

Innovation: The “Lifeblood” of Business Evolution

by Rebecca A. Morgan

The marketplace gives abundant evidence to the Darwinian theory of survival of the fittest. Just as biological organisms have to adapt to stand the test of time, so do business organizations.

The focus on innovation is a reflection of the quickening pace of change in expectations. Speed is not enough; vitality requires acceleration. Change alone is not enough; innovation is required. Companies must both respond to and create advancing technologies and customer's needs. The challenge is to discover those things that will keep a business vibrant two, five, and ten years from now, and beyond.

Innovation provides a cornerstone to that future. There are three primary arenas of innovation to consider:

- 1.) Product Innovation
- 2.) Process Innovation
- 3.) Design Innovation

It's important to understand what each type of innovation can mean for your company.

Product innovation offers the potential protection of intellectual property and patents. If you can develop a product the market wants and bring it to market quickly, you may receive long term, protected dividends.

While process innovations are theoretically easier to copy and therefore bring less long-term competitive advantage, they are nonetheless worthy pursuits. They are a primary method of attacking overhead and indirect costs and can significantly impact customer interactions. Dell is known to have capitalized phenomenally well on

process innovation. The computer company's financial success stems from its highly regarded logistics and supply chain management, which enables it to use customer's money to pay suppliers.

Apple is a notable leader in design innovation. The company has been skilled, especially in recent years, at bringing to market technological products that capture the imagination of its target markets in both functionality and styling and supporting them with equally well designed marketing. One could certainly argue that Apple excels in both product and design innovation.

Successful companies cultivate a corporate culture that embraces “intelligent risk-taking.” They know that no failures probably mean they missed some great opportunities. It is the challenge of leadership to determine where innovation can best provide the fulcrum to propel your company forward. It's time to put your company under the microscope and then look at the market through a telescope to determine the current best path to survival. If your products or services solve real problems in the market, someone else is working on eliminating the problems or solving them differently. They want what you have.

To remain viable, here are 6 steps to cultivate.

1.) Accept that change is necessary but not sufficient; innovation is required.

2.) Engage formal and informal leaders to visit, read, and listen to external stimulators and trends to gain conviction to support an innovative culture within the company.

3.) Examine current processes and systems to identify where they hinder or support innovation; at a minimum, utilize that awareness productively.

4.) Exploit creative tools, such as brainstorming, by training all employees how to use them well.

5.) Leverage relationships with the innovative and interested among the supply base and customer base.

6.) Pay close attention to your customers. Watch how they use your products or services. Ask them for feedback. Create solutions for the problem they describe, but also the larger problem you see causing it.

If your company is already a successful innovator, congratulations. If not, consider your competitive marketplace a fast approaching perfect storm. Do nothing, and your company shares the fate of the Andrea Gail. Or choose to ride the wind and the waves by encouraging a culture that supports innovation and change. Internal skills can be developed, and augmented with external relationships. Working with customers, non-customers, competitors, suppliers, or others to develop new solutions can help set the course for the future of your company.

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