

Making Innovation Intrinsic to Your Organization

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Roughly a year ago, we were mired in uncertainty, but the true “new normal” is starting to reveal itself. Organizations are now plotting courses forward with confidence—but also with an understanding that the playing field has changed dramatically.

Innovation has been critical to organizations’ success for decades, helping many stay ahead of the curve and satisfy rising user expectations. But now, two factors have accelerated making innovation intrinsic to an organization:

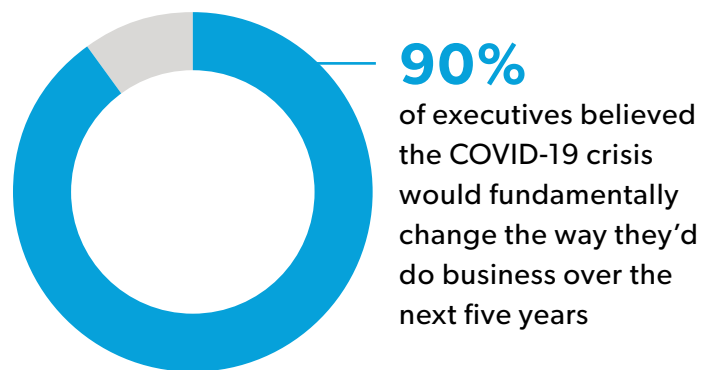
Core businesses have changed: Many organizations simply can’t afford to operate as they have in the past since what made them successful historically may not have been possible during the pandemic, or afterwards. Though reactive, they must adjust to meet shifting needs or work around fresh roadblocks since new technologies have the potential to bridge those gaps.

For some, optimism abounds: After adapting during the pandemic, many organizations are taking a proactive approach. They see the changes effected from this crisis and—with their glasses half-full—view the shifts as opportunities to gain new customers or deepen brand loyalty.

The directive for the next normal is clear: human-centered innovation is no longer a luxury for organizations. It’s becoming a necessity to adopt this philosophy, which includes fully grasping your customers’ needs, prototyping swiftly and repeatedly, and developing fresh ideas to transform the way you offer your products or services. Instituting a framework for innovation can be challenging since each organization faces unique issues in leveling up. But your aim, over time, should be to make innovation intrinsic to your organization.

CRISES OFTEN SPUR A PERIOD OF INNOVATION

In the thick of the pandemic during the summer of 2020, it quickly became apparent that COVID-19 had toppled traditional ways of doing business, especially the way that customers interact with companies. Even as far back as June 2020, a McKinsey study confirmed that executives saw the writing on the wall: 90% believed that the COVID-19 crisis would fundamentally change the way they’d do business over the next five years. Yet less than a third of executives had the confidence their organization was positioned to take advantage of those opportunities.



Less than **1/3** had the confidence their organization was positioned to take advantage of those opportunities.

This outlook ties directly back to one of the two catalysts we discussed at the outset. In the case of shifts in core businesses, many companies decided to double-down on continuity, eschewing innovation. However, history shows that resting on your laurels is a dangerous proposition. Other companies wanted to innovate but simply didn’t have the infrastructure in place to adjust on the fly. No matter the reason why an organization hasn’t innovated at the pace of business, crises have a distinct impact on markets and, as noted in the McKinsey study “these dynamics are ingredients for disruption from which new business models emerge.”

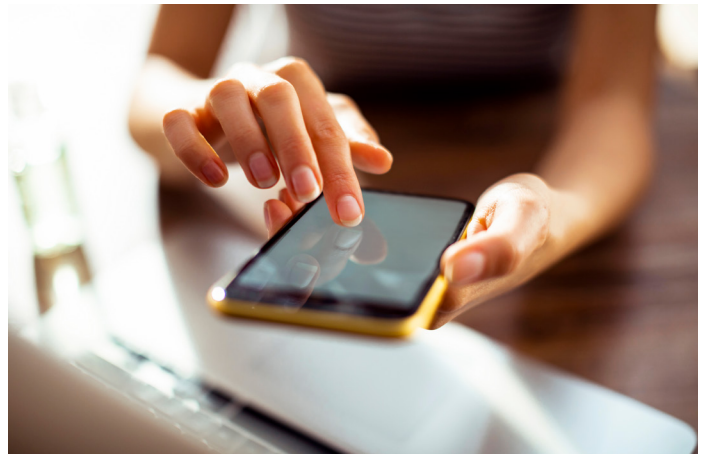
In other words, current customer sentiment and history come bearing the same message: innovate or eat your competitors' dust. But here's the beauty of making innovation intrinsic to your organization: while you certainly want to meet your customers' needs and keep up with your competitors, you'll find that innovation often dovetails with existing business drivers. This may range from differentiating in the market to improving your bottom line, mitigating key risks to simplifying internal processes, or even engaging employees. The potential benefits are immeasurable, especially during and after a crisis.

