IO3 – S1

INNOVATION MANAGEMENT

Co-funded by the
Erasmus+ Programme
of the European Union

KEY POINTS FOR THE TRAINERS

Aims to the module:

- Understand what is “innovation” and how to use it to create business opportunities
- Understand the different types of innovation
- How to understand the context in which you are doing business
- How to understand trends and how they might affect your business model
- Understand real life examples of companies who have innovated

Notes to trainer:

- Please take the opportunity to add or adjust any of the content to better focus on the needs of your particular group
- There are speaker notes and explanations under each slide
- The module contains a practical session in which learners can look at trends that might affect their business idea
- At the end, there is a glossary of all abbreviations and terms used in the PowerPoint

JOINT VENTURE

INNOVATION CONTEXT

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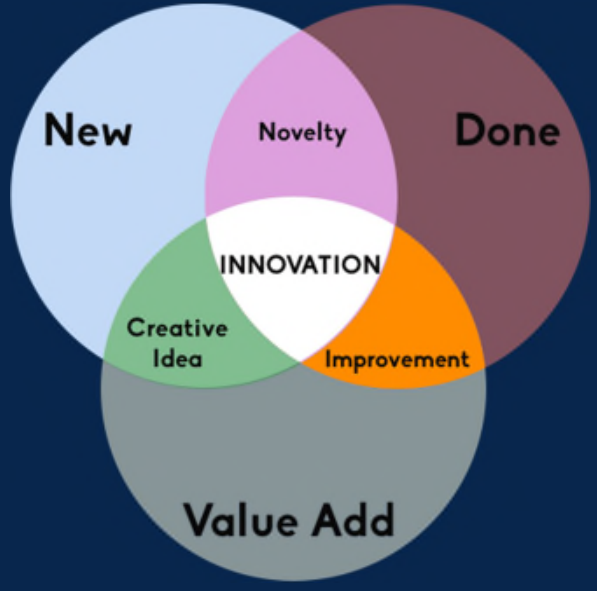
Innovation

- **(Oslo's Manual):** "Innovation is the introduction to the market of a new or substantially improved product (good or service), of a process, of a new marketing method or of a new organizational method, in the internal practices of the company, in the organization of the workplace or in foreign relations."
- **Practical Definition:** To innovate, normally happens when we are creating a new product, service or process for our company (if it is new to the market will be even more innovative). AND INTRODUCE IT TO THE MARKET.



INNOVACIÓN (COTEC):

- "Innovation is any **change** (not only technological) based on **knowledge** (not only scientific) that **generates value** (not only economic)"

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Innovation types

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Why innovate?

The impact of innovation on firm growth

Innovation-active businesses report greater increases in

sales
profitability
productivity

than non innovation-active firms

Innovation in goods and services increased firm turnover growth by **3.3 percentage points**

Firms focussing on innovation performance increased turnover growth by **4 percentage points**

The more a firm innovates, the more it grows. Persistent innovators generated **4x** the employment growth and **5x** the sales growth of regular innovators

Innovation in marketing increased firm growth by **4 percentage points**

Turnover HGFs focussing on innovation performance increased turnover growth by **9.7 percentage points**

For more information on the report visit **www.industry.gov.au/OCE**

Sources (left to right): 1) Department of Industry, Innovation and Science (2018) Australian Innovation System Report 2018, Office of the Chief Economist, Canberra, p. 30–31; 2–6) ABS (2017) Characteristics of Australian Business, 2015–16, cat. no. 8167.0; ABS (2017) Business Longitudinal Analysis Data Environment (BLADE), Analysis by Department of Industry, Innovation and Science

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MEGATRENDS

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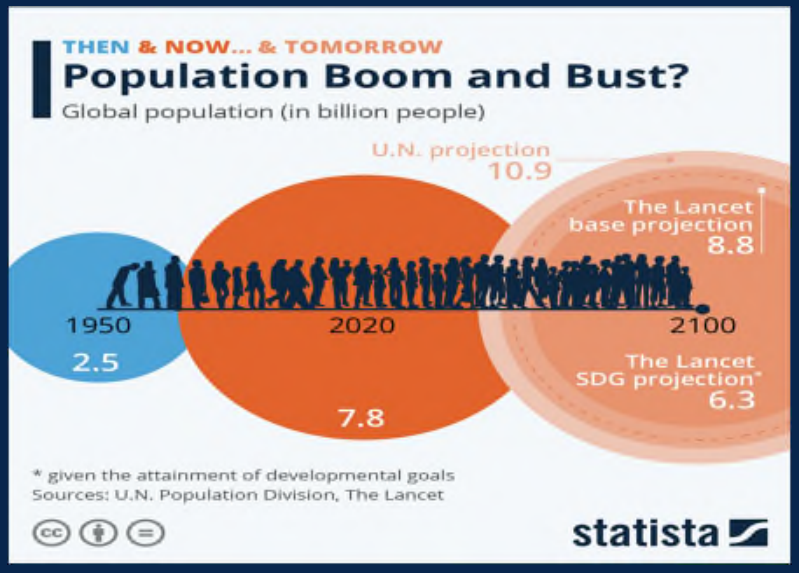
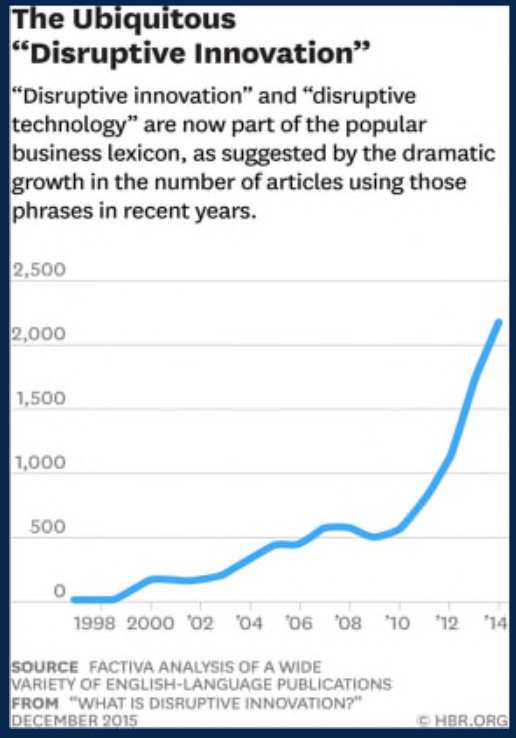
Innovation are accelerating

