
Strategic Innovation

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Abstract:

Strategic Innovation offers the tools, ideas and approaches needed for transforming an organization to a Company where anyone and everyone can contribute to the organisation's prosperity - through innovation. The pressure for strategic Innovation has never been greater. Today there are few clear boundaries separating industries from each other or one region from another, so new competitors emerge from the unexpected places. Wal Mart finds itself competing with Amazon.com one day, Home Depot the next, Ralph Lauren the third. Solutions are based on implementing best practices, maximizing resource effectiveness, enhancing productivity and containing costs.

Keywords : Strategic Innovations, Goal, Implementation, Strategy, Benchmarking, Alignment

Strategic Innovation is the creation of growth strategies , new product categories , services or business models that change the game and generate significant new value for consumers, customers and the Corporation. The innovation process challenges an organization to look beyond its established business boundaries and mental models and to participate in an open minded, creative exploration of the realm of possibilities. Strategic Innovation specializes in providing a broad array of consulting services to local governments and non- profit organizations. Consulting services generally fall into six major areas:

- Strategic planning,
- Technology planning,
- General consulting services,
- Local Government services,
- Facilitation, and
- Project management.

The Corporate world is exponentially dynamic and the challenges of competition are increasing at a faster rate than the growth rate of the technology driven business. More and more companies are gradually operating in more than one countries and are dependant on technology driven business processes in one form or the other. The Companies are competing in various areas of operations, products and services. The coherence in the thought process of the top echelons of management have

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an important and decisive impact in terms of determining the overall value, growth and development trajectory and the overall place in the quest of attaining global competitiveness.

The practice of Strategic Innovation management shall ensure the global competitiveness, overall productivity and value maximization of the firm – the well structured deliverables from a well structured team.

Strategic Innovation calls for a holistic approach that operates on multiple levels.

First it blends non-traditional and traditional approaches to business strategy, deploying the practices of 'Industry Foresight', 'Consumer/Customer Insight' and Strategic Alignment as a Foundation and supplementing them with more conventional approaches and models. Secondly, it combines two seemingly paradoxical mindsets: expansive, visionary thinking that imaginatively explores long term possibilities; and pragmatic, down to earth implementation activities that lead to short-term, measurable business impact.

Traditional approaches to strategy and Strategic Innovation vary widely like :

- i) Traditional Approaches consider a 'present to future' orientation-takes today as the starting point. While strategic Innovation starts 'with the end in mind' identifies a long term opportunities and 'bridges back to the present'.
- ii) Is mainly a technology driven process keeping customer satisfaction in mind while Strategic Innovation is Consumer Inspired and seeks Consumer Delight.
- iii) Traditional approach assumes a rule maker /taker posture while Strategic Innovation assumes a rule breaker posture.
- iv) In case of Traditional approach inputs are sought from obvious and traditional sources while SI seeks inspiration from unconventional sources.

Strategic Innovation also bears some differences with serendipitous breakthroughs.

Serendipitous Breakthroughs are unplanned improvements, incremental changes caused due to happy discoveries by accident while Strategic Innovation is a planned breakthrough initiated by organization.

Seven Dimensions of Strategic Innovation :

The Strategic Innovation framework weaves together seven dimensions to produce a portfolio of outcomes that drives growth. The dimensions include :

- a) A Managed Innovation Process
- b) Strategic Alignment
- c) Industry Foresight
- d) Consumer / Customer Insight
- e) Core Technologies
- f) Organisational Readiness
- g) Disciplined Implementation

a) The Managed Innovation Process covers the sequence of activities from the beginning of an initiative through implementation combining traditional and non-traditional approaches to Business Strategy. As a team based framework the approach includes part information exchange, part exploration, part mediation, part creative invention and part improvement thereafter. The Innovation process is divided into two broad modes of thinking : **Divergent and Convergent.**

Divergent lies at the heart is open minded, exploratory and inquisitive, deploying non-traditional, creative thinking and future visioning techniques. If not impatient for short term success then the divergent mode opens the door to the possibility of identifying breakthroughs.