EXAMPLES OF INNOVATION FROM RECENT & DISTANT HISTORY



To meet online shopping demand during the pandemic, Levi Strauss began fulfilling online orders from its brick-and-mortar stores, ultimately creating micro-fulfillment centers—and it made the shift in a matter of days. Then the company swiftly launched curbside pickup at about 80% of its 200 U.S.-based stores. The classic American brand also doubled down on its digital transformation efforts by using artificial intelligence to optimize margins for order fulfillment and to enable personalized benefits with a new loyalty program. Levis' quick thinking allowed it to gain momentum for online sales almost immediately, offsetting its brick-and-mortar struggles at the start of the pandemic.

The story of Gorilla Glass, developed by Corning, serves as a sterling example of how dedication to innovation can pay off over the long haul. When the telecom bubble burst at the turn of the century, Corning was in trouble due to its over-investment



in fiber-optic cables. But even amidst great turmoil, the glass manufacturer never swayed from its commitment to innovation. When Steve Jobs came calling for an iPhone screen solution, the company was able to deliver. Today, Gorilla Glass is found in more than 6 billion devices—and Corning's bottom line is doing just fine.

These stories illustrate the possibilities when innovation is intrinsic to an organization—and are examples of maintaining the commitment in dire circumstances.

INTRINSIC INNOVATION DEMANDS A COMMITMENT TO CULTURE

Some organizations have an innovation infrastructure in place—a license to innovate for innovation's sake. This type of culture values innovation in the everyday, even while supporting many ongoing, meaningful projects. Without that culture in place, many successful solutions wouldn't have seen the light of the day.

Leaders must give employees—throughout the organization—real space to innovate, which takes a true investment. Too often organizations sequester their innovative teams; for example, a select group working in an innovation lab may be doing exceptional work. But they're working in a silo, separate from traditional teams toiling away on their projects with a business-as-usual approach. To be intrinsic, innovation must have the potential to slip into these workstreams, too.

Other pitfalls exist, even when your intent to innovate is in good faith. You can't give a team the green light to innovate, only to mire them in technical debt or remain stringent on your sprints and delivery. And while innovation challenges are a great way to explore new technologies and processes and boost employee morale, you don't want to burn out the same core group of participants every time, either. Suffusing innovation within your culture takes more than a commitment, or even an intentional approach. It also takes time.

AN APPROACH TO INTRINSIC INNOVATION

Even companies willing to take the leap struggle to find a realistic starting point, no matter what their drivers for innovation are or how good their intentions. Whether you're building a foundation from the ground up or seeking an entry point for a one-off project, the approach outlined can enable intrinsic innovation.

This list serves as a brief overview, and doesn't touch on the underlying principle of innovation, which is to test and learn quickly—that's the only way to uncover real customer insights. And while making innovation intrinsic to your organization begins with adopting the right mindset, this approach also demonstrates there are concrete steps you can take to tackle a one-off project or begin building a true innovation infrastructure within your organization.



1. Understand the Current State and Intent

The starting point is to review existing research to develop a strong understanding of concepts and vision, which includes conducting interviews with stakeholders and subject matter experts.

2. Discover User Needs and Best-In-Class

In this stage, conduct user interviews and surveys, as well as a competitive / comparative analysis to see where you stand in the market.



3. Prioritize Features and Concepts

This is the time to define prioritization metrics, using workshops to facilitate concept prioritization and design; after that, the concepts can be further refined.

4. Strategize Next Steps and Future State

By creating an experience roadmap, you can deliver consistent wins based on value-driven prioritization and estimated level of effort.



5. Operationalize: Review and Repeat

Execution includes the refinement and development of one or multiple concepts on your roadmap to foster a formalized, repeatable process focused on quick wins and user adoption. After that, it's rinse and repeat.



Our Innovation Principles



Take a Human-Centered Approach

Existing technologies are readily available and widely adopted now in almost any industry. Applying these technologies through the lens of the customer experience will allow for differentiation.



Be Flexible & Adaptable

Adapting Agile principles to fit your culture and environment can add structure for an ideal iterative process that is flexible, adaptable, and gives you the ability to be nimble.



Prototype, Test, Iterate

Use Rapid Prototyping architecture to push the boundaries of what is possible and to refine the customer experience based on customer data.



Test & Learn

Take the portfolio approach and continue to try ideas and fail fast — be open to exploring and testing as many times as it takes to get to the winner.

THE TIME IS RIGHT TO MAKE INNOVATION INTRINSIC

As noted at the start, on the heels of the pandemic, some organizations are being reactive: with so much change swirling about, and revenues potentially declining, they feel the need to look at the products and services they offer in an entirely new light. Others are being more proactive, looking at the aftermath of COVID-19 as potentially the second coming of the Roaring 20s, one of the most prosperous eras in our history.

But no matter your path to making innovation intrinsic to your organization, the time is right, and it's less about how you got here and more about blazing a trail forward—whether you're looking to get a full framework for innovation in place, need some help with strategy and prioritization, or simply want to tackle a small project.

The end goal should always be to merge well-defined ideas with success metrics to deliver impactful and informed customer experiences. And once innovation is ingrained within your organization, you'll not only deliver those experiences more and more frequently—you'll be delivering them organically, too.





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