The world population multiplies





The population is becoming more educated

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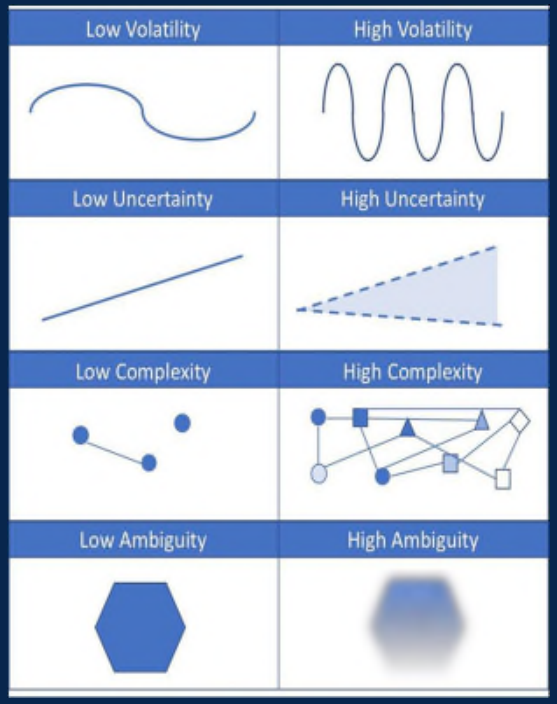
- Increased access to information
- The time for the adoption of technologies is getting shorter
- Computing speed doubles every two years
- Investment in R&D is increasing faster

And all these changes in a VUCA context…



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With great global challenges to face…

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With innovations that address them…

Sustainability

Industry, Powered By The Sun
Heliogen HelioHeat

The Future Of Farming
FarmWise Titan FT-35

Eco-Friendly Growth
Pivot Bio PROVEN

Outdoors

Safer Cycling
Bontrager WaveCel

A Biodegradable Grill
CasusGrill

The Ultimate Cooler
YETI V Series

https://time.com/collection/best-inventions-2020/

Social Good

A Faster First Response
Flare

The Sustainable Smartphone
Fairphone 3+

Water, Water Anywhere
Skysource WEDEW

Medical Care

A Gentler Exam
Nella NuSpec Reusable Vaginal Speculum by Cleek Women's Health

Faster Development
mRNA Vaccines

A Bedsore Solution
Provizio SEM Scanner by Bruin Biometrics

A Personal Bubble
Under the Weather IntubationPod

At-Home Sampling
OraSure OMNIgene Oral

The Air Cleanser
Carrier OptiClean

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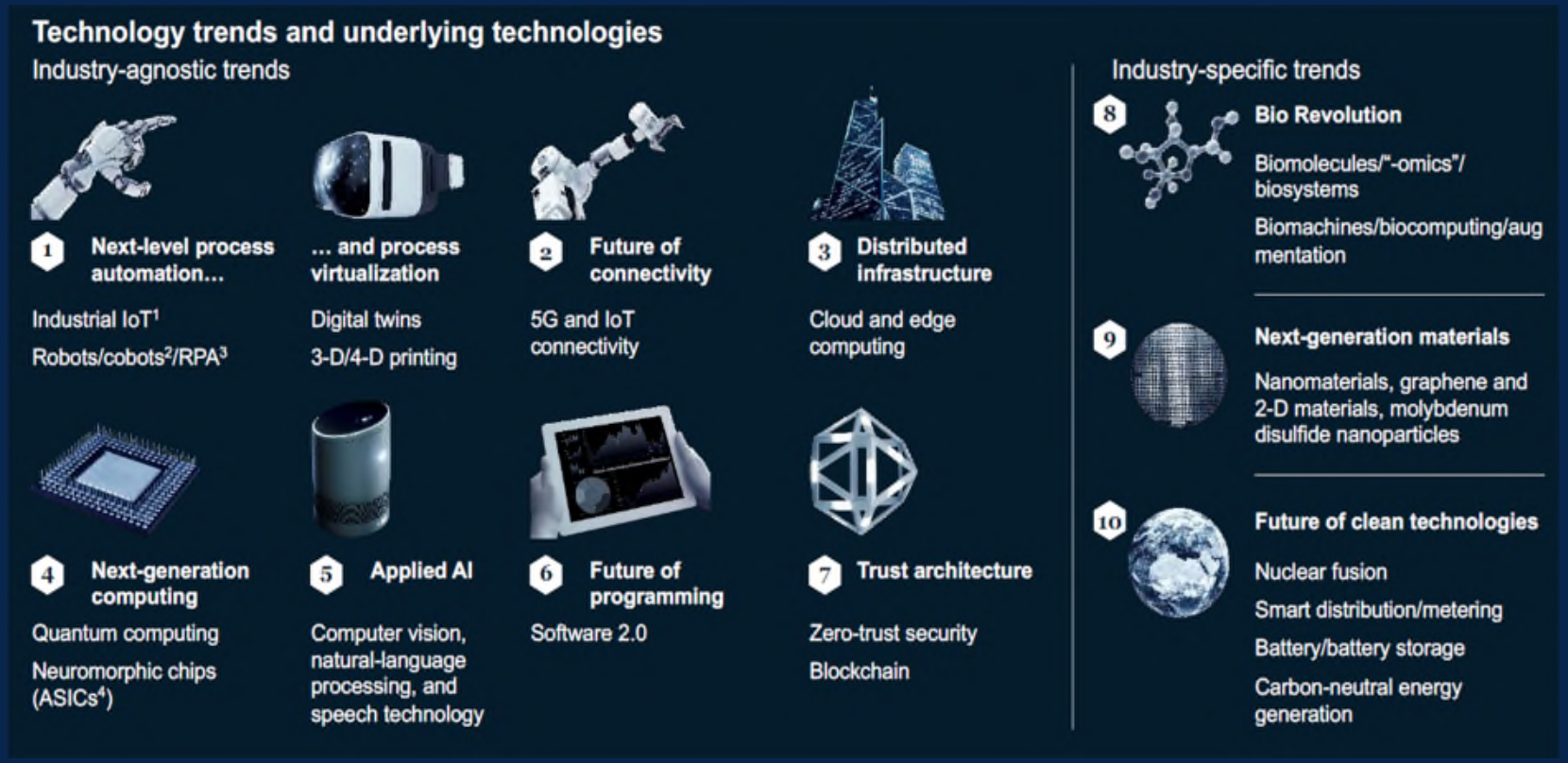
And disruptive and enabling technologies



https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/the-top-trends-in-tech

