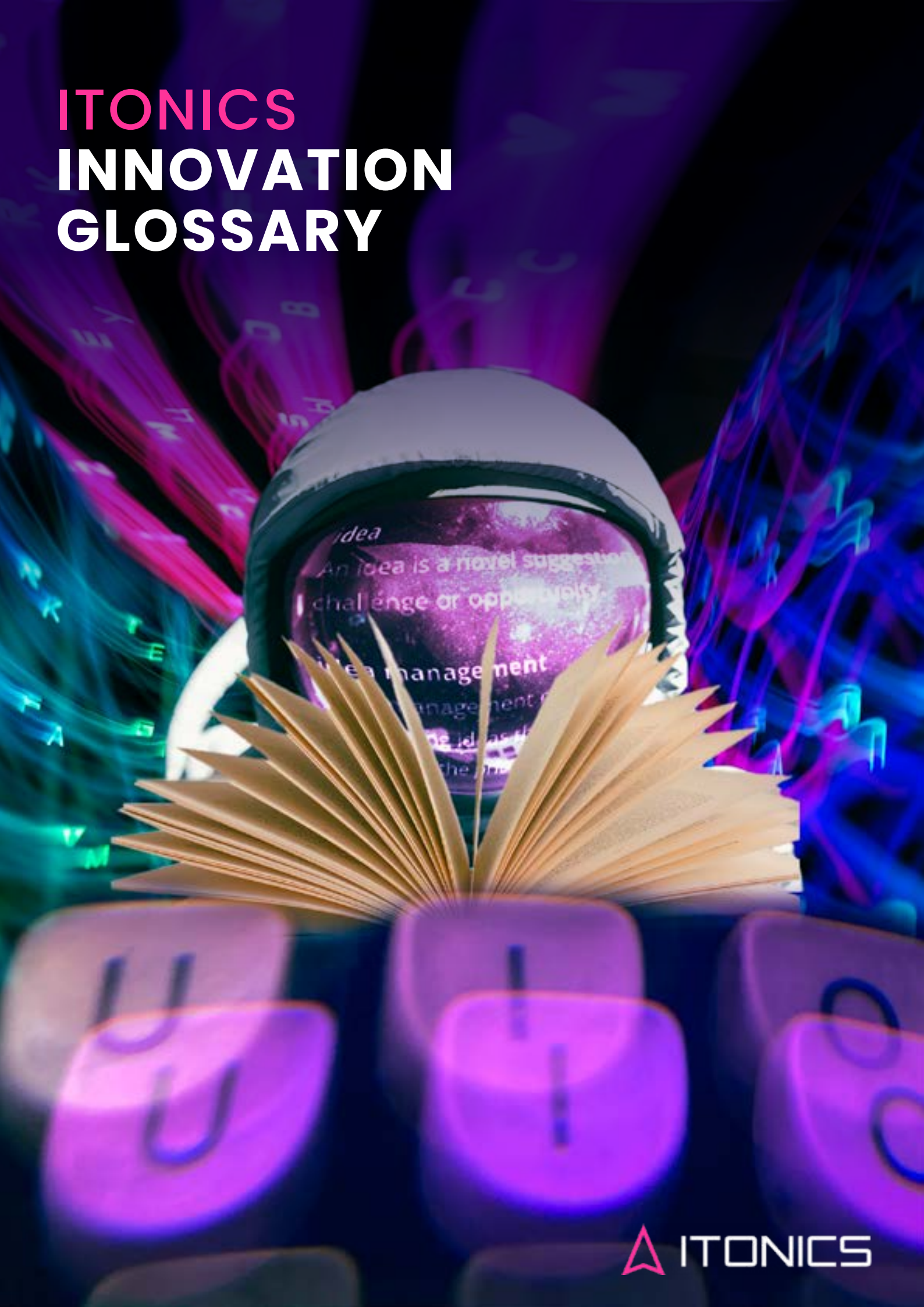


ITONICS INNOVATION GLOSSARY



ITONICS Innovation Glossary

Understanding innovation terminology means more than just a command of technical buzzwords. It is foundational in making sense of innovation methodology and core concepts. The ITONICS Innovation Glossary defines some of the key terms you will most likely encounter as you embark on your innovation journey.

[Blue hyperlinks](#) will help you move through terms in the glossary, while [pink hyperlinks](#) will take you to external resources where you can read more about how the term is applied practically in innovation.



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70-20-10 Rule

The 70-20-10 Rule, developed by former Google CEO Eric Schmidt, is a framework that guides organizations in allocating finite resources to various growth initiatives. As the practical application of Three Horizons of Growth, the 70-20-10 Rule aims to achieve a balanced portfolio of projects, 70% of which contribute to core business, 20% to adjacent, and 10% to transformational.

