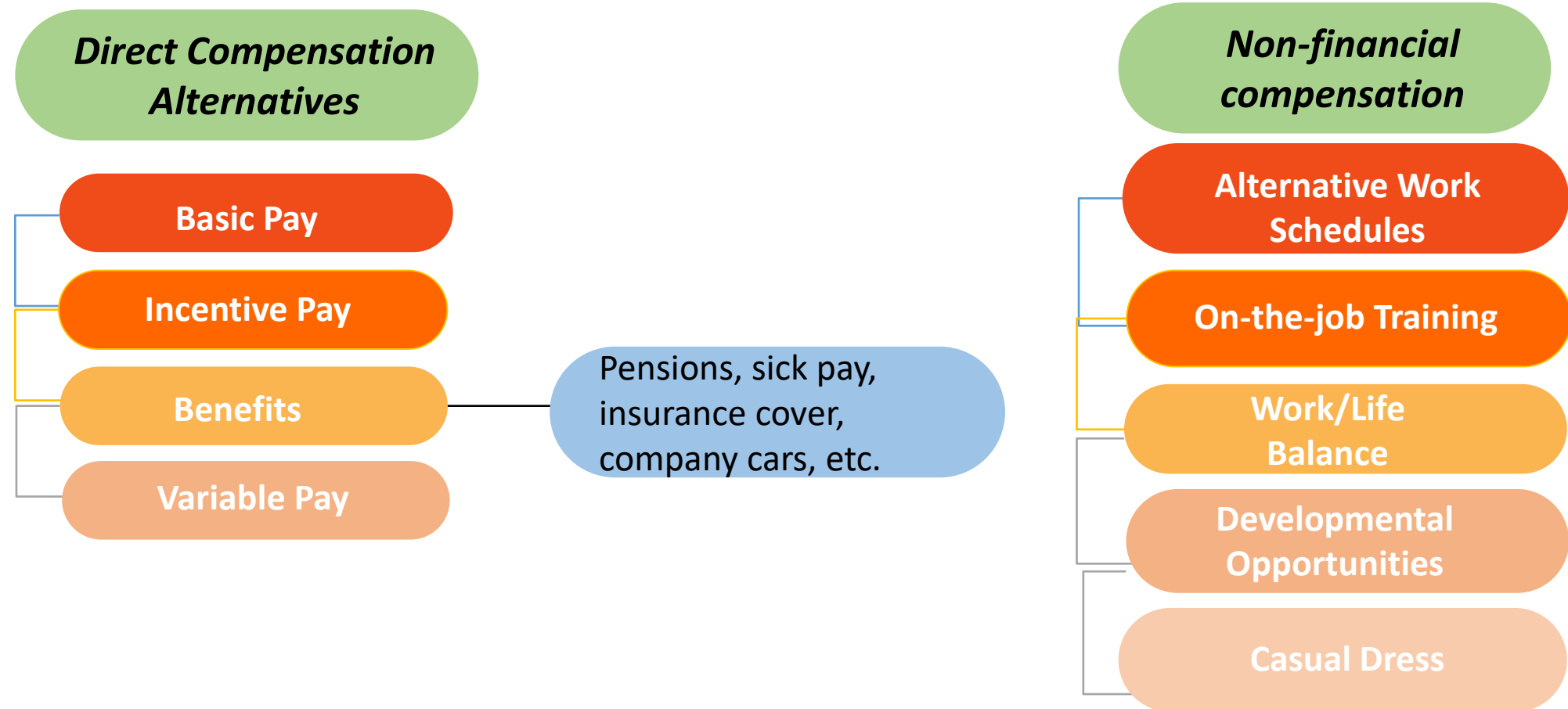
Did you know that your innovation potential could be rewarded by your company? The greatest proof that innovation is desired by your company is provided by their **approach to innovation mindset recognition and awarding** which brings back enhanced commitment and satisfaction of the employees.

Innovation oriented companies will implement various ideas aimed to accelerate innovation in their teams. This may happen in incredibly many forms, such as competitions aimed to spark creative thinking or **awards for "best ideas of the year"**, or **regular sessions** dedicated to all employees in which they offer their best ideas for developing the company is also an efficient practice that will fire their creative drive to help grow the business.





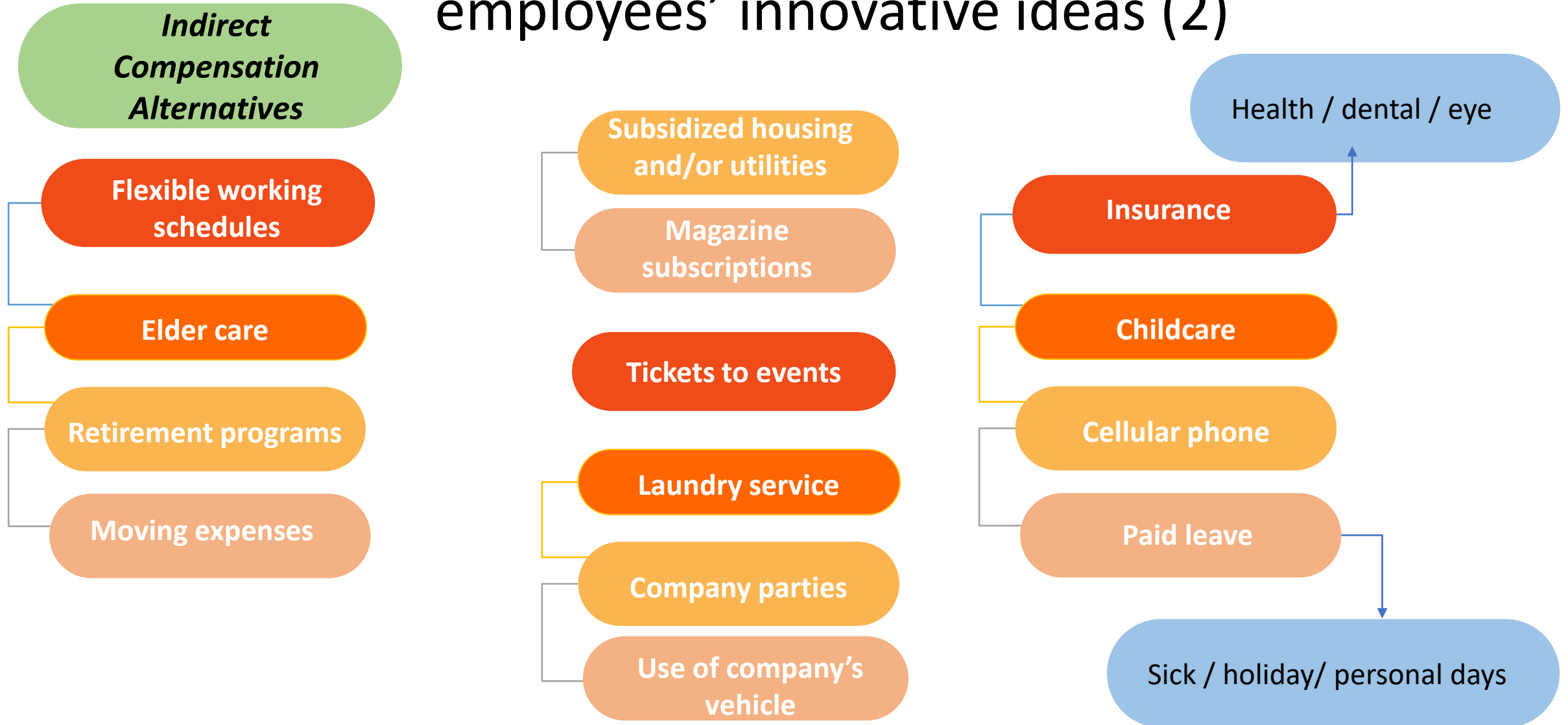
Rewards and incentives encouraging employees' innovative ideas (1)





Increase

Rewards and incentives encouraging employees' innovative ideas (2)

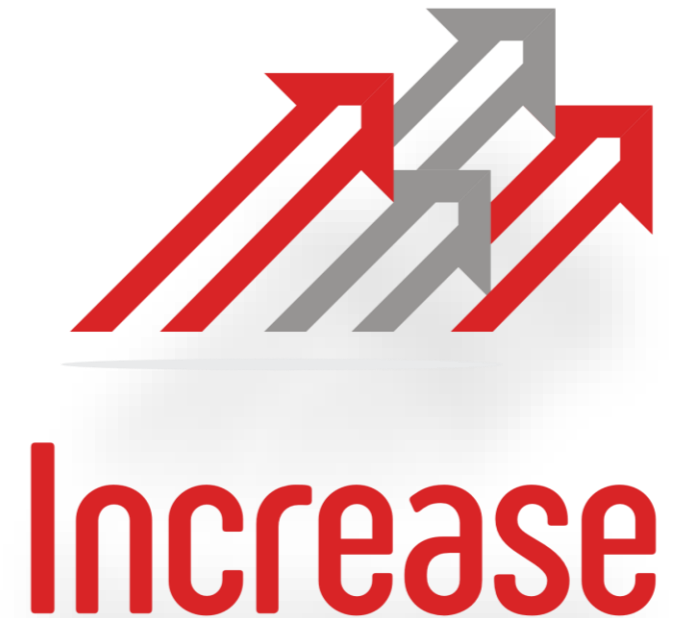


Module 4

How to communicate and lobby for ideas?

Sub-module 4.1

How to communicate ideas effectively and clearly



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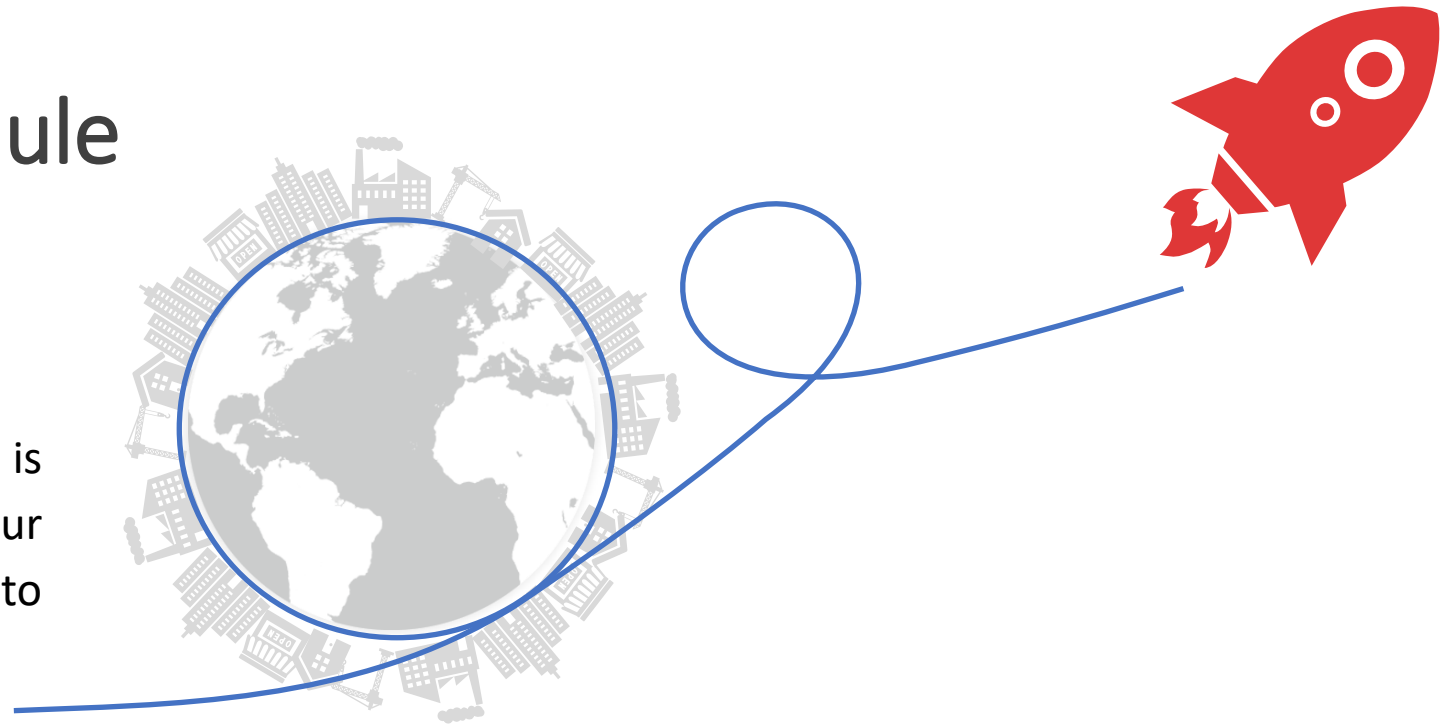


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What's in this Module for me?

In this sub-module you'll find out why it is important and how to improve your communication style in order to be able to better express your innovative ideas.



Communicate innovative ideas





Importance of Communication

A person's interpersonal life is dependent on that person's ability of making his or her thoughts, feelings, and needs known to others and on that person's receptiveness to the attempts of others to share similar data with them. Communication, a multifaceted phenomenon, is the process of conveying information between two or more people.

How to communicate ideas effectively and clearly:



Communication process – acknowledge and overcome barriers to communication



Assertiveness in communicating innovative ideas



Principles for increasing the accuracy and clarity of the communication



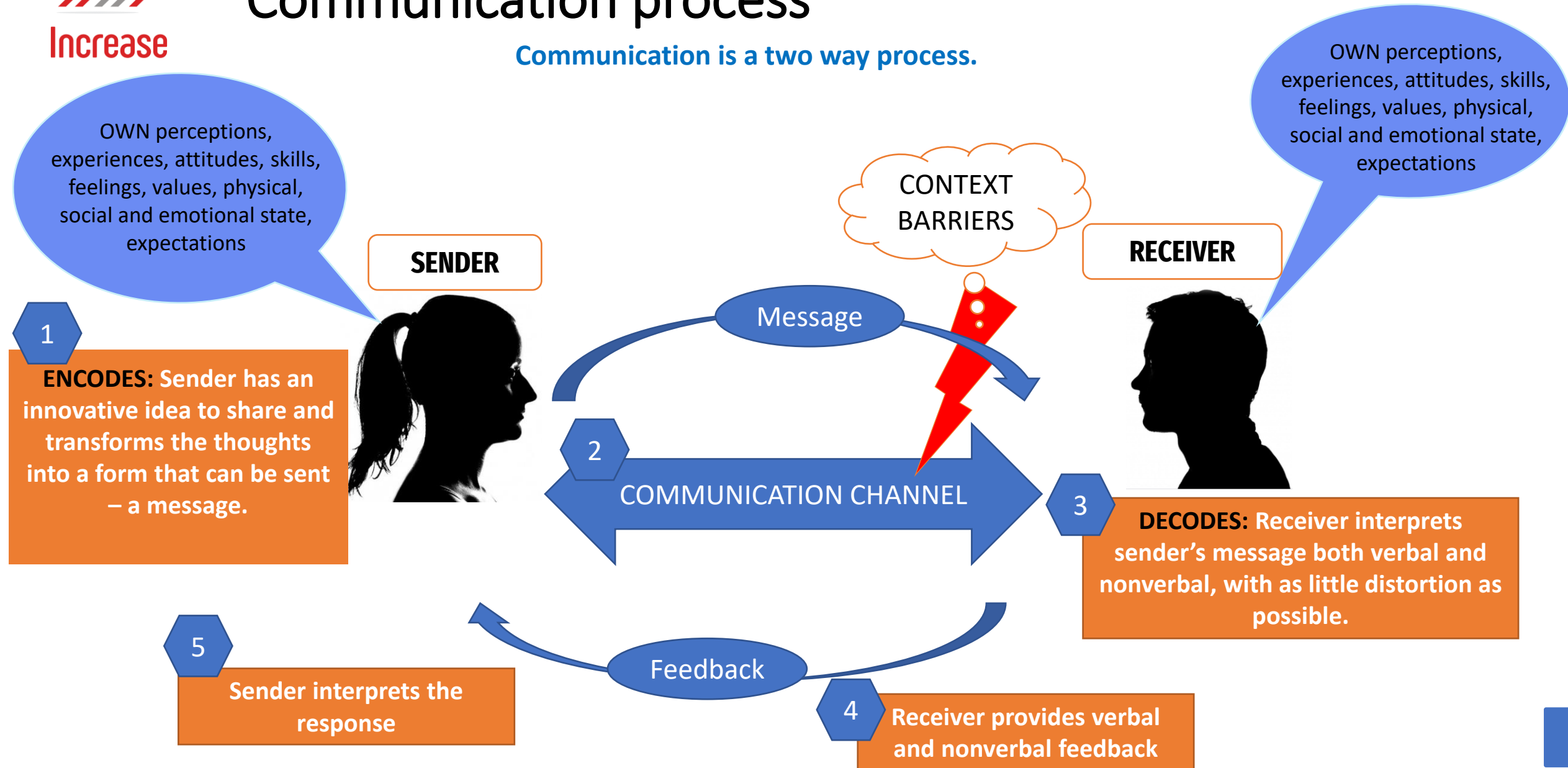
Tips for communicating innovative ideas effectively



Increase

Communication process

Communication is a two way process.





Barriers to communication

The process of communication has multiple barriers. The intended message is often disturbed and altered leading to misunderstandings and failure of communication. Being aware of the barriers to communication that block and alter the intention of sent and received messages may lead to better communication in the long run.

Barriers to communication can be:

Mind the barriers to communication!

Physical

verbal and hearing impairments, noise, location, light, temperature, time of day, duration of the meeting etc.

Semantic

vocabulary, grammar, syntax, emotional connotations of some words, words or symbols with different meanings to different persons

Personal

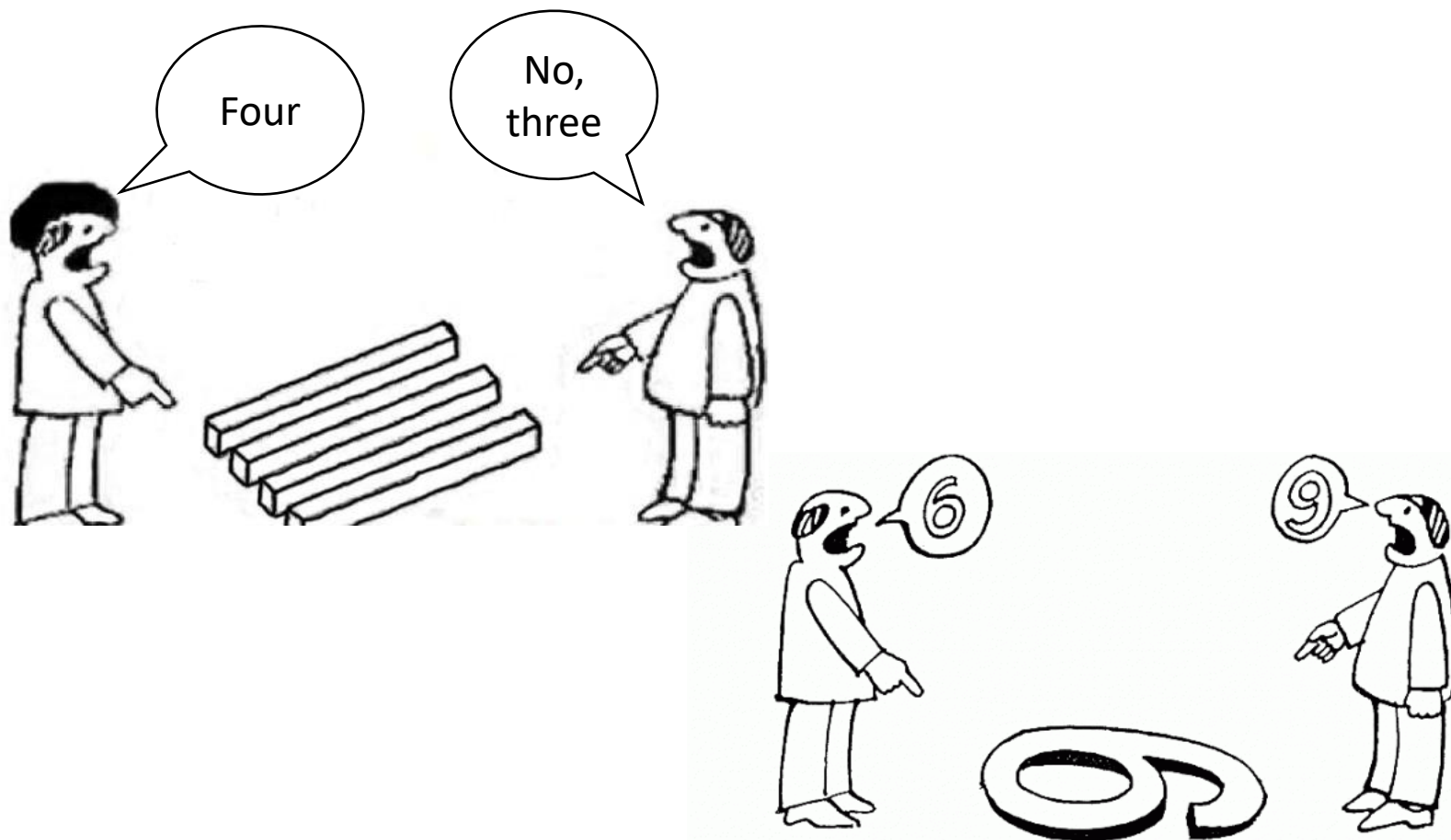
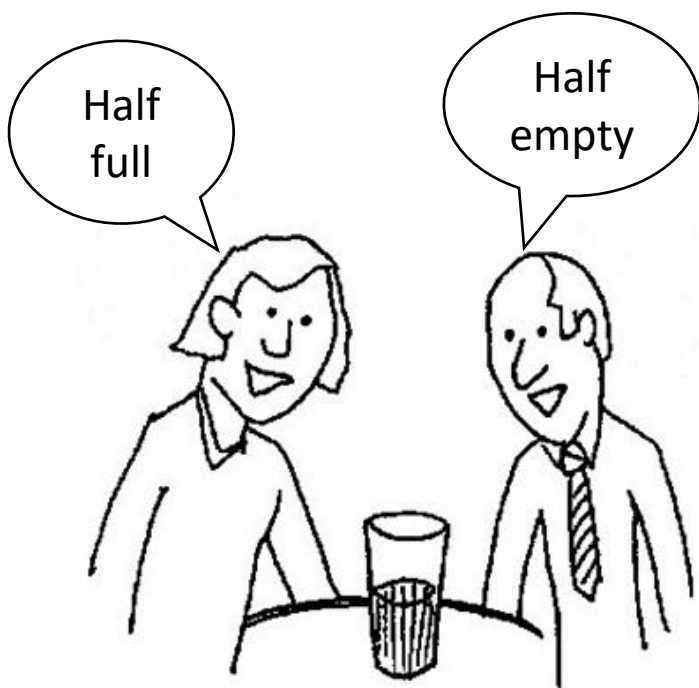
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Personal barriers in communication

When coding or decoding a message some barriers related to own perception of the reality, own stereotypes and prejudices exist and you have to be aware of them and try to reduce their influence.

Ex: own perception of the reality





Overcoming barriers in communication

The communication barriers lead to miscommunication and a simple miscommunication can hold up an important project or deadline, increase tension between old and new employees, or between managers and lower-level employees, and make the overall work environment unappealing.

A few ways to overcome the communication barriers are demonstrated in the next pages:





Active listening



"We have one mouth
and two ears"



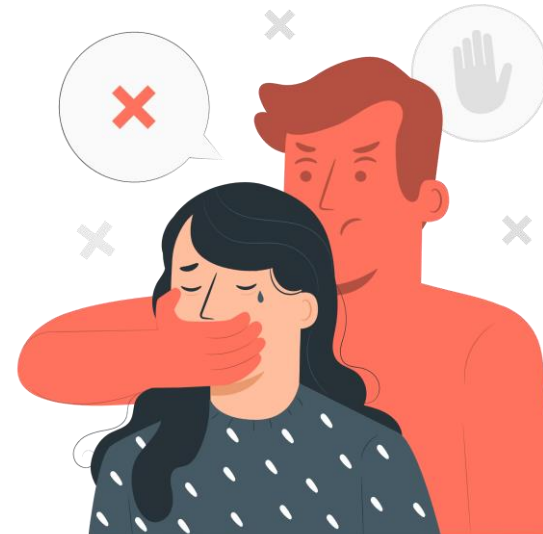
Request and provide feedback



Your goal is to understand the other person's
point of view, not necessarily to agree



Use encouraging small
verbal comments



Don't interrupt

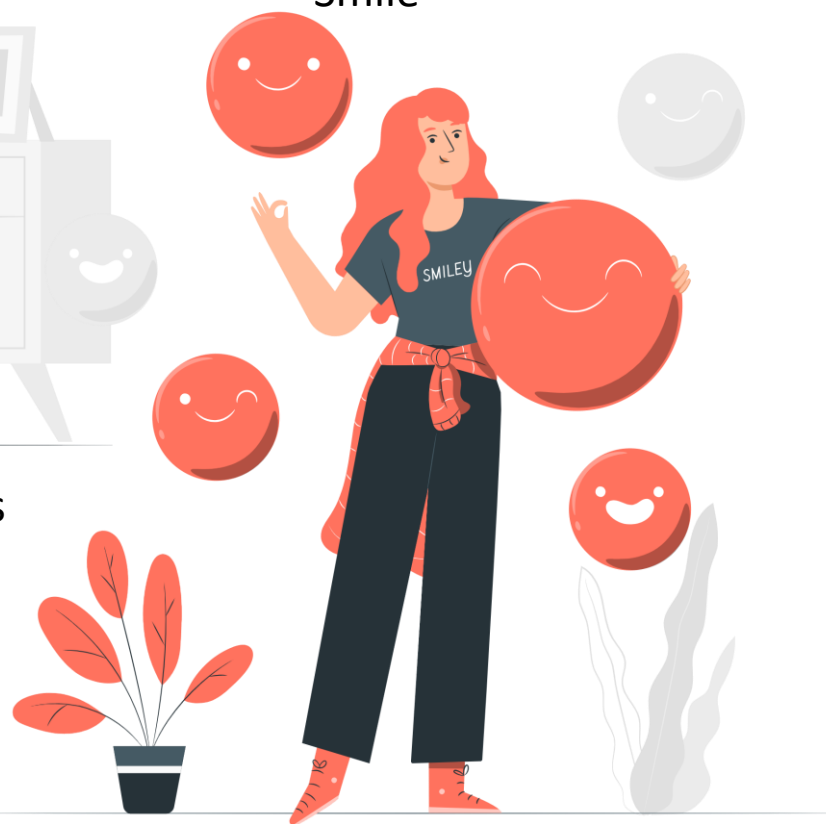


Mind the body-language



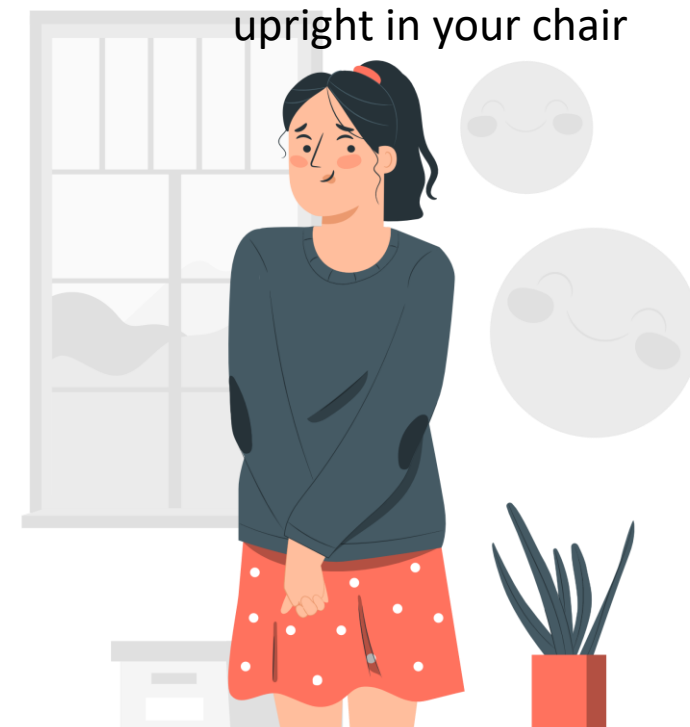
Just **7%** of communication comes from the words that we say, **55%** comes from our body language, and **38%** is our tone of voice.

Smile



Make eye contact

Stand up straight or sit upright in your chair





Verify your perception



Show appreciation

Practice empathy/ put yourself in the other person's shoes



Ask clarifying questions



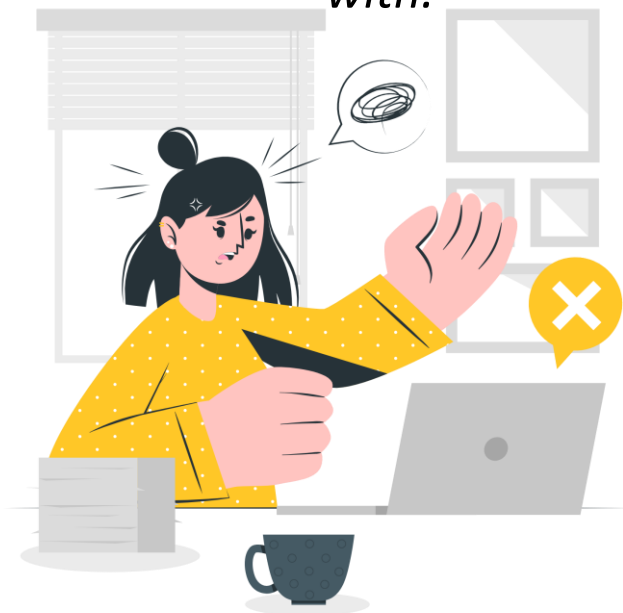
Assertiveness in communicating innovative ideas

Assertiveness involves defending personal rights and expressing thoughts, feelings, and beliefs directly, honestly, and appropriately, without violating another person's rights.

Assertiveness is the most effective way to solve interpersonal problems and to convey your ideas.

Maria asks John to stay late to help her with a project she's fallen behind with.

It's Friday afternoon.



But, John remembers that he promised his daughter that he wouldn't miss her soccer match.





Aggressive

Even if this is true, you'll likely ruin your working relationship if you act like this. John answers:

"You're always behind on your work! Why should I stay and help if you can't organize yourself?!"



Assertive

John's answer addresses his own wants and needs, as well as those of Maria's:

"I understand it was a busy week, and I'm sorry that you're behind on your work, but I promised my daughter I'd watch her soccer game. I could come in early on Monday to help, instead."



Submissive



Assertive



Aggressive

Verbal language	<ul style="list-style-type: none">• qualifiers (<i>"maybe," "I guess," "I wonder if you could," "would you mind very much," "only," "just," "I can't," "don't you think"</i>)• fillers (<i>"uh," "well," "you know," "and"</i>)• negaters (<i>"it's not really important," "don't bother"</i>)	<ul style="list-style-type: none">• "I" statements (<i>"I think," "I feel," "I want"</i>)• cooperative words (<i>"let's," "how can we resolve this"</i>)• empathic statements of interest in the other person (<i>"what do you think," "what do you see"</i>)	<ul style="list-style-type: none">• threats (<i>"you'd better," "if you don't watch out"</i>)• putdowns (<i>"come on, you must be kidding"</i>)• evaluative comments (<i>"should," "bad"</i>)• sexist or racist terms
Explanation	Humble, submissive and denies own rights	Receptive to the needs of others, respects both own and others' rights	Offends and doesn't respect other's rights



Assertive Communication Techniques

Have a strong sense of yourself and your value, acknowledge that you deserve to get what you want, stand up for yourself even in the most difficult situations.

Apply the technique: “*I understand – However – Therefore*”:



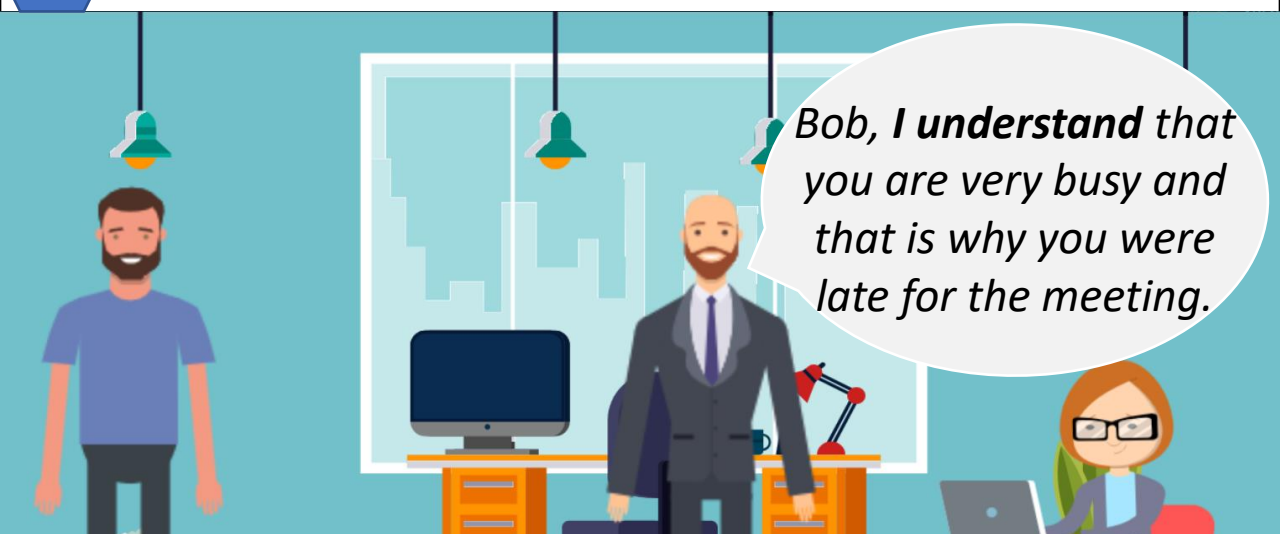
1

Bob is very late for the meeting with John



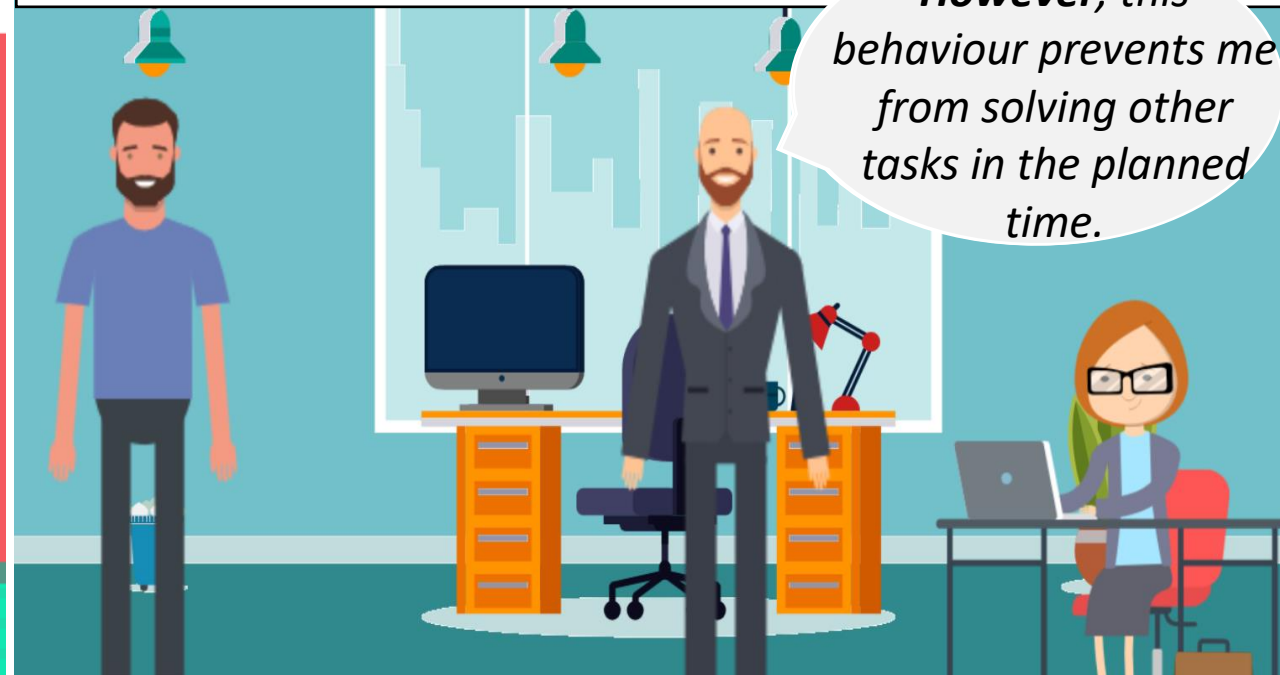
2

John is empathetic and respects Bob's point of view:



3

John says what bothers him:



4

John formulates his solution to the problem:





Principles for increasing the accuracy and clarity of communication

Most of us have awesome ideas which remain unexplored for a long time because we lack effective ways of communicating our imagination. When we have ideas, we are excited about, we go over them a million times in our own heads. Sometimes, we get so wrapped up in our own perceptions of these ideas, we forget that our audience often has no prior knowledge of what we're talking about.

