

# Innovation A Driver for Value Creation

by QMD

Innovation and Value Creation Technical Committee



<http://www.asq-qm.org/innovation-and-value-creation>



# What Is Innovation?

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In – nova – tion means  
.....doing things.....

In - a new – way

So, how can we define innovation? >>>

# What Is a Definition of Innovation?

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Innovation is:

The successful **conversion** of **new** concepts and **knowledge** into **new products and processes** that deliver **new customer value** in the **marketplace**

So, why is this important? >>>

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# Innovation Creates Value

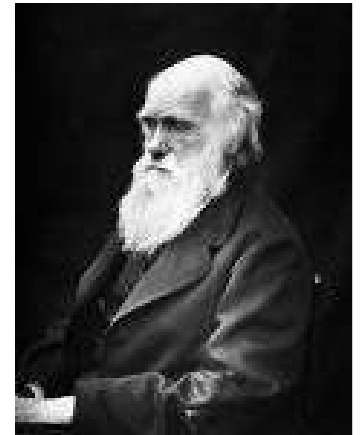
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- Innovation is **Profitable**...IBM
  - Companies with fastest profit growth
- Innovation must be **Radical**...Morgan Stanley
  - Create ten times more shareholder value
- Innovation needs **Speed**...Accenture
  - Commercialize patents fast and outperform by 1000%

# We Need Innovation Because...

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- The World is Changing – for example
  - In the Market Place, Asia is growing
  - Our population is Aging
  - Technology is becoming Digital
  - The environment is warming



*It is not the strongest of the species that survive,  
nor the most intelligent, but ....  
the one most responsive to change.- Charles Darwin*

*So, how do we respond to change ? >>>*

# Innovation Must be Radical

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- Photographic Film >>>> Digital Photography
- Notebook Computers >>>> BlackBerry
- Electricity Companies >>>> Fuel Cells
- Open Surgery >>>> Arthroscopic Surgery

So, is there a process for radical change?

# What Is the Innovation Process?

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- The Innovation process is
- The conversion of  
**New** Knowledge into  
**New** Products and Services to enable  
**New** Ways of doing things

What does the process look like?

# The Innovation Process Flow Is:

- 1) Find the Opportunity and then
- 2) Connect to Conceptual Solutions

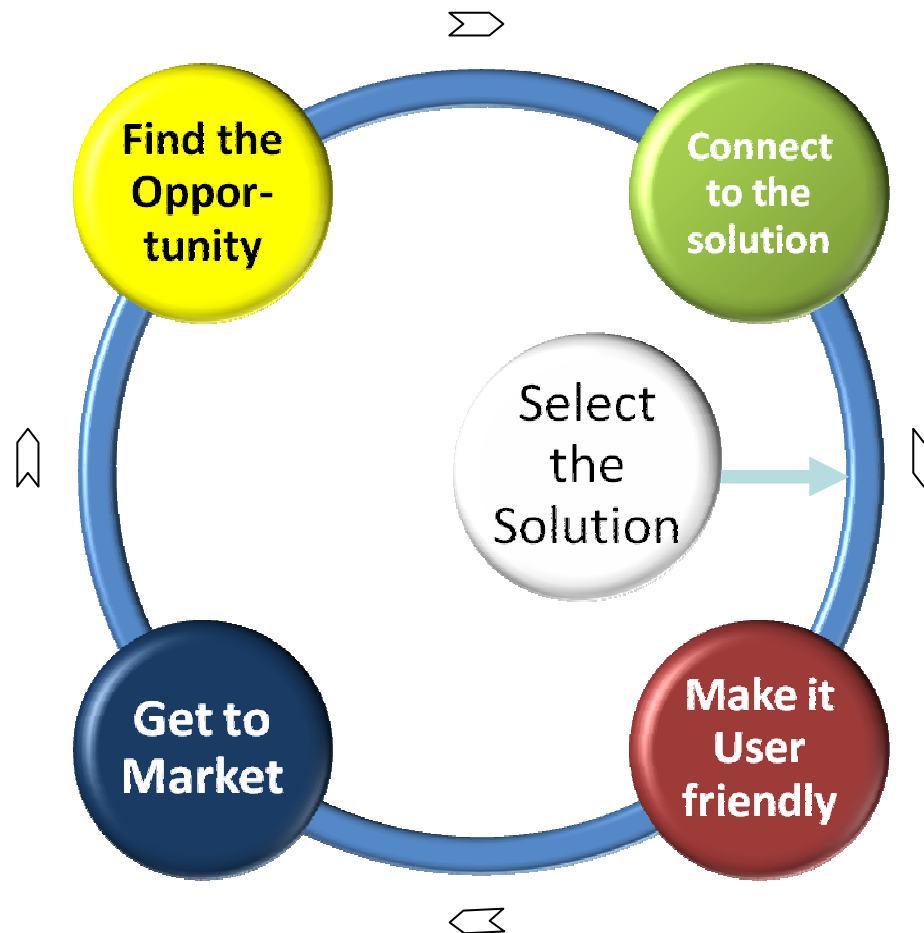
Select the preferred Solution and then

- 3) Make the solution User Friendly
- 4) and then get it Get to Market

Showing this as a model >>>

# The Innovation Process

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# Finding the 'Opportunity'