A

Accelerator

An accelerator is a structured program focused on scaling, optimizing, and speeding up the innovation process for a new business venture. Typically, this occurs at a later stage of development, requiring a business to demonstrate its growth potential and some initial traction. An accelerator aims to expedite the launch of a minimum viable product (MVP) to market quickly and with the minimum investment.

See also: [Incubator](#), [Minimum Viable Product](#)

C

Co-Creation

Co-creation refers to the business practice of involving third-party stakeholders (e.g., business partners, suppliers, customers, start-ups, etc.) in the innovation process—from ideation and design to prototyping and testing.

Corporate Innovation

Corporate innovation is the process of intentionally seeking and implementing new opportunities and embedding innovation objectives into the corporate strategy.

Crowdsourcing

Crowdsourcing is a type of co-creation that entails the gathering of information and ideas from external networks based on a call or criteria from the organization.

D

Demand Driver

A demand driver is a driving force in society or the market that points in a certain direction, representing and affecting individuals' and/or customers' wishes, desires, and behaviors (e.g., trends).

See also: [Driver](#), [Trend](#)

Digitalization

Digitalization refers to the application of digital technologies and digitized data to transform core business models such as customer engagement, relationship management, or revenue streams. Digitalization relies first on the digitization of processes from analog or offline systems.

Digitization

Digitization refers to the conversion of information from an analog format to digital. It results in internal efficiencies and process optimization.

Disruptive Innovation

Disruptive innovation is a type of innovation resulting in new concepts, products, technologies, or business models that drive transformation. It fundamentally changes an existing industry, creates new markets and value networks, displaces conventional practices, and eventually leads to new customer expectations.

As part of a balanced growth portfolio, disruptive innovation makes up the third, outer horizon of the Three Horizons of Growth framework. It should account for approximately 10% of resource allocation, according to the 70-20-10 Rule.

See also: [70-20-10 Rule](#), [Three Horizons of Growth](#)

Doblin's Ten Types of Innovation

Doblin's Ten Types of Innovation is a framework that encourages organizations to look beyond product innovation and explore opportunities for innovation through several different channels—including product offering but extending to an organization's configuration and customer experience.

Driver

A driver is a macro-level external factor that influences the broader social, technological, environmental, economic, and/or political landscape. Therefore, organizations can use STEEP or PESTEL analysis to understand how the driver may impact its environment by shaping technology, consumer demand, competitor activity, supply networks, etc.

See also: [Demand Driver](#), [Solution Driver](#), [STEPP](#)

E

Environmental Scanning

Environmental scanning is the capability to scan one's business environment comprehensively and continuously in order to build innovation intelligence and inform decision-making. It includes scouting for and managing information related to trends, technologies, start-ups, and potential partners.

See also: [Scouting](#), [Technology Management](#), [Start-up Relationship Management](#)

F

Foresight

Foresight refers to a structured and systematic way of identifying possible futures to be able to prepare accordingly. Foresight activities like environmental scanning and scenario planning enable organizations to adapt to opportunities and challenges that the future holds and align their innovation strategy accordingly.

See also: [Strategic Foresight](#), [Environmental Scanning](#), [Scenario Planning](#)

G

Go-to-Market Strategy

A go-to-market strategy is a structured and actionable plan that lays out how an organization will deliver its value proposition to customers. It includes consideration of resources and timeline, identification of the target audience, and marketing and sales plans.

H

Hype

In contrast to a trend, a hype is a collective and often spontaneous fad that disappears after a short period of time.

I

Idea

An idea is a novel suggestion, concept, or solution that addresses an existing challenge or opportunity.

Idea Management

Idea management refers to the structured process of generating, assessing, and improving ideas that contribute to an organization's innovation strategy. This includes the prioritization and implementation of ideas.

Idea management can occur through a centralized or decentralized process. Centralized idea management allows an entire organization to

engage in the process, whereas decentralized idea management allows different teams or business units to manage their own ideas.

Ideation

Ideation is a systematic and creative method for generating new ideas and concepts. Ideation commonly occurs in a collaborative workshop environment that involves multiple, cross-category stakeholders, after which ideas are refined through a phase-gate process.

Incremental Innovation

Incremental innovation is a type of innovation that entails the gradual yet continuous improvement of existing products, technologies, or processes in order to maintain an existing customer base and sustain a certain level of strategic positioning.

As part of a balanced growth portfolio, incremental innovation makes up the first, inner horizon of the Three Horizons of Growth framework and should account for approximately 70% of resource allocation, according to the 70-20-10 Rule.

See also: [70-20-10 Rule](#), [Three Horizons of Growth](#)

Incubator

An incubator is a structured program that supports entrepreneurs, intrapreneurs, and start-ups with the resources to create and grow new business ventures. Typically, this occurs at an early stage of development and ends with a novel and viable idea that is ready to pitch to investors or consumers. An incubator aims to set the foundation for new business ventures.

