

Applied Innovation

A guide to come up with the “breakthrough idea”

The topic of innovation in business has become tired and uninspiring. Its definition has become so muddled and generalized to the point that often the most minor incremental improvements within an organization are heralded as “innovation.” But the belief in its value still exists for many leaders. There is still a strong desire to create an innovation culture in order to foster change and growth. And while there is general understanding that transformational change requires patience for results and innovation must be baked in to a company’s strategy if it is to be adopted and activated, the context of the conversation has changed.

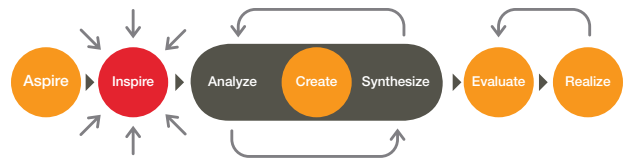
The shift in the economic climate has created a sense of urgency among business leaders who need innovation now in order to survive—if not thrive—in the future. Leaders have become impatient to get to the “big idea” that grabs the attention of their customers and helps them win the moment of truth when buying and using a product or service. For years, companies have been equating performance with speed and “lean” thinking. They have heavily invested resources into streamlining processes, taking costs out of the system and applying stringent “Six Sigma-esque” criteria to kill ideas that don’t deliver big ROI returns in six months or less. What they didn’t do was create the space for their people to make and explore opportunities, develop theories, and play in the world of possibilities before running forward with a solution.

What follows is a framework for creating ideas that is appropriate and relevant to the needs of innovation sponsors within a company—no matter what the economic forecast might be. This approach does not rely on heavy quant analytics or endless iterative drafts of ideas. It is designed to be simple, conversational, and accessible to any organization that is interested in looking outside of itself to inspire its people and create something new.

Inspiration + Creativity = Innovation

Once we have defined the objectives of the innovation process (what we call the “Aspire” phase); efforts should focus on two main activities. The first one (“Inspire”) has the objective of discovering unmet sources of input to help the company in developing the great idea, product, or service.

Although traditional research and client insights are the starting point and should be considered, for the innovation process we are hoping for non-traditional sources of inspiration, based on observation and association to “things” that apparently do not have a direct link to our product or situation. It should be assumed that no matter what industry or category you play in, your competitors are looking at the same or at least similar insights and marketing research as you. Therefore, it is important to look at more tangential or even abstract sources of information in order to deliver a completely new value proposition. New outputs require new inputs.



Prophet’s innovation process is composed of five steps. In this article, we focus on the second and third steps, which are the most relevant ones to develop the “great idea.”

Once this external inspiration is obtained, we need to transform it into concrete ideas. During the “Create” phase, we apply creative and critical thinking techniques that exploit the unknown potential that lies within the company’s capabilities, resources, and intellectual property with astonishing results.

Believing that regular company employees will be capable of getting inspired to think differently and become creative thinkers to develop transformational ideas sounds like science fiction. Nevertheless, there are a number of techniques that, if applied during a focused period of time dedicated to innovation (usually two to three days), will produce the desired results with just a handful of people who fit the profile of being catalytic thinkers within their organization.

To come up with that great idea, it is recommended to hold more than one of these innovation sessions and to introduce a wide range of experience, perspective, and expertise, as a lot of the ideas that are generated in these exercises end up in the trash can. Generally



View of a premise that we recently used for a session in Kiev, Ukraine.

speaking, three to five percent of ideas generated during a prolonged session make it to the later stages of the test and learn process. For example, we recently completed an innovation project for a FMCG company which included innovation sessions in five countries. Out of the 300 ideas that were created, 10 were actually developed in greater detail and are now going through market validation; it is expected that only one of these ideas will hit the market by 2010.

Innovation Logistics

The search for inspiration and the generation of creativity requires participants to exit the “comfort zone” of their day-to-day roles and responsibilities. To do this, it is important for leaders to grant permission and empower their people to be less risk averse, collaborate across hierarchies, and laugh a little (creativity is supposed to be *fun*). In this context, it is necessary to consider some logistical aspects that will support the innovation process.