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- The World is changing
- Know where your customers feel pain
- Change Product not Customer
- Find 'Green Field' Market Space



*Necessity is the mother of Invention - Plato*

# Connect to the Solution

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- Connect to a new environment... Henry Ford
- No sudden epiphany... Archimedes
- Find many solutions... Linus Pauling
- Sacrifice the sacred



*If I had an hour to save the world  
I would spend 55 minutes defining the problem and  
5 minutes finding the solution. - Einstein*

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# The Tipping Point

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- Need data and information for decisions
- Set strategy....time, skills, \$
- Narrow focus
- Change mode from 'loose' to 'tight'

*If you see a bandwagon, it's too late – James Goldsmith*

# It's Not Just Creativity

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*Creativity does not guarantee actual innovation.*

*– Peter Drucker*

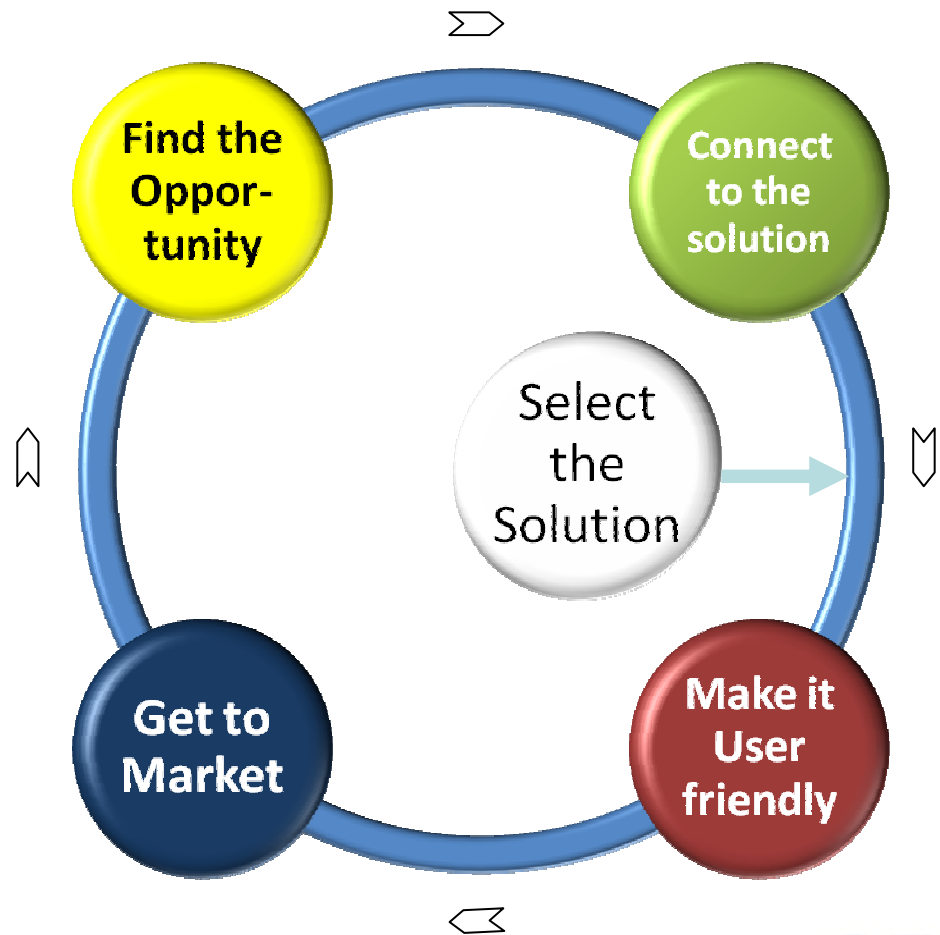
*The trouble with many good ideas is that people have the notion that their work is done, that it is up to somebody else to make it happen. – Ted Levitt, Harvard Business School*

Almost anyone can have a good idea.  
What is needed for actual innovation are people who can assemble, coordinate, and execute the necessary elements.