Convergent mode includes the traditional business tools, techniques and data analysis, potential opportunities are evaluated and prioritized, refined and then often moved through a formal decision based stage gate process until the most promising ones are implemented.

b) Strategic Alignment is the process of engaging short term leadership team, a broad cross section of the organization and key external stakeholders in the developments of a shared

vision and the path forward. Strategic Alignment can be of two types: **Internal Alignment and External Alignment.**

In case of the Internal Alignment the Internal Team of the Organisation will drive an innovative initiative while in case of External Alignment to gather insights from partner organizations by formally making them a part of the co-creation process. This is called an Extended Team which includes representatives from the organization's supplier, channel, manufacturing or packaging partners.

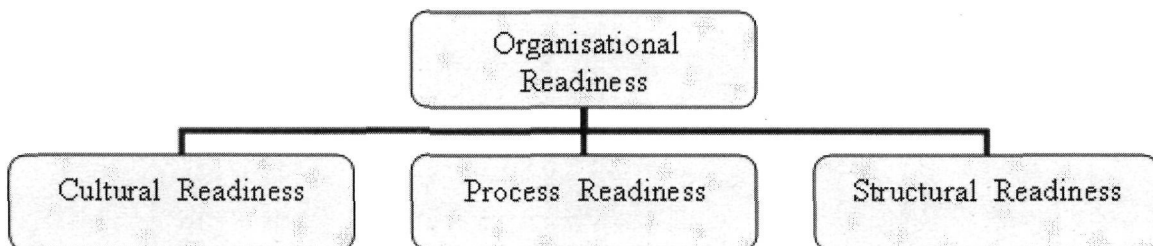
c) **Industry Foresight** is a top-down approach that explores the drivers, trends, enablers and dislocations within one or more industries. By this step an organization can develop a compelling, proprietary view of the future, enabling it to then define well grounded and pragmatic participation strategy.

d) **Consumer - Customer Insight** is a qualitative, bottom up approach that leverages insights into the behaviours, perceptions and needs of the current and potential consumers / customers by involving them as true partners in the innovation process. Though Consumer /customer participation in corporate strategy is unheard of, there is a tremendous opportunity in involving consumers /

customers (and suppliers and other external stakeholders etc.) as true partners in the innovation process by adopting a Customer / Consumer Insight approach. This approach is not limited to Consumer / Customer but can be extended to channel partners, employees, investors, early adopter non-users etc.

e) **Core Technologies** : After having a clear idea of a Consumer Customer needs it is not only essential to consider the organisation's technologies but also other capabilities that are integral to success. Such competencies include intellectual property or patents, unique relationships with suppliers and partners, brand equity, speed and operational agility or unique business process. An innovation must have a tight link to core competencies. The significant opportunities by partnering, outsourcing or acquiring new technologies and competencies must be considered for innovation.

f) **Organisational Readiness** have its importance in the innovative or convergent stage. It mainly refers the ability to act upon and implement innovative ideas and strategies, and to successfully come to grips with the operational, political, cultural and financial demands that will follow. The Organisational Readiness have three dimensions:



Cultural readiness refers to the mindset and norms that allow individuals and teams to think imaginatively, to take prudent risks and to seek out, create and introduce innovative solutions.

Process readiness refers to the general business process and practices that enable functional groups to operate effectively and collaborate toward a common goal.

Structural readiness refers to the organizational structures and technologies that support innovation as well as levels of flexibility to assign available and qualified staff to high priority projects.

g) **Disciplined Implementation** includes transition to specific projects or programmes, technical product development and design, developing a distinctive value proposition through consumer

based rapid prototyping and testing, brand development, building a business case, effectively communicating internally to gain broader organizational buy-in, developing marketing and channel strategies, defining evaluation criteria and success metrics appropriate for a new venture, developing new business processes, hiring and training and establishing feedback loops for continuous improvement to the innovation process.

The initiatives which are required for the implementation of the Strategic Innovation are :

- Implementation skill sets and mindsets,
- Maintaining momentum,
- A formal project management approach,
- An understanding of Organisational priorities and decision making processes, and a
- Practical Stage Gate Process.

Strategic Innovation is not an end state. It is a journey of open minded exploration, experimentation, thinking, decision making, action, results and learning, with the cycle and then repeating. It is actually a process of learning by doing. Not all innovations may work out. But still the team working on innovation management practices should be patronized by the top echelons of management. The importance of Strategic Innovation in value maximization of a firm is very important in the light of rapid changes in the business dynamics internationally in digital economics. To conclude Strategic Innovation is an important key to attain global competitiveness and value maximization.

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