Participants and participation

As a general rule, we would like to have participants from diverse functional areas beyond marketing, such as sales, product development, and strategy; although employees from areas that initially feel less relevant for this process such as finance or HR can also add value. It is more important to find individuals who have a natural tendency to think differently, are highly “confusion tolerant,” and are familiar with the realities of the brand and how it relates to its customers. A mix of tenured and new employees is usually a good formula to get different points of view.

Participants should feel that they can speak freely during the session; so it is recommended that the rules of engagement with senior level members of the group are set aside. However, inviting executive level members of an organization to participate in a session with a team of lower level managers might be too daunting for some people to feel comfortable speaking up.

During the sessions, participants should be freed from their day-to-day obligations. The use of mobile phones and PDAs is strictly forbidden.

The environment

Creative thinking requires a creative environment. We

believe that your desk is a terrible place to watch the world go by. If you want to change the conversation, start by changing the context of the physical space.

At our Play Studio in Richmond, Virginia, we have created a loft space that offers the flexibility to change the layout with furniture, lighting, moveable walls, etc. in order to create intimacy when it’s needed or a convention-like atmosphere. But we understand that not all clients, especially those from Europe, can come to our premises. That is why we often need to identify inspiring locations closer to where they do business where we can replicate our Play Studio concept.

Recent examples include a modern furniture show room in Madrid, a luxury apartment opposite from Galeries Lafayette in Paris, and a contemporary art museum in Moscow. There is no magic formula into what does and does not work; the general guideline is to look for a space in a vibrant, commercial neighborhood that will inspire workshop participants.

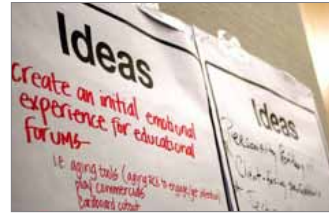
Feeling comfortable

Because innovation workshops are structured so differently than a “normal” work day, some participants need a little time to get warmed up to the process and start contributing to the conversation. There is a tendency to want to apply the same behaviors and approaches from the workplace to the innovation space. Extroverts who are used to hearing themselves talk tend to dominate the conversations, while the more reserved individuals are more than happy to sit quietly under the radar and not offer anything unless asked. Therefore, its important to get the participants to feel fully integrated into the process and think of themselves as a proactive and essential part.

At the beginning of the session, it should be clearly established that “work related” activities should be put on hold until after the session. After all, innovation is also work and should be treated as such. While this creates a long day for participants, it also keeps their attention and their brains focused on getting themselves inspired to create ideas. During the evening, it is helpful to host a cocktail hour and/or dinner to give participants a chance to decompress and form connections they might not otherwise make in a traditional working environment.



During the sessions, diverse materials are used to create the desired inspiration mind set.



Although a lot of ideas are developed, as the session evolves findings improve in both depth and quality.

Divergence and convergence

Inspiration by design is a key element that should be thought out in advance of the innovation session via the use of divergent and convergent activities that force participants to “force connect” seemingly disparate ideas to their objective.

Divergence aims to open the mind of the participants without up-front understanding of where the exercise is taking them. The objective of this is to find non-traditional sources of inspiration that will serve as the basis for later idea development.

During divergent exercises, participants are not aware of the reasons they are being asked to perform certain activities or collect data, and therefore they cannot associate their thinking directly to the “big idea,” which can at times feel uncomfortable and leave them frustrated.

This is where the value of convergence comes into play. Once the participants have successfully completed the divergence activities, their output is synthesized into concrete ideas. There are different levels of convergence in each exercise, as not all of them result in the same quantity or quality of ideas.

Usually, 60–70% of an innovation session’s time is used in divergence. The early part of the process is dominated by divergence-focused activities, as they aim to inspire rather than create. As the days progress, the activities and conversation become more focused around the desired outcomes.