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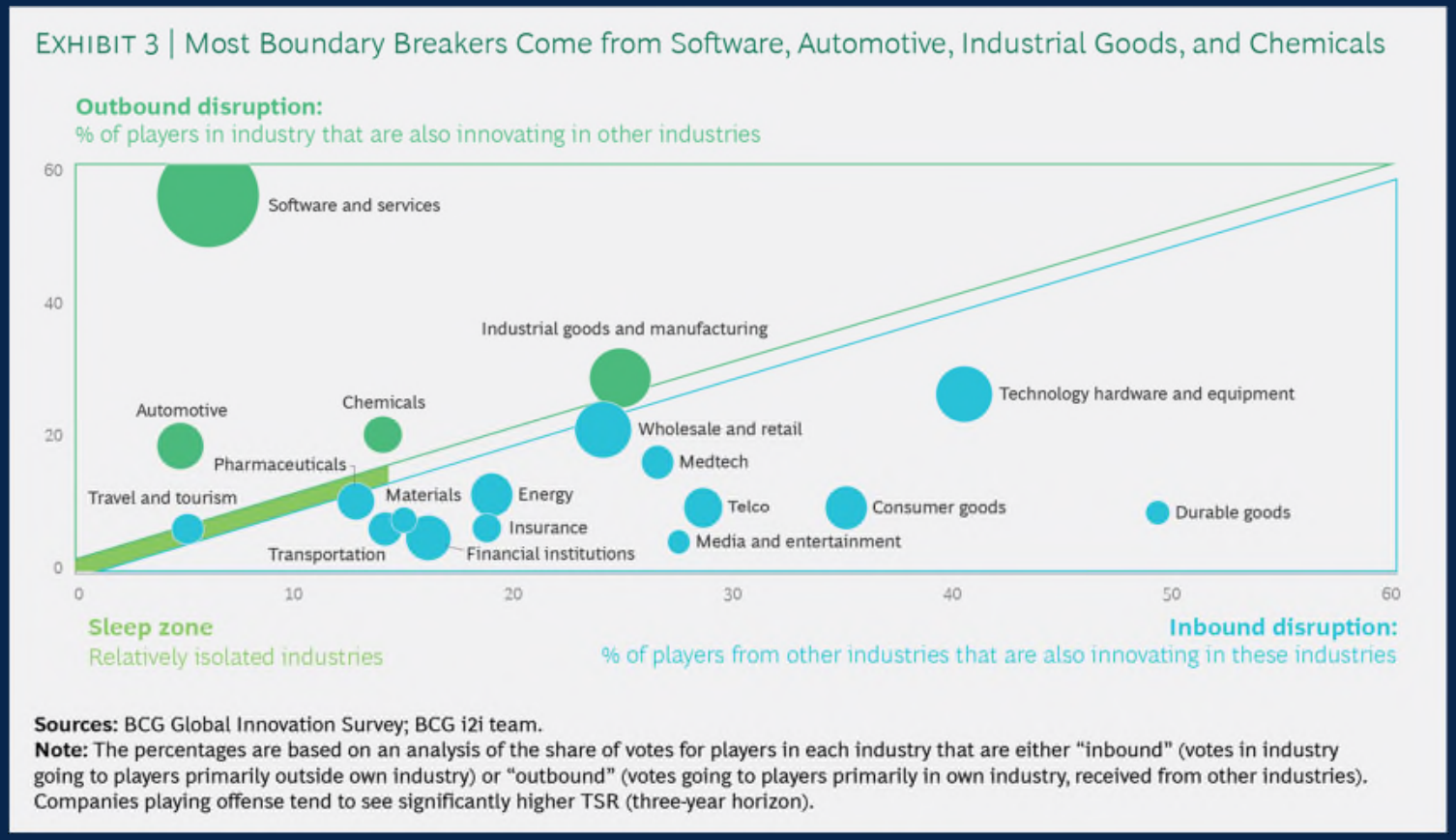
That facilitate disruptive innovation



https://www.bcg.com/publications/2020/most-innovative-companies/successful-innovation

The majority of companies that disrupt come from the Software, Automotive, Industry and Manufacturing, and Chemical sectors.

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WHAT ARE THIS MEGATRENDS CAUSING?

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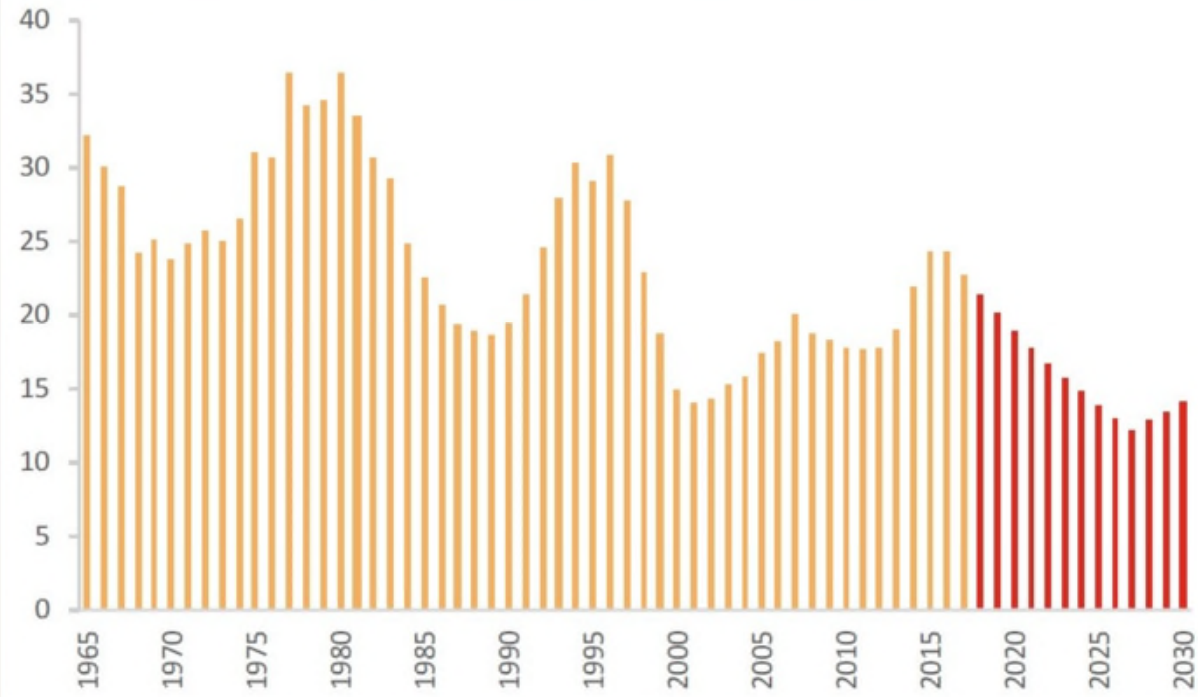
The life cycle of leading companies is shortened

Chart 1: Average Company Lifespan on S&P 500 Index
Years, rolling 7-year average



Data: Innosight analysis based on public S&P 500 data sources. See endnote on methodology. www.innosight.com