So....

Keep your idea as simple as possible



Kathy has an idea for a new set in shop and she is going to discuss it with her direct manager, Emma.



What are the BARE BONES of my idea? How can I use only a few words, and still get my idea explained? What could confuse the others and how can I change that?





Give concreteness to your idea

The BENEFITS of my idea are....”, and “Let me show you why my idea is viable...”.

Catch people’s interest and curiosity

CURIOSITY

IDEA

Ask for feedback and learn from it

Thank you! So, the next steps are...

Well, I think that’s a valuable idea and we should explore more this side...

What are your thoughts about my idea?



Principles for increasing the accuracy and clarity of communication

When building a message use these principles:

Principle of Relevance

Make the message relevant in the terms of your audience

Principle of Simplicity

Reduce ideas to the simplest possible terms.

Principle of Definition

Define before developing; explain before amplifying

Principle of Structure

Organize a message into a series of successive stages.

Principle of Repetition

Repeat the key concepts of the message

Principle of Comparison and Contrast

Relate new ideas to old ideas; associate the unknown with the known

Principle of Emphasis

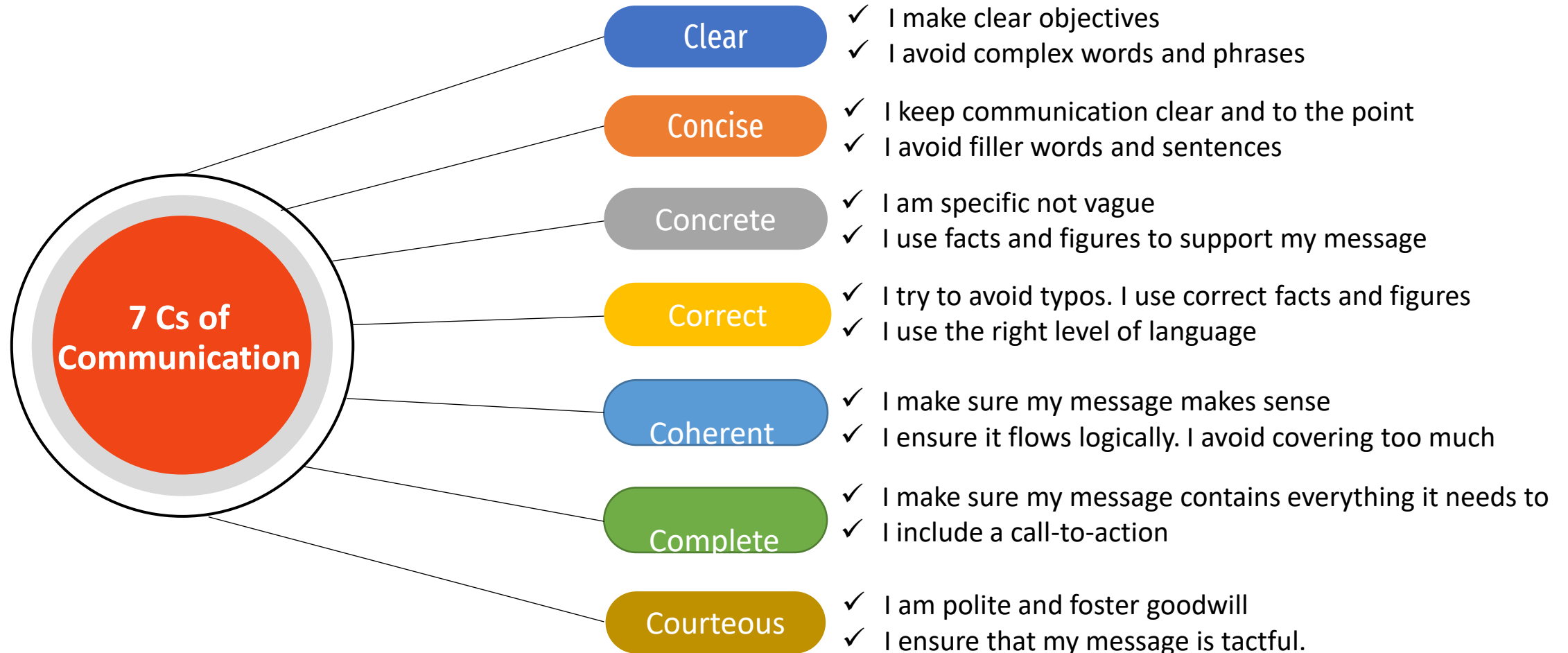
Focus on the essential and vital aspects of communication





The 7 C's of Communication

The 7 Cs of Effective Communication can help you to communicate more effectively, to reduce misunderstandings and increase your credibility.



Module 4

How to communicate and lobby for ideas?

Sub-module 4.2

How to lobby for innovative ideas



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What's in this Module for me?

Big ideas aren't going to sell themselves. Even the best ideas require people to be convinced. Many great innovative ideas are not even taken into consideration because the innovators don't know how to lobby for their ideas and how to persuade and influence the actions or decisions of managers or other stakeholders. In this sub-module, you will learn a few methods to ethically persuade and lobby for promoting own innovative ideas:

Importance and principles of lobbying for own innovative ideas

Ways to successfully persuade and influence others to act on my innovative ideas

How to improve my innovative idea based on the feedback of others

What are the characteristics of sceptical people and how can you detect them





Importance of lobbying for own innovative ideas

When you have a good idea and you want it to be approved/ adopted by the management, you need to lobby for your idea, or to persuade/ convince the management to act on your great idea. Persuasion can be misunderstood for manipulation. It can be extremely easy to cross the line between persuasion and manipulation because both of them aim to influence people. The significant difference between the two is the intent. Manipulation aims at control, not cooperation. Persuasion aims to serve and considers the good of the other party.



***“You can have an idea or a product that can change the world,
but without the power to persuade, you have nothing.
Communicating what you have to offer is what life is all about.
It’s the most important skill you can develop.”***

Tony Robbins

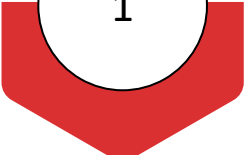


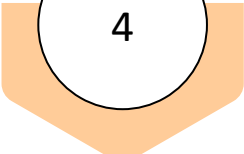




Principles of lobbying for own innovative ideas

Persuasion is not just an event, it is a process with more steps. During this process you assist the manager to reach conclusions that overlap with your expectations, with mutual benefits, in the long run.

Cycle of principles

-  1 *Be clear about what you want to achieve – Think your idea from end to end and try to consider all possibilities*
-  2 *Be flexible and patient – Be prepared to adapt and improve your idea by genuinely listening to others*
-  3 *Build coalitions – Get the support of your peers to help with improving and promoting your idea*
-  4 *Pay attention to the interlocutor – When you present your idea, observe what (s)he does, hear what (s)he says, interpret her/his body language*



Increase

5

Establish the foundation for an agreement - Adopt a pleasant style of communication and structure your arguments professionally

6

Consider your manager's needs - Show your manager how your idea flows with the company's objectives

7

Evaluate the instant result and evolve – Constantly evaluate where you are on your way to obtain the agreement and you will elegantly evolve towards it

8

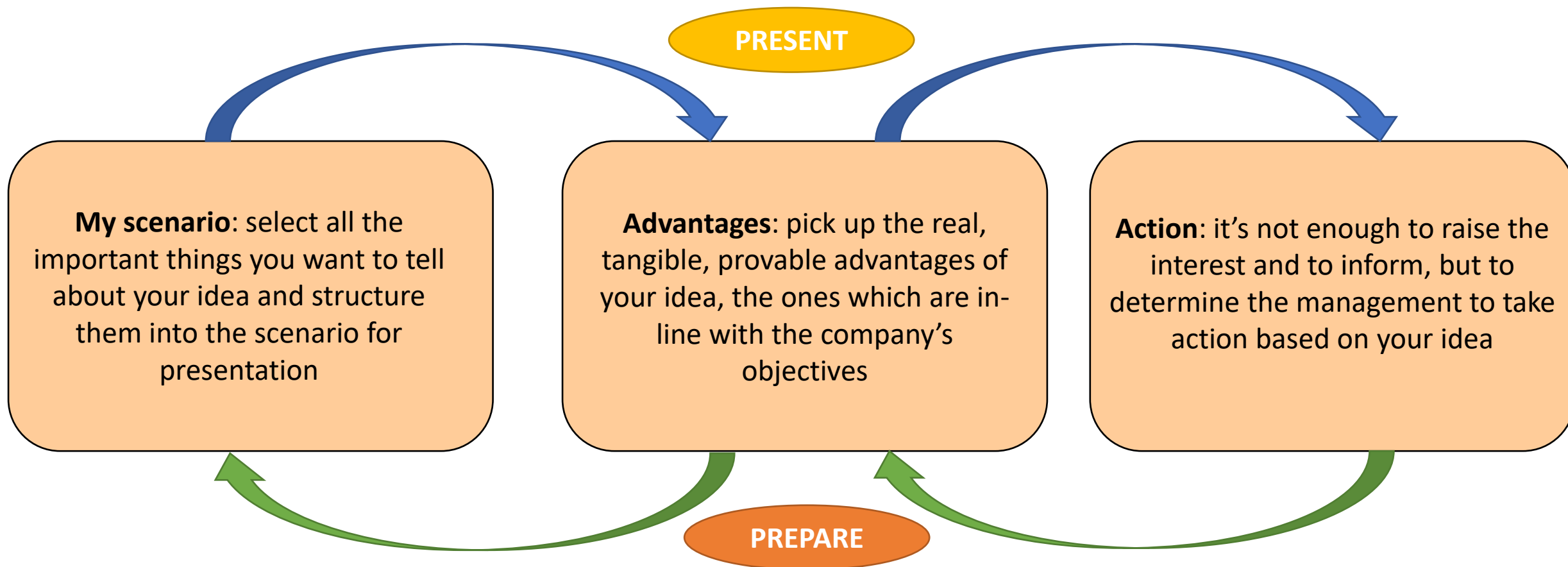
Establish the context of the next actions – Ask for feedback and make sure who, what and by when has to be done





Ways to successfully persuade and influence others to act on my innovation ideas

When preparing to present your idea to your management/ boss, start your thinking from the action you want to be taken, go through the benefits of your idea and head to the scenario of presenting your idea. When you make your presentation to the management, the itinerary is reversed.





Ways to successfully persuade and influence others to act on my innovation ideas

When you want to “sell” your idea to the management/ boss, you need to prepare a convincing pitch/ scenario.



1. Identify the problem

Accurately defining the problem and its causes makes it easier to find the best solution.

Asking yourself “**why**” 5 times is a helpful technique to define a problem and reveal its causes.

Clients of a vegetable farm are complaining.

Why? Deliveries are not being made on time.

Why? Completing orders and deliveries are taking too long.

Why? We underestimated the complexity of the process.

Why? We didn't explore the stages involved in processing and completing deliveries.

Why? We were focused on vegetables growing and not on deliveries.



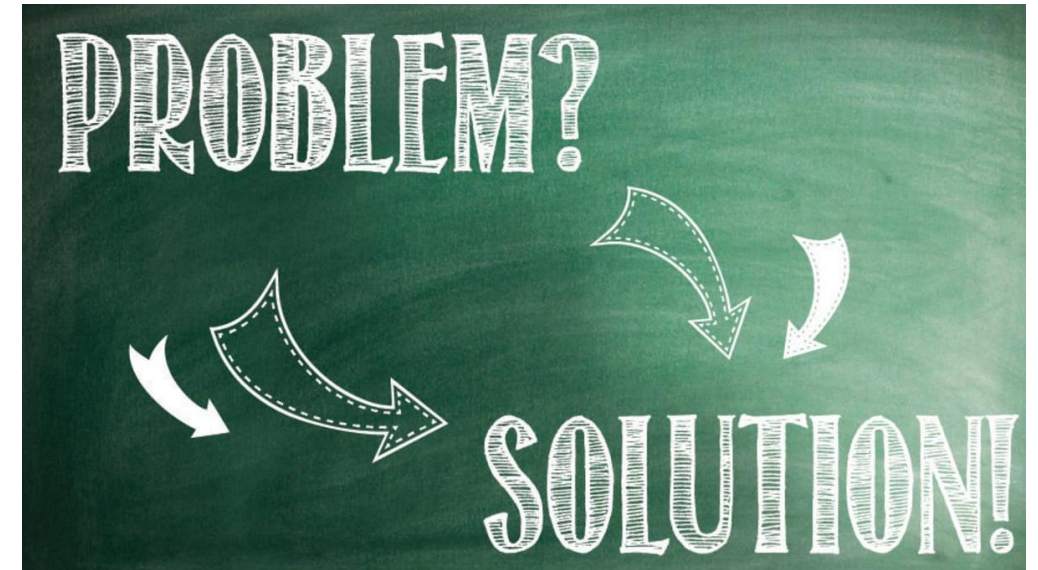


Ways to successfully persuade and influence others to act on my innovation ideas

2. Find the solution

Don't settle on your first idea!

- Brainstorm for few tens of minutes every single way of fixing the problem, no matter how daring it might seem
- Select the ideas that can be further developed
- You may group/ combine ideas to form a better idea
- Think how you can verify and implement your short-listed ideas
- Choose the best solution





Ways to successfully persuade and influence others to act on my innovation ideas



3. Prepare for any contradictions

Management might ask some tough questions to make sure your idea is viable.

- **Prepare answers for questions like:**

1. How does your idea contribute to the company's objectives?
2. What type of resources (budget, time, support) do you need to implement your idea?
3. Will the solution affect anybody else? How so?
4. How quickly will the company see results?
5. What's the primary benefit of solving this problem (company/revenue growth, efficiency, peace)



Ways to successfully persuade and influence others to act on my innovation ideas



4. Imagine yourself presenting your idea to your boss

Visualise the “film” of your presentation:

- What words are you going to use?
- When will you pause after important sentences?
- What pace and tone will you use?





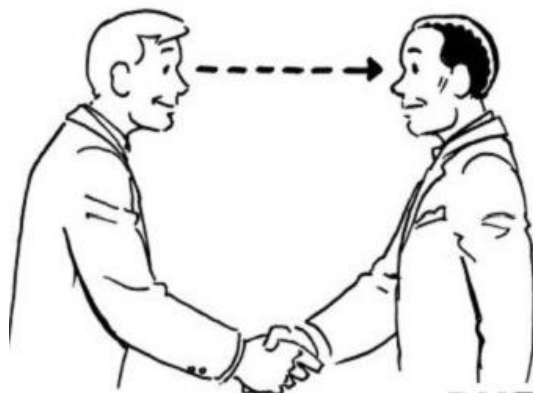
Ways to successfully persuade and influence others to act on my innovation ideas

After you've prepared well enough, it's "show time"! To get a "yes" from your boss is not only about the idea, but also about how well you perform. Mind the next four tips (A to D)



A. Choose the right time

- Don't ask for a meeting on Monday mornings which are busy and stressful
- Wait for late afternoon, a moment of no rush when your boss has the time to truly listen to your idea

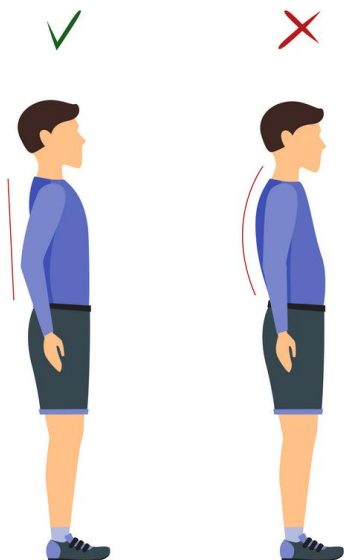


B. Maintain eye contact and smile/keep a good attitude

- Be polite, confident and calm
- Do not stare, but move your sight in the area between the eyebrows, cheekbones and eyes of your interlocutor



Ways to successfully persuade and influence others to act on my innovation ideas



C. Use a good posture – It will make you more confident and will increase the confidence of your boss in you

- Stand tall/ sit straight and pull your shoulders back
- Hold your head straight
- Stay open and make natural gestures with your hands, do not keep your arms folded



D. Close your presentation

- Summarize the message of your pitch
- Ask for feedback
- Review the follow-up actions
- Ask for a decision deadline



How to improve my innovative idea based on the feedback of others

Feedback is crucial for learning and improving. Sometimes we're so caught up with our idea that we simply aren't prepared to hear about its flaws or areas that could be better. The most important thing about receiving feedback is: **DO NOT TAKE IT PERSONALLY.**

The following 8 tips might help you in becoming a better feedback receiver.



A. Ask for suggestions:

- How do you see my idea working?
- Are there any improvements you see for my idea?
- What would you need for this to happen?

B. Control your defensiveness, anger, justifying and excuse-making

Do not use the little voice in your brain to argue, deny, or formulate your response.





How to improve my innovative idea based on the feedback of others



C. Listen actively to understand

Your aim is to clearly understand the other person's point of view.

D. Summarize and reflect on what you hear

Focusing on understanding the feedback by questioning and restating usually defuses any feelings of hostility or anger you may have.





How to improve my innovative idea based on the feedback of others



E. Ask for time to reflect on what you've heard, one element at a time

- When receiving feedback, it might be tempting to become defensive or “explain away” the criticism.
- Instead, let the other person finish completely and try to listen deeply.
- If you need some time to reflect on multiple points of feedback, don't be afraid to say so.

F. Show appreciation to the person providing feedback

- Say “Thank you”.





How to improve my innovative idea based on the feedback of others

G. Keep the good, trash the bad

There might be unforeseen breaches in your idea, so do not be afraid to drop those parts.



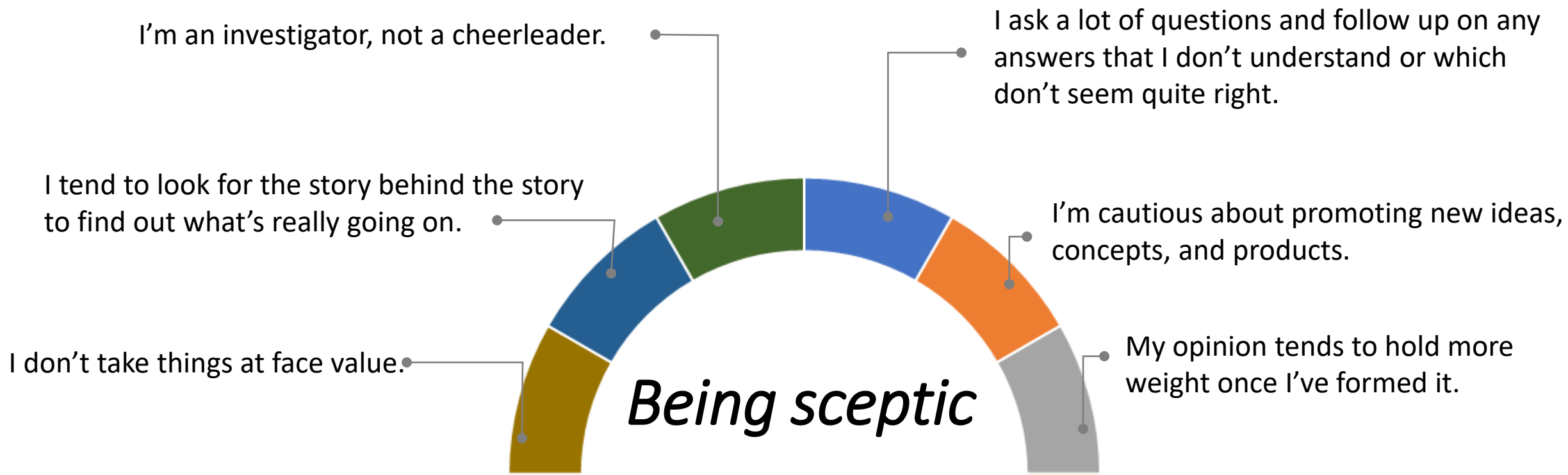
H. Implement the feedback in your initial idea and take over the whole process of thinking through your idea.





What are the characteristics of sceptical people and how can you detect them

A sceptic is someone who needs to ask questions, collect evidence, and see proof before they accept something as true. In the workplace, a healthy dose of scepticism seems both appropriate and valuable in most major undertakings because it acknowledges that we each see the world through filters that distort our perceptions.





How to sell an idea to a sceptical peer or boss

If you know you are going to present your idea to a sceptical colleague or boss, you can use some of these tips:



Involve your colleague or boss in the co-creation of the idea – Walk her/him through your idea and get his/her feedback.



Give him/her the data (s)he needs – provide numbers, give them points of comparison.



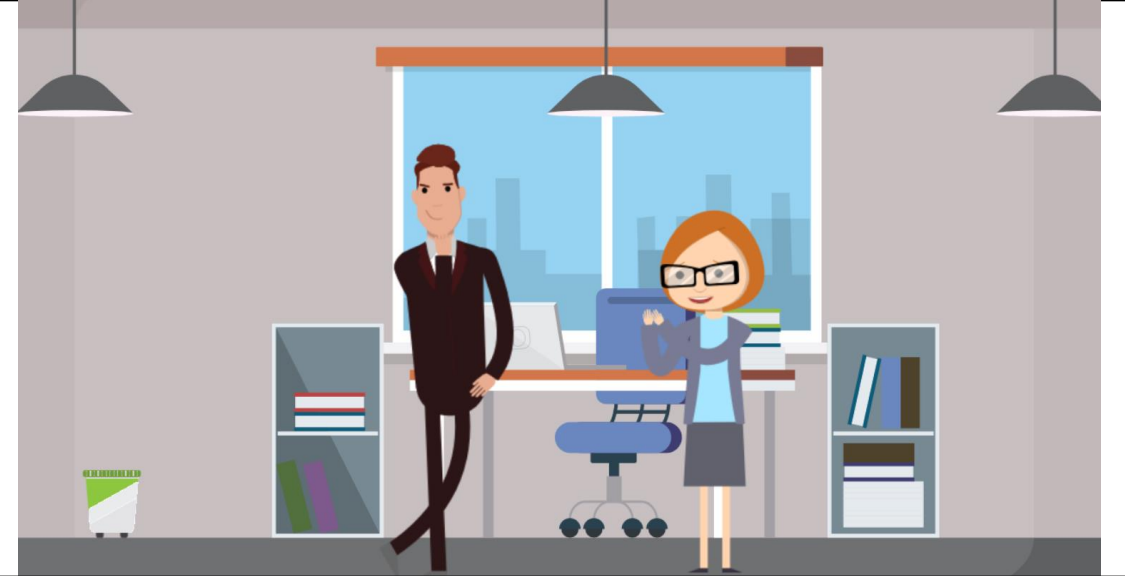
Be open, understanding and empathetic - put yourself in her/his shoes.



Practice active listening – *“I think what you’re saying is” And “let me make sure I understand you correctly”.*



Be transparent – show all potential outcomes, either positive or negative ones.



Be open to alternatives and encourage discussions.



Avoid barriers to communication – “everyone is different”. Recognize the differences and communicate with her/him in her/his preferred way.



Be willing to let it go – after discussing the pros and cons, it might be possible that your idea is turned down. That’s OK. Failure is part of the process. Getting her/him to discuss all alternatives is a WIN.

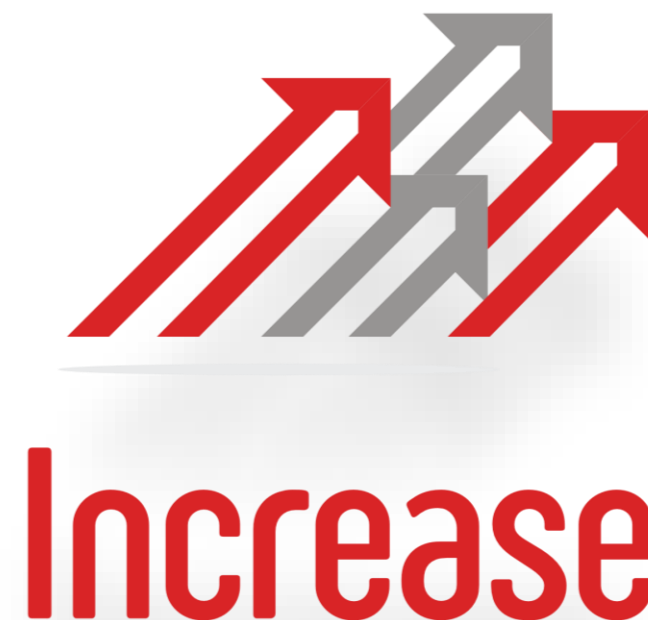
Module 5

Innovation in business models

Sub-module 5.1

Basics of Business Models

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Introduction to Business models

Every industry and sector no matter the differences in technology have one thing in common, a business model. A business model is the core of value creation in businesses to be successful.

In simple words, “It is the means to create wealth”.

However, generating a business model might be a challenging task for entrepreneurs. There can be so many business models for the same idea, how do we know which one would be better for our business? How to create a Business Model?

In this module we break down Business models into small simple parts covering their importance and the basic components and how to create the right business model using the Business Model canvas method



INNOVATION & BUSINESS MODELS



IT'S THE BUSINESS MODELS THAT NEED CHANGING,
NOT THE TECHNOLOGY.

The key to using it successfully



Basics of business models and how to create one that works for you?



Types of business models and what makes them innovative?



What is a Business model?

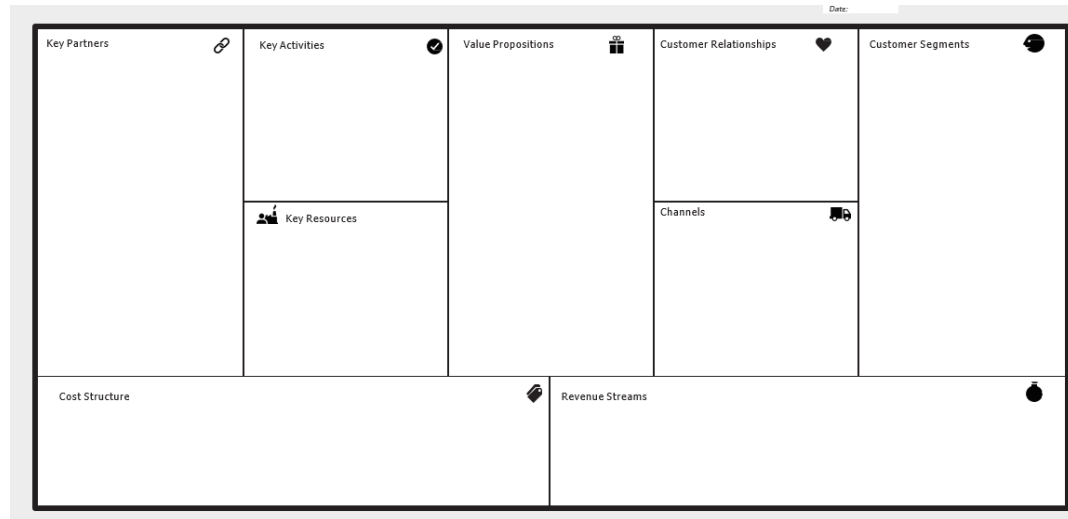
"A business model describes the rationale of how an organization creates, delivers, and captures value. A business model helps us to communicate in the same language with our team." Business model generation: A handbook for visionaries, game changers, and challengers.

The business model is like a blueprint for a strategy to be implemented through organizational structures, processes, and systems

We need a business model concept that everybody understands, Something that facilitates description and discussion.



"So that is unanimous then -
nobody has a clue what to do."



Business Model Framework





Why is it difficult to innovate with Business Models?

Sometimes the product, technology or service doesn't need to change! There is probably nothing wrong with it.

What must change is the way we deliver it to our customer!

CHALLENGES IN BUSINESS MODEL INNOVATION

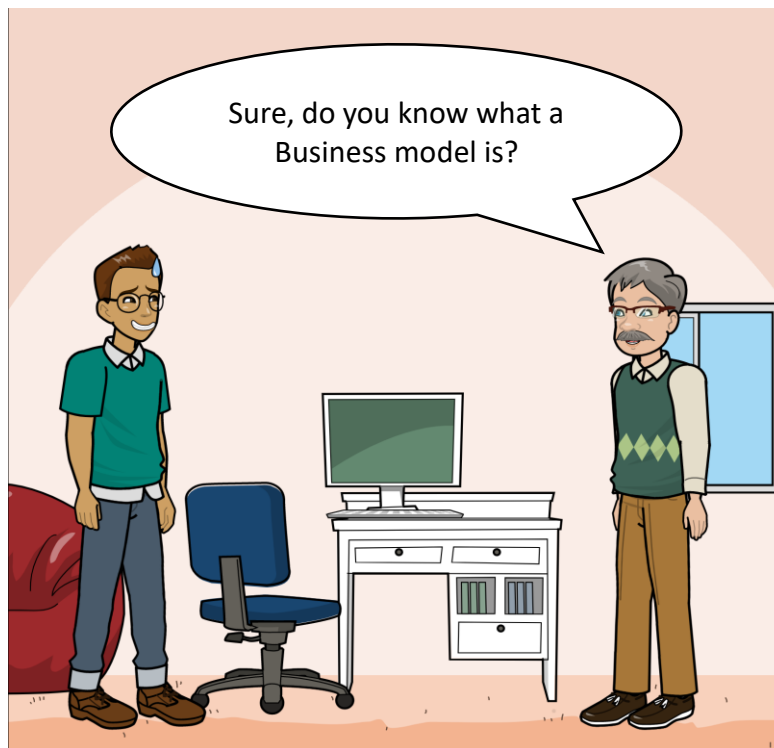
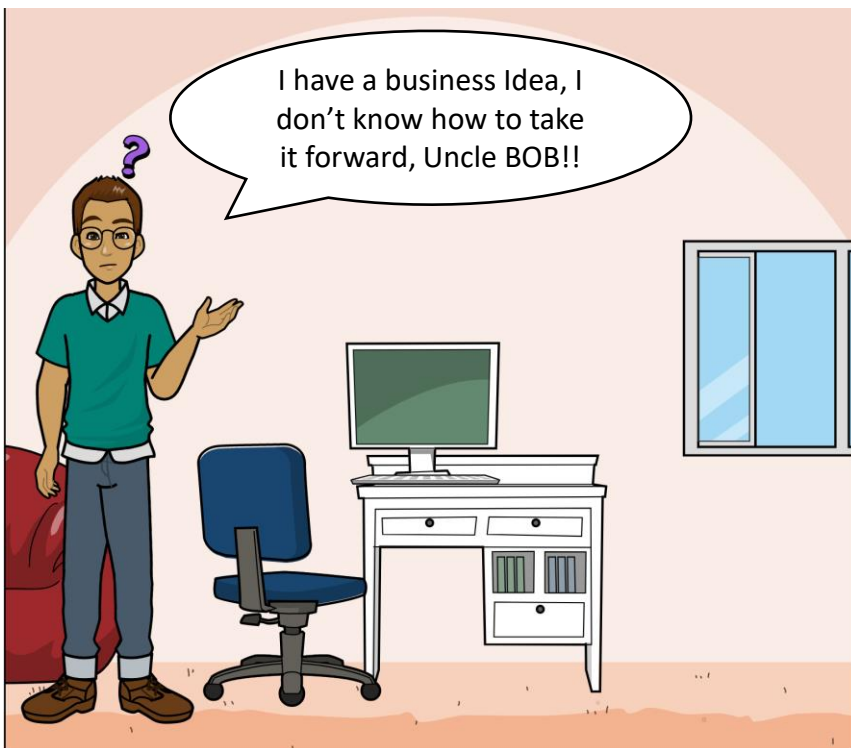
Difficulty to think outside ones domain. An individual gets fixated to the industry he/she has been in.

Difficulty of thinking in terms of business model rather than technology/products.



Basic components of a business model

Jack has a business idea, but to convert it to a real business he needs to build a Business model. Jack was not familiar with the concept of business model and how to turn his idea to an actual business. Therefore, he goes to their relative Uncle Bob to ask for help who is an expert Innovation consultant.