# Innovation – Executing the Solution

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Creating Knowledge



**Executing the Solution**



# Development

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- Make it “user friendly”
- Be fast and not secretive
- Involve the customer

*Genius is 1% inspiration and 99% perspiration*  
– *Thomas Edison*

# Executing the Solution

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- Best ideas don't always make it
- Create a simple 'Value Proposition'
- Work with a Market Partner
- Move with speed...
  - Remember Alexander Graham Bell and Elisha Gray

*The best way to predict the Future is to create it*  
– Peter Drucker

# Innovation Environment

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- Education of employees
  - Employees need to know the process
  - Roles need to be clearly defined
  - Ongoing effort, not “one-time”
- Education of customers
  - Need to know what you’re doing for them
  - Need to know how they can participate



# Innovation Environment

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- Communication with employees
  - Needs to be two-way street
  - Changes happen – employees need to know fast
  - Employees have ideas – need to have input
- Communication with customers
  - Also must be two-way
  - Have to hear customers' needs
  - Don't keep them guessing or waiting



# Innovation Needs Different Types

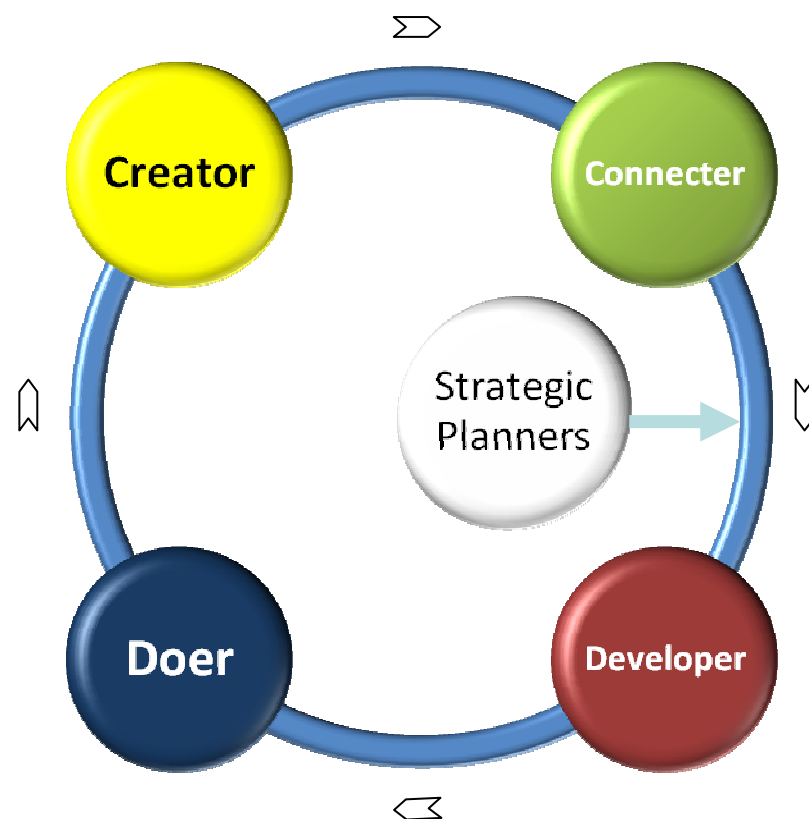
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Creating Knowledge  
needs

**Creators** and **Connectors**

Executing the Solution  
needs

**Developers** and **Doers**



# What Is Your Best Role in This Process?

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- Are you good at
  - Creating opportunities?
  - Linking opportunities to solutions?
  - Making solutions practical?
  - Getting solutions out there?



You can find out using a simple assessment

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# What Type of Innovator Are You?

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The Innovation Committee has provided a simple self assessment find what type of an innovator you are

The assessment looks like this >>>

# Creator, Connector, Developer or Doer?

1	I 'Connect the Dots'	1	I get things done	4	I like Possibilities	2	I bring things 'down to earth'	3
2	I need to understand	2	I make things work	3	Everything has a good and bad side	4	There has to be a right answer	1
3	Don't tell me what to do	4	Give me facts not theory	2	I create choices	3	I like to analyze data	1
4	A Concept must be sound	2	I like 'energy'	1	Don't fuss with details	4	I like precision	3
5	I think things through	3	I take risks	2	I like to hear about problems	1	I focus	4
6	I like the big picture	2	I find a way that works	3	I want to own the problem	1	I am thorough	4
7	I like to define the problem	2	I push for acceptance	1	I find out the facts	3	I Plan	4
	<b>TOTAL CONNECTOR</b>	<b>16</b>	<b>TOTAL DOER</b>	<b>16</b>	<b>TOTAL CREATOR</b>	<b>18</b>	<b>TOTAL DEVELOPER</b>	<b>20</b>



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# Self Assessment

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For the e-version of the self assessment go to [www.petermerrill.com/self-assessment](http://www.petermerrill.com/self-assessment)

You can download a .pdf that explains each innovation role

Have your team members assess themselves to better understand each other

# Questions?

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- QMD Innovation and Value Creation Technical Committee website

<http://www.asq-qm.org/innovation-and-value-creation>

- Contact me: [meggarrey@accessus.net](mailto:meggarrey@accessus.net)

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