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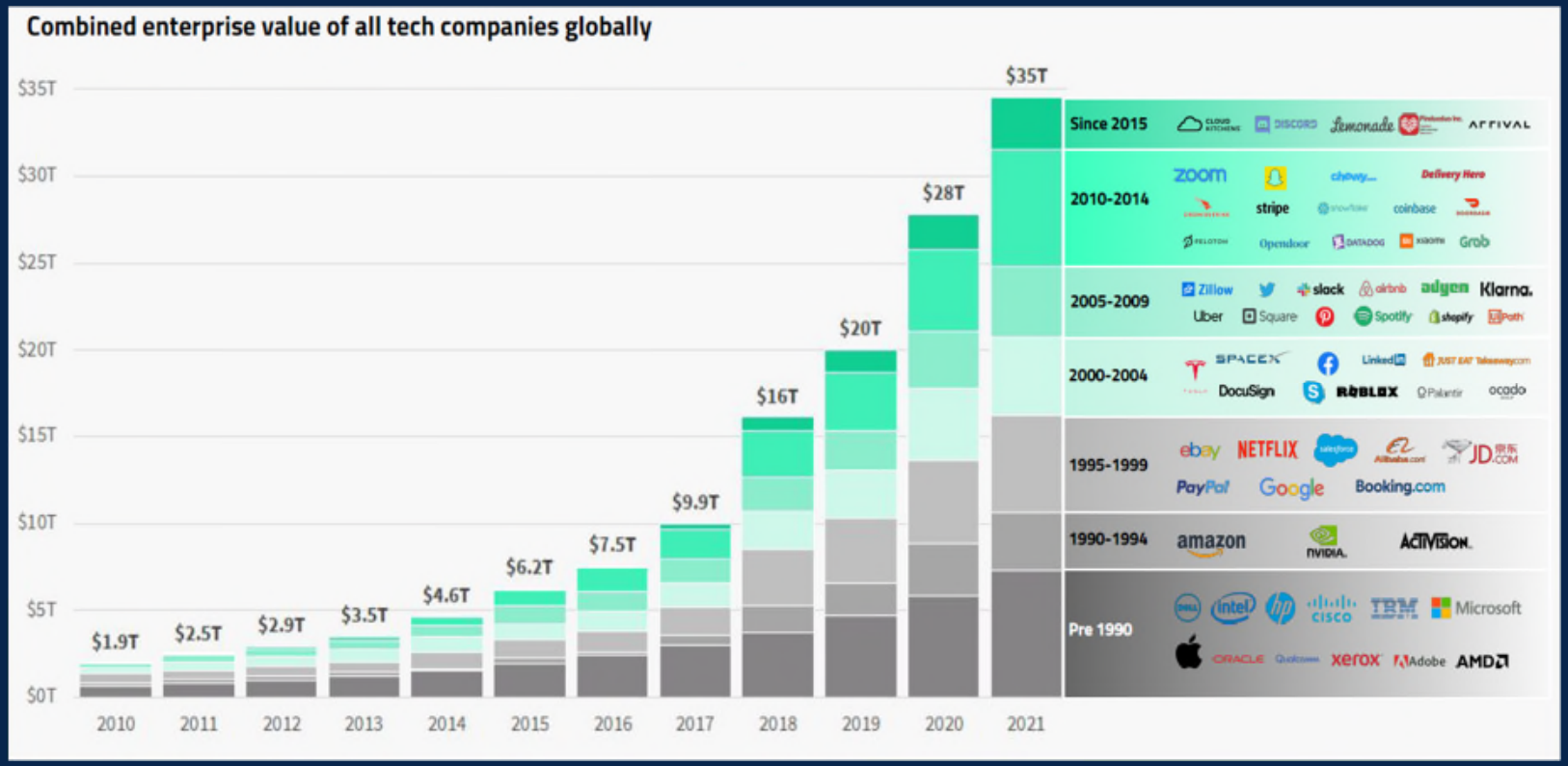
Many new players emerge