Key Questions to ask about your Business

4 Components of a Business Model

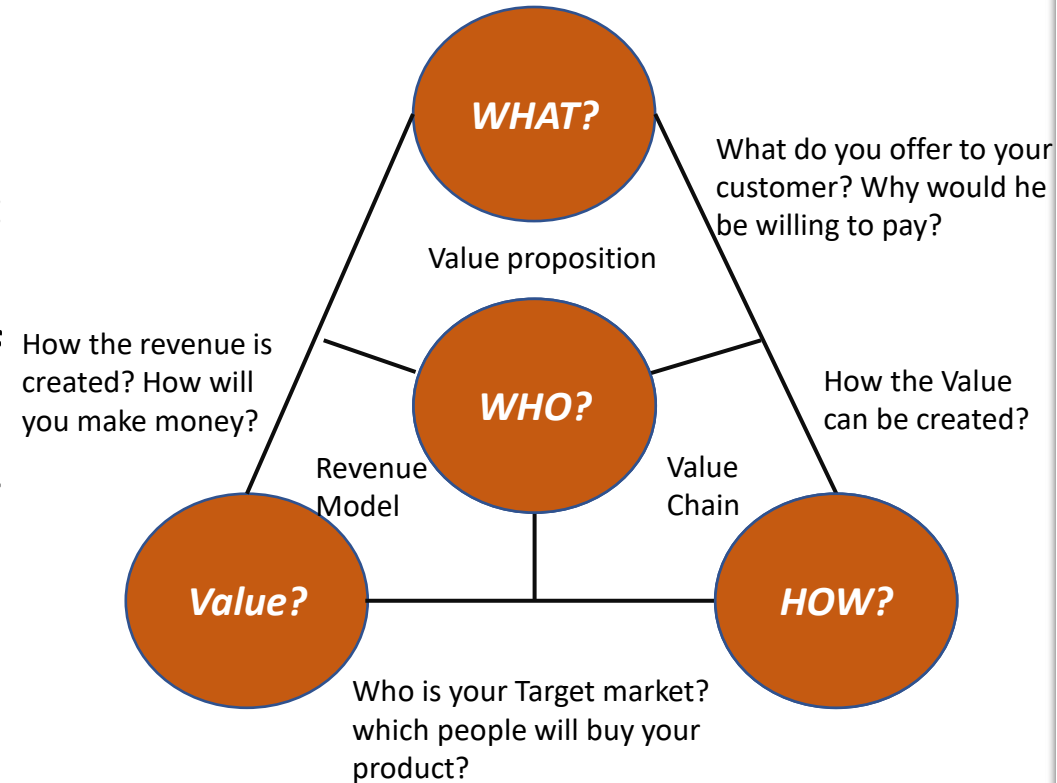
A successful Business Model must clarify : The who-what-how-why aspects in a business.

Out of which the External Part is described by **who and what** and Internal by **how and why?**

Business Model innovation involves a change in at least 2 of these components.

Playing with components can help you explore what works for you !

Thus, A **business model innovation** is thus the conscious change of an existing business model or the creation of a new business model that better satisfies the needs of the customer than current offerings.





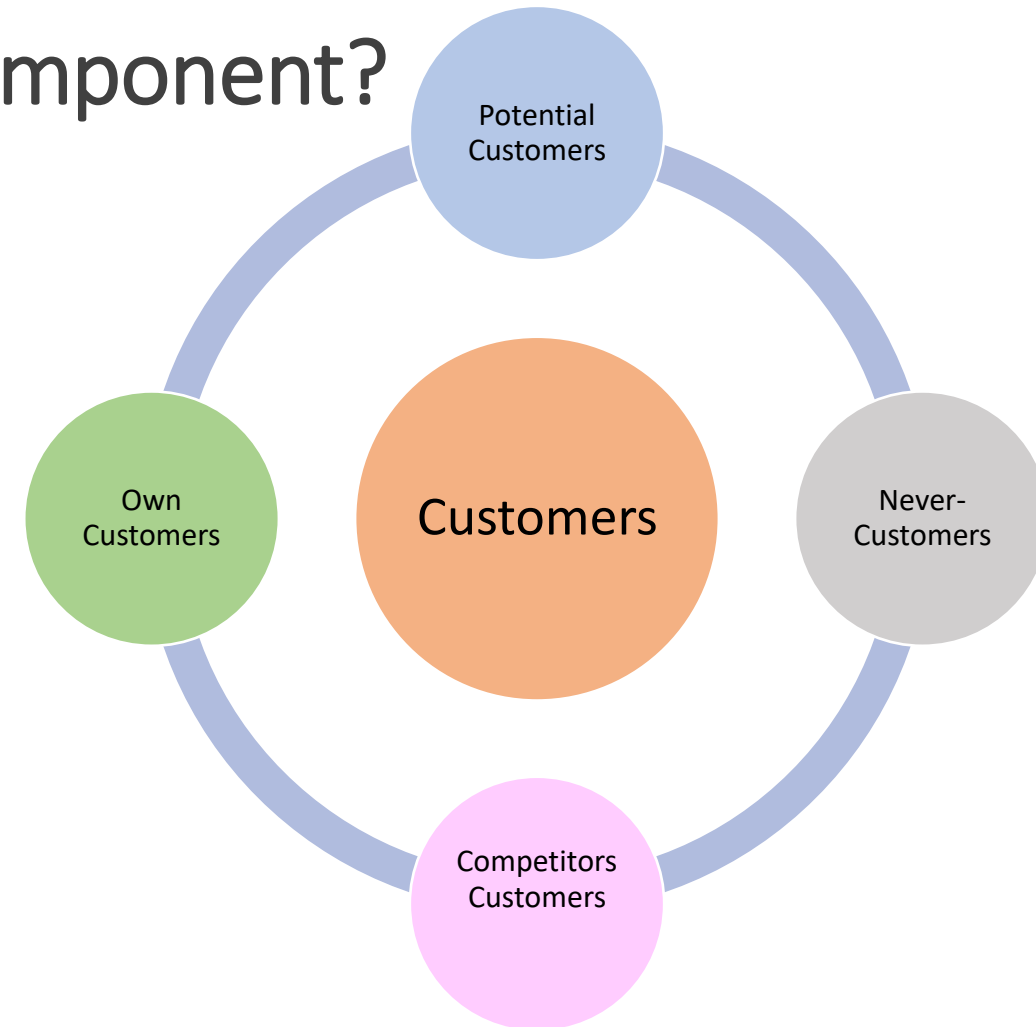
Increase

What is the most important Component?

Main challenge and decisions in Business models: **42 % start-ups fail** because they solve a problem that market doesn't need. This is not an easy task as companies fail to recognize the need of the customer.

The most important component are customers, and we must identify all possible customers and **make plans/strategies for each of the segments** to win the Market.

We see four distinct types of customers we need to win!





Increase

The Most Important stakeholder- Customer

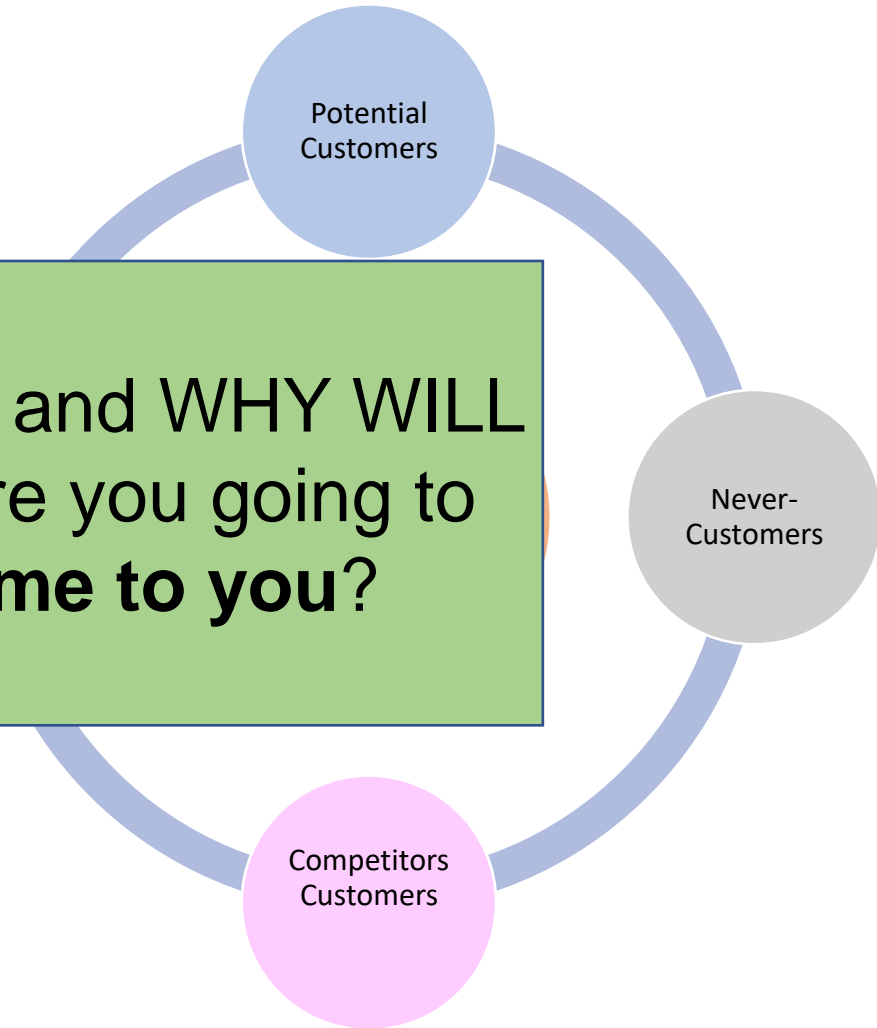
The green segment represents customers that purchase the product of a company.

The pink segment represents customers that purchase the same or similar products from other companies, i.e., competitors for customers and their products.

The blue segment represents potential customers (i.e., people who do not currently purchase the product nor custom products), i.e., people who do not have needs that so far have not been met by the market. The process of turning potential customers into customers is also sometimes called the "blue ocean strategy".

The light Gray segment represents the so-called never-customers, i.e., those that do not need a specific product at all. To turn never-customers into customers, it is necessary to rethink the product and understand how this new product could benefit these people.

SO who are YOUR CUSTOMERS and WHY WILL THEY BUY FROM YOU? How are you going to Innovate and make them come to you?





The most important stakeholder – the Customer

SO who are **YOUR CUSTOMERS** and **WHY WILL THEY BUY FROM YOU?** How are you going to **Innovate and make them come to you?**



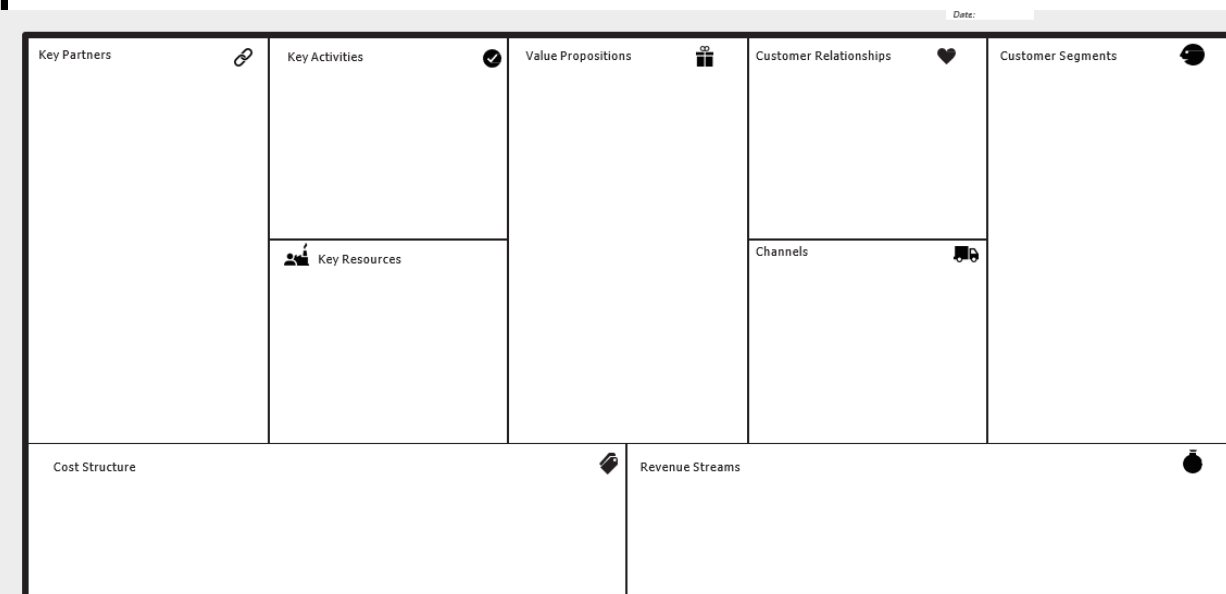


The road to create a business Model: The Business Model Canvas

A format was created by **Osterwalder & Pigneur** in **2009**. This concept can become a shared language that allows you to easily describe and manipulate business models to create new strategic alternatives. **This was called a “Business Model canvas”**.

Without such a shared language it is difficult to systematically challenge assumptions about one's business model and innovate successfully.

Business model canvas is a method that start-ups, SME's and big companies use to put down their business model to reveal all opportunities to innovate around business models.



Click to Enlarge: The Business Model Framework-
From Strategyzer



Why do we need a Business Model Canvas?

Business Model canvas allows us to:

- **Identify the correct customer-** You cannot build a business for everyone. We must define a segment, a target audience for which our product will appeal to.
- **Establish a Business process:** Allows us to see “what activities” are needed to be done to make the business a success.
- **Record key Business resources:** Helps us determine analyse the “resources” we have and those that are needed to make a successful business
- **Develop a strong value proposition:** helps us determine the “Value”/ the biggest selling point that we create for our customer for which he would be willing to pay for.
- **Determine Key Business partners:** using the BMC , we can critically analyse “Partners” that we may require to make our business a success

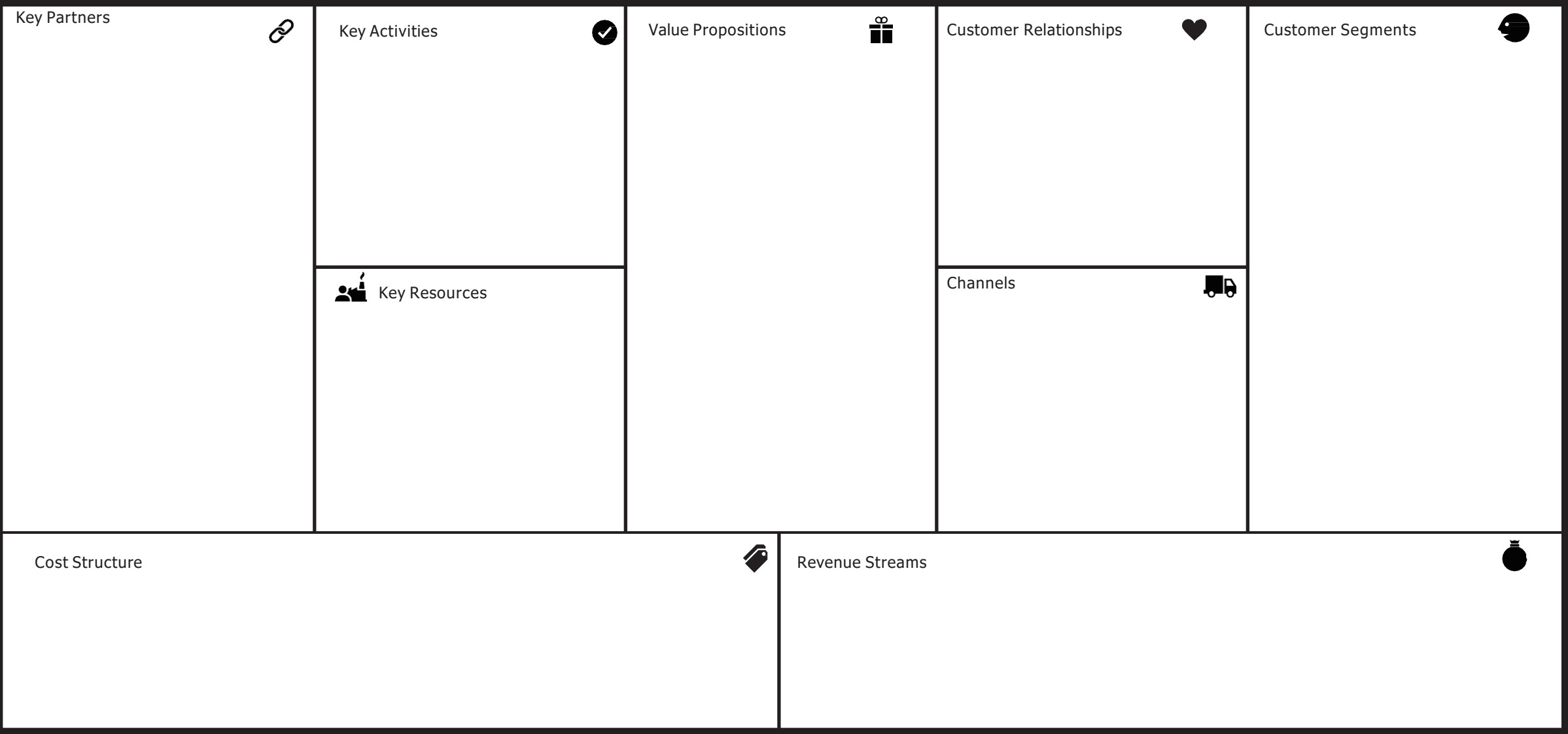
The Business Model Canvas- Strategyzer

Designed for:

Designed by:

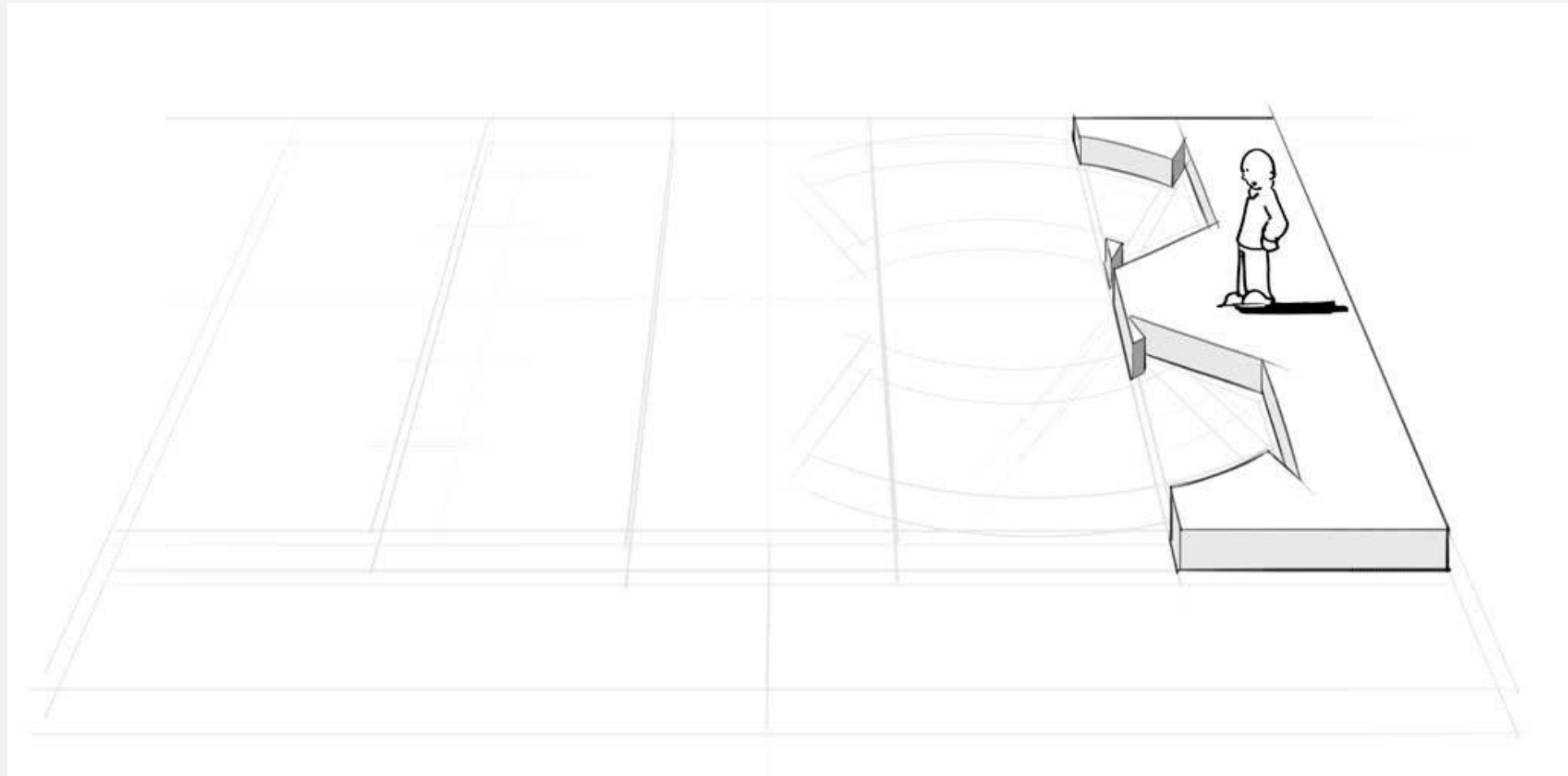
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BMC is divided into 9 parts, Each part represents an integral part of any Business. We must critically think of these parts during a Business model Plan: Lets look at these part by part.

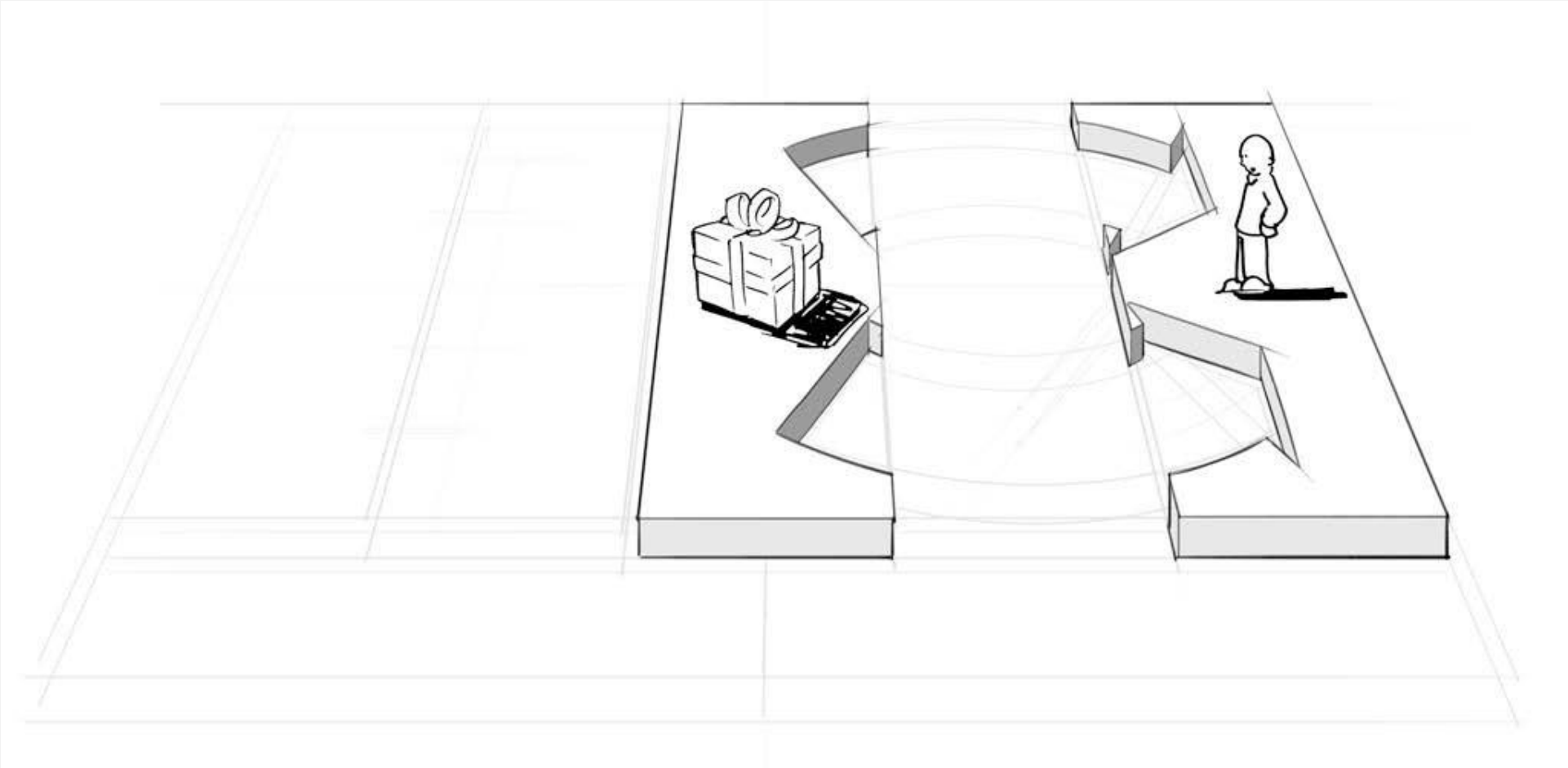
Think about your Customers



For whom are we creating value? Who are our most important customers?
We must define and think of our customer, who is our product for? Who would buy our offering? You cannot build a product for Everyone, or else it would fail..

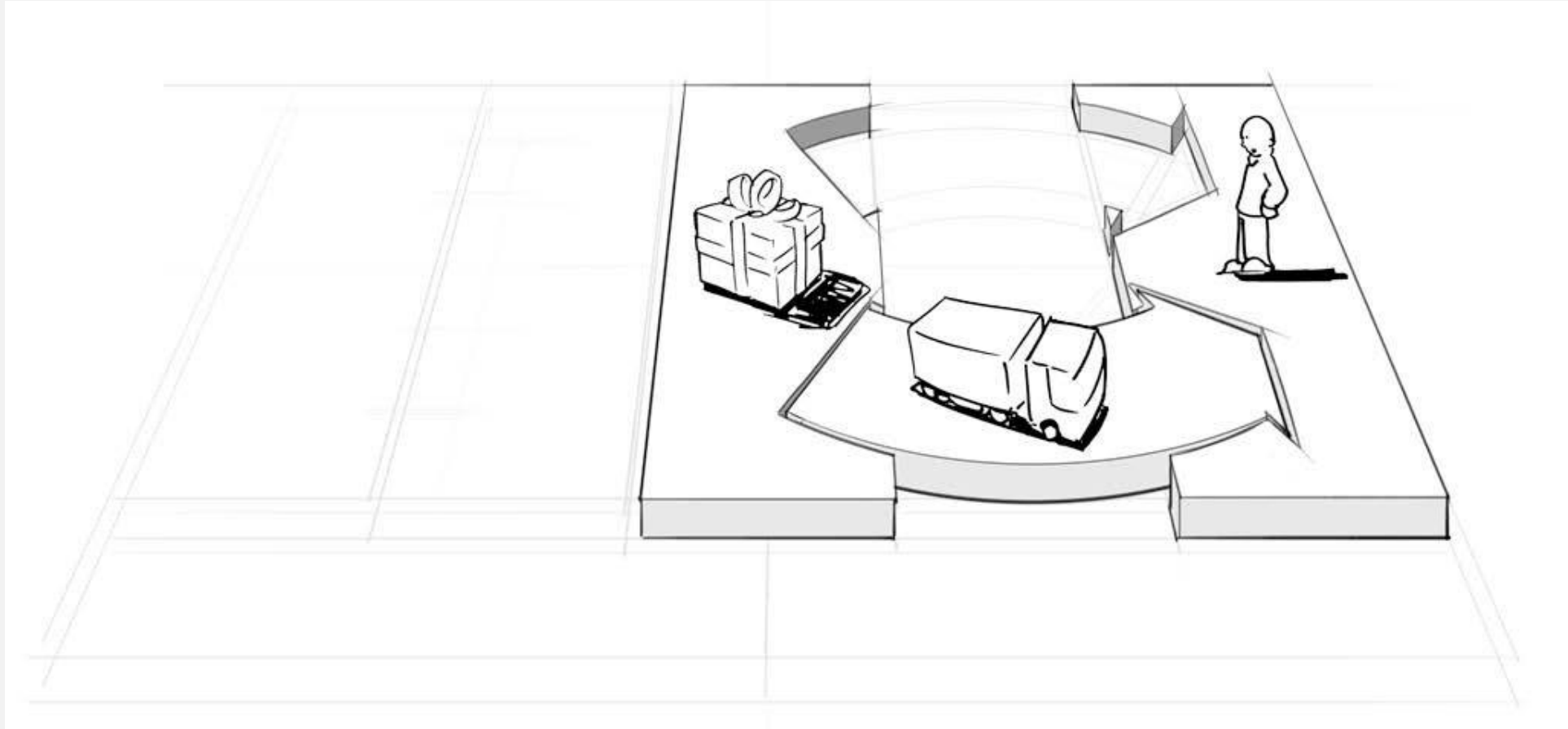
What are your selling points for the customer?

The Value proposition



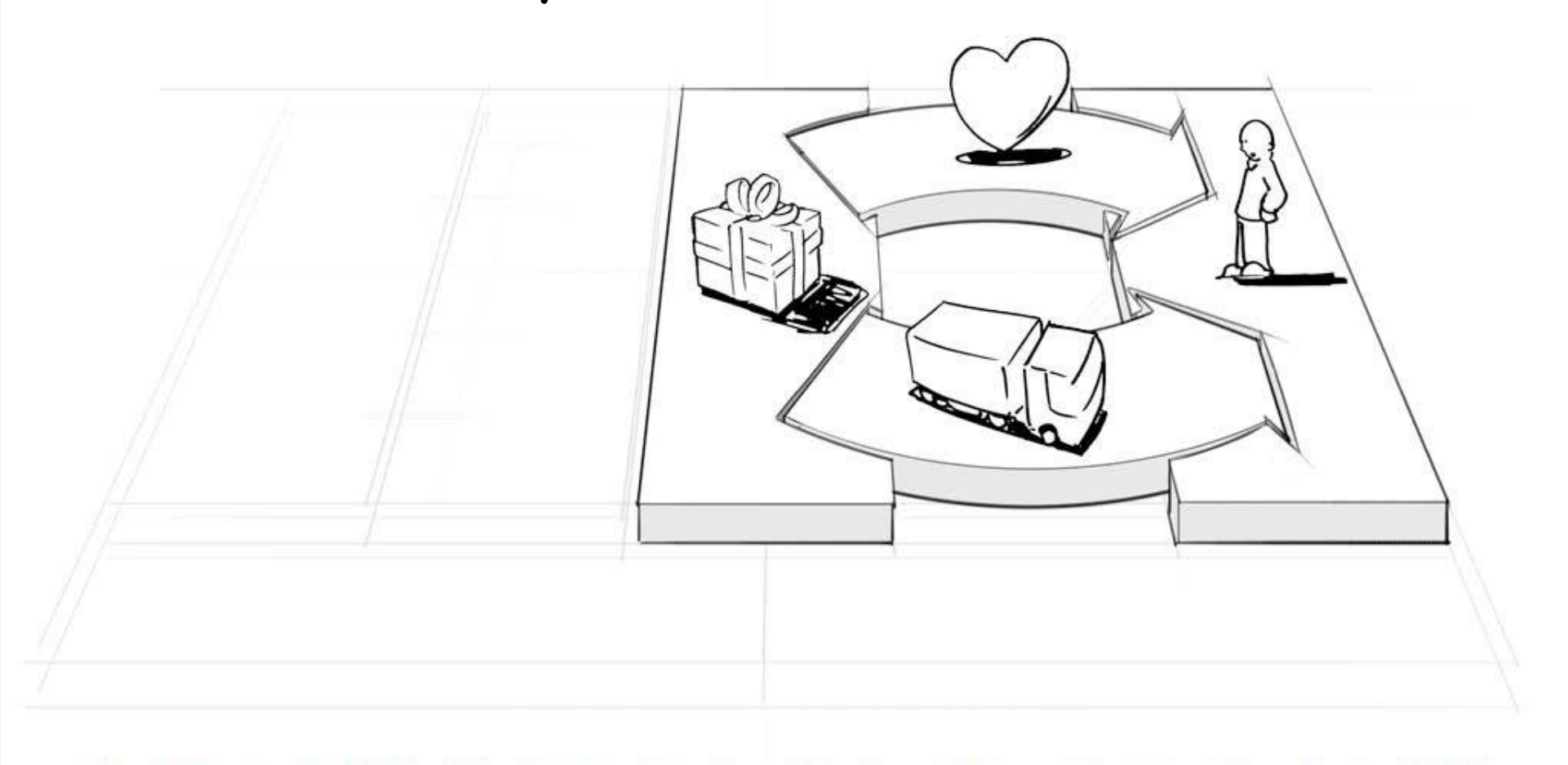
What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? Which customer needs are we satisfying? What bundles of products and services are we offering to each Customer Segment?

How do you reach your customers (Channels) ?