See also: [Accelerator](#)

Innovation Intelligence

Innovative intelligence is the ability to collect, process, act on, and learn from information, insights, and abstract concepts related to innovation. It entails the application of this acquired knowledge together with internal skills and capabilities in order to enhance innovation outcomes.

Innovation Lab

An innovation lab is a separate and dedicated unit within an organization whose core focus is nurturing innovation, possibly from environmental scanning and ideation to proof of concept and market launch.

Innovation Portfolio Management

Innovation portfolio management is a method for organizations to align innovation assets and capabilities with their strategic objectives. It entails the selection and prioritization of projects in order to identify gaps or redundancies, allocate finite resources, and balance growth initiatives within the business.

Inspiration

An inspiration is an evidence of how organizations or individuals are responding to a trend or technology in the real world. Inspirations serve as springboards for ideation, helping innovators look beyond their category, connect the information in new ways, and nurture fresh thinking.

Intrapreneur

An intrapreneur is an employee who applies an entrepreneurial mindset to the innovation process and proactively generates and executes new ideas.

Invention

An invention is a novel idea that is proven viable based on a process of validation, typically from an experiment or pilot project prior to implementation.

M

Market Intelligence

Market intelligence refers to the systematic process of scanning, interpreting, and responding to information pertaining to multiple stakeholders, including but not limited to customers and competitors.

Market Pull

Market pull occurs when innovation is driven by customer expectations, desires, and needs. Often represented as trends, market pull helps guide organizations in knowing what people value.

See also: [Trend](#)

Minimum Viable Product (MVP)

A minimum viable product represents the most basic version of an innovation that is ready for use by early adopters or loyal customers. The aim is to collect critical input on customer desirability and product functionality to feedback to the development team.

O

Open Innovation

Open innovation represents a collaborative approach to innovation in which companies embrace co-creation and the exchange of internal and external knowledge. This includes partnerships with third-party stakeholders (e.g., vendors, suppliers, customers, start-ups, etc.) and is contrary to traditional approaches to innovation that emphasize secrecy and a silo mentality.

Opportunity

An opportunity is a potentially rewarding business situation in which a company can create significant benefits by addressing previously unmet customer needs uniquely and/or introducing new, better solutions to existing customer needs.

P

Partner Relationship Management

Partner relationship management (PRM) is an approach to maintaining an organization's relationships with its strategic partners as well as its knowledge of the main players in its environment. PRM aims to identify, recruit, and build prosperous partnerships with key entities that contribute to an organization's innovation strategy.

Partner Scouting

Partner scouting refers to the environmental scanning activity in which information is collected and analyzed relating to the main players in an organization's environment that are of strategic interest as potential partners or acquisition targets.

See also: [Environmental Scanning](#), [Scouting](#)

Phase-Gate Process

A phase-gate process is an innovation management model that divides a **complex** process or project into different stages with more specific objectives (e.g., refinement, prioritization, resource allocation). Within each stage, a gate serves as an assessment or decision point with pre-defined criteria.

Prototype

A prototype is a tangible model or representation of an idea that serves to test and validate its viability.

R

Risk

A risk defines a situation that, depending on the individual risk level, may occur with a certain probability influencing at least one target. Typical consequences include quantifiable loss, harm, danger, or any other negative event, usually resulting in a more or less serious damage (oftentimes of an economic nature). Risk triggers are usually internal or external vulnerabilities that could have been eliminated by preventive measures.

Risk Analysis

Risk analysis refers to the process of identifying and assessing factors, either internal or external, that could potentially threaten the success or progress of a project or initiative. This includes determining the likelihood of a risk to occur and the magnitude of the potential impact.

Roadmap

A roadmap is a visual representation of the innovation milestones and deliverables required to manage an organization's transition from its current state to a future state over a specific time period.

Roadmapping

Roadmapping is a method for long-term strategic planning, implementation, and visualization of innovations, products, and technologies, broken down to the necessary resources, steps, and milestones and aligned with the corporate and innovation strategy.

S

Scenario

A scenario is a postulated sequence or combination of events projected to take place that could hold relevance to the organization's future state.

Scenario Planning

Scenario planning is a structured process in which organizations consider variable data trajectories (based on key drivers influencing their environment) to arrive at a limited number of plausible future scenarios. Scenario planning equips decision-makers, innovation leads, and strategists to anticipate exposures appropriately, evaluate innovation opportunities, and act timeously.

Scouting

As a key environmental scanning activity, scouting refers to the process of observing shifts and developments. It involves collecting pertinent data, contextualizing change to uncover discernible patterns as weak signals, and identifying trends, technologies, start-ups, and potential partners that hold both impact and relevance.