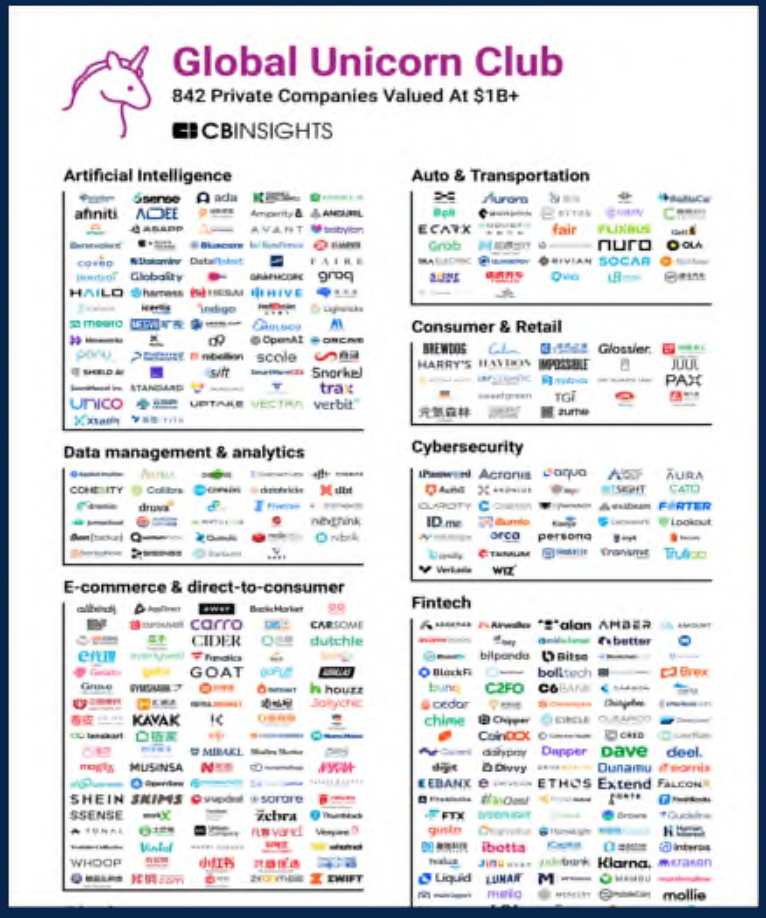


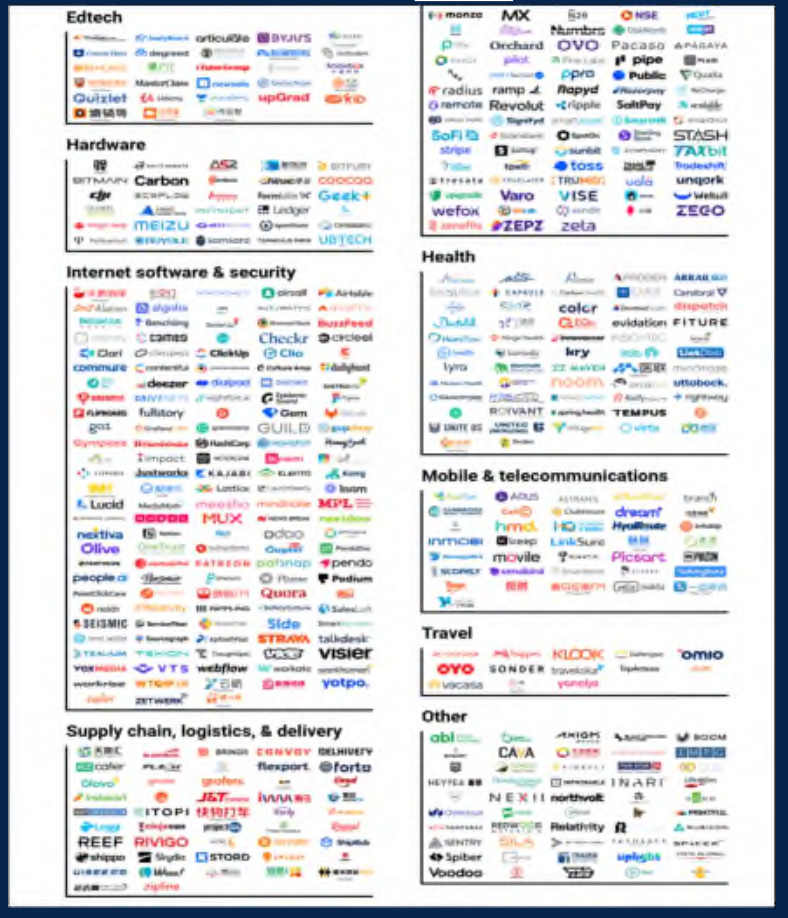
New startups are creating as much value as older ones, if not more.

https://dealroom.co/reports/corporate-innovation-in-the-entrepreneurial-age

JOINT VENTURE

Many new players emerge





https://www.cbinsights.com/research/unicorn-startup-market-map/

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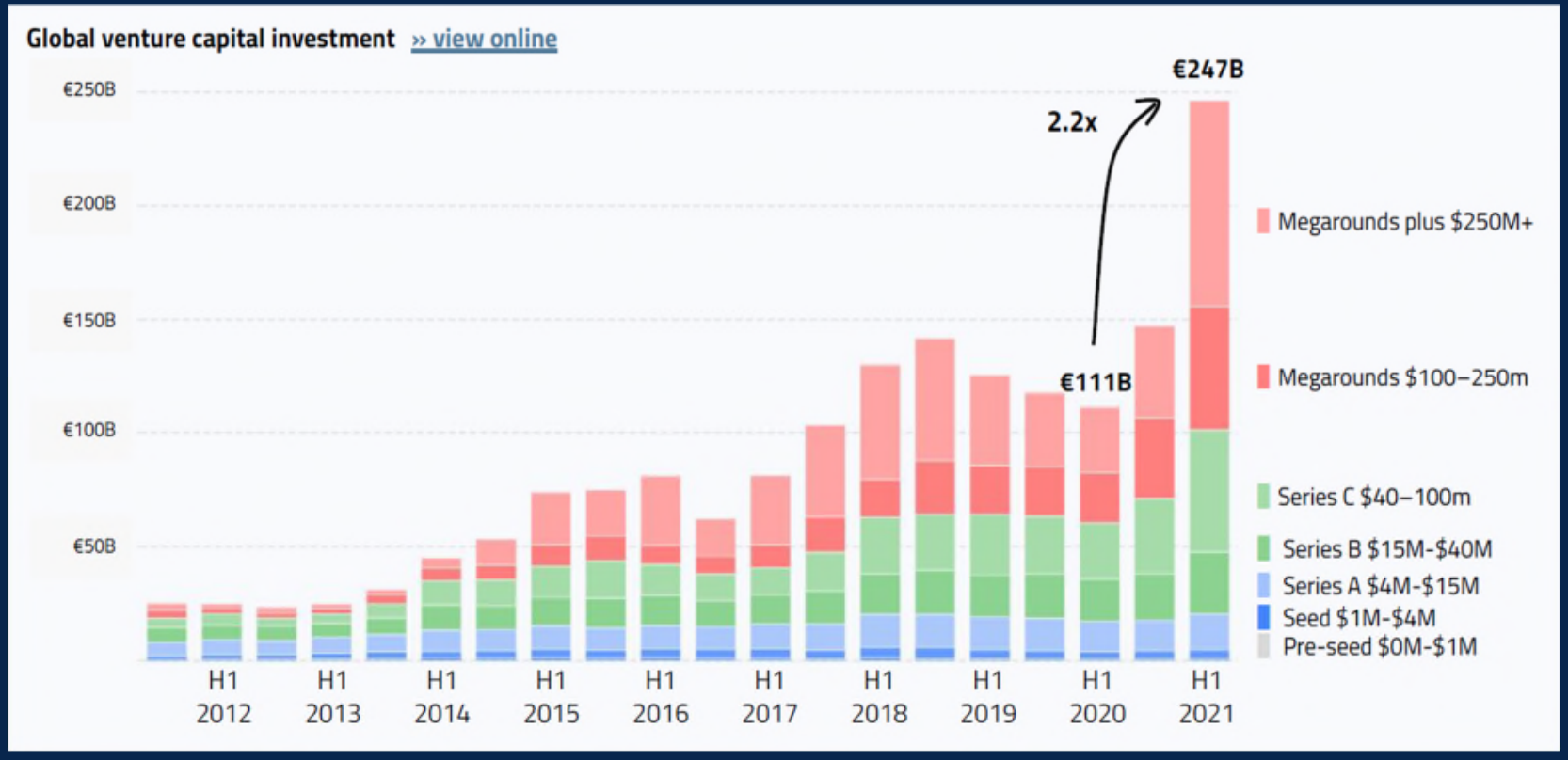
That feed on a booming venture capital