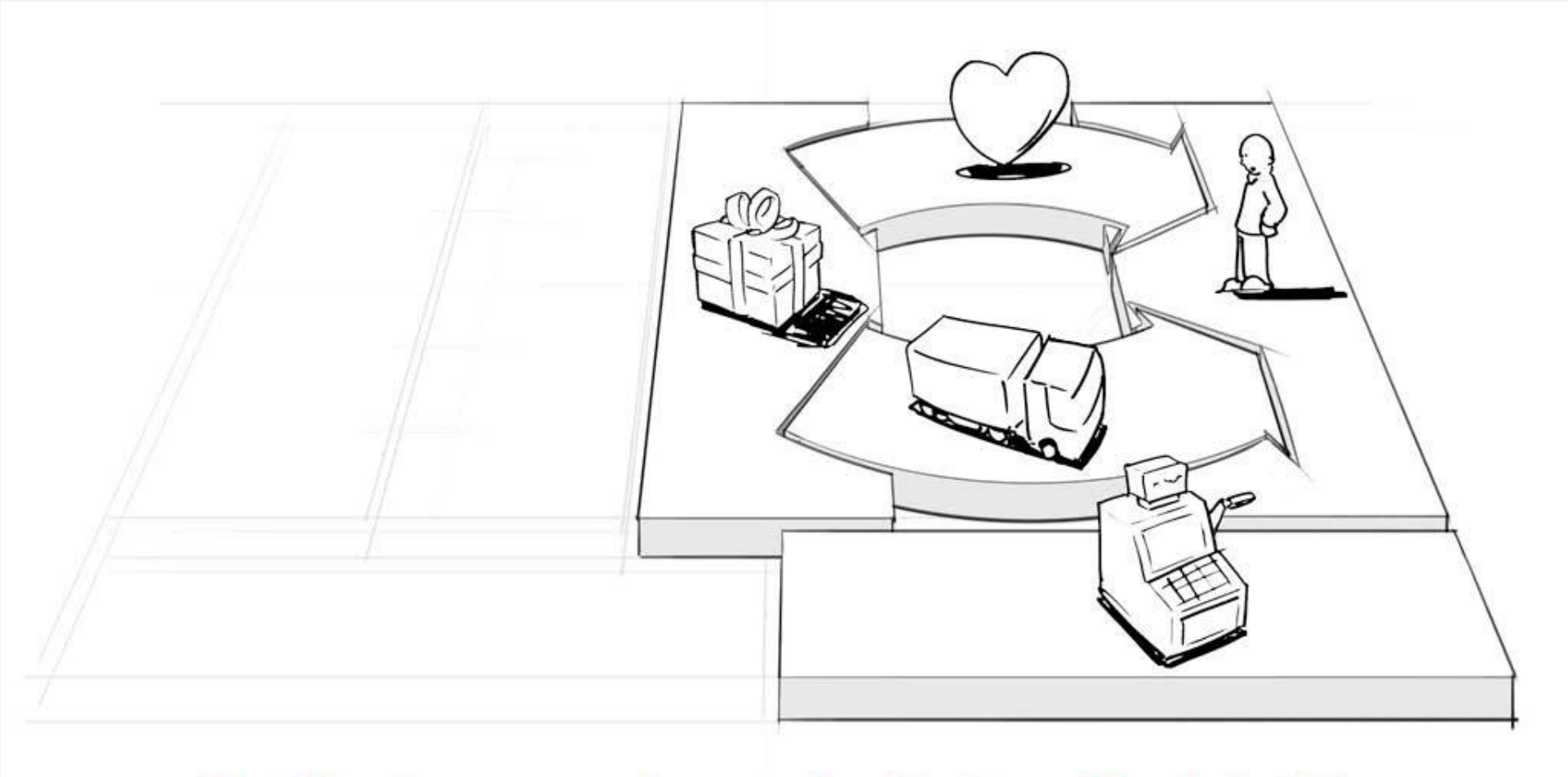
Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our channels integrated? Which ones work best? Which ones are the most cost-efficient? How are we integrating them with customer routines?

What relationship can you build with your customer?



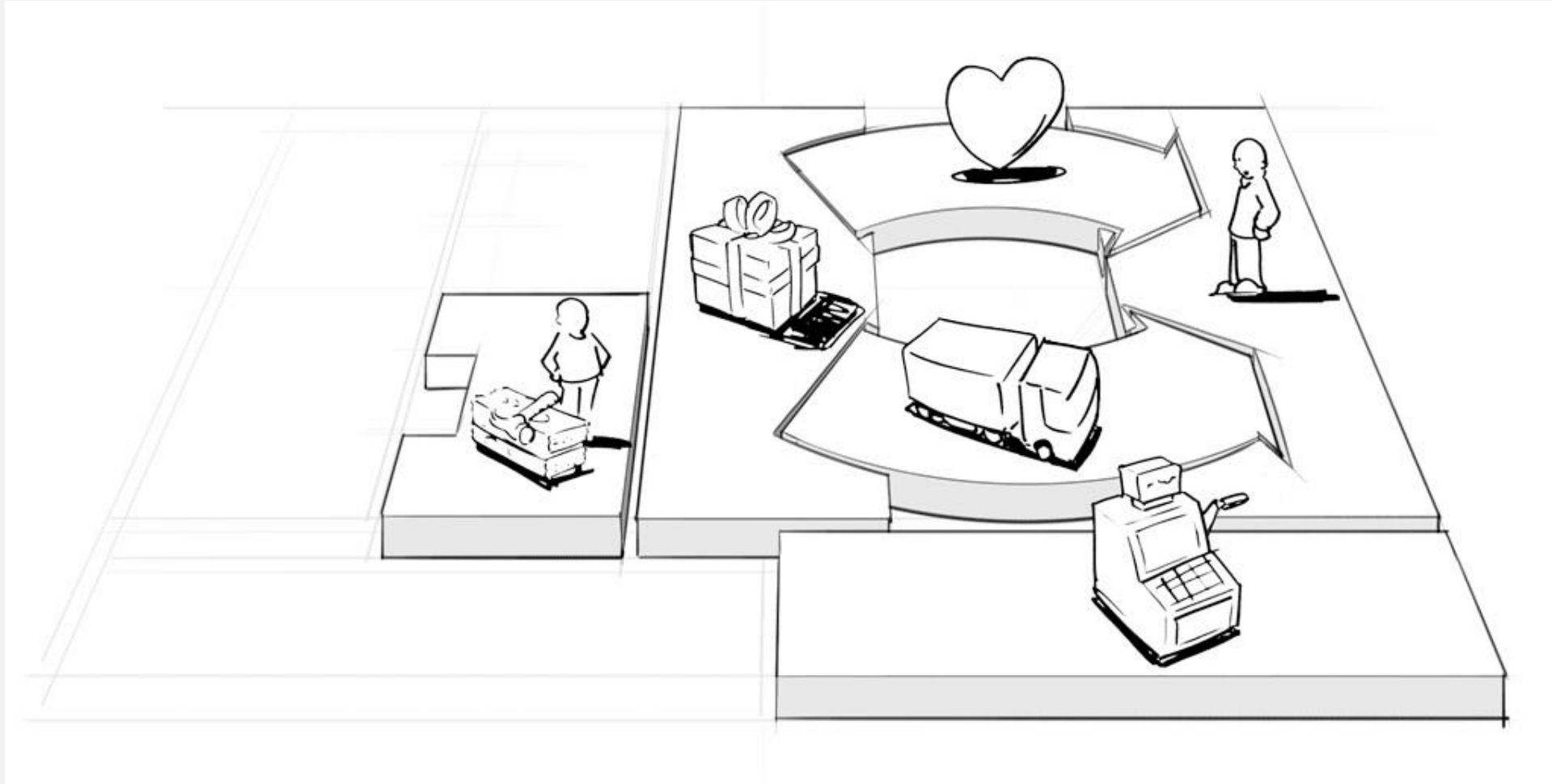
What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How costly are they? How are they integrated with the rest of our Business Model?

How do you Make Money? Revenue Streams



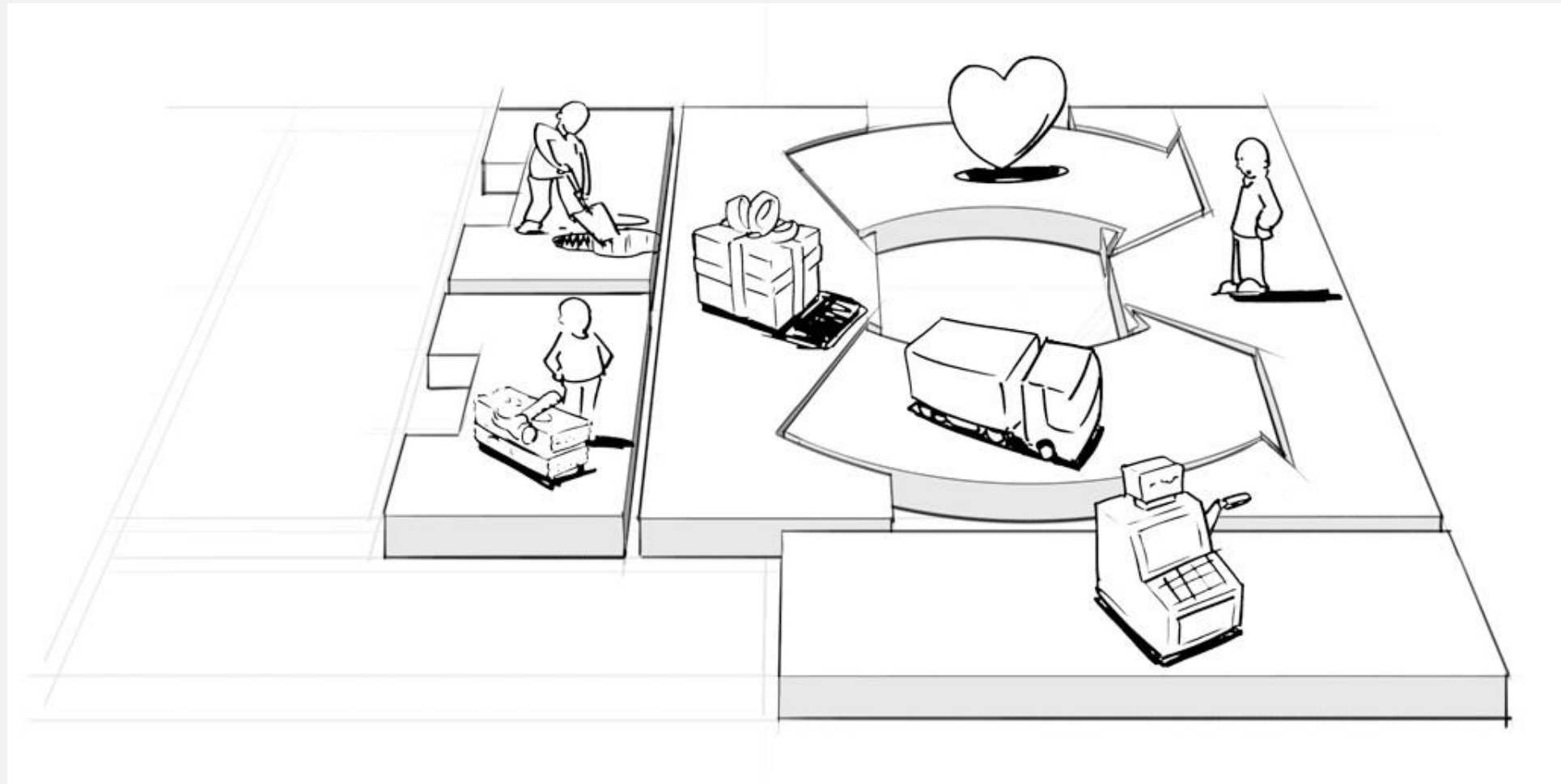
For what value are our customers willing to pay? For what do they currently pay?
How are they currently playing? How would they prefer to pay?

What is needed to make your model a success : Key Resources



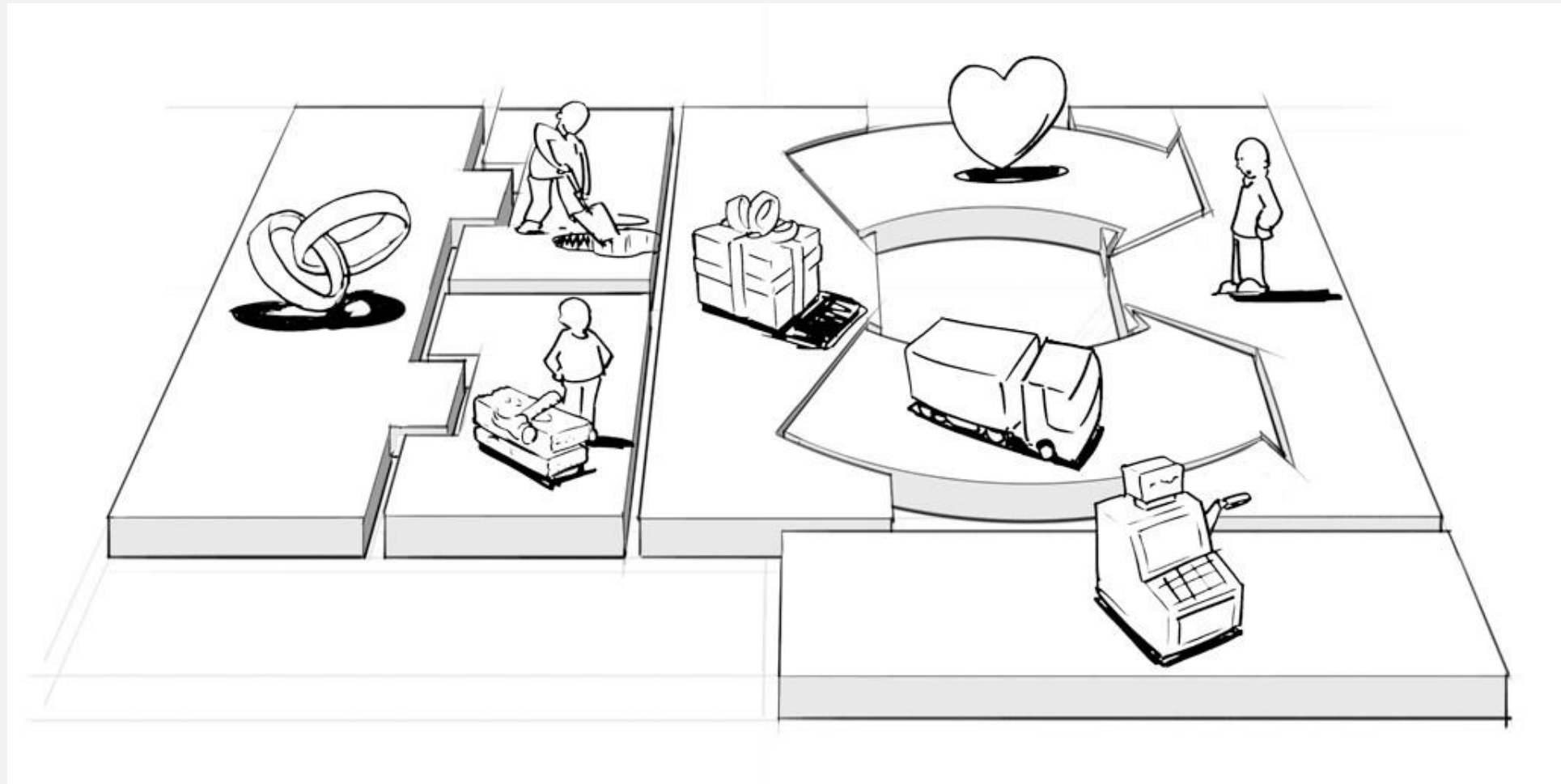
What Key resources do our Offerings require? What about Our Distribution channels? What kind of customer relationships?

What activities you need to perform to achieve your goals?



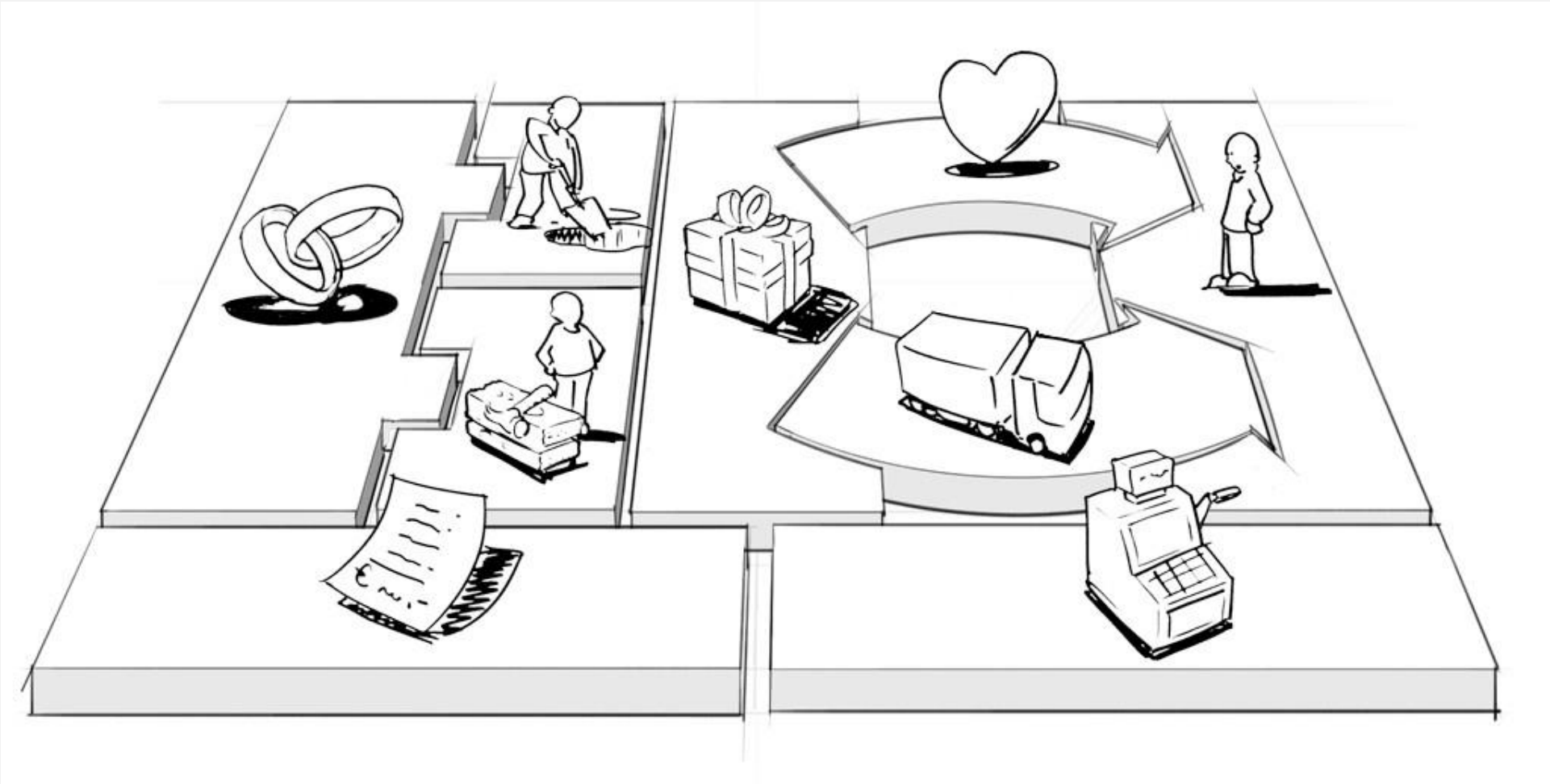
What key activities do our offering require? What distribution channels, suppliers are needed to be built? What do we need to do to build our customer relationships? What do we need to do to get revenue?

What partnerships do you need for all the other blocks to be successful?



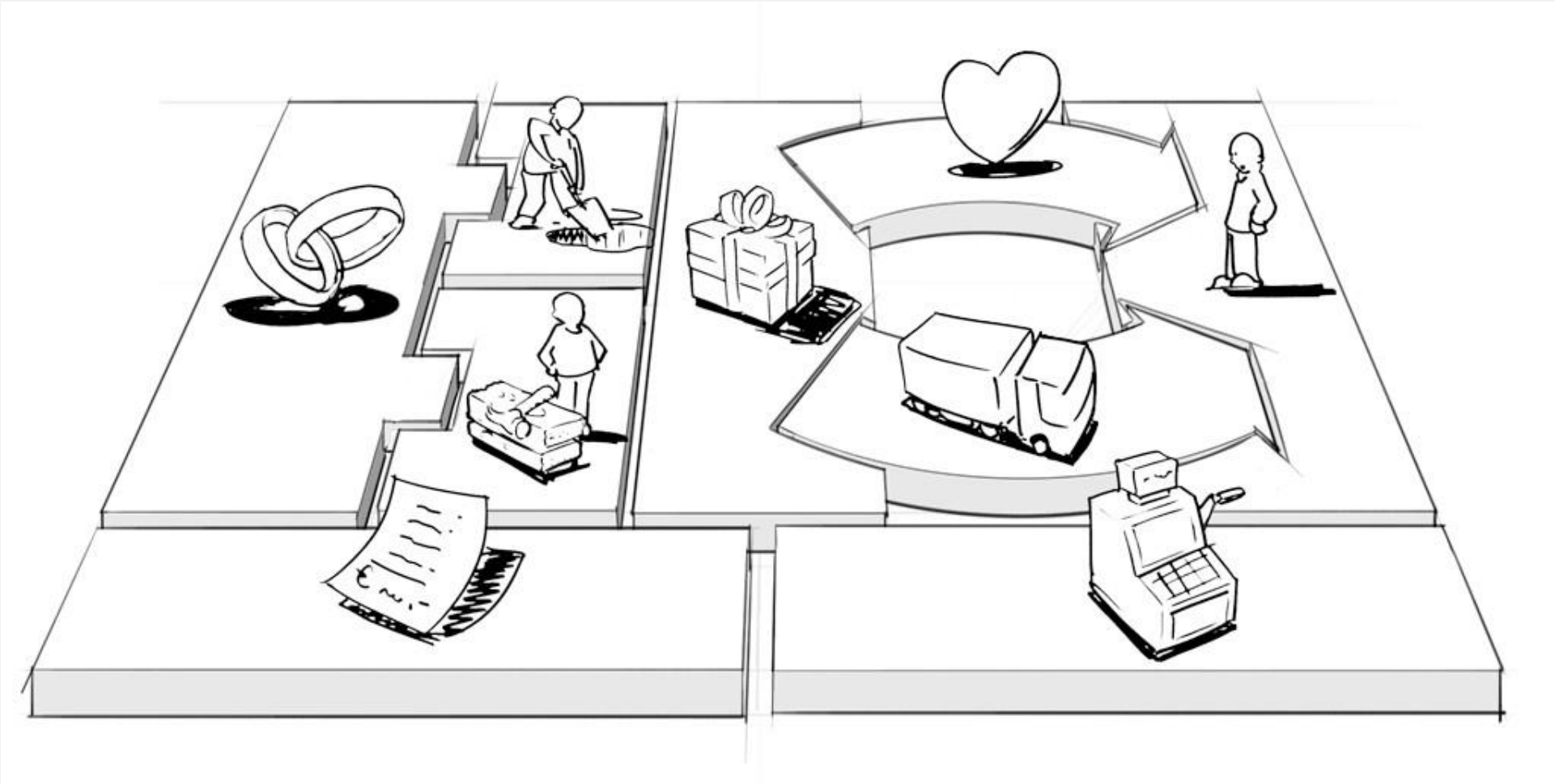
Who are your main partners, suppliers, helpers and what do we need from them?
What do these partners do? What activities they perform?

What costs would be your cost structure?



What costs do you need to bear? Any expensive investments needed? Which key activities are the most expensive for you?

The Business Model Canvas- Your step to success !



Now you know how to create a Business Model using the Business Model Canvas!



Innovation in agriculture through Business Model

FARMERS UNITE: SME in agriculture :An SME that produces dairy products joined a cooperative (in this case called 'Farmers Unite') and formed a collaboration with four other farmers (dairy and livestock farmers as well as flower and vegetable growers).

The aim of the collaboration was to innovate their business model.

INNOVATION IN AGRICULTURE

Top Traits of the Greats

INNOVATION CHALLENGE

The strategic challenge lay in offering a wide variety of local and fresh farm products at a single location and at a competitive price, bearing in mind the pressure on margins. They saw the opportunity from customer feedback which wanted to have more local products available from regional farmers at their sales point.



BUSINESS MODEL INNOVATION



Inspiration for the logistics concept came from a well-performing system in the Netherlands. A distributor picks up goods from farmer N ° 1 and drives to farmer N ° 2. He drops off the farmer N ° 1's products, requested by farmer N ° 2 to sell in his shop and picks up the good from farmer N ° 2. This cycle continues twice a week so that every farmer can sell products from his neighbouring colleagues

FARMERS UNITE

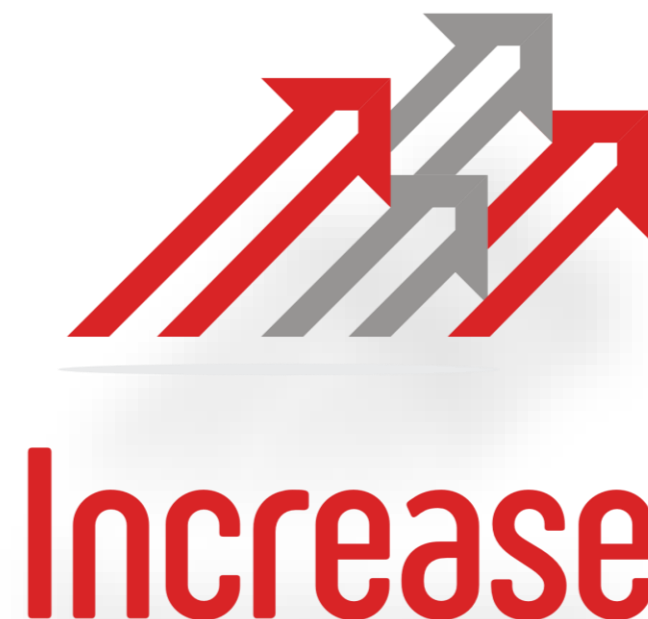
Module 5

Innovation in business models

Sub-module 5.2

Types of Business Models and Innovation in Business Models

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Innovation In business Models

Now that you have learnt how to create a business model using the Business Model Canvas, let's move on to create different types of Business Models.

There are so many different types of business Models in the world and countless companies use them.

Wouldn't it be nice if we have the different business Models used by successful companies? Until now you were thinking of one or two ways for your business model to create revenue, it's time to expand your knowledge.

In this Module, we will learn about different types of Business models used in companies and various factors that make a business model innovative. There are only 55 Business models patterns that exist in the world, sometimes looking at models from different industries allows us to adapt the model to a different context. If we know about these models, it's easier to adapt instead of inventing models.



INNOVATION & BUSINESS MODELS



SOMETIMES IT'S BETTER TO ADAPT EXISTING
SOLUTIONS THAN INVENTING

The key to using it successfully



The discovery of 55 Business Model Patterns and what it means for you?

Over 250 Business Models were analysed from different industries for the last 25 years

It was discovered by Oliver Gassmann and his research team that 90% of all the different business models in the world are imitations of the **repetitive 55 business model patterns out there**. They are simply combinations of different Models

If we know these patterns before hand we can react, change and avoid failures in Business

Tomorrow's competitive advantage of companies will not be based on products and processes, but on business models. The Business Model Navigator: 55 Models That Will Revolutionise Your Business,2013

This means, that you don't need to stress yourself to innovate. We can use these Models directly and apply to our product to create new Innovations in tie shortest possible time!





Mysterious case of the failing hotel

Sam is losing his hotel business that he started and is not doing so well. He started a hotel back in the day hoping to attract customers for a luxurious stay in the middle of the city. But now people don't come to the hotel. He doesn't know why? He thought it was because of the price!



Sam explains his problem to Dean at a Beer place



Continued: Hotel case



Dean begins explaining about a Business Model Pattern that could help Sam

There too many operational expenses for the Hotel in a city

Before we see what dean says:
How would you solve this case? How would you cut costs while maintaining a good customer experience? Think about it!

nce, staff,
necessary

by other
hotels and like services in

cost!

Only option: Radical Cost reduction!

Key Problem to solve: How to create Radical cost reduction, without compromising on customer experience of the Hotel?



The No Frills Model - Pattern 31

Key Problem to solve: How to create Radical cost reduction, without compromising on customer experience of the Hotel?

The No frills Model:



Dean explains the model to Sam

In this model, Value creation focuses on what is necessary to deliver the core value proposition of a product or service, typically as basic as possible. Cost savings are shared with the customer, usually resulting in a **customer base with lower purchasing power or purchasing willingness**.

Lets adapt this Model to our problem:

Lets remove all Unnecessary staff and keep only the essential people. Since it's a city, people come for business meetings. We can also make use of technology and "Self service" desks for customers, so we don't have to hire labour

(Changing customer and selling point for them) Business travellers ,need good food and healthy sleep and good internet connectivity.

Lets focus on those core components and delegate resources there.



Innovation in Hospitality through Business Model

CITIZEN M Hotels: An innovation through the change of Customer Segment and focusing on the core selling points for these customers created a successful business by keeping costs low and providing same luxury experience

INNOVATION IN HOSPITALITY

Top Traits of the Greats

THE STORY BEGINS...

The founders of citizen M believed that luxury and affordability must come together and must provide a unique customer experience to create an undeniable value proposition.

The founders visited many three- and five-star hotels, where they found that help desks, doorman's, bellman's and such other people employed by the hotel do not create any value for the customer



CHANGE IN CUSTOMER SEGMENT

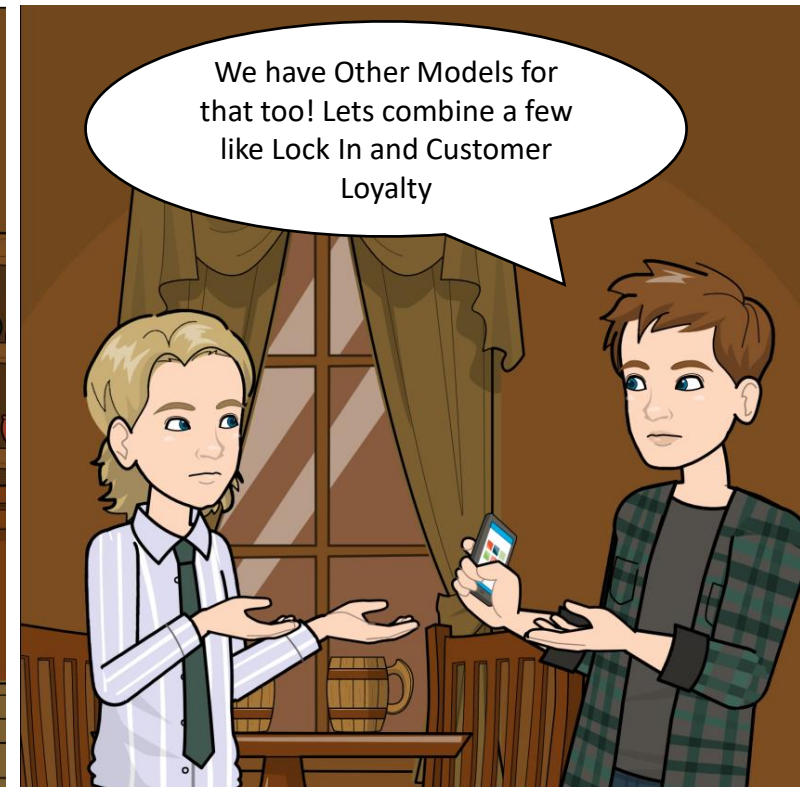


As citizen M addresses the specific target segment of frequent flyers and business flyers looking for luxurious yet affordable hotels, relevant changes are made focus only on the identified customer's



Multiple solutions possible!

There are always other solutions and patterns that can be used to solve Sam's problem. Let's look at a few other Alternatives as well!



Sam tries to learn more about other patterns!



The Lock In Model and Customer loyalty model

The Lock in Model - Pattern 27:

In this model, **Customers are locked into a vendor's world of products and services**. Using another vendor is impossible without incurring substantial switching costs, and thus protecting the company from losing customers

Lets adapt this Model to Sam's problem:

This can be achieved through tie-ups with companies nearby. We could approach them and guarantee lower pricing to all IT companies. Hotel internet security can be state of the art to ensure this long-term business.

Customer Loyalty Model-Pattern 10

Customers are retained and loyalty assured by providing value beyond the actual product or service itself, i.e., through incentive-based programs. The goal is to increase loyalty by creating an emotional connection or simply rewarding it with special offers. Customers are voluntarily bound to the company, which protects future revenue.

Lets adapt this Model to Sam's problem:

We can provide special incentives, discounts, Free breakfasts to combine to create customer loyalty and Lock them into our hotel chains. This could ensure higher probability of business coming to Sam

How do we know which Model is right or wrong for us?

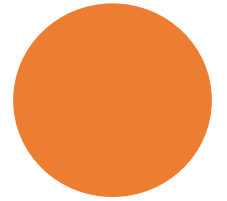
The business model navigator leads the entrepreneur to a path of success by knowing the various types of business models. It is a known fact that business model innovation carries higher potential than the technology, product or the service itself.

The only way to guarantee a business model that works would be through a systematic process of integrating the entire value chain, stakeholders, strategy, and organizations together aligned towards a goal.

WHAT IF IT FAILS?

Having an entrepreneurial mindset means that failure is good! It allows us to learn from our mistakes.

Therefore, if it fails it is okay however it is important to fail cheap rather than expensive. And the only way to know whether something works is by doing it.

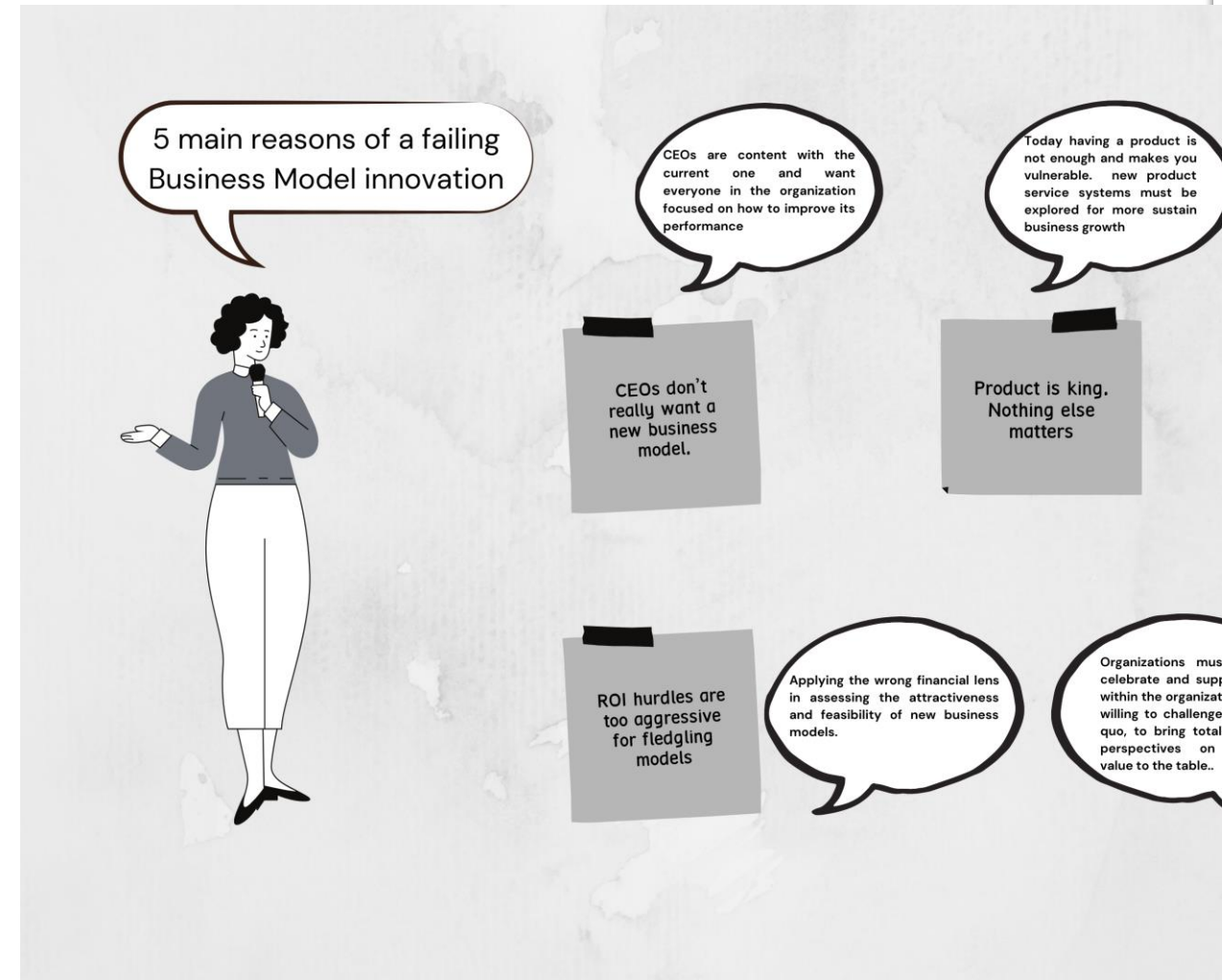


In reality there is no way to call a business model good or bad until you try it!

