Business innovation - start doing new and stop doing old

Innovation usually means developing a new product, market, or service which the innovator hopes will take the world by storm, and everyone is looking for the "next big thing" which will take their business to new levels of success and profitability. Unfortunately, in many cases by the time you have thought of it, someone else has already beaten you to it.

Entrepreneurs who have spotted a niche and moved quickly to serve it generally do very well, until someone else improves on their product, out-prices them, or simply produces something that does the job better. We tend to think of innovation as providing something new, whether it's developing new products or services, entering new markets, or refining the way products and services are delivered to customers.

We assume that all innovations are things which didn't exist before, but do now because we built them, but this view ignores a critical element of the innovation process. With all the focus on the new, what companies **stop** doing to free up the resource to do the new activities, is a key part of the process.

One in – one out

Every new product or service requires development and costs time and money. With constant downward pressure on resources in terms of money, people and capital equipment, companies can't just develop their way out of trouble by adding new markets to their existing portfolio. Every innovation a company invests in consumes massive resources, from the pre-launch planning and development phase, through to post-launch promotion, selling, maintenance, and support activities.

Employees need to constantly upgrade their knowledge about new products and services, and even about wider implications for the business, such as social buying trends. The range of activities a company can support simply can't keep growing, so if some new activities are going to be approved for development and launch, companies will need to find time and money to be freed up in order to enable staff and budgets to be made available to drive these new activities.

In addition to selecting new things to invest in, innovation also needs to include decisions on what to stop doing. Eliminating activities that don't work will only free up some resources, so companies need to make some complex decisions about where and when to move resources around in order to focus on the most important priorities.

If it's not needed stop doing it

Companies who will best position themselves for success are those who behave differently in terms of innovation, and they will make a conscious decision to stop doing some things which no longer make sense strategically. Due to rapidly changing business conditions, companies must be prepared to go through shorter and shorter decision cycles. This is a form of innovation itself, as it requires new behaviour at strategic, team and individual levels.

Instead of just looking at what new products and services that should be developed, companies should also be investigating what changes need to be made at all levels of the business, so innovation is all about strategy. A tightly defined and validated corporate strategy will provide a basis for evaluating the creative ideas any company will need.

Getting started

Most companies can easily provide a platform for creative thinking or innovative ideas. The key to devising a successful strategy is to:

1.) identify the new goods or services and make them better than anyone else.
2.) correctly identify which new activities merit investment.
3.) correctly identify which existing activities need to be stopped.

When it comes to the implementation of the agreed strategy, companies must ensure that they:

A.) develop and articulate the strategy to all stakeholders.
B.) select what to do, and quickly get on with it better than anyone else.
C.) are very clear about what not to do and police it to ensure it happens.
D.) instigate a company-wide performance system in which work behaviours and ideas that form part of the strategy are clearly seen as more valued than those that are not.

All of these activities should form part of the regular reporting timetable in the same way as budgeting, sales pipeline reviews and cash flow planning are, because they are equally important.

Changing world

The world is constantly changing and whatever form innovation takes, it will mean that individuals, and the company as a whole, will be moving from the known to the unknown, and may do so with alarming regularity. This will mean people moving outside their comfort and expertise zones, so systems will need to be put in place to mitigate their incomplete skills and knowledge. These will need to identify, capture, manage, and communicate what they do and don't know, and put in place structured plans to plug the deficiencies.

REMEMBER!!

Such plans provide business owners with the techniques to give their staff the confidence and energy required to move from the known to the unknown. It also enable them to motivate and inspire others by visibly demonstrating that moving into the unknown, and probably ceasing some activities, is not something to fear and will dictate the future success of the business.