The volume of investment in startups was doubled in 2021

https://dealroom.co/reports/corporate-innovation-in-the-entrepreneurial-age

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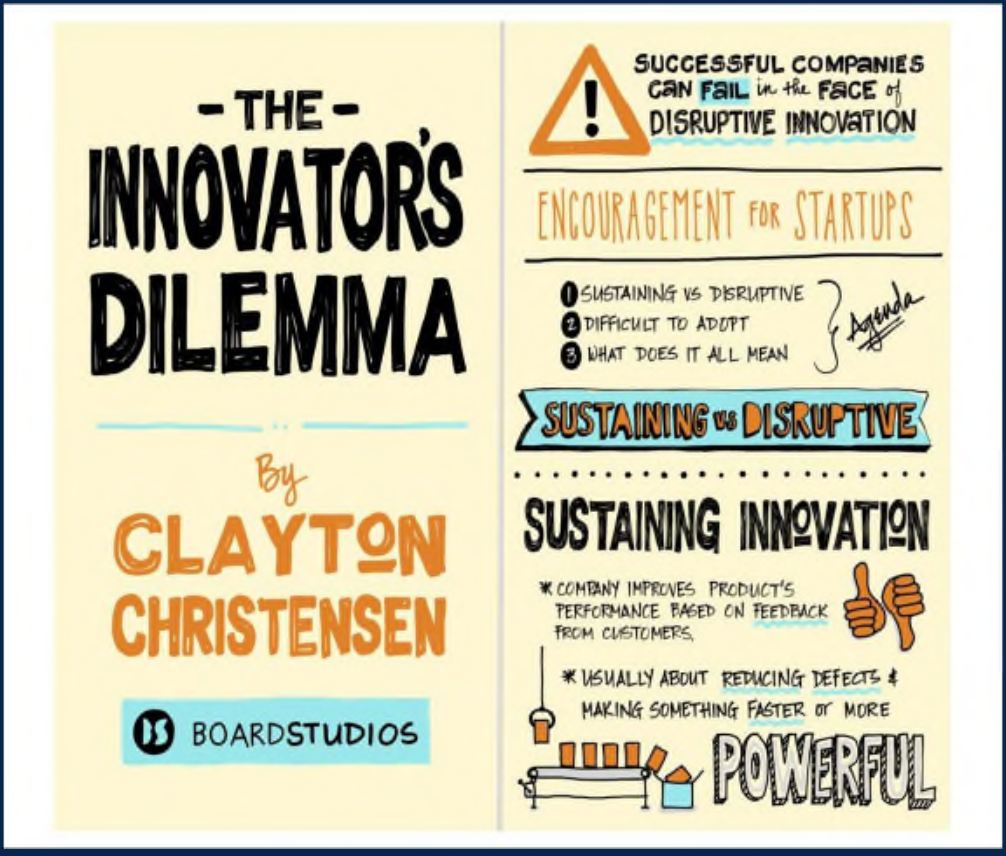
The innovator's dilema



https://bookvideoclub.com/the-innovators-dilemma-by-clayton-christensen-video-book-summary/

The Invincible Company. Strategyzer

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INNOVATION MODELS (OF REAL COMPANIES)

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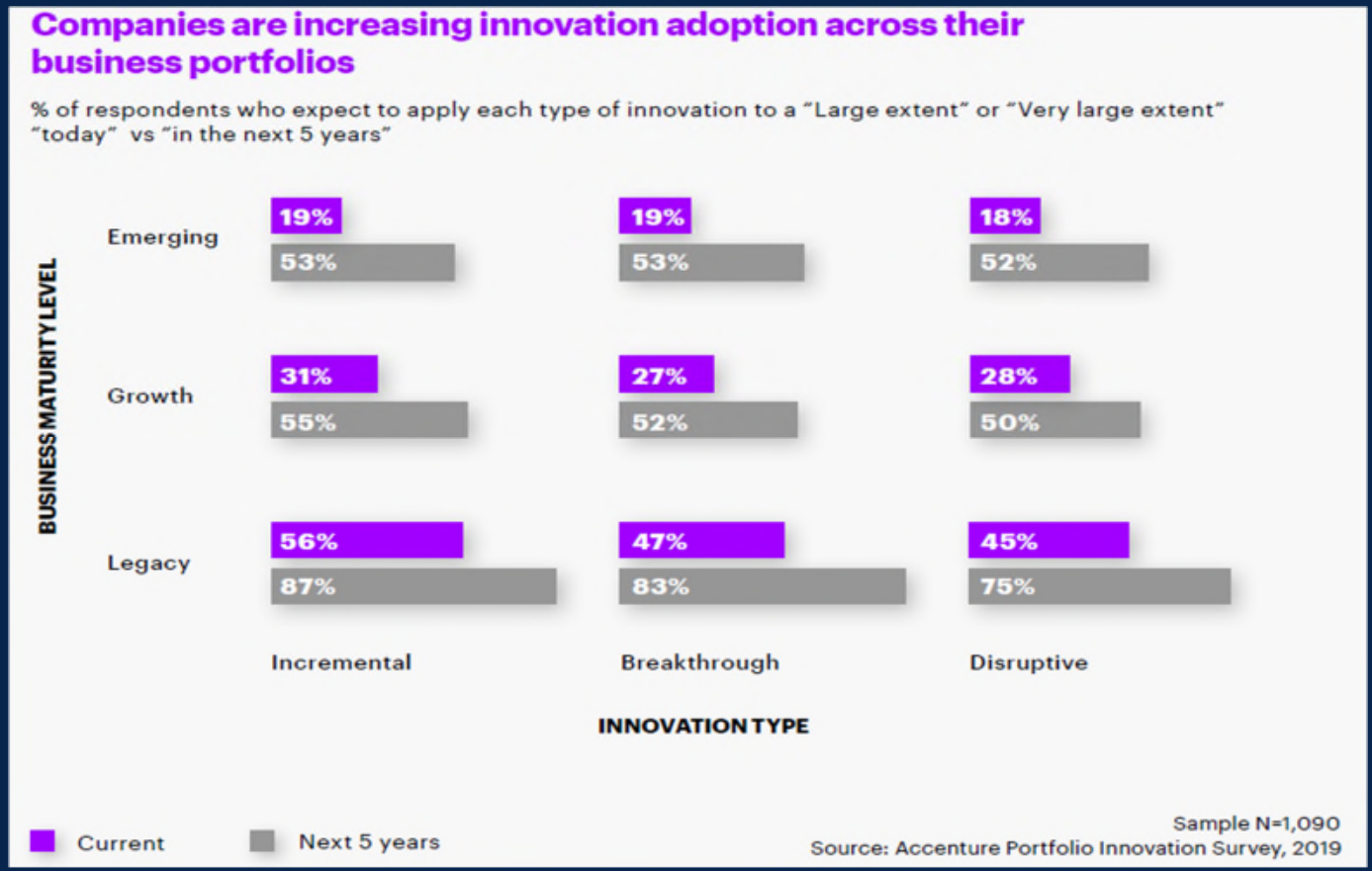
How are companies that are committed to innovation reacting?