There is Just the one that works for you given the correct conditions

Failure of Business models

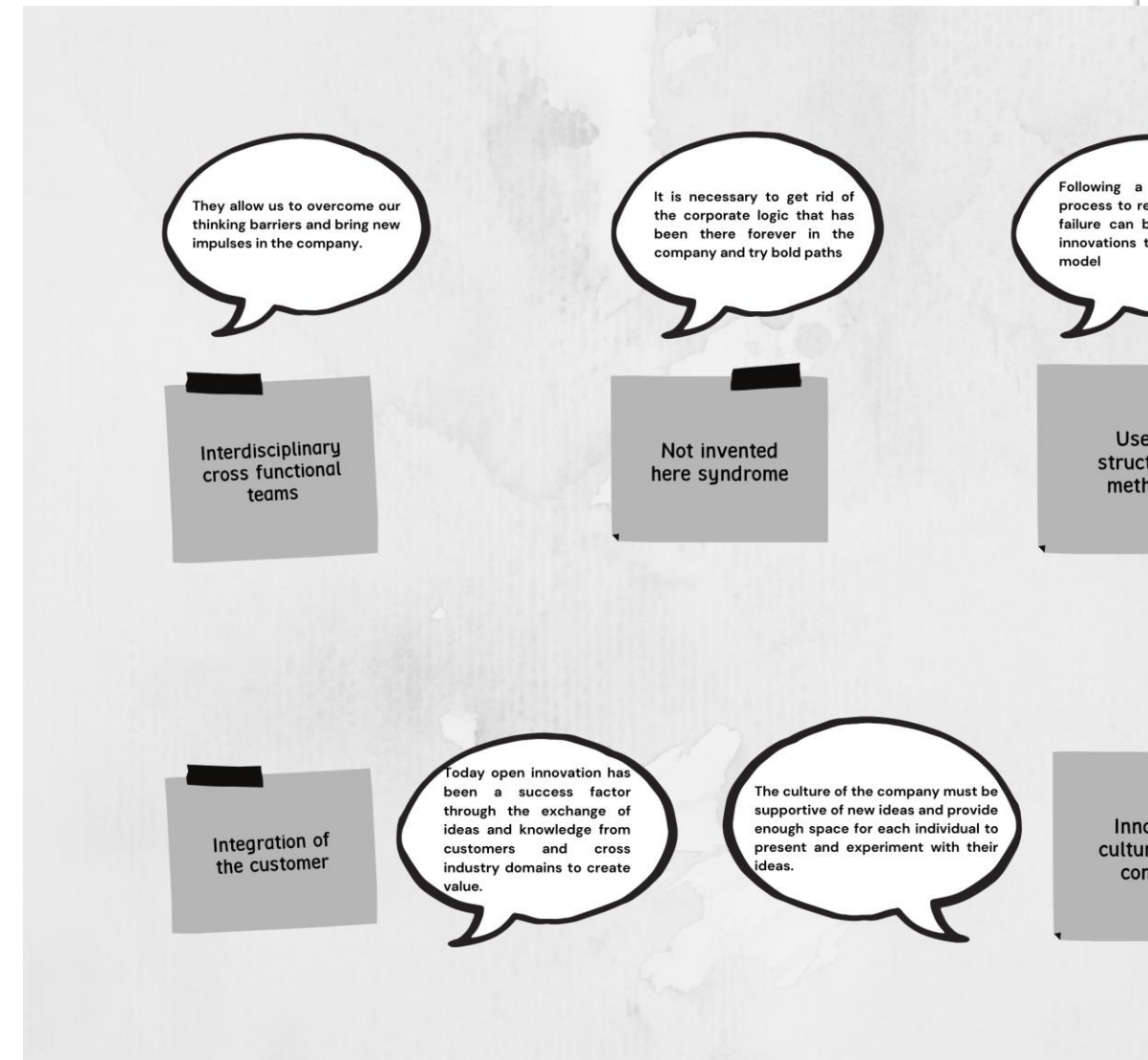
Here are the top reasons why business Model Innovation fail!





Successful factors of Business models

Here are the top reasons why Business Models innovations are Successful!





Employee Engagement as a part of Innovation

One of the largest factors for an innovative business model is in the **implementation phases**. It is necessary to involve the employees in **change management**.

Proactive innovation is practised through involving employees in Innovation and giving them an **opportunity to communicate new ideas** to the management.

HOW TO ENGAGE EMPLOYEES?



Defining a plan of action

A central step for effective employee engagement is to define a vision with a deadline. The long-term goal must be visible to employees for them to pursue the direction of change.



Reaching employees

We must reach our employees at all levels for discussions and workshops to present one's plans, make them better and have dedicated sessions for employee engagement



Implementing changes



To Boost Motivation

Module 5

Innovation in business models

Sub-module 5.3

Adaptability and Flexibility of Business Models

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Adaptability and Evaluation of Business Models

Business models are not static: Even the best business models need regular critical revision and development.

The change may come from change in competition (new entrants, others innovating their business models, imitation), changes in the market environment, customer needs, technological progress, or breakthroughs

These dynamic changes cannot be implemented overnight.

It is necessary to have a plan of action, resources, infrastructure and value chain within the management systems to gain flexibility and to adapt to various scenarios. This Module will talk about a few ways to attain flexibility, adaptability within a business through well known innovation methodologies.



INNOVATION & BUSINESS MODELS



CHANGE IS THE ONLY CONSTANT

The key to using it successfully



Adaptability during the COVID-19 Crisis

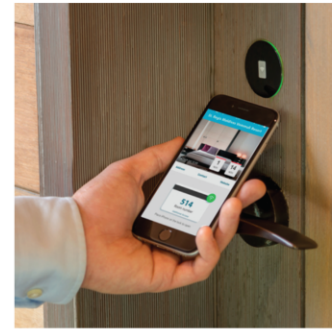
The Covid-19 crisis has shaken the entire industry and there has been a forceful need for changing business models more than ever before.

During the COVID-19 crisis, **the hospitality and Travel industry** has been hit the hardest amongst all the others.

Businesses have been at a new rock bottom than before. However, this challenge hasn't stopped hotel businesses to be proactively innovative.

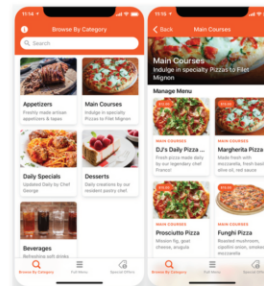
Some recent innovations for the Hospitality industry from start-ups and SME's are making use of existing Technology and Internet of Things. Some examples of the same

COVID-19 CRISIS INNOVATIONS IN HOSPITALITY



KEYLESS ENTRY AND CHECKOUTS

Fuel, a leading provider of guest-facing hotel software solutions and digital marketing services for the global hospitality industry, has expanded the digital-key functionality of its industry-leading mobile application for independent and boutique hotels.




TOUCHLESS DIGITAL MENU SYSTEM FOR RESTAURANTS AND HOTELS

Lodging Interactive the hospitality industry's premier provider of full-service social media marketing and guest reputation management services today, announced the launch of MyMenusOnline, its new touchless digital restaurant menu system. With MyMenusOnline restaurant guests simply scan a tableside QR code or NFC tag to view the restaurant's menu on their own mobile device.




Transformative business Model - Grocery Case


Jonas is facing an issue of the **customer needs changing** for his retail grocery business. He had a successful business so far and never needed to change anything. But now. **New players are a threat to his business.** He must Transform his business and change radically to win in the Future.



There are so many new businesses that have offerings similar to mine and I don't know what to do or how to grow!



Therefore, I tried to increase the prices of groceries to make up for the losses caused by inflation. I need a big change to survive!



okay, your problem is you need to increase the price because we still need to make profits but we need to keep the price the same so that the customer can buy it.



Transformative business Model - Grocery Case



Jonas is confused and asks whether any one has tried subscription for groceries before? !

The Subscription Model: Pattern 48

The customer pays a regular fee, typically on a monthly or an annual basis, in order to gain access to a product or service. While customers usually benefit from lower usage costs and general service availability, the company generates a more steady income stream.



Transformative business Model - Grocery Case



Jonas is confused and asks whether any one has tried subscription for groceries before? !

Adapting the Pattern to the problem

The retail business sells groceries. Groceries are expensive and they are a recurring commodity product used by everyone. What if we come up with a business model where **a set of groceries is delivered every month to the customer's house for a discounted Fixed price.** This way we can reduce the recurring costs as customer buys it in bulk and we can charge a **monthly subscription fee for X amount of groceries.**

Further, our new customer segment, can include hotel businesses where these customers require daily groceries and more or less a fixed amount of groceries every month. Therefore, we could start shifting focus to B2B rather than B2C.

If NO ONE has tried something before, It may be completely new innovation! A Disruptive one! We must try new things



Transformative business Model- Case Study: Hello Fresh



Jonas is very happy and is exited to try something new

INNOVATION IN RETAIL

Top Traits of the Greats

WHAT IS HELLO FRESH?

HelloFresh is a leading subscription-based meal plan service, founded in 2011, serving customers across Europe, the US, and Australia, with a view to encouraging healthy, sustainable, and cons-effective dietary habits among its customers, and providing an easy and efficient meal service.



DISRUPTING THE GROCERY INDUSTRY



HelloFresh provides a subscription meal and recipe kit service to the general consumer market. They deliver fresh groceries to your doorstep that are just



Increase

Key elements of a Transformative Business Model

COVID-19 has been hard on us all but at the same time it has forced companies to innovate, SME's to try new things and **go out of their usual path and innovate their products , services, customer relations, channels etc.**

Amongst these changes, some of them have emerged as common innovation patterns and trends that companies have adopted .

Here are some of the **transformative changes** that have been implemented by companies in terms of business.

KEY TRENDS IN BUSINESS MODEL INNOVATION DURING CRISIS

USAGE BASED PRICING

As megatrend usage-based pricing is the next new normal that has been applied to various businesses like car2go, Software companies and hotels.

CLOSED LOOP/CIRCULAR PROCESSES

companies are coming up with those loops processes where products are sold and are collected back when they are disposed. As a result, disposed products can create value and new business models for growth.

ASSET

COLLABORATIVE



Evaluation of a business model

Evaluation of a business model is critical however; **it is not a perfect science.**

At most, we can try and increase the odds of success by making **informed decisions.**

We must critically think of these aspects without Bias and **support it with facts and numbers** for increasing chances of success

SET OF QUESTIONS THAT WE CAN ASK FOR BUSINESS MODEL

These questions need to be answered using interviews, self-reflection, data or any other method. These questions will tell you how good your model is.

Can you nail the job with a focused and a compelling selling points?

Can you devise a model in which all the elements the customer Value proposition, formula, key resources, key processes work together in the most efficient way?

Can you create a new business development process internally to keep up with market opportunities, growth and execute them in time.

Will the business model disrupt competitors?

How scalable is your business model or how can you increase and expand your model proportionately?

Does your business model produce recurring revenues to maintain cash flow?



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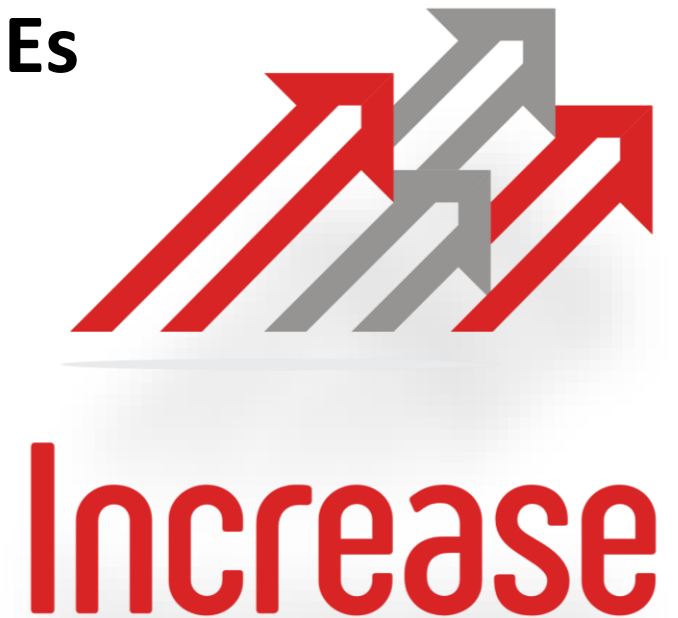
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Module 6

Digitalisation and automatization in SMEs

Sub-module 6.1

What is Digital Transformation?



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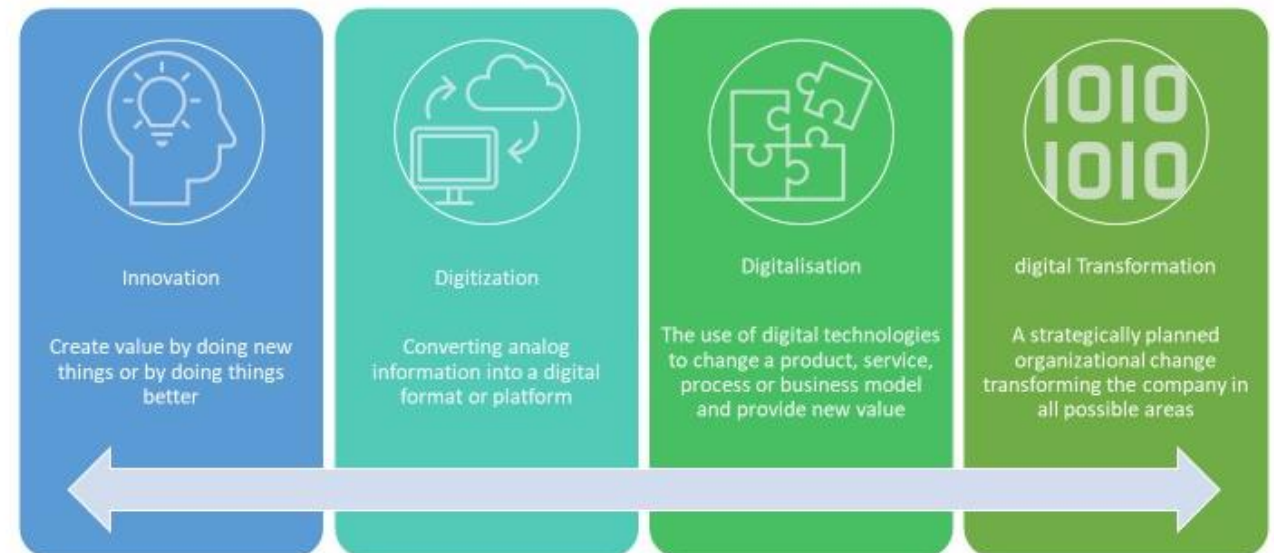
What is Digital Transformation?

In this module you will get an overview about the basics of Digital Transformation and the changes it brings to the working world.

After this module you will have a much clearer view on Digital Transformation.

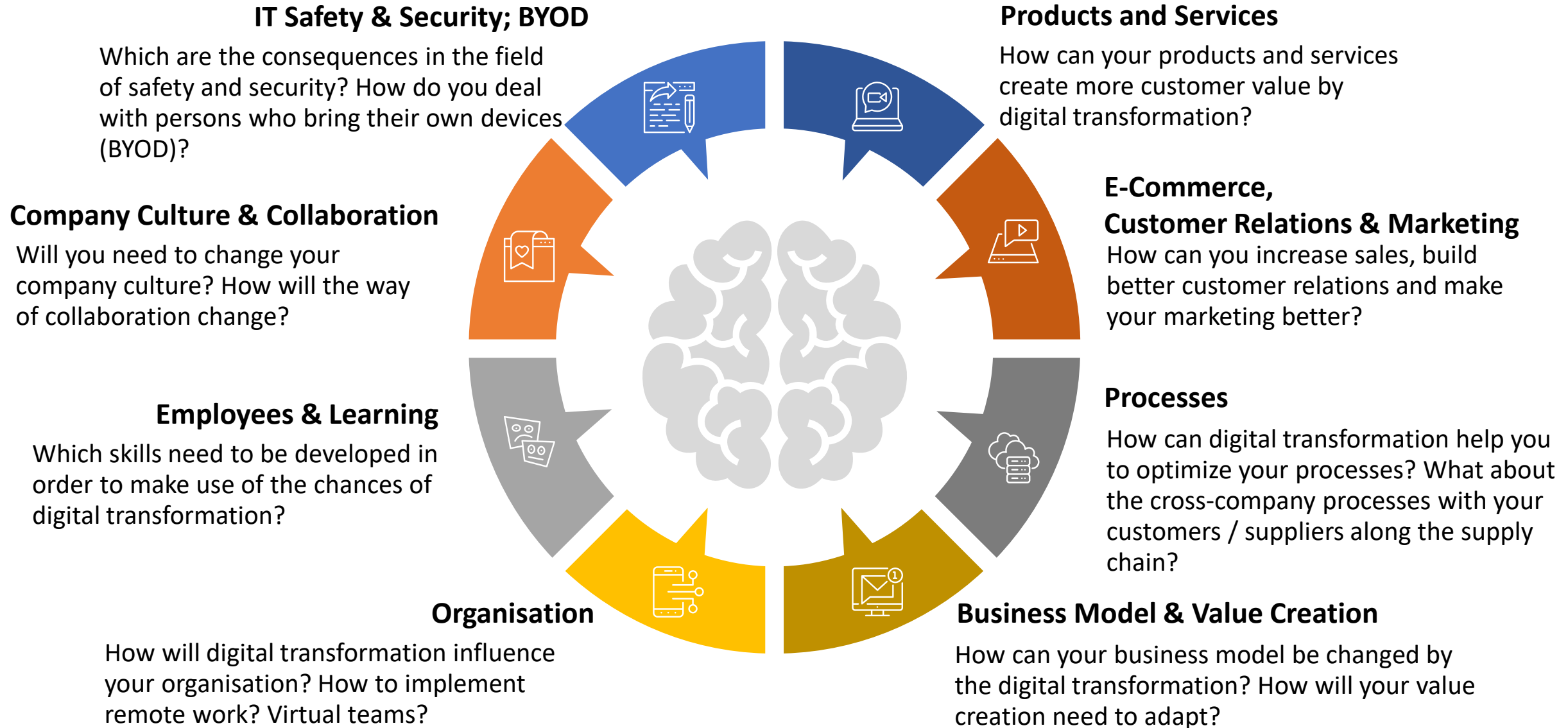
- Digital transformation is the process of using digital technologies to create new or modify existing processes, services, products or customer experiences along the value and supply chains, the new culture and leadership, which are changed in order to meet the rapidly changing business and market requirements of today.
- Digital transformation leverages technologies to create value for customers and people involved, to innovate and acquire capabilities and to rapidly adapt to changing circumstances.
- Digital transformation is not just about technologies. It's also about values, people and the capability to rapidly adapt when such is needed through an intelligent use of technologies, data, information and knowledge.

The paths of digital change





Digital Transformation - Primary Areas of Impact

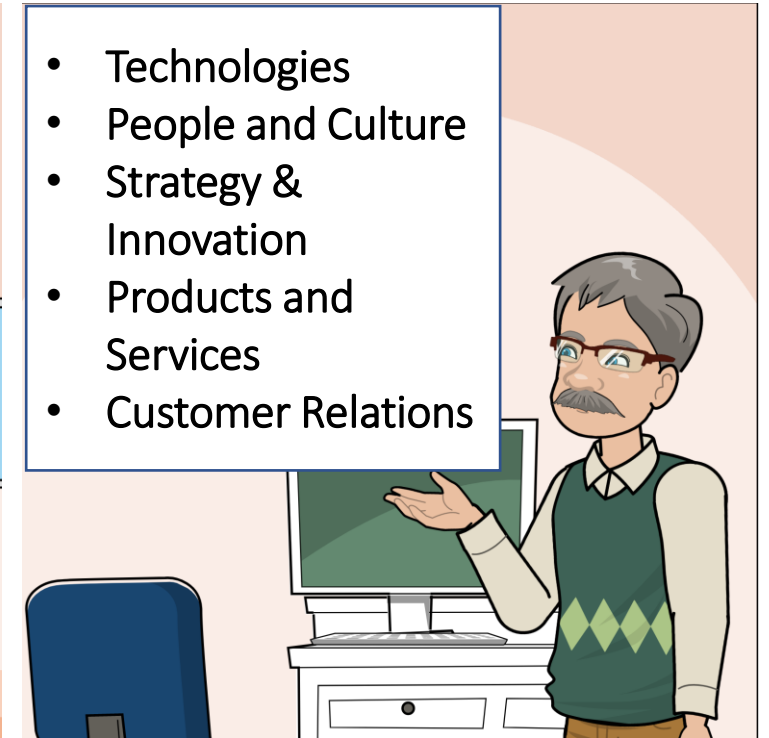
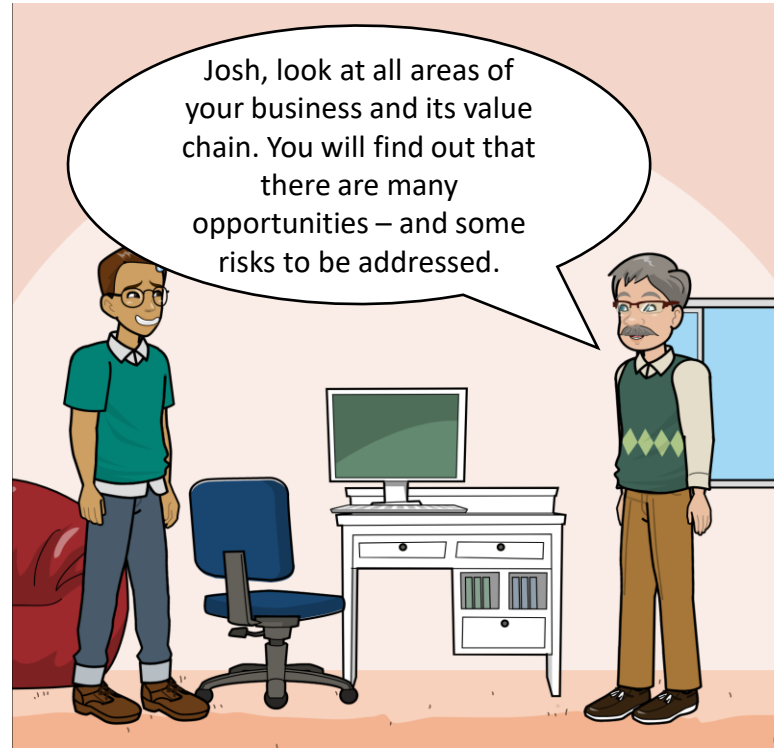
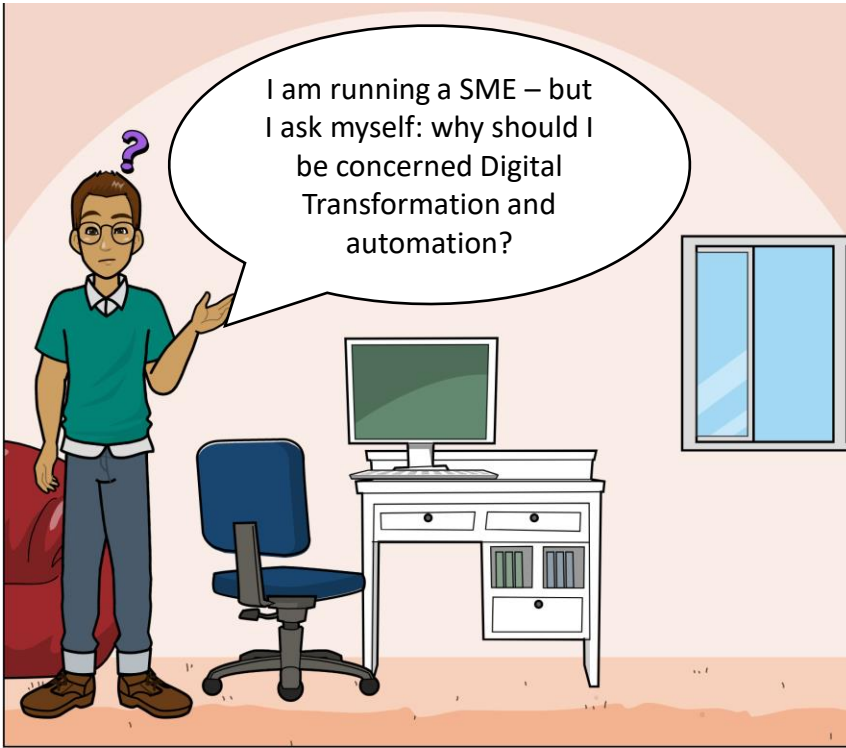


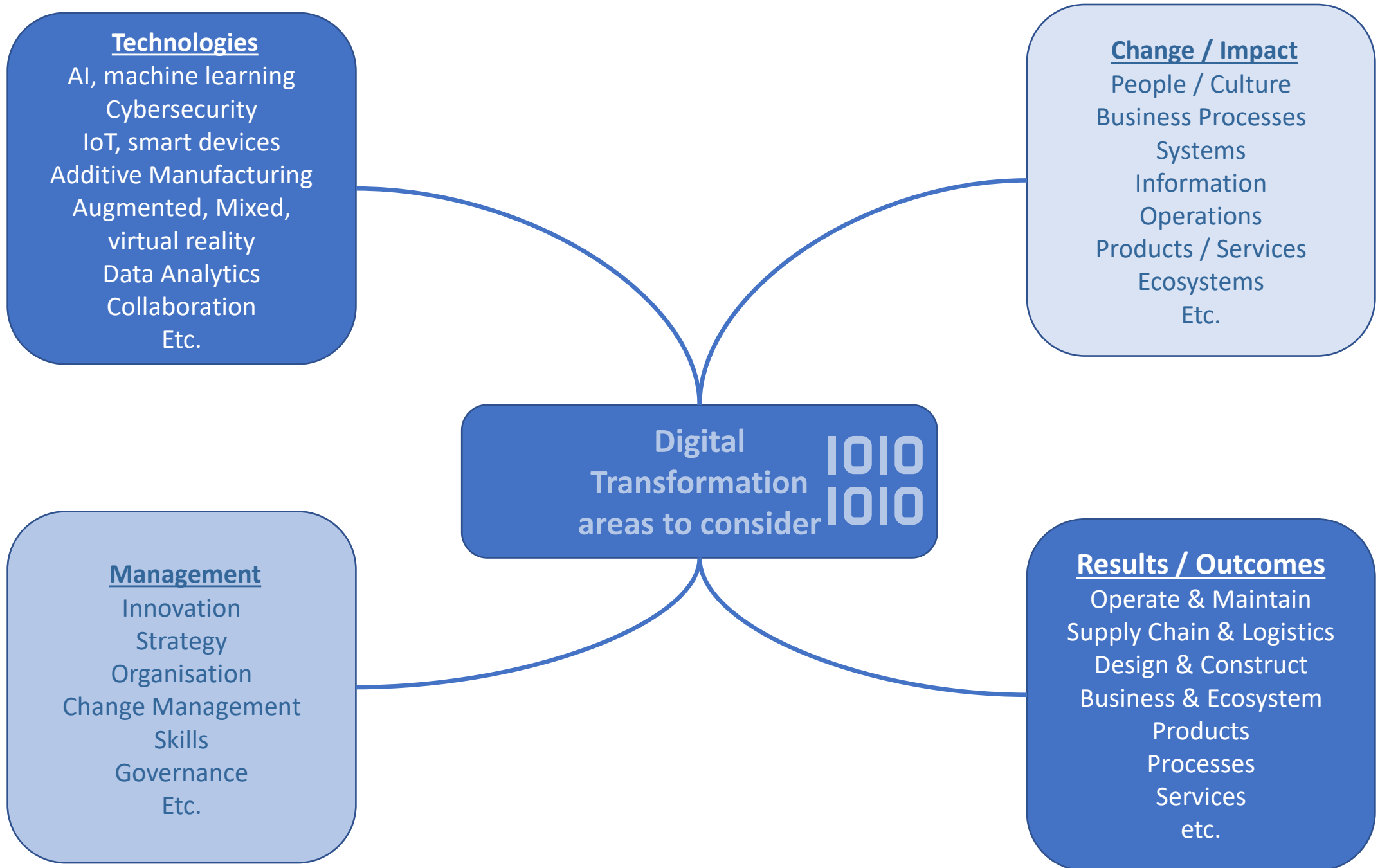


Let us first look a bit into some current developments

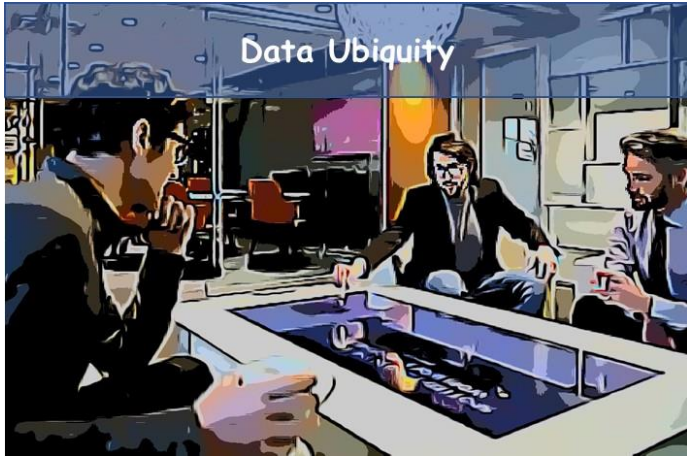
- Find in the following slides some of the major changes which are ongoing and will have impact on all businesses over the next few years.
- After going through these few slides you should think about,
 - how these trends will impact your company,
 - yourself as a person,
 - your industry,
 - your customers and
 - your suppliers.

The Story of Josh





Data Ubiquity



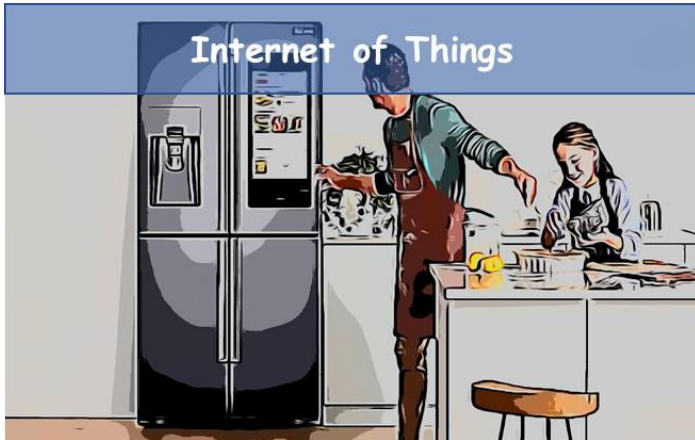
Online Collaboration
like in Real World



Culture and Leadership



Internet of Things



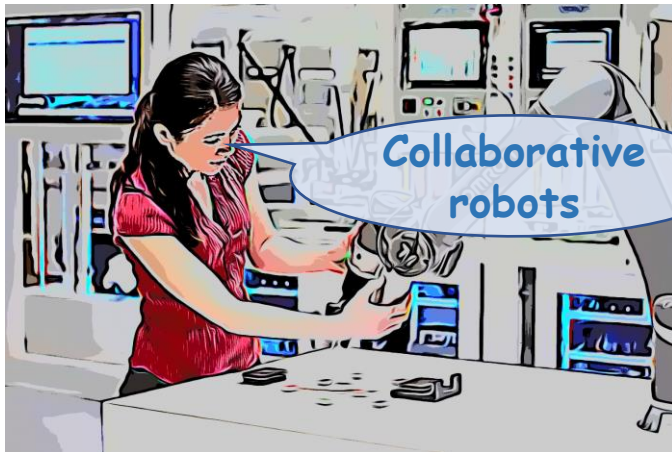
Logistics and Supply Chains



Cybersecurity and Privacy



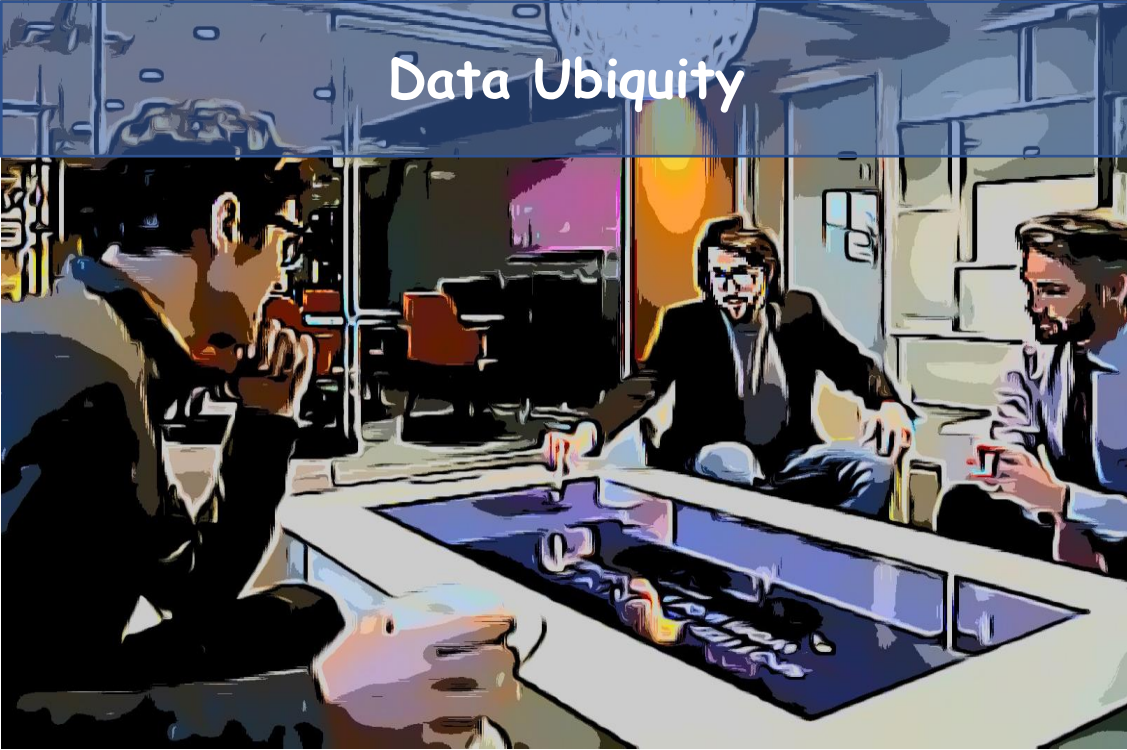
Collaborative
robots



Tracking
and
Tracing
of ...