Look at more stuff. Think about it harder.

There are many exercises that can be used during an innovation session. The selection of the most appropriate ones depends on the end product that the company wants to achieve and the brand’s innovation objectives.

The sequencing of these exercises is not necessarily obvious to participants (they will not establish a link between them), and the development of concrete ideas (in most cases) is independent from the observations and conclusions of the previous exercise. This means that most of the exercises of the first half of the program

will follow their own “inspiration + creativity” (divergence + convergence) path. During the last half of the program, all the data and raw material will come together in a final wave of convergence when generating the “winning” ideas.

Some of the exercises that we use in innovation sessions are described next.

Human Library

The origin of the Human Library experience has nothing to do with the business world. The city library in Malmo, Sweden, conducted a project in which curious visitors could check out living people for a 45-minute conversation. The experience was designed to confront prejudice and promote understanding.

We use this methodology so participants in the innovation session speak and get inspired by people that traditionally would not be considered as relevant sources of insights generation.

Recently, we worked with a client in Madrid to develop a product line that would be more relevant to the female segment. In this context, we held a human library experiment in which the team talked with key stakeholders for our female segment who had a deep understanding of what drives their shopping preferences and lifestyle activities. Examples included a hair stylist who shared her views on the elements that compose femininity, the trends most important to her clients, and the types of services she offers in her very feminine approach, etc.

For a private bank in the US, market research had shown that the brand was severely underperforming in transmitting a real sense of partnership to its clients. The bank could not find innovative ways to develop this perception, so as part of our innovation session, we set up a conversation with a professional ballroom dancer, for whom a dancing partner is key to deliver her work. This conversation brought up new dimensions of what partnering means and was a great source of inspiration for the bank.

The selection of the human library subjects depends on the objectives of the innovation process; but some



“Human Libraries” in a session held in the US.



In Madrid, participants of a session speak to the General Manager of the high-end restaurant Astrid & Gastón.

or our latest projects have included architects and interior designers for products that want to be more modern and contemporary, marriage counselors for developing more female propositions, and the director of a high-end restaurant to explore possibilities on how to increase premium perceptions in products that are being commoditized.

Forced Connection

This exercise has a high convergence component, as its objective is to apply “inspiration” to an everyday object.

For example, one of our clients wanted to develop products more appealing to the youth market. To achieve this, we brought fairly commoditized products and asked the group to develop 20 ideas to make those products more relevant for the desired younger segment. Finally, a connection was “forced” and each one of the developed ideas for the commoditized products had to be transformed into a concrete product proposition for our brand.

Worst Idea

During a brainstorming session with executives for one of the top toy producers in the US, the team was trying to come up with the next line of products for a very famous doll. Executives were skeptical as their view was that “everything has been already created”—so the session was not going so well.

To break the negative cycle, we asked the question, “What would be the worst idea for a line extension?” to which one of the participants answered, “Make her a prostitute.” While admittedly an awful idea, the suggestion catalyzed a conversation about creating accessories around the nighttime experience which had not yet been created: cocktail dresses, evening gowns, pajamas, bedroom furniture, etc. Innovation sessions are a great place to grant permission for bad ideas to be shared as a way to create great ones.

Getting to the final ideas

As we mentioned before, during the opening sections of the innovation session we conduct exercises that generate a great amount of ideas, with variable quality levels.

Next, we search for “convergence” of all these ideas into 5–10 winning ones.

To achieve this, a filtering exercise is developed for the group to select the ideas worth developing further through the use of pre-defined frameworks that help to analyze, describe, and conceptualize these ideas in greater detail and depth.

The innovation methodology that we have described can be applied to both big and small companies, as the required level of investment is accessible—it is based in achieving that company’s employees find inspiration to creatively develop products, services, etc. It has generated excellent results when a single session has been conducted to develop a concrete product for a very specific market need or in more complex situations where a number of workshops have been executed to fill a whole pipeline of new products.

This is, after all, the real application of innovation realized. 

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