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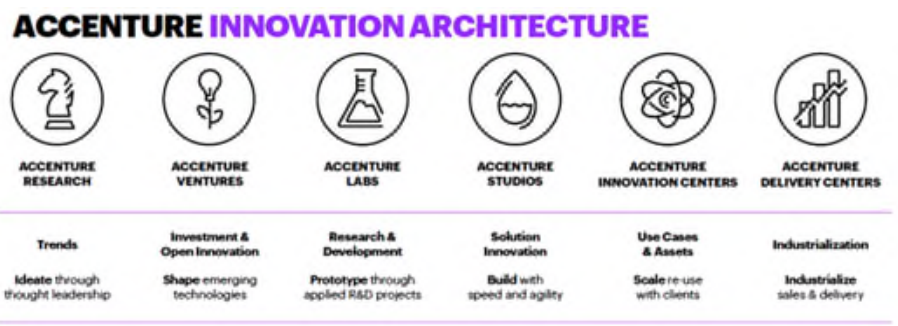

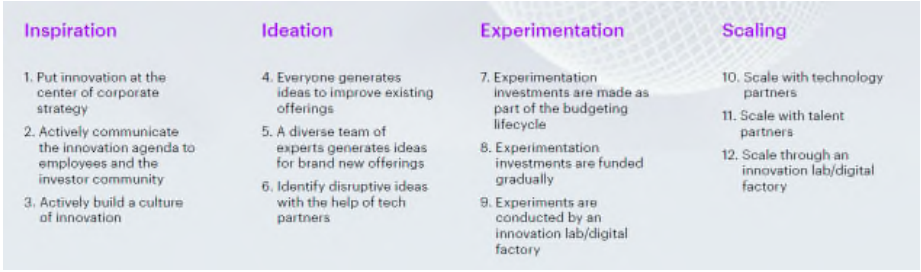

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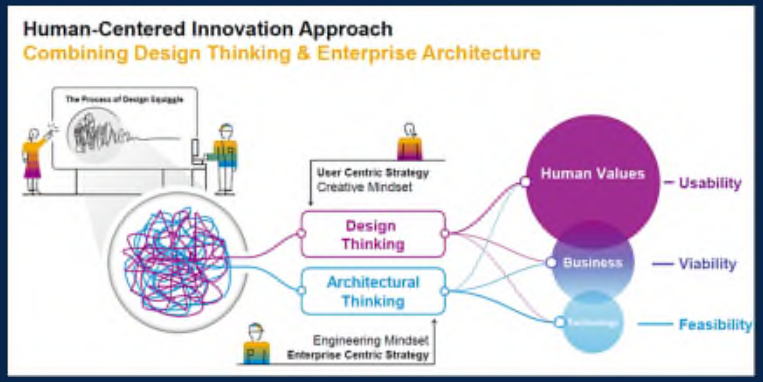

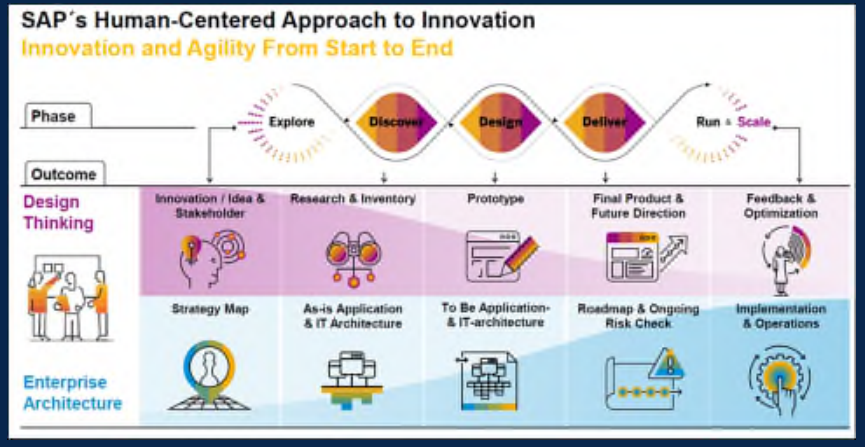

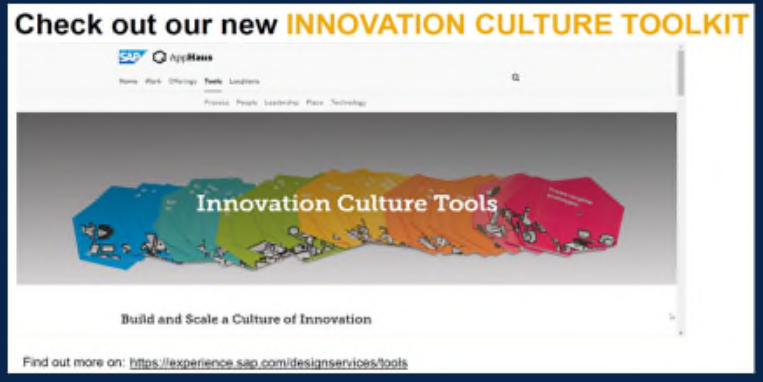

THE BEST RUN SAP

https://assets.dm.ux.sap.com/webinars/sap-user-groups-k4u/pdfs/210421_sap_proven_innovation_methodology.pdf

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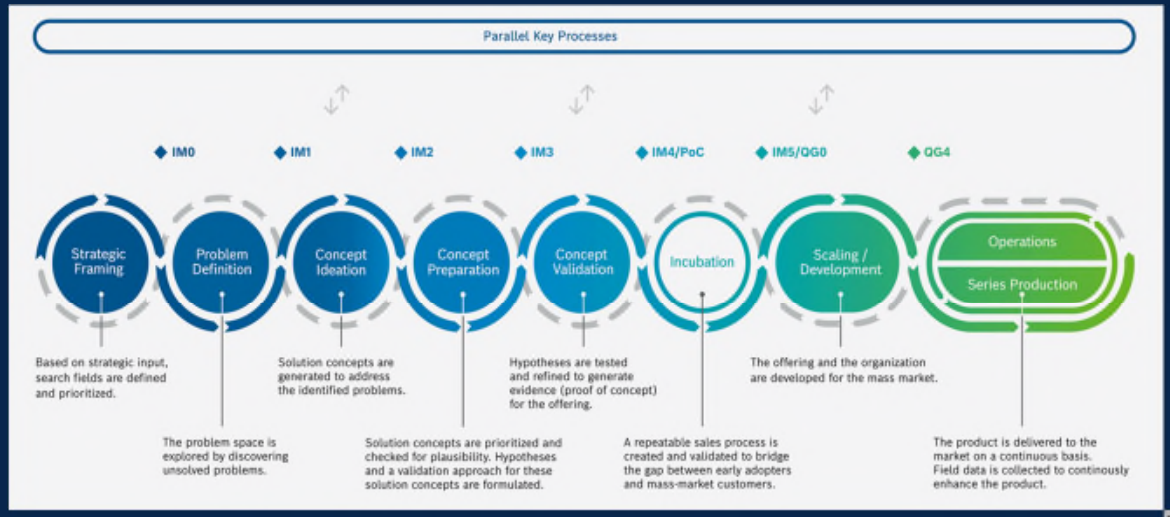
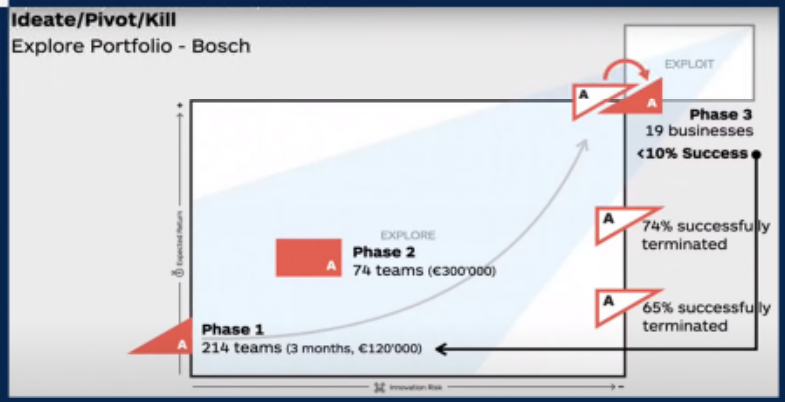
How are companies that are committed to innovation reacting?