Data Ubiquity



Data Ubiquity means that data is available everywhere and at any time. This increased availability of data gives us the chance to actively work with it, thus helping us to base our decisions more and more on facts than on gut feeling.

Business processes and decision making processes need to be adapted in order to use this data properly. Data design teaches us how to best communicate the data.

But also big challenges come along with this: which data is trustworthy? How can / must data be protected? What about privacy?

Challenges

- Data design and communication and the creation of new human-machine-interfaces
- Machine learning: the ability of systems to automatically learn and improve from experience without being explicitly programmed
- Artificial intelligence: is the capability of a machine to imitate intelligent human behavior and a branch of computer science dealing with the simulation of intelligent behavior in computers
- Collaboration tools: computer programmes which enable persons to collaborate on the same file or task in real time
- Cloud computing: the practice of using a network of remote servers hosted on the Internet to store, manage, and process data, rather than a local server or a personal computer.

Online Collaboration like in Real World



Distributed teams, the change of work, recently the pandemic, ecological reasons, time constraints etc. bring more and more online collaboration.

But online collaboration is much more than just running a video-conference or share data in the cloud: it is about the selection of the right tools for specific tasks, the technological skills of the people using these tools, needed equipment but also personal issues such as privacy, different time zones or the bundling of home and work.

Challenges

- Technological knowledge about cloud services, hardware and software tools
- Training
- Safety, security and privacy
- do's and don'ts in online collaboration
- how to deal with hybrid groups (some in one room and others from distance)
- legal issues (e.g. insurance for home workers, work rest, cost of infrastructure, energy use, ...)

Culture and Leadership



Corporate Culture and Leadership is rapidly changing in these times – not only but also because of digital transformation.

Customers are asking more and more for „meaningfulness“ and tend to follow companies more which contribute to such meaning – either because they are more sustainable (ecological, economical and social), they create community feeling, provide high image or just make fun.

Leadership changes with new generations as employees and the ongoing trend towards dislocated or virtual teams.

Challenges

- Cultural changes need time. Hindering factors for change often are rigid organisational structures, personal resistance and a lack of commitment and reinforcement.
- Leadership is changing as also knowledge is changing. Today it is often the older generation which learns from the younger generations and not the other way round. The challenge lies in combining experience with newest approaches, overcoming any age barriers.
- We are more connected than before – but this also brings challenges for leadership. Different time zones, but also empathy about employees and their rhythms are more important than before (it is so easy to drop a message on a Sunday – but is it really necessary to bother your employees in their free time?). And we are more dislocated, sometimes even virtual teams. In a nutshell: Leadership is today maybe even more important than before!



The **Internet of things (IoT)** describes the network of physical **objects**—“**things**”—that are embedded with sensors, software, and other technologies for the purpose of connecting and exchanging data with other devices and systems over the **Internet**.

All our products and services will soon be part of this forthgoing process. We need to adapt our businesses to it and find out how to best benefit from it.

Challenges

- Technological knowledge changes rapidly – especially SMEs need to team up with external partners
- Training and upskilling is becoming more and more important
- Safety, security and privacy issues
- Adapt the own company to the use of internet of things or the integration into products and services
- Adapt quickly to the fast changing technologies

Logistics and Supply Chains



Often overlooked and underestimated are the changes that digitalisation is bringing into our logistics and supply chains.

Tracking and tracing, interconnected software solutions, better transparency, electronic documentation, the delivery over the last mile or more sustainable and climate friendly supply chains and logistics are of increasing importance not only for companies but also for customers in their decision making process.

Challenges

- Find and use synergies over the whole supply chain
- Move towards electronic documentation
- Create added customer value by increasing transparency and possibilities for tracking and tracing
- Sustainability as an increasing factor
- New suppliers with new technologies and possibilities quickly emerge
- New business models disrupt markets



In a world where data becomes more and more important, where we are more and more connected and where more and more processes are moved to the cyberworld, safety, security and privacy are becoming of crucial importance.

Not only is this an important topic for your company, as you want to protect your „data gold“ but also your customers are giving increasing importance to these points.

Challenges

- Protect against malicious software, hackers, loss or damage of data
- Align your company to GDPR (General Data Protection Regulation)
- Make sure to maintain privacy
- Create a compliancy code of conduct
- Intellectual property rights and how do deal with them
- Create awareness and train your staff

Collaborative Robotics



Collaborative robots (or cobots) are robots, which fulfill tasks together with „their“ humans, helping them e.g. in lifting heavy weights, handling products or any other task which is either better done by a machine or too tiring, boring or dangerous for humans.

While robots are doing their work alone, cobots always work together with humans in a shared space or in near proximity.

Challenges

- human-machine-interfaces – how to make communication as easy as possible?
- safety and security
- self-learning, self-programming, low-code and no-code – modern cobots are taught by humans and write their programmes themselves
- Co-existence: Humans and robots work alongside each other, but not with shared workspaces.
- Sequential collaboration: Humans and robots share all or part of a workspace but do not work on a part or machine at the same time.
- Co-operation: Robots and humans work on the same part or machine at the same time, and both are in motion.
- Responsive collaboration: The robot responds in real-time to the worker's motion – even over long distances.

Tracking and Tracing of ...



Real time tracking and tracing of goods, objects and even persons is one of the big trends in the nearest future.

From geopositioning of vehicles and the goods they are delivering from A to B, finding stores on maps, finding a point of sale in a shopping mall, finding products in a store (indoor navigation) until wearables by GPS-bracelets in order to trace employees, pets, cattle or falcons.

Challenges

- various systems of tracking and tracing (GPS, other satellites, WiFi, Beacons, Bluetooth, RFID, ...)
- Tracking and tracing is much more than just geolocation and logistics
- integration of tracking and tracing into the business processes and integration into business software
- creating customer value with tracking and tracing services
- different areas of impact: from agriculture to retail, from warehouse to sales, from marketing to sales



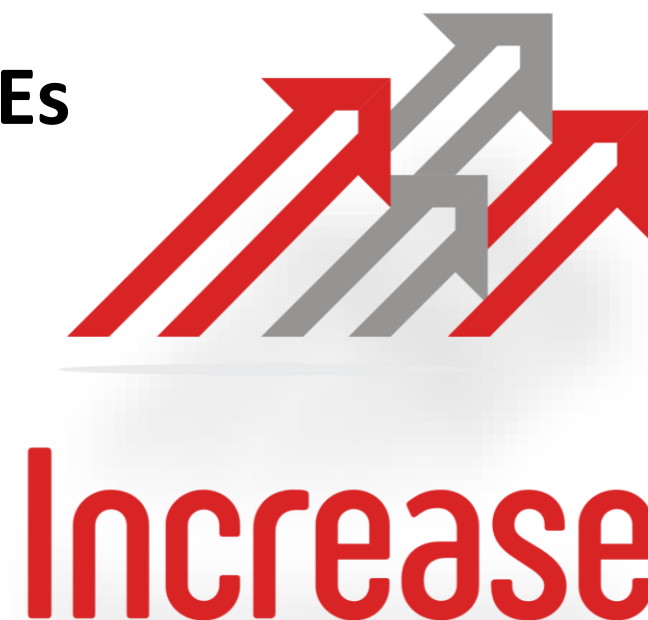
Increase

Module 6

Digitalisation and automatization in SMEs

Sub-module 6.2

Digital Transformation in Retail



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I am running a retail store.
Which are my possibilities?
Where shall I start?



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Rita I.-L., owner of a retail store

Well let me show you
some of the main
areas of impact.





create customer value



user experience



omnichannel



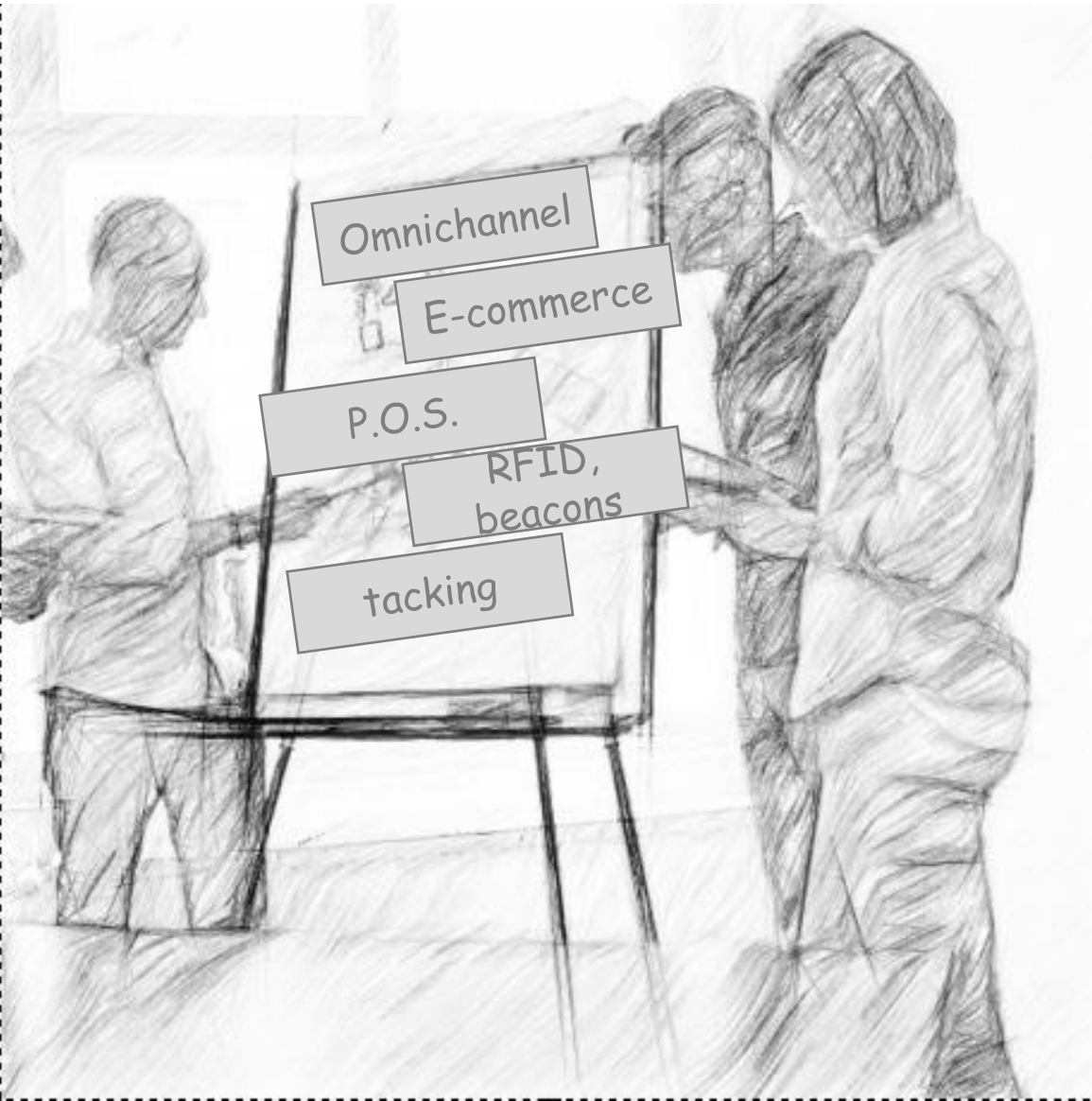
point-of-sales digitalisation



Let us go through
some of them!



How does Digital Transformation affect retail?



- Omnichannel Communication and Marketing
- E-commerce and mixed commerce
- Point of sales automatisisation
- Indoor navigation
- User behavior tracking
- RFID and beacons; sensors
- Supply chain automatisisation



How does Digital Transformation affect communication with customers?

- **Change of customers** – they are digital, even if you are not
- **Social Media** – you need to select them properly and be (omni-)present!
- **Smartphones** – everybody has one, so use it for communication!
- **Chatbots** – whenever you are angry again that you always need to explain the the same things, why not thinking about outsourcing yourself to a robot?
- **Omnichannel** – how you can be present in more than one communication channel without needing to spend too much time
- **24/7** – how one can be online even when sleeping



How does Digital Transformation affect communication with customers?

- If you can use Social Media for yourself then you can also use it for your company; no programming skills necessary !
- Create a clever 12 month plan (with 1 post per week; rest comes from daily routine work and sharing content of others).
- A post with no action is a useless post
- AIDA principle (**A**ttention – Interest – **D**esire – **A**ction)
- Omnichannel – use all possible communication channels, especially if you have different target groups
- Use professionals for „the important“ textes – skill up yourself or your team for the „daily business“ textes
- Digital PR – public relations is more than ad!
- Do not underestimate the time ressources!



Sales automatisisation

- Digital stores & mobile commerce; mixed concepts (click and collect)
- Omnichannel – be present everywhere, do not just use one sales channel
- Customer real time information, instant advisory
- in store automatisisation (point of sale, chashdesk, customer – staff – communication)
- indoor navigation (indoor GPS, WiFi, Beacons, 5G, ...)
- „Skip the queue“ solutions
- Augmented Reality – embed the virtual world into the real world
- smart mirrors
- Smart price tags
- Beacons and RFID – for different uses
- Body scanning and lotsize1 production



Be aware, that your digital store is ...



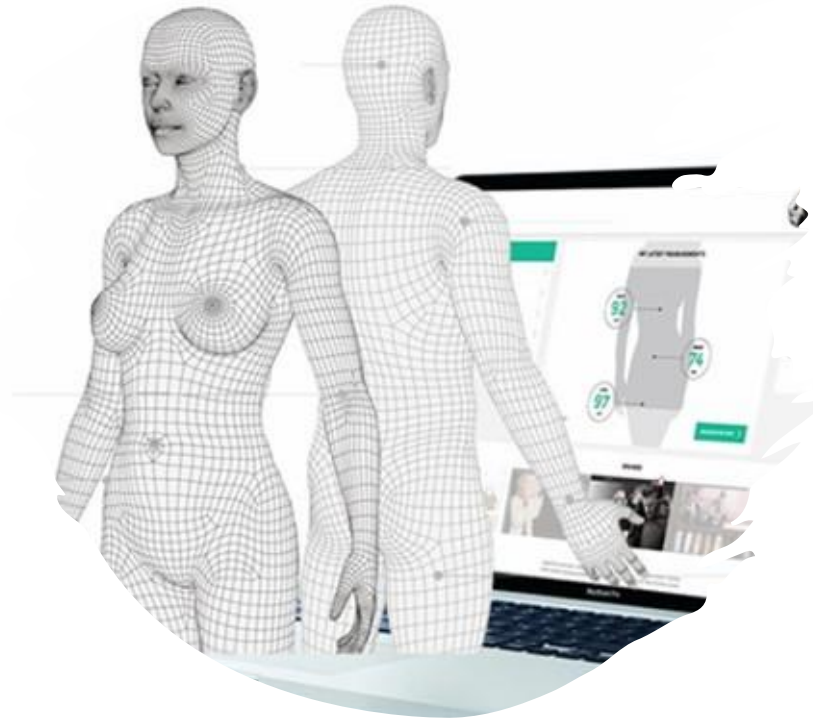
- **more than just a copy** of the store into the internet
- **mobile commerce** makes +80% of total retail online sales
- **50% of retail sales is online** – and growing
- **trust is important!** How can you make sure that the customer will trust you?
- **convenience** is important – make the customer's life as simple as possible
- **logistics** as an issue – the customer wants it ... now; delivery partners are often a problem
- **return management IS AN ISSUE**
- pricing is transparent



Make Social Media Successful

The Basic Rules





Point of sales automatisatisation

- information kiosks and information robots
- Augmented Reality (AR); e.g. for product information
- Body scanning
- self scanning & check-out
- instant advisory
- product finder (e.g. via AR on smartphones)



Consider for your warehouse the use of scanners, tablets, augmented reality and integrated software.



E-PROCUREMENT

E-Procurement is the purchase and sale of supplies, equipment, works and services through a web interface or other networked system.



E-procurement

- **Integrate your warehouse, sales and Customer Relationship Software:** avoid „data islands“ which are stand-alone solution without integration to the other systems; they will create errors and double work.
- **Connect the systems to your Social Media**
- **Create Sales Funnels:** a step-by-step process that allows you to bring your potential customer one step closer to your offer and a buying decision through a series of **marketing** actions like automated messages, videos, articles and landing pages that will **do** the selling for you.
- **Let automatisisation help you with your ordering:** integrate with your suppliers
- **Go paperless as much as possible:** data is easier to find than a sheet of paper.



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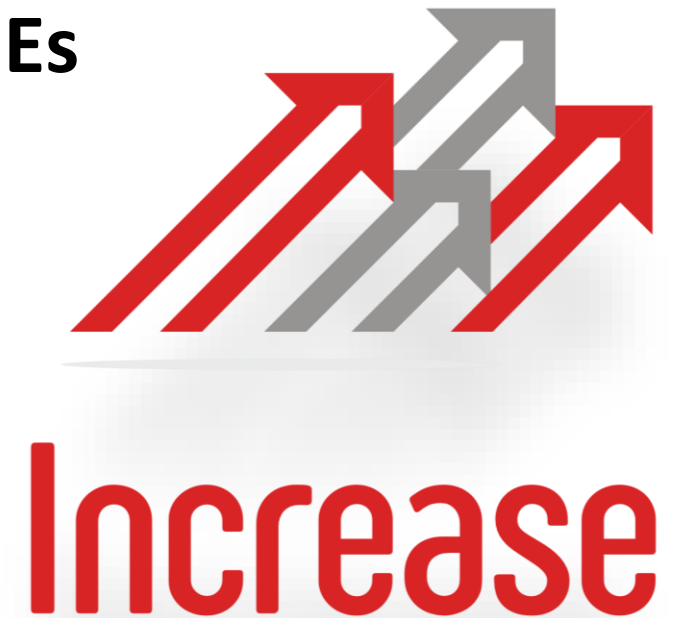
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Module 6

Digitalisation and automatization in SMEs

Sub-module 6.3

Digital Transformation in Agriculture



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I am a farmer
and I wonder
what will be the
changes for us!



Increase

This is exactly my
field of expertise!
Let me show you a
few trends!





Increase

The incorporation of technology into agriculture has allowed farmers to increase efficiency in their farms since ever.

The introduction of digital technologies into the management of farms and other agricultural stakeholders has facilitated the farmers to get higher yields and produce in the farm while using less inputs and resources.





Increase

The future success of agriculture is heavily dependent on these technologies. How well farmers and other agricultural stakeholders are able to leverage the overall benefits of digital technologies and tailor make them to be used for their benefit will be the big challenge of the agricultural sector over the next few years.





Let's have a look
at some of them!



the end of precarious work



precision farming



connected quality control



agrobots



agricultural drones



"Smart farming" is an emerging concept that refers to managing farms using technologies like IoT, robotics, autonomous vehicles and drones or AI (artificial intelligence) to increase the quantity and quality of products while optimizing the human labor required by production.



- The use of software for analytics, the extensive use of (connected) sensors, integrated and autonomous cameras, the integration of external data, the vast use of communication technologies and autonomous units will help farmers in their work like observation, diagnostics, decision-making and actions.
- Smart farming will let them control machines, monitor almost everything and help them planning. All this will function with integrated data, from different sources (e.g. machines, cameras and sensors, weather information, supply chain data, ...)



- Let me tell you some facts about precision farming! The term precision farming refers to a farming management concept based on observing, measuring and responding to inter and intra-field variability in crops.
- New technologies enable farmers to manage their fields based on the spatial variability of variables such as the availability of nutrients and expected crop yield.



precision farming

To a much greater extent than before agriculture is guided by the pressure to avoid environmental damage and guarantee economic efficiency at the same time.

The precision farming method involves measures of small-scale soil cultivation, sowing, fertilization, application of pesticides and other operations. Precision farming serves economic and ecological improvements:

- Reduction of resources (seed, fertilizer, pesticides, fresh water, fuel,...)
- Reduction of machine and work hours
- Improvement of crop yield and crop quality
- Minimization of environmental impact
- Complete documentation of the production process



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autonomous vehicles

We will see an increasing number of autonomous vehicles on the fields. From fully selfdriving harvesters to remote controlled attachments and interacting vehicles.

Does this mean “no more workers”?

No – but their job description and skills will significantly change. ICT knowledge, a good overview about the upcoming technologies and a high degree of will to learn combined with a deep understanding of ecology will shape the works of the near future.

- The autonomous agriculture machine employs high-tech systems and sensors to enable it to move around without being manned by a driver. It can be fully autonomous or remote controlled. More vehicles will interact.
- To enable it to avoid obstacles it will be fitted with obstacle detection sensors that will enable it to stop so as to enable the obstacles to be cleared before it continues with its journey.



Robotics in agriculture

- Robots in agriculture are self functioning, autonomous machines, which help farmers in seeding, growing, collecting and management of farms
- Especially in collecting they will massively change the need for workforce at farms, as they will hopefully quickly replace the precarious work of nowadays nomadic workers
- Precision agriculture is the recent farming management concept based on observing, measuring and responding to inter- and intra-field variability in crops. Via data from various sources and decision support systems the goal of optimizing returns on inputs while preserving resources shall be reached.



Benefits of autonomous agriculture machines



**ENHANCING ACCURACY
IN FARMING**



**AVAILS RELIABLE DATA
TO THE FARMER**



**FACILITATES LONGER
WORKING HOURS IN
THE FARM**



**FACILITATES EFFECTIVE
LAND MANAGEMENT**



Benefits of autonomous agriculture machines



Enhancing accuracy in farming

- autonomous agriculture machines will be equipped with automatic planting systems, which enable the planter to determine the optimum number of seeds.
- The accuracy and precision will enable the farmer to optimize on his output and produce
- The farmer will also be able to conserve his resources as wastages



Benefits of autonomous agriculture machines



Avails reliable data to the farmer

- The autonomous agriculture machines are fitted with sensors that collect information and data on nearly all aspects related to a farm.
- Some of the data collected relate to the soil, the fertility of the soil, the weed and pest presence in the soil, etc.
- The analysis of these data enables the farmer to make decisions that are well informed and beneficial to the farm.



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Benefits of autonomous agriculture machines



- Facilitates longer working hours in the farm
- Autonomous agriculture machines allow the farmer to work longer hours owing to the fact that exhaustion and fatigue related to farm workers who work with the normal tractors is eliminated.
- Owing to this, a farmer is able to map out his or her farm and control the autonomous tractors to go into the farm even at night.
- One of the advantages related to the use of autonomous tractors in the farm is that it reduces all the downsides related to human handling of the farm equipment.



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Benefits of autonomous agriculture machines



Facilitates effective land management

- Autonomous agriculture machines are fitted with high tech systems and sensors that are primarily meant to collect data on certain aspects related to the farm.
- These data collected will then be analysed by the farmer to enable him or her knowing the state of his or her farm.
- The analysis of the data collected by the systems and the sensors also enable the farmer to make better decisions on the planting, the crop management or the harvesting routine of the crops in the farm.



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- Lot of the extremely tiring work on the fields is still done by humans, who often are underpaid, paid on a daily or hourly basis, with poor health care and insurance systems and living in precarious circumstances.



the end of precarious work



agrobots

- The upcoming of agrobots, i.e. robots that support or even fully replace human work, will help us to overcome this situation which is not any longer suitable for this century.
- On the other hand it will require upskilling of the workers in order to shape them for the new tasks.



- An **agricultural drone** is an unmanned aerial vehicle used to help optimize agriculture operations, increase crop production, and monitor crop growth.
- Sensors and digital imaging capabilities can give farmers a richer picture of their fields.



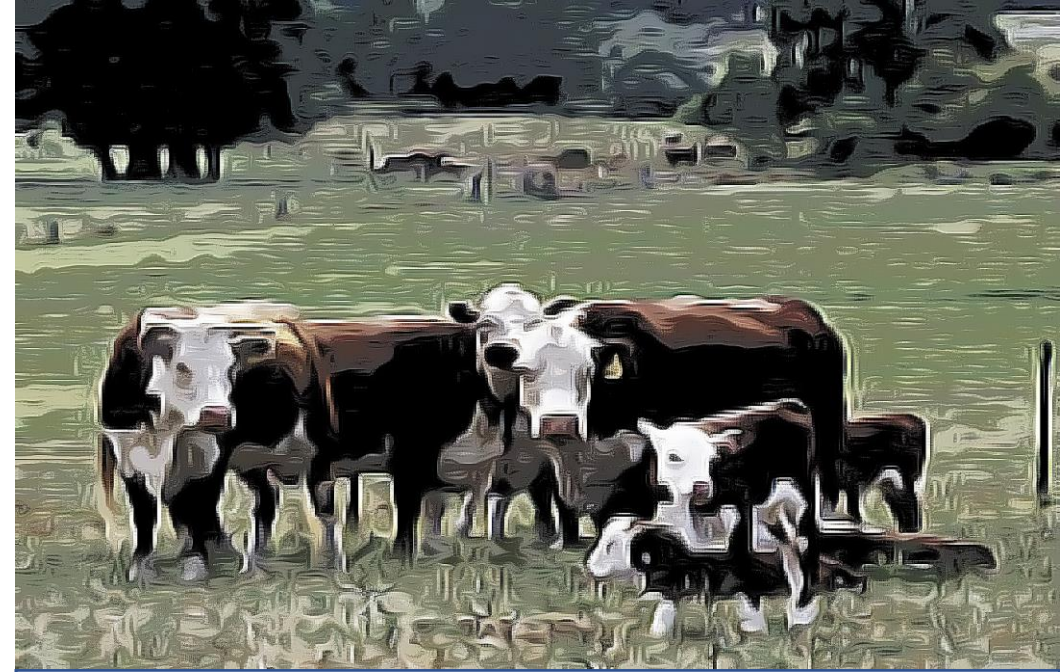
agricultural drones

- The use of agriculture drones and gathering information from it proves useful in improving crop yields and farm efficiency.
- The drones can survey the crops for the farmer periodically. Weekly, daily, or even hourly pictures can show the changes over time, thus showing possible “trouble spots”. Having identified these trouble spots, the farmer can attempt to improve crop management and production.



As in the case of precision agriculture, smart livestock breeding techniques enable farmers to better

- monitor the needs of individual animals
- to adjust their nutrition accordingly
- thereby preventing disease and enhancing herd health
- Increase quality control and transparency of all process



Smart livestock breeding

- Wireless IoT applications can be used to monitor the location, well-being, and health of animals.
- With this information, they can e.g. identify sick animals, so that they can be separated from the herd to prevent the spread of disease



All these (and many more!) technologies have a common goal:

- Increase the effectiveness
 - Contribute to a greener food production with less use of pesticides and fresh water
 - Better quality control and documentation
-
- The collaboration with external experts, like veterinarians, food inspectors but also customers and suppliers will be much easier, as they can base their decisions on much better data, compare them with the data of others and thus generate tailor-made strategies.
 - Customers will benefit from better quality-control and transparency

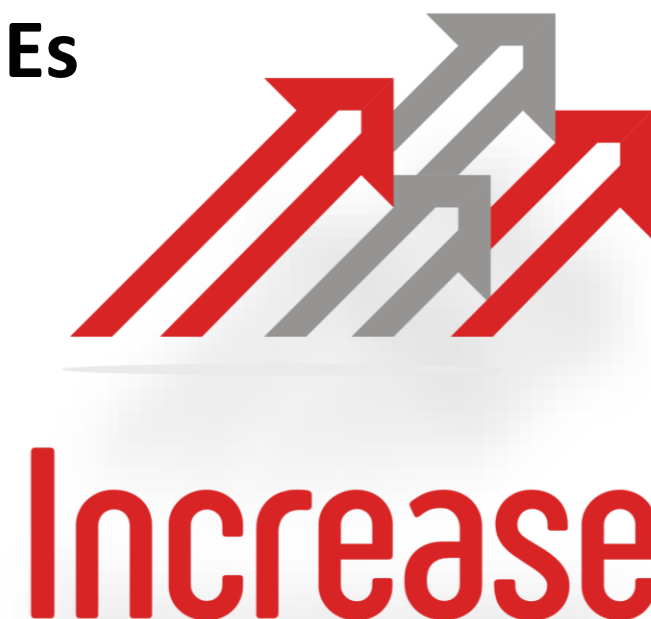


Module 6

Digitalisation and automatization in SMEs

Sub-module 6.4

Digital Transformation in Hospitality



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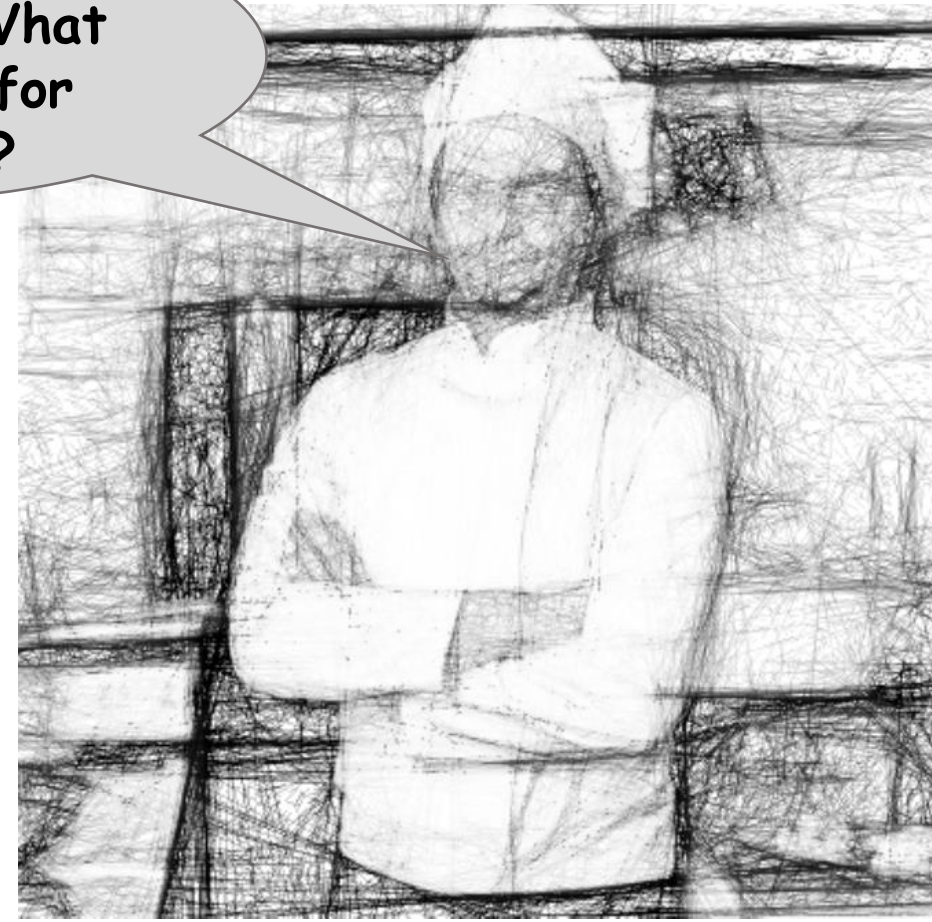


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I am a hotel manager. What does digital transformation mean for us?

Excellent question!
I am a chef. What does it mean for gastronomy?



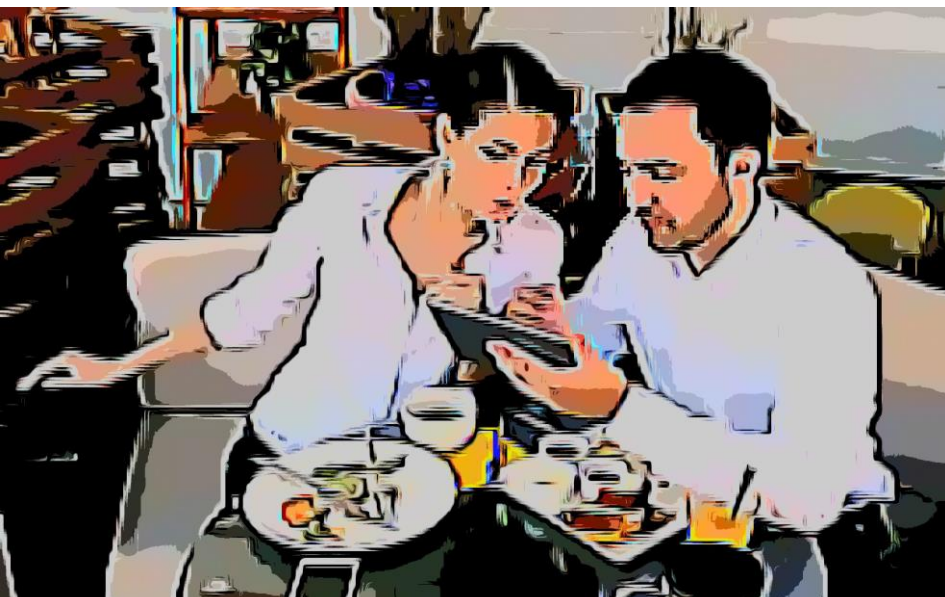
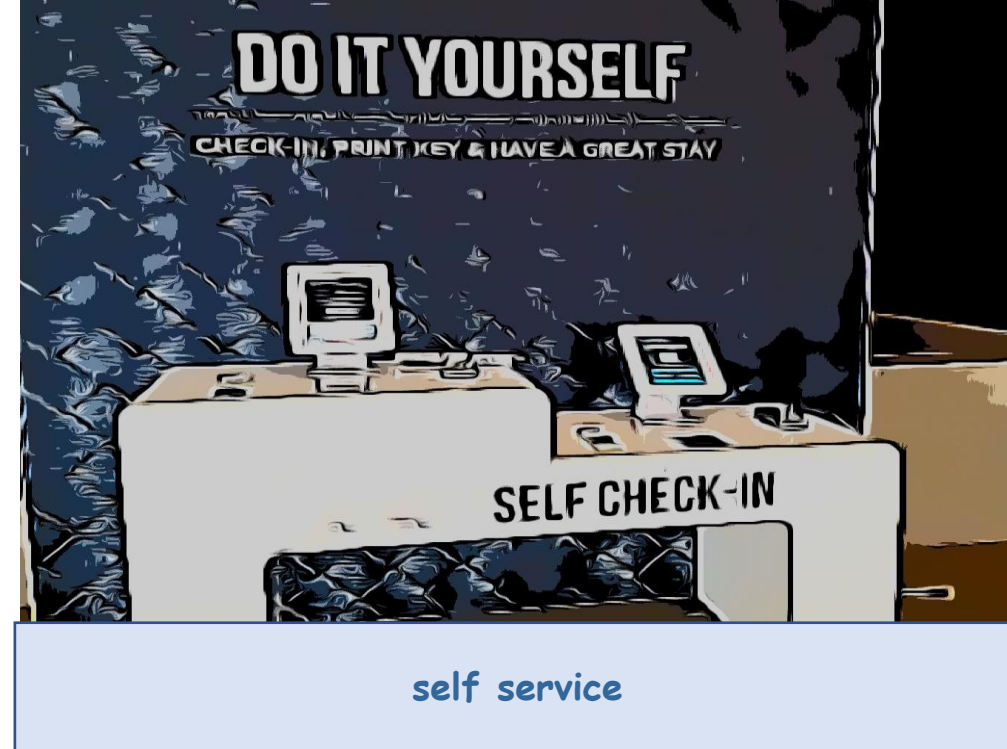


STRATEGY
↓
EXECUTION
↓
SUCCESS

Well, let me show you a few examples and areas, which will be interesting for you!