See also: [Partner Scouting](#), [Start-up Scouting](#), [Technology Scouting](#), [Trend Scouting](#)

Solution Driver

A solution driver is a new or existing means, method, tool, and/or capability that can practically solve certain problems and is future relevant (e.g., technologies).

See also: [Technology](#)

Start-up Relationship Management

Start-up relationship management (SRM) is an approach to maintaining an organization's relationships with and knowledge of the start-up environment, main players, newcomers, and activities. SRM aims to identify, recruit, and build prosperous partnerships with key start-ups that contribute to an organization's innovation strategy.

Start-up Scouting

Start-up scouting refers to the environmental scanning activity in which information is collected and analyzed relating to start-ups and developments that have potential relevance and impact in your (business) environment.

See also: [Environmental Scanning](#), [Scouting](#)

STEEP

STEEP—social, technological, economic, environmental, and political (sometimes PESTEL, which includes legal)—is a framework for segmenting the macro-level environment to facilitate scanning and analysis. Performing a STEEP or PESTEL analysis allows organizations to evaluate where an observed change or driver is occurring and how it could potentially impact their business environment.

See also: [Driver](#)

Strategic Foresight

Strategic foresight is the systematic process of gathering future-relevant information, through environmental scanning activities, in order to extrapolate different plausible scenarios that could hold strategic relevance for an organization. Organizations can anticipate and prepare for future opportunities and challenges through this scenario planning and align their innovation planning and goals accordingly.

See also: [Environmental Scanning](#), [Foresight](#), [Scenario Planning](#)

Strategic Search Field

Strategic search fields are macro-level topics of specific organizational interest, i.e., activities in the field that fundamentally influence a company's core. Therefore, developments in such fields require dedicated attention and the contribution of specialist knowledge and observations from key stakeholders.

T

Technology

A technology is a type of solution driver that represents a tool designed through R&D and innovation in response to new consumer needs or desires. Technologies are an indication of market push, enabling new business models, products, and services.

See also: [Solution Driver](#)

Technology Management

Technology management refers to the integrated planning and control of technologies within an organization. This may entail R&D or investment, technology roadmapping, and technology portfolio management.

Technology Push

Technology push occurs when innovation is driven by R&D and new technologies. Technology push guides innovators in developing new products that make use of technologies to meet an existing or emerging need.

Technology Scouting

Technology scouting is an environmental scanning activity that refers to the systematic scanning of information related to emerging, evolving,

and existing technologies, R&D, and market push that have impact and relevance in one's business environment. Technology scouting involves aggregating, assessing, and disseminating technology information to enhance innovation intelligence.

See also: [Environmental Scanning](#), [Scouting](#)

Three Horizons of Growth

The Three Horizons of Growth is a framework developed by McKinsey & Company that guides organizations in portfolio management, structuring initiatives, and finding a balance between short- and long-term projects. Horizon 1 includes incremental innovation aimed at sustaining the core business and customer base. Horizon 2 looks at emerging opportunities for adjacent business. Lastly, horizon 3 is where transformation and disruptive innovation occur. The three horizons framework is related to the 70-20-10 Rule of innovation that recommends organizations allocate 70% of their resources to core business, 20% to adjacent, and 10% to transformational.

See also: [70-20-10 Rule](#), [Disruptive Innovation](#), [Incremental Innovation](#)

Trend

A trend is a demand driver that represents new consumer attitudes, expectations, behaviors, or other market shifts that drive new change. Trends are an indication of market pull, guiding innovators in knowing what consumers need, desire, and occasionally demand.

See also: [Demand Driver](#), [Market Pull](#)

Trend Scouting

Trend scouting is an environmental scanning activity and refers to the systematic scanning of information related to emerging, evolving, and existing consumer needs and market pull that have impact and relevance in an organization's environment. Trend scouting involves aggregating, assessing, and disseminating trend information to enhance innovation intelligence.

See also: [Environmental Scanning](#), [Scouting](#)

V

Value Proposition

A value proposition refers to the value that an organization or solution claims to deliver to its customers. An organization often communicates its value proposition through a concise marketing statement that summarizes what a customer can expect in terms of functional and emotional benefits.

W

(Weak) Signal

A (weak) signal is a concrete, socially situated indicator of change in trends, technologies, and systems. It serves as context-specific information from the environment that is currently of interest and may have an impact in the future.

EMPOWER EVERYBODY TO INNOVATION



About ITONICS

Designed to empower everybody to innovate, the ITONICS offering provides organizations the flexibility to radically upgrade the way they innovate.

Working with global teams to innovate new products, services, and business models, ITONICS inspires, guides, and accompanies organizations on their innovation journey. Together with our clients, we shape the future by providing a systematic framework and single point of truth to steer innovation efforts.

Through our software, consulting, and research services, we help companies connect trends and emerging technologies, arrive at new opportunities, make confident decisions, and drive actionable growth strategies for a brighter future.

Your Key Contacts



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