https://www.bosch-innovation-consulting.com/our-services/innovation-process-design/

BOSCH
Invented for life

ACCIO. Exponential Day 3: Local leaders to disrupt the world (https://www.accio.gencat.cat/ca/activitats/grans-actes/exponential-day/2021?utm_source=POST&utm_medium=21-13-boto&utm_campaign=exponential-day-3)



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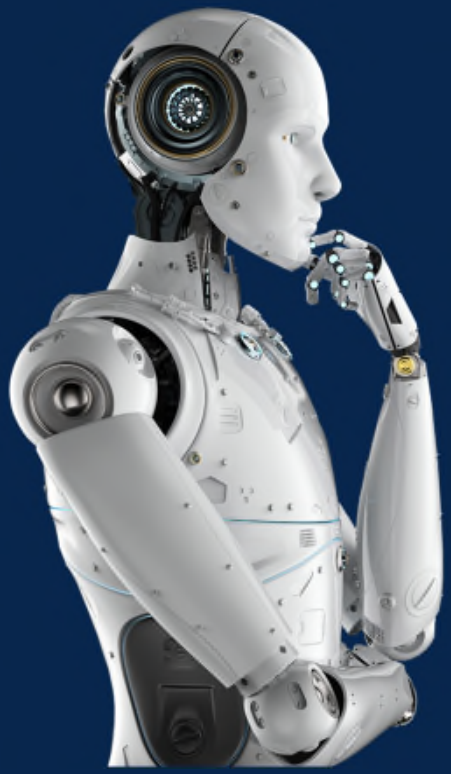
QUESTIONS...



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PRACTICAL SESSION

Mapping trends identification

Reflect on the current business model of your company, and your customers and their needs

- Which products of your company do you see most threatened?
- What changes in customers can threaten us (Trends, Priorities, Journey, …)
- What technologies will impact your business
- What changes do you sense in your Sector (New players, Legislation, …)
- What other relevant changes and/or trends are taking place (outside your sector) (business models, technologies, society, covid, etc.)

HORIZONS

- Short term (It is happening or will happen in 1 year)
- In the medium term (in more than 1 year)
- Long-term (over 5 years)

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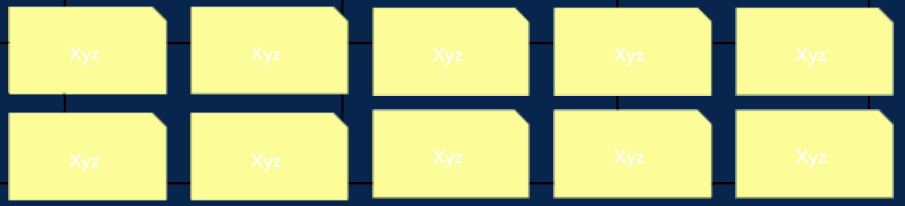
Mapping Trends - Identification

1. Reflect on the current business model of your company, and your customers and their needs

2.
About the following elements, in which you identify threats or relevant changes / disruptions

	SHORT TERM	MEDIUM TERM	LONG-TERM
Products and services • Downhill • Poorly differentiated • Obsolete • Diminishing returns			
Clients/Trends: • Trends • New Priorities • Behaviors • Journey			
Technologies and Capabilities • Features • Cost • Data • Skills			
Industry/Competitors • New players • Integration • Globalization • Geopolitics			
Megatrends • Other sectors • Technologies • Society • Covid			



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Mapping Trends - Priorization

	HOY	CORTO PLAZO	MEDIO PLAZO	LARGO PLAZO
Productos y Servicios • En declive • Poco diferenciados • Obsoletos • Rentabilidad decreciente				
Clientes/Tendencias: • Prioridades nuevas • Tendencias • Comportamientos • Journey • Covid				
Tecnologías • Funcionalidades • Venta / Journey • Coste • Data			IA	
Sector/Competidores • Nuevos players • Integración • Globalización • Geopolítica • Covid • GANDALF				Amazon

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THANKS

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GLOSSARY OF TERMS

Open innovation: Open innovation is a term coined by Professor Henry Chesbrough in 2003 in his book "Open innovation: the new imperative for creating and profiting from technology". An innovation strategy is proposed through which companies relate and cooperate with their external environment.

Road Mapping: A project roadmap is a high-level graphical overview of the project's objectives and deliverables presented in a timeline. Unlike the project plan, where the details are specified, the roadmap must be simple and without minutiae. This makes the project roadmap a useful project management tool for managing stakeholder expectations, as well as for communicating plans and coordinating resources with other teams.

R&D labs: Research and development laboratories

VC model : Venture Capital Model; Venture capital refers to all those investments through actions that serve to finance small or medium-sized companies, normally startups (companies that have very few years of life and are in their first temporary phase).

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GLOSSARY OF TERMS

Innovation labs: Innovation happens when you generate value from ideas. Innovation labs, then, are a framework for creatively exploring new ideas to achieve different outcomes.

HGFs: High Growth Firms.

SDG: Sustainable Development Goals.

Disruptive innovation/technology: Disruptive innovation refers to innovations and technologies that make expensive or sophisticated products and services accessible and more affordable to a broader market. Disruptive innovation refers to the use of technology that upsets a structure, as opposed to "disruptive technology", which refers to the technology itself. Amazon, launched as an online bookstore in the mid-1990s, is an example of disruptive innovation.

Incremental innovation : Incremental innovation is a series of small improvements or upgrades made to a company's existing products, services, processes or methods. The changes implemented through incremental innovation are usually focused on improving an existing product's development efficiency, productivity and competitive differentiation.

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GLOSSARY OF TERMS

IoT: The term IoT, or Internet of Things, refers to the collective network of connected devices and the technology that facilitates communication between devices and the cloud, as well as between the devices themselves.

AI: Artificial Intelligence : Artificial intelligence is the simulation of human intelligence processes by machines, especially computer systems. Specific applications of AI include expert systems, natural language processing, speech recognition and machine vision.

Unicorn: The term unicorn refers to a privately held startup company with a value of over $1 billion. It is commonly used in the venture capital industry.

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