- In a more and more connected world, self-service will add an additional service. This will help to reduce queues during rush hour, reduce cost e.g. during the night and help those who just want to quickly check-in or check-out.
- These terminals can be connected to your smart-phone where you have your booking stored.



- More and more restaurants offer ordering via tablets.
- This helps e.g. with multi-language menus and opens an excellent possibility for additional information, like provenience of the products or allergy information
- And – it saves time and can also be fun!



- Connected service takes orders via tablet and sends it directly to the kitchen and the billing system.
- In addition, it can provide service staff with additional information in real time.



connected service



connected kitchen

- The connected kitchen receives the orders in real time
- Kitchen staff has more time for preparation and can better organize
- Some are also connected to the warehouse and an automated ordering system



serving bots



serving bots



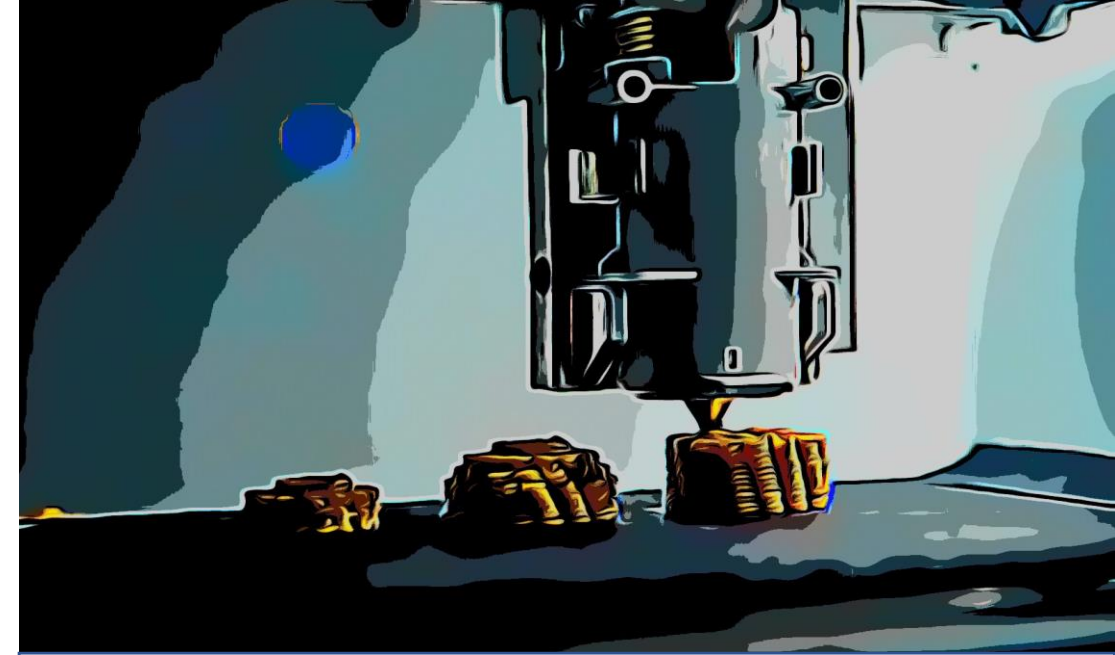
hotel service bot

- In some areas, like a canteen, mensa, hotel bar or room service we see the first service bots, which support the staff bringing orders or take empty dishes.
- This saves time and makes the processes more efficient
- Of course it shall not lead to a reduction in personell – it is always a service oriented industry!
- Robots also make their path into the kitchens – we know about pizza or burger making robots, omelette bots in hotels, machines for slicing, stirring, sous-vide cooking or picking&placing as well as robots mixing standard cocktails....



Increase

- Also 3 D printing has found its way into the kitchen – they create wonderful sculptures out of chocolate, logo-shaped desserts or pasta or combine different tastes in an innovative way.
- They actually function quite similar to a piping bag – just more accurate and quicker...



3D printed food & food bots



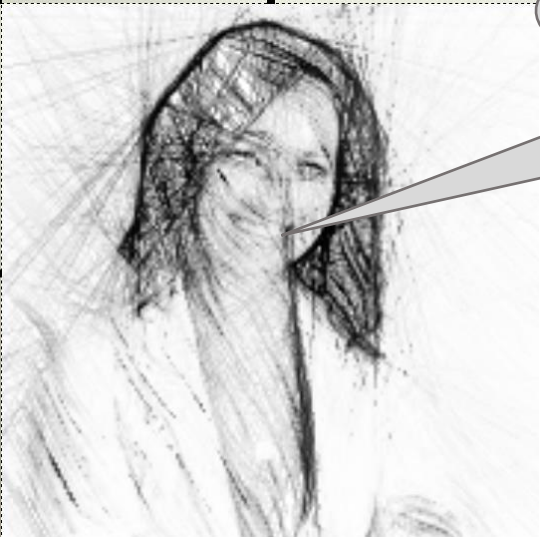
- The goal is to make processes more efficient and create better value for the customer
- Also quality control and the standards of hygiene are often better
- They work 24/7 and can not get tired or sick
- Usually they collaborate with “their” humans



Increase

How does Digital Transformation affect Hospitality?

So let us summarize some of the most important areas of impact!



Cloud & Collaboration Tools

New tools make collaboration easier and quicker but also require new competencies

New target groups by new technologies

360° videos, georeferenced stories, augmented and virtual reality, etc. enable to address new target groups

Online Booking & Sales

What cannot be booked online is (almost) not existing; additional sales online, on mobile, via push etc.
Last minute decision from customers...

Multi Device

Laptop, Smartphone, Tablet – combined usage – seamless media

Process Automatisatisation

All processes shall be checked for potentials through automatisatisation; synergies; cost cutting, increase quality, better transparency, etc.

Better decisions because of better data

Usage of existing data, combine with other data, machine learning, algorithmic and dynamic pricing, algorithmic marketing



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Possibilities in hospitality

- Online availability check
- Online booking and sales
- 360° videos, georeferenced stories
- Augmented and virtual reality
- Process automatisazion using tablets and smart phones
- Multilanguage systems
- Tracking and tracing of persons and goods
- Last second bookings
- Internal processes (paperless and quicker)
- Payment systems
- Robots for ... (but in the farther future – see examples)

**Also watch out
these!**



Module 7

Models for Co-Innovation

Sub-module 7.1

What is Co-Innovation?

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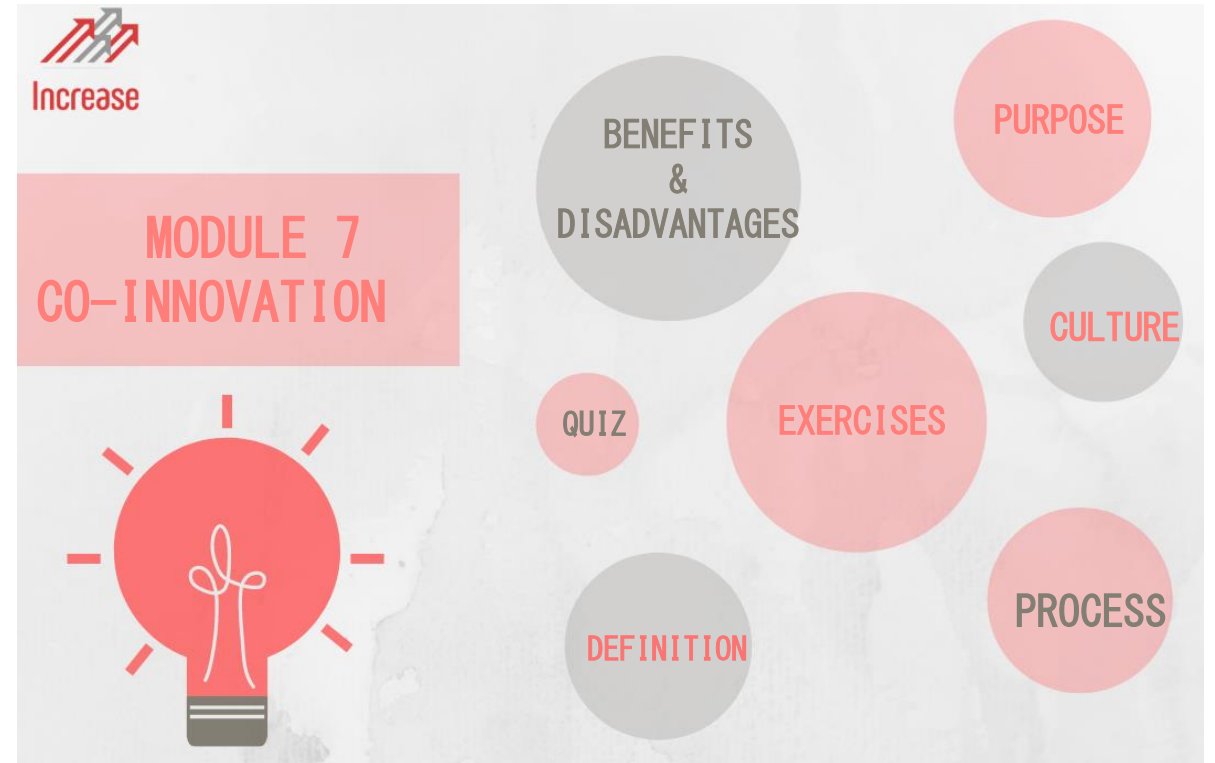


Introduction to Co-Innovation Module

In this module we will study the basics of Co-Innovation: what it is, its purpose, the concepts that form it, the benefits that the co-innovation entails, etc. Moreover, several approaches to Co-Innovation will be presented, as well as the phases of the Co-Innovation process.

It will be divided in two submodules: 7.1 What is co-innovation and 7.2 Co-Innovation practices.

Let's get into it!





MODULE 7.1

WHAT IS CO-INNOVATION

1

COLLABORATIVE INNOVATION

2

BENEFITS OF CO-INNOVATION

3

DISADVANTAGES OF CO-INNOVATION

4

THE CO-INNOVATION CULTURE

5

THE CO-INNOVATION PROCESS

6



Increase



1. Collaborative Innovation

As a first approach to the concept, it can be stated that **innovative** advances occur when organizations work across areas, disciplines and people, to always be one step ahead of their competitors.

Collaboration, on the other hand, comes when making everyone participate creatively in the design of new products or services, in the improvement of processes, or in the resolution of problems.





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1. Collaborative Innovation

Provided the aforementioned concepts, we can define Co-Innovation as the “*collaborative innovative process through which the innovation arises from **different sources**, as in the process are included different partners as suppliers, employees, customers, universities, or other companies*”.



Some good examples of co-innovation strategies are Ikea, Coca Cola, Lego, Heineken, BMW or DHL.

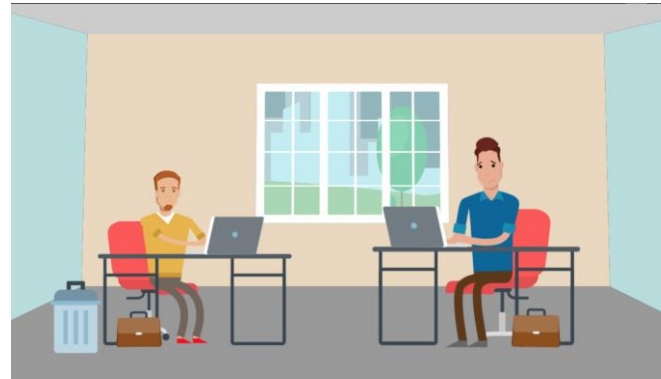
The origin of the term co-creation was in 1996 when it was employed by the author Kambil in his book "Reinventing Value Propositions".



2. Benefits of Co-Innovation

Co-Innovation brings several **benefits** to your business:

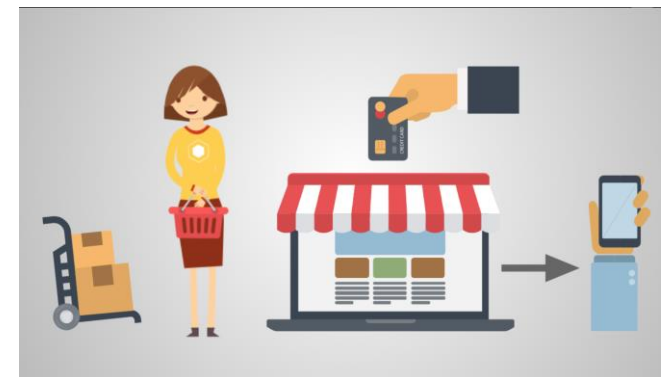
- Improves productivity
- Inspires and motivates your employees
- Engages your customers
- Easy to implement
- Your competition is, probably, already doing it
- Non-conventional points of view are considered



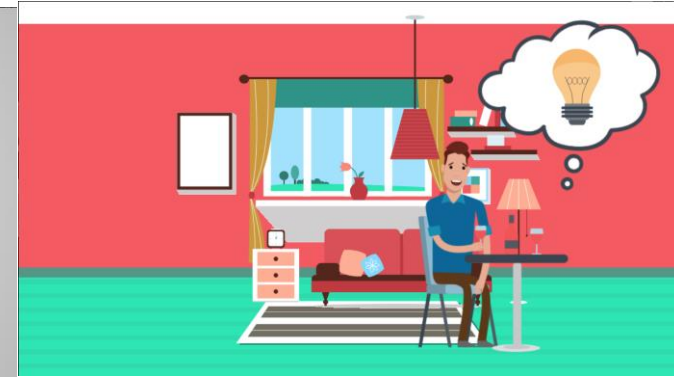
IMPROVES PRODUCTIVITY



INSPIRES YOUR EMPLOYEES



ENGAGES YOUR CUSTOMERS



NEW POINTS OF VIEW



3. Disadvantages of Co-Innovation



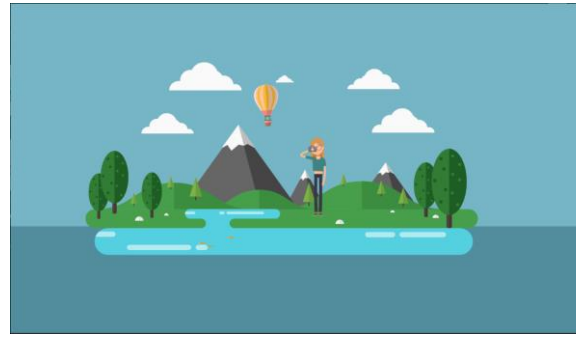
TENSIONS CAN ARISE



LESS CONTROL OVER DECISIONS



OPPOSITE POINTS OF VIEW



CHANGES SHOULD BE ASSUMED

However, the **challenging** aspects should be also taken into account:

- Third parties will be involved and this can generate tensions
- Your control over the decisions will be more limited
- Points of view that might be opposite to yours will be shown
- The procedures and mindset should be flexible, entailing changes



4. The Co-Innovation Culture

The co-innovation culture is based on three basic foundations:

CHALLENGES
PEOPLE
ADEQUATE MEANS

These pillars then result into actions; all the information and collaborative intelligence created must be used in actions for the business.



PILLARS OF CO-INNOVATION



CHALLENGES

Know needs to identify opportunities and threats to solve.

PEOPLE

Involve your people

ADEQUATE MEANS

Find the best way to conduct the ideas

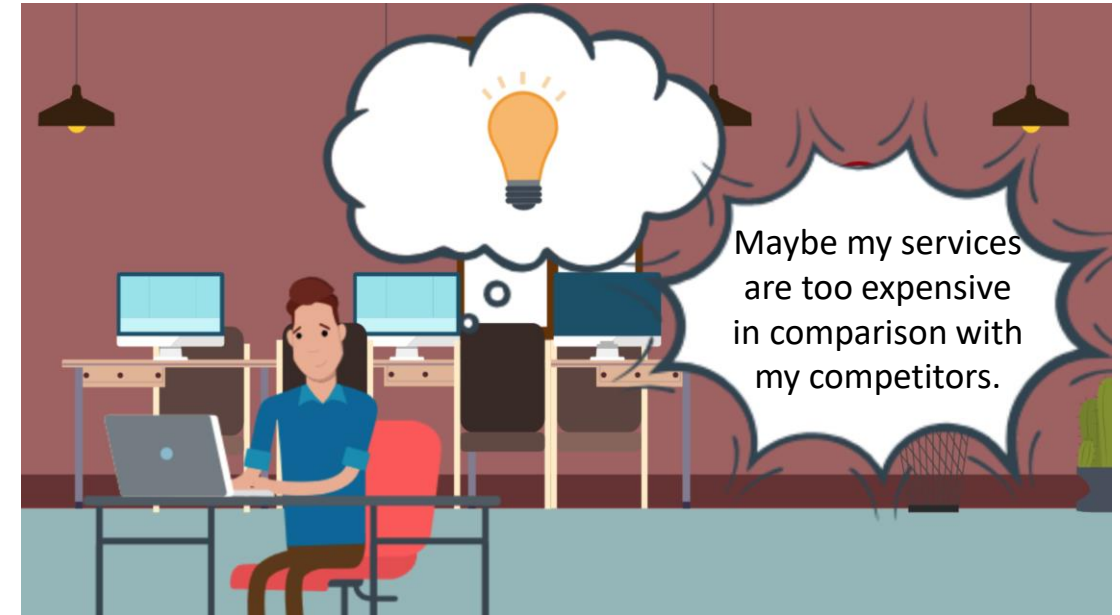


4. The Co-Innovation Culture

CHALLENGES

Organisations need to know their needs and to identify opportunities and threats to solve.

This is essential for following the path of improvement and be able to apply processes of innovation.





4. The Co-Innovation Culture

PEOPLE

Customers, employees and partners are the greatest asset that organizations have. When we let them participate in the innovative process, we are adding fresh and original approaches to our current problems, which is considerably enriching.





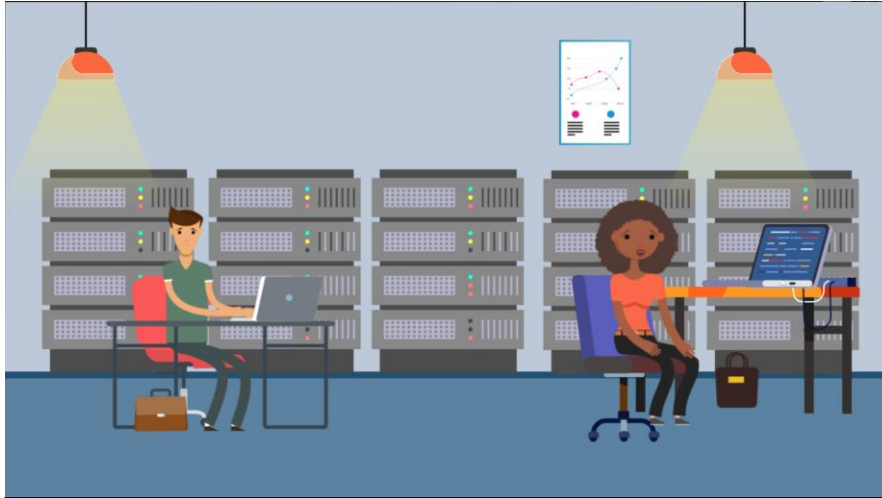
4. The Co-Innovation Culture

ADEQUATE MEANS

A mean is needed to extract ideas, reaching the collective knowledge and imagination of the community. Using a proper platform or tool to channel all these ideas and innovation can provide better results at the end of the process.

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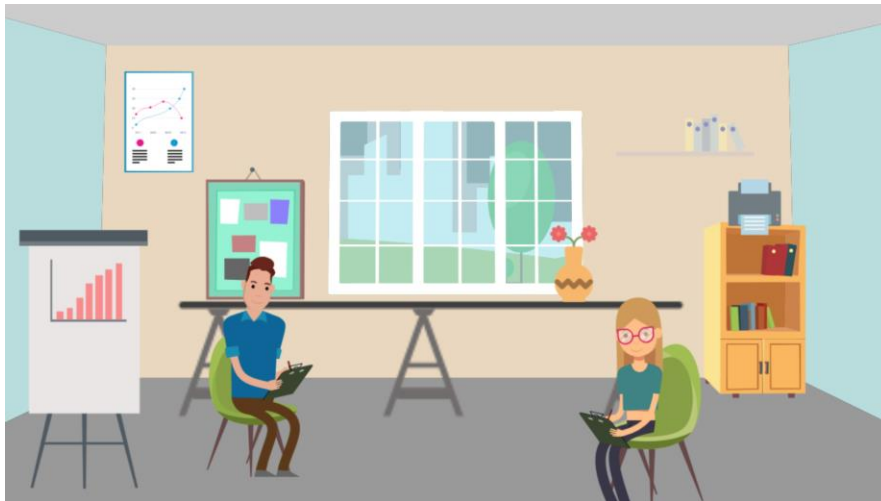




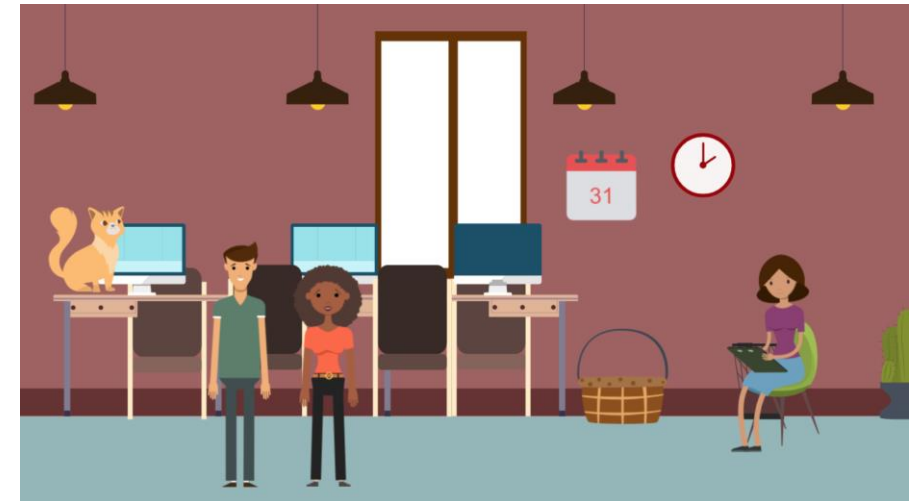
Marisa's workers are sending their ideas to the manager by mail. In this way, everything can be collected and compared.



Kevin and Marisa are having a meeting to gather new ideas for Marisa's shop. This is a direct form to obtain new points of view and inspiration.



Marisa's workers are filling a questionnaire with their opinion and ideas for improvement. This is done periodically to know workers' opinion about the work environment and innovations that can be implemented.



Marisa's workers are writing their suggestions and ideas in a paper and placing them anonymously in a box.



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5. The Co-Innovation Process

The co-innovation process will be formed by all those activities that help to engage different parts with the business for adding new ideas and helping it to improve through innovation.

It's composed of three differentiated stages that are:

THE APPROACH TO THE PROBLEM

THE PARTICIPATION TO SOLVE THE PROBLEM

THE DESIGN OF THE SOLUTION

An example will be followed to understand the whole process in which Peter, the owner of a cafe applies the co-innovation process to improve his business.





5. The Co-Innovation Process

THE APPROACH TO THE PROBLEM

The company needs to identify the problem and the objectives that want to achieve.
Once the definition of the problem is clear, we can already talk with our community and define who will participate in the co-innovation process.

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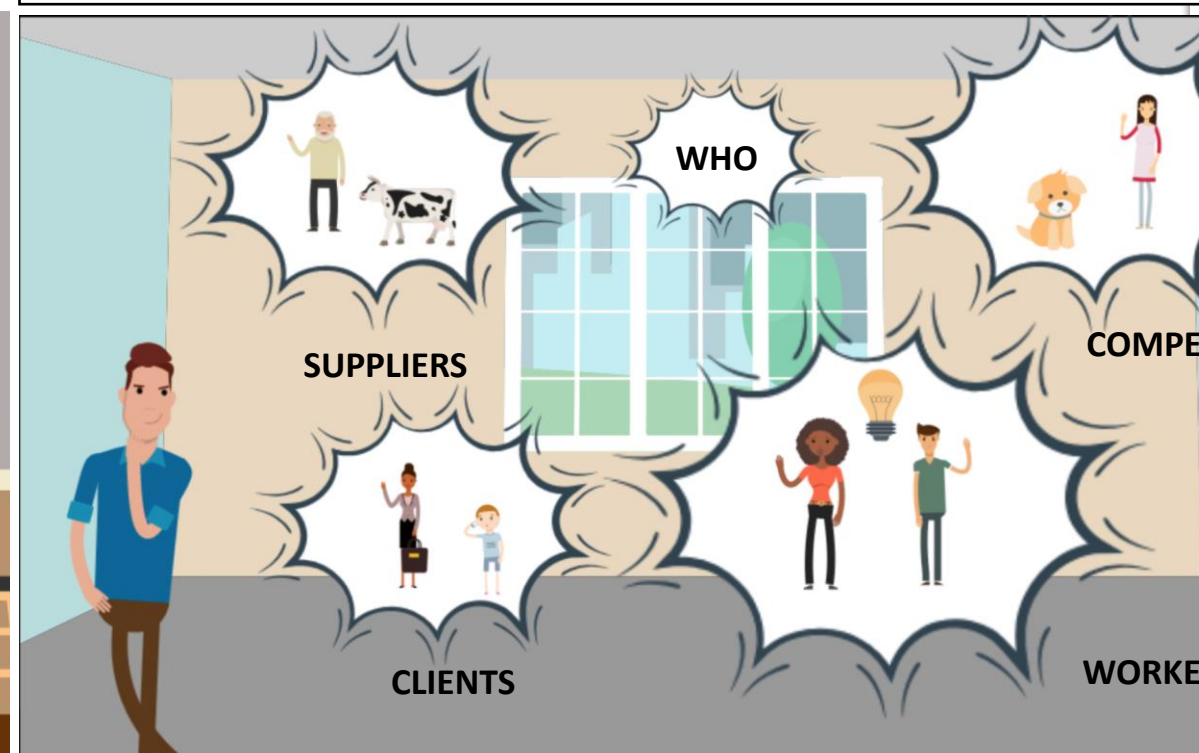




Peter decides to define the problem and look for its origin to be able to search for solutions. To do this, he analyses the services that he provides.



Once he knows that his problem is related to the lack of quality of his business, he lists everything. Now, he needs to look for solutions.





5. The Co-Innovation Process

GENERATION OF IDEAS

In this phase, we explore, generate and prioritize ideas and new concepts. Firstly, we must collect ideas from the participants, using the most suitable method for us. Then we can focus on refining those ideas, and lastly, we can select the best ones. This is the core of the co-innovation process.

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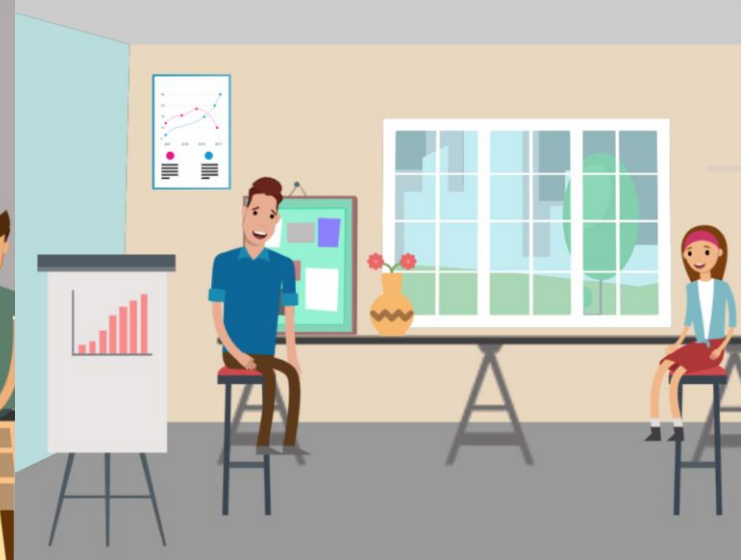




Peter decides to do a brainstorming session with his closest to the business. Together, they plan how they can obtain inputs from other people.



Peter asks his workers about possible forms of improving the business. This direct mean is the most suitable for this situation, as he knows the workers.



Peter decides to do focus groups with his employees and potential customers to know more about their opinions on the cafe.



The customers are asked to fill surveys with questions about the quality of the food and drinks of the cafe, the cleanliness, service, etc.



Peter looks for competitors' best practices to take inspiration for his business.



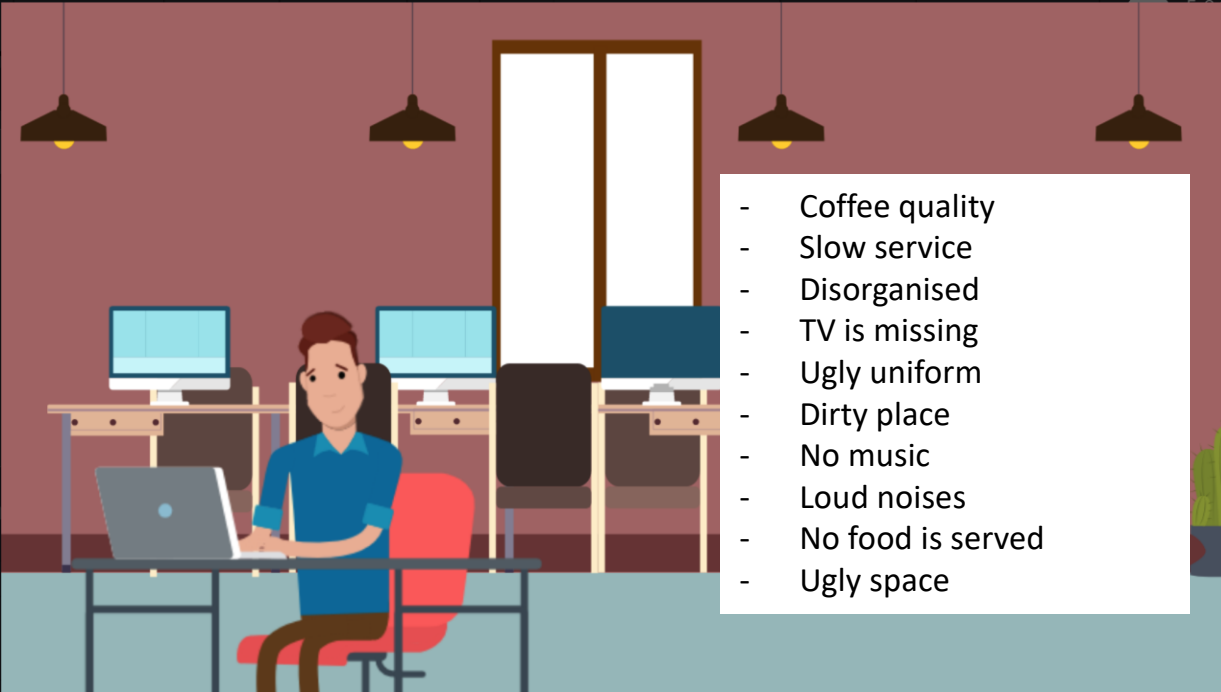
5. The Co-Innovation Process

THE DESIGN OF THE SOLUTION

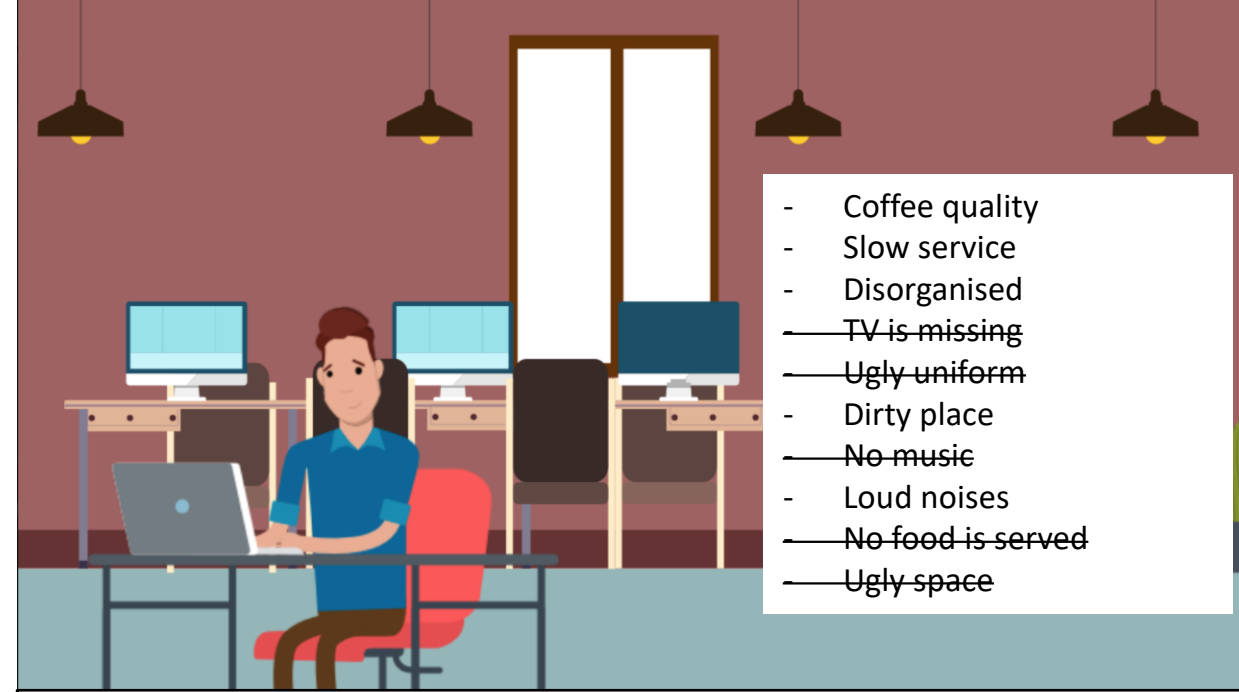
In this last phase, we analyze in-depth the ideas presented, test them and check their viability. If the process shows good outcomes, we can start designing a new project based on this idea: a new product, marketing approach, strategy, process, etc.

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Peter takes notes with all the information that has collected from the external people.



Peter discards the most complicated options to implement and the less useful ones as well.



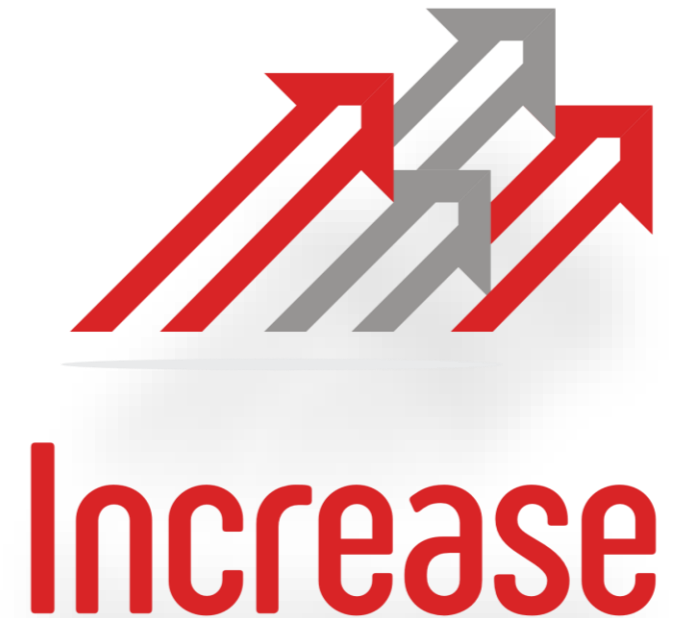
Module 7

Models for Co-Innovation

Sub-module 7.2

Co-Innovation Practices

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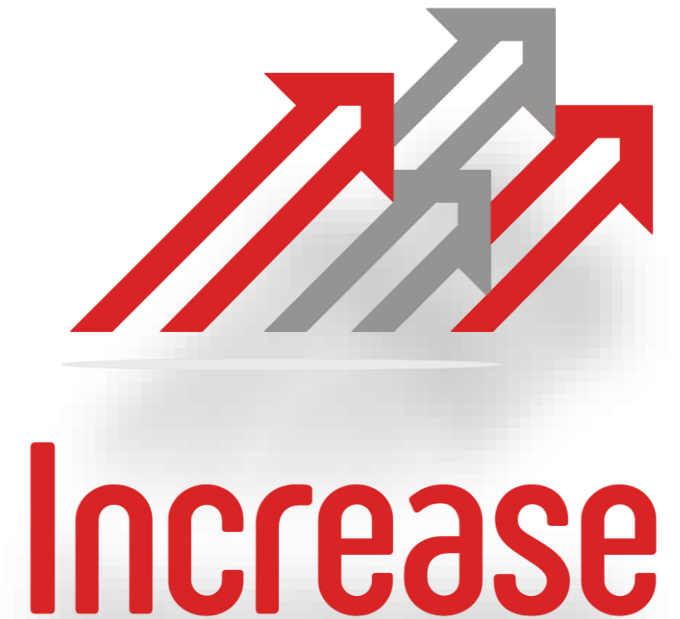


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MODULE 7.2 CO-INNOVATION PRACTICES

- 1 CO-INNOVATION PRACTICES
- 2 SYSTEMS BASED ON WORKERS' SUGGESTIONS
- 3 INCENTIVE SYSTEMS
- 4 THE CROWDSOURCING
- 5 THE JOINT-VENTURE
- 6 THE ROLE OF TECHNOLOGY
- 7 THE ROLE OF THE LEADER
- * TIPS & RECOMMENDATIONS





1. Co-innovation practices

Once the basic definitions of co-innovation have been explained, the different practices that are commonly applied will be explained.

The main practices that will be explained will be the following ones:

SYSTEMS BASED ON EMPLOYEES' SUGGESTIONS

INCENTIVE SYSTEMS

CROWDSOURCING SYSTEMS

THE JOINT VENTURES

TECHNOLOGY AS AN ENHANCER



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2. Systems based on workers' suggestions

An employee suggestion system is defined as a formal mechanism that encourages **employees** to provide constructive ideas to generate improvements in the organization in which they work.

The process is simple; ideas are spontaneously presented by employees, then classified and finally sent to experts in the field for its evaluation. After this, the suggestion may be adopted, in which case the generator of the suggestion will be recognized for it.

COMICS ARE PLACED ON THE NEXT SLIDE



Marian has a clothes' shop that recently has been suffering
 ms with the sales' level. Marian has decided to implement a
 nnovation process to transform her business to be more
 successful.



Marians' workers are talking about the shop during their free time.
 They start to think on how they could help her and the business.
 They are the ones that most time spend there, so they are closer to
 the problem than her.



The workers
 Elisa, one of t
 the clients



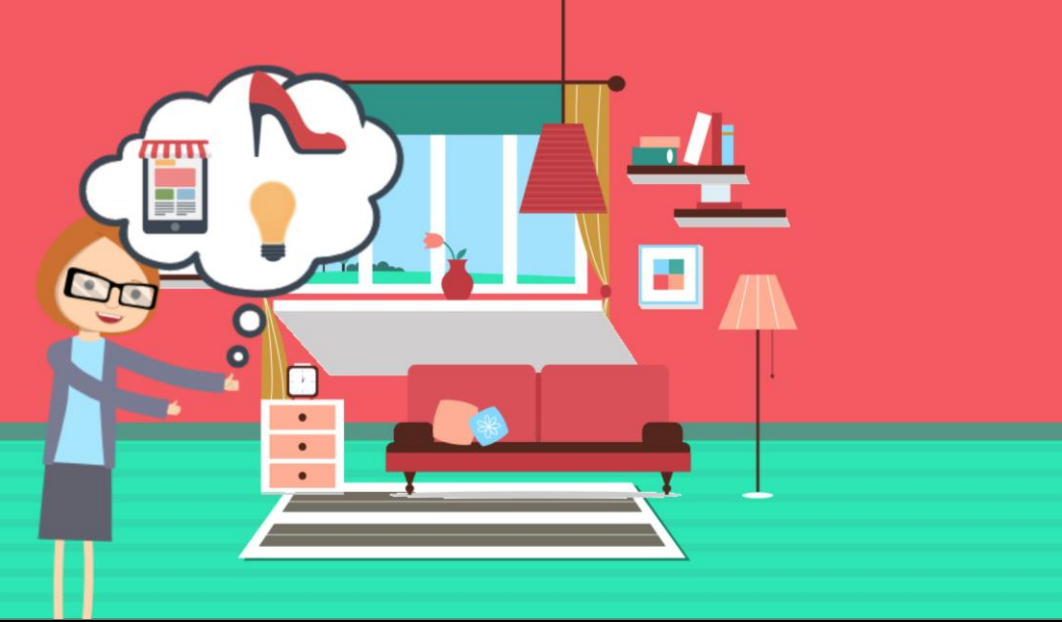


3. Incentive systems

The use of **incentives** or rewards has the potential to stimulate creative behavior and increase people's willingness to share their ideas.

Employees are more likely to submit ideas on a regular basis if they are motivated to do so. The different incentives that can be used can be adapted to the needs of the SME and its working habits. They can include monetary rewards, flexible working journeys, free hours, vacations, etc. The engagement of the workers will increase by applying this methods.

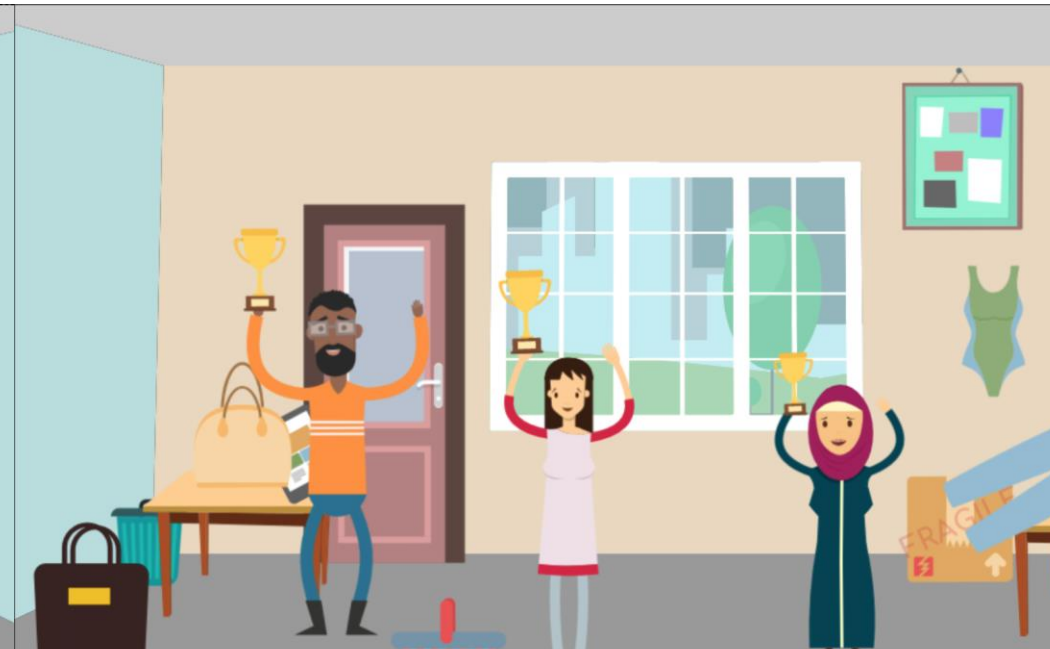
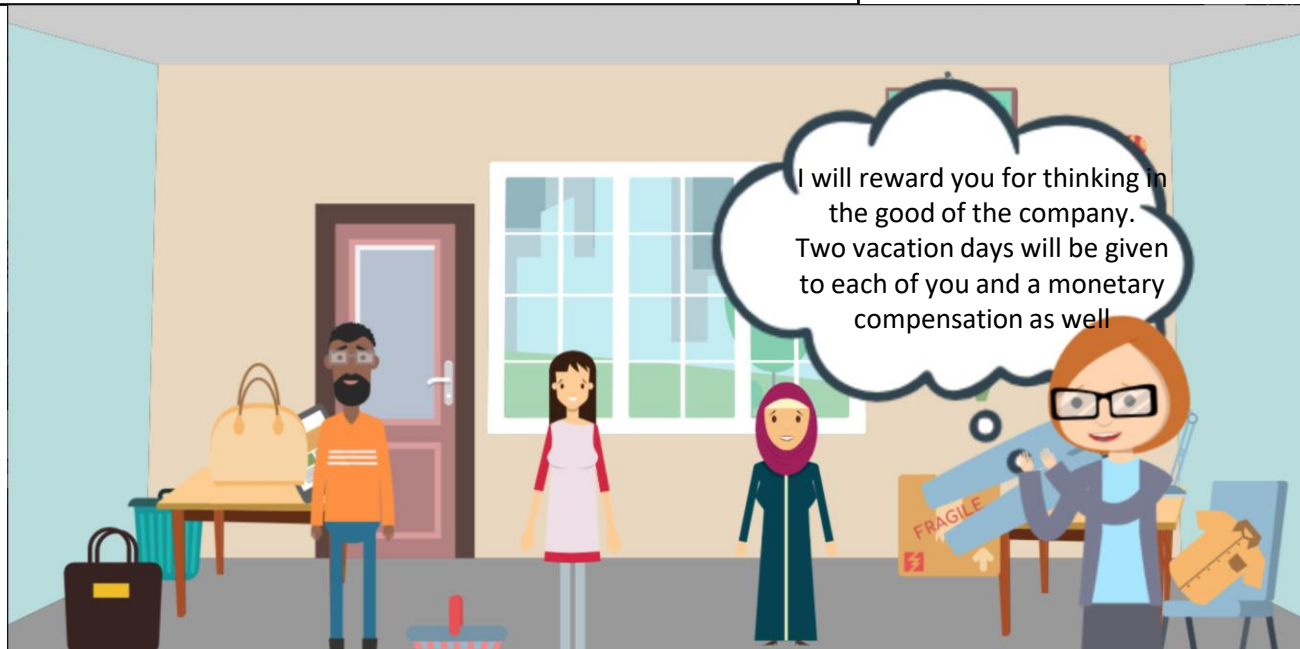
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Thinking in all the possible options and ideas provided by the
Marian decides to implement them. Now she will talk to the
employees.



After talking





4. The crowdsourcing*

The term *crowdsourcing* is used as an approach to use the knowledge and experience of many individuals instead of relying on just a few experts. It mainly basically the **practice of getting information for a specific a project by enlisting the services of a large number of people, either paid or unpaid, usually via the internet.**

The way to implement this methodology is by making open calls to an indeterminate group of people and using digital platforms to ensure that participation is **massive**. The community will participate giving new ideas to the company.

As participation is open, it is possible to bring together the best suited people to carry out the tasks, respond to complex problems, and thus contribute with fresh and relevant ideas.

* In Module 2 of INCREASE, you will find out some other information on crowdsourcing.

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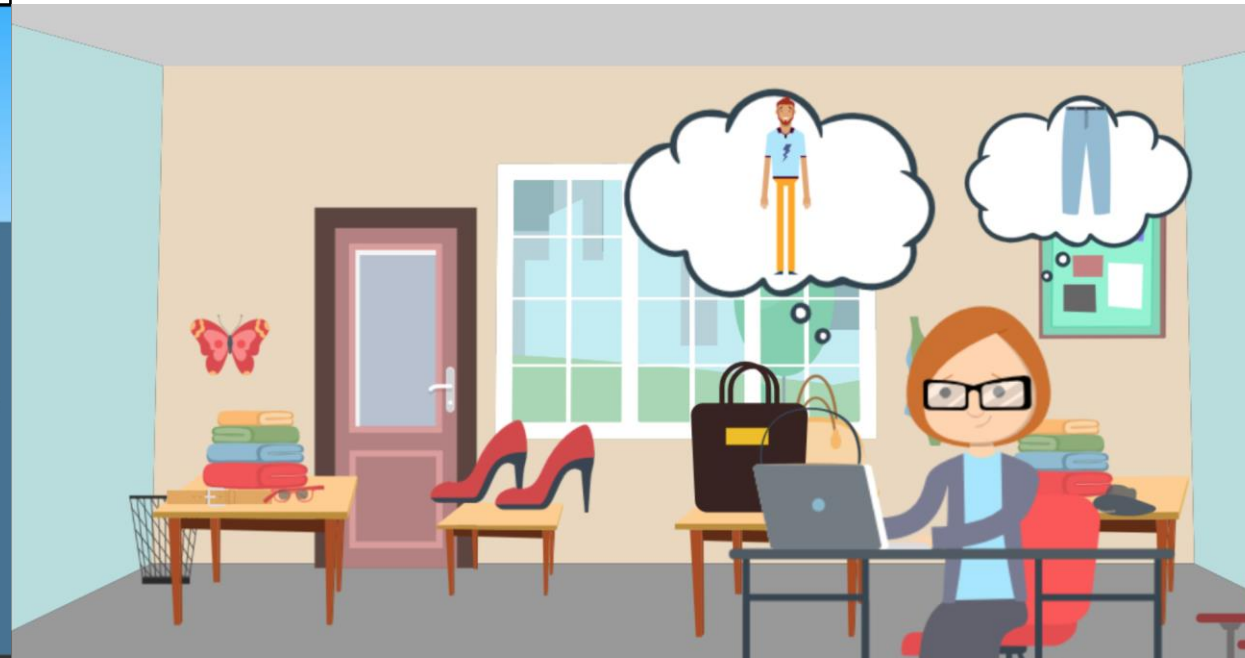
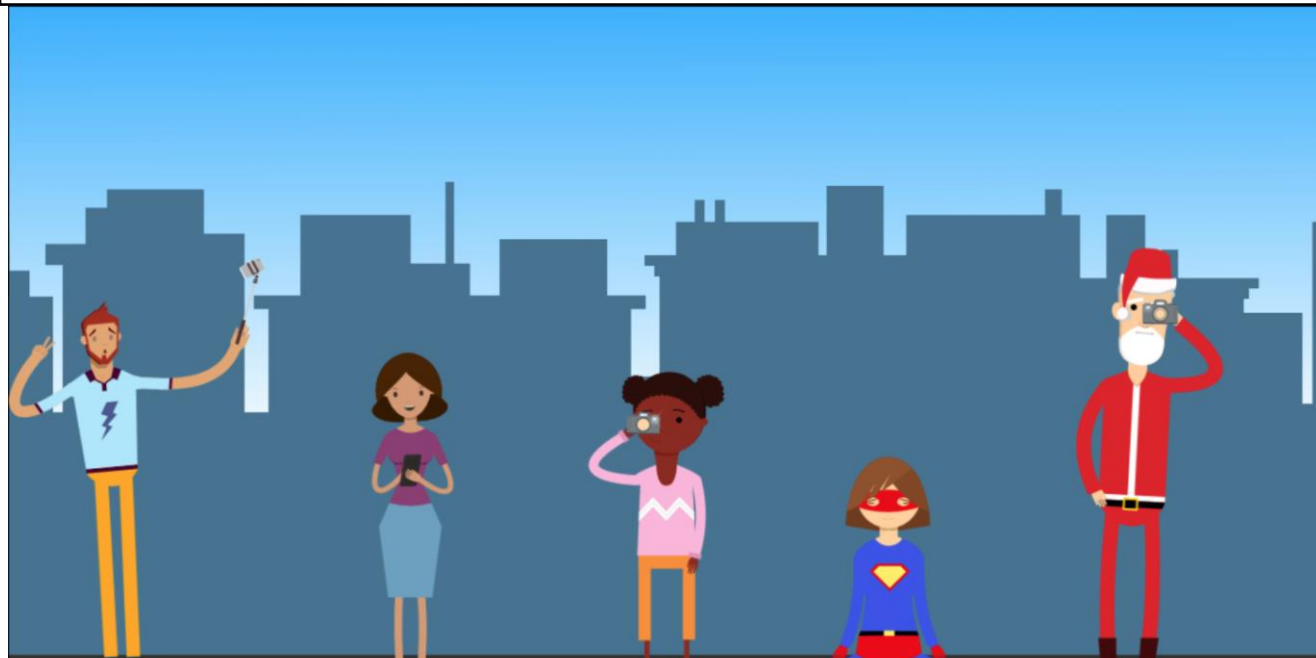


Participate with us to create your trendiest outfit and show it to the world adding #trendyMarian. The 5 best looks will receive a very special reward.



Once all the workers' suggestions, Marian thinks that needs more more ideas for the company. She needs external support to know which are the trends.

Marian creates an online crowdsourcing. For this purpose, she creates an online call asking for participation from the community.





4. The crowdsourcing

The crowdsourcing is a form of co-innovation that is gaining power.

The **benefits** that it entails are diverse:

BENEFITS

- The anonymity empowers people to give their opinion and collaboration
- It drives to a continuous generation of innovative ideas
- Diminishes efforts and costs
- The company can find talented people within the participating community





5. The joint-venture

The joint venture is a **temporary association of different companies in order to fulfill a common project.**

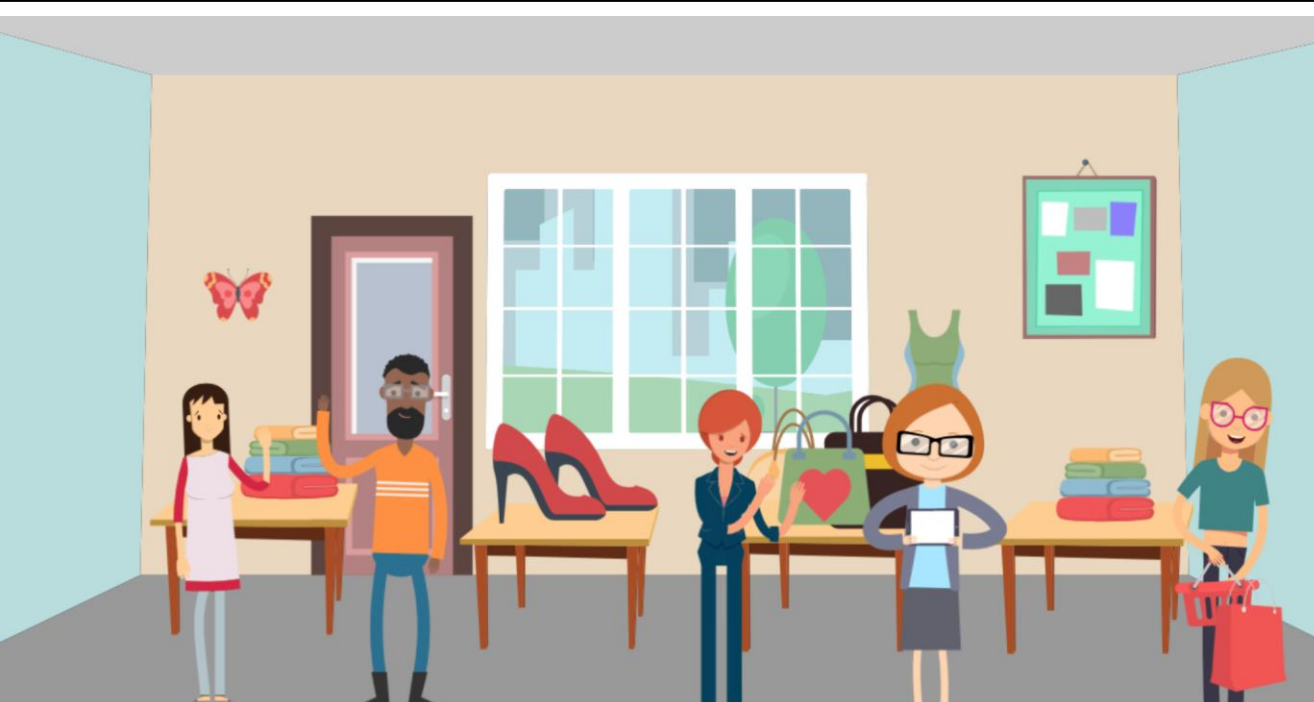
There is a **distribution** of the investments, responsibilities, costs, risks, employees and benefits.

This **'business collaboration'** will finish when the project is finished; the association is always temporary.

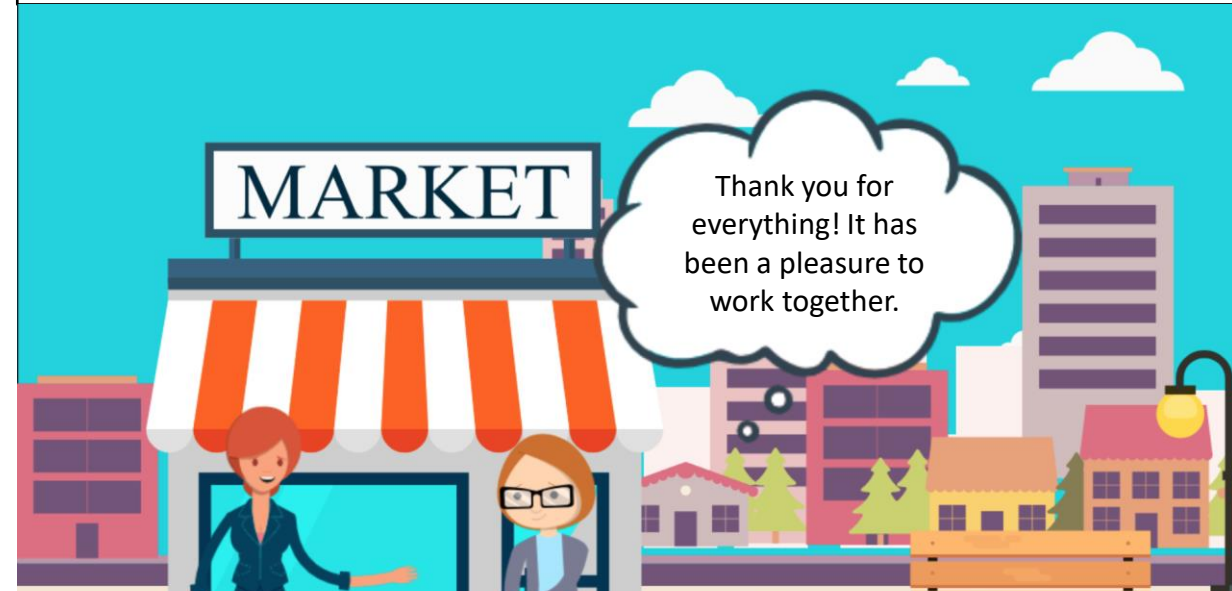
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Thanks to the crowdfunding, Marian realised that there is a great environmental awareness amongst young population.



Marian has a meeting with Roxana. Roxana has a very small eco-friendly products shop. If they launch together an eco-friendly brand, both can benefit from the crowdsourcing. They establish that the agreement will last for two years.





5. The joint-venture

The advantages and disadvantages of the joint venture are the following:

ADVANTAGES



- Shared risks and costs
- Efficient competence
- Increase of competitive advantages
- More innovative ideas

DISADVANTAGES



- Risk to have conflict of interests
- Dependence of the partnership
- Lack of integration of the companies
- Different vision towards the common project

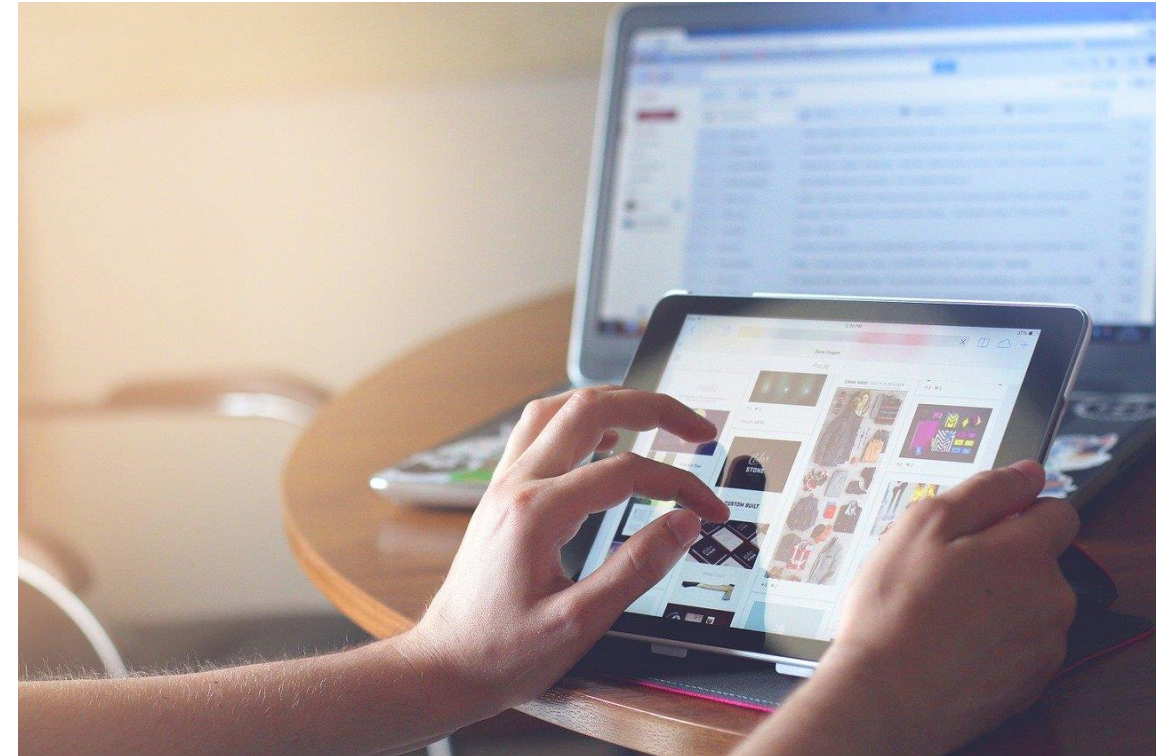


6. The role of technology

The development of specific **software** to meet the demands of Co-Innovation systems must be used to manage the process effectively and efficiently.

The use of technology makes the process more transparent and democratic, because ideas are captured in an open repository, without obstacles or early rejection.

An example of this could be to use the system SAP to unify and add more coherence to all the company's processes. By these means, workers can interact more effectively between them and with other departments too.



[Pixabay](https://pixabay.com/)



7. The role of the leader



[Pexels](#)

Finally, after knowing all about the different strategies that can be applied to co-innovate, the role of the leader will be essential to accomplish the innovative goals.

Not showing interest in innovation as a leader can lead into a decrease on the participation and quality of ideas and suggestions provided by your employees.

Thus, **actively participating** in the innovation processes conducted by your business, supporting them and personally revising its results can contribute to its effectivity, as well as recognizing the work of your employees.



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GLOSSARY OF TERMS

<https://increase.erasmus.site/platform/>

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MODULE 1

Innovation across organisation

Paradigm – paradigm is a standard perspective or set of ideas. A set of basic assumptions commonly accepted by members of a community.

Front-end innovation – it is a starting point for any innovation covering initial stages of innovation process focusing on opportunities, ideas, design and ensuring feasibility of a solution before the formal development process. It is known also as discovery process.

Back-end exploitation – implementation phase of the innovation process covering solution development, commercialization, and further improvements.



MODULE 2

Where innovative ideas come from

Collaborative innovation- it is looking for new perspectives through collaboration with other individuals to better understand a topic on a different level. In other words, participation is encouraged to develop innovative ideas.

Analogical reasoning – an approach that introduces the comparison of two objects for the projection of features from one object to another so certain features can be applied in a new context.

Geographic arbitrage – an approach that introduces the comparison of an idea from different geographical perspectives so to conclude which elements or solutions can be shared across cultures and not only in local context.

Agile methodology – it means moving away from rigid divisions in work organization and introducing greater freedom and flexibility in setting priorities, shorter time-to-market, as well as faster response to changing customer and market needs.



MODULE 3

Innovation mindset and what is in it for me

Mindset – It is defined as “mental attitude or inclination” or “a fixed state of mind”

Kübler-Ross Model – It is also known as the five stages of grief model postulates that those experiencing grief go through a series of five emotions: denial, anger, bargaining, depression, and acceptance.

Innovation-as-art - The concept stresses that the starting point for innovation is creativity, rather than implementation of management processes and organizational structures for innovation, which requires organizations to create innovation enabling creativity.

Analytical skills - Analytical skill is the ability to deconstruct information into smaller categories to draw conclusions. Analytical skill consists of categories that include logical reasoning, critical thinking, communication, research, data analysis and creativity.

Associative thinking - fast, subconscious thinking that associates one concept with another. The ideas can involve memories, emotions, and physical sensations.

Go-to-market roadmap - Go-to-market is the plan of an organization, using their outside resources to deliver their unique value proposition to customers and achieve competitive advantage. A go-to-market roadmap captures the details of the work and defines deadlines to drive the delivery of your strategy.

Cross-functional team - a group of people with different functional expertise working toward a common goal. It may include people from finance, marketing, operations, and human resources departments.



MODULE 4

How to communicate and lobby for Ideas

Empathy – it is the ability to share someone else's feelings or experiences by imagining what it would be like to be in that person's situation

Feedback – It is a term related to the Communication process and it is the response or reaction of the person who receives the message (receiver), after perceiving or understanding the message; it helps the person who sends the message (sender) to know how well his/ her message is understood and how it will be used by the receiver.

Lobby – it means to attempt to influence (public) officials or decision makers towards a desired action regarding a legislative bill or a proposed project.

Persuade - to make someone do or believe something by explaining them why they should do or believe that.

Stereotype - it means to group races or individuals together and make a judgment about them without knowing them; it is a fixed, over generalized belief about a particular group or class of people (e.g., race/ethnicity, sex, age, socioeconomic status, sexual orientation); they generally serve as an underlying justification for prejudice, which is the accompanying feeling (typically negative) toward individuals from a certain social group.



MODULE 5

Innovation in business models

Business Model Canvas - A diagrammatic representation of all activities in a business that must be considered during the planning phase.

Value Proposition - It is the USP (unique selling point) of a product or service for which a customer is willing to pay for. It explains what value you provide to your customers.

Transformative business Model - A business model that is completely different from what other companies are using. But it must be feasible and financially profitable, while providing a unique benefit to you and your customer

Value chain - The process or activities by which a company adds value to an article, including production, marketing, and the provision of after-sales service.



MODULE 6

Digital transformation

Data Ubiquity – The concept refers to the omnipresence of data, the property of data which is present everywhere.

Internet of Things (IoT) - The Internet of Things (IoT) describes physical objects (or groups of such objects), that are embedded with sensors, processing ability, software, and other technologies, and that connect and exchange data with other devices and systems over the Internet or other communications networks.

GDPR - The General Data Protection Regulation (EU) 2016/679 (GDPR) is a regulation in EU law on data protection and privacy in the European Union (EU) and the European Economic Area (EEA). The GDPR's primary aim is to enhance individuals' control and rights over their personal data and to simplify the regulatory environment for international business.

Beacons - It is an intentionally conspicuous device designed to attract attention to a specific location.

RFID - Radio-frequency identification (RFID) uses electromagnetic fields to automatically identify and track tags attached to objects. An RFID system consists of a tiny radio transponder, a radio receiver and transmitter. When triggered by an electromagnetic interrogation pulse from a nearby RFID reader device, the tag transmits digital data, usually an identifying inventory number, back to the reader.

Augmented Reality (AR) – It is an interactive experience of a real-world environment where the objects that reside in the real world are enhanced by computer-generated perceptual information, sometimes across multiple sensory modalities, including visual, auditory, haptic, somatosensory, and olfactory.

Precision Agriculture - Precision agriculture (PA), satellite farming or site-specific crop management (SSCM) is a farming management concept based on observing, measuring, and responding to inter and intra-field variability in crops.



MODULE 7

Co-Innovation

Co-Innovation - It is a collaborative innovative process through which the innovation arises from different **sources**, as in the process are included different partners as suppliers, employees, customers, universities, or other companies”.

Joint Venture - The joint venture is a temporary association of different companies to fulfil a common project. During the collaboration, the tasks are divided within the partners until the end of the common project.

Crowdsourcing - It mainly basically the practice of getting information for a specific a project by enlisting the services of many people, either paid or unpaid, usually via the internet.