

A crisp, articulate, and proven system for developing the breakthrough capabilities - crystallized from practical experience with delivering innovation in leading global corporations.

# ***DELIVERING GROWTH THROUGH INNOVATION***

## **EXECUTION**

### **AGILE THINKING:**

**A UNIFIED FRAMEWORK FOR BUILDING  
AN EFFICIENT, AGILE, AND IMPACTFUL  
INNOVATION SYSTEM**

For examples and case studies visit  
[www.strategicinnoventures.com](http://www.strategicinnoventures.com)  
or email info@strategicinnoventures.com



## Idea in Brief

THE PROBLEM	THE SOLUTION	THE APPROACH
<p>Large companies often struggle with bringing “new growth” ideas to market because their organizational structure and business processes are optimized for delivery on the existing business model to the existing customers and markets. While everybody is “in” for innovation, this quickly changes when organization’s members at different levels are required to take actions that compete with the existing priorities and established modes of operation.</p>	<p>Establish an agile but reliable structure to connect innovation efforts to the existing organization - a creative combination of key building blocks of opportunity discovery and management methods with a team-based organization structure for its market delivery.</p>	<p>Develop clear shared understanding of your innovation objectives (proximity to the core on both technology and market dimensions), define precisely what management system capabilities are required, build a team based structure that clearly addresses the key-to-success areas – resources, process, governance and KPIs.</p>

### ABOUT THE AUTHOR

**Dr. Irene Spitsberg** is global new business development leader, entrepreneur and a thought leader on a mission to help companies of all sizes to achieve success with innovation. As a practiced innovation strategist with over 20 years with leading global corporations, she has condensed her team’s experiences into a crisp, articulate, and proven system to adapt Agile Growth Strategies for delivering practical results.

Prior to starting InnoVentures LLC - a strategic innovation consulting company focused on building capabilities for innovation execution - Irene was the key strategist and driver in establishing Innovation Ventures Program at Kennametal (the 2009 Outstanding Corporate Innovator by PDMA) and designing its core processes. Irene’s other roles include Director Global R&D Business with Cristal and a number of technology leadership positions with GE Aviation.

Irene is an author of feature articles on innovation management in Research-Technology Management journal and has been a frequent speaker and panelist on topics of innovation management at the industry leading events. She holds a PhD in Material Science, is the inventor or co-inventor for over 80 US patents, and is a recipient of NASA’s “Turns Goals into Reality” Award.

### CONTENT

SUMMARY	3
PURPOSE	4
APPROACH	5
MODEL	6
BENEFITS	7

## SUMMARY

Agile Thinking is a unified framework for innovation execution within any organization. It can be defined as an execution-centered and business value driven decision making methodology for ***building an efficient, agile and impactful innovation delivery system.*** With ***execution as the central pillar***, coupled with the principles of accountability and flexible resource deployment, it allows for the design of an adaptable and effective organization structure for reliable delivery of new ideas to market.

Agile Thinking as a methodology has crystallized out of practical experience with delivering innovation within leading global corporations. In the simplest terms, it is a formal method for *practical resolution of key challenges* that organizations face when delivering innovation. It is based on a fundamental belief that an unexecuted idea is a worthless proposition and that the execution must be an integral part of any innovation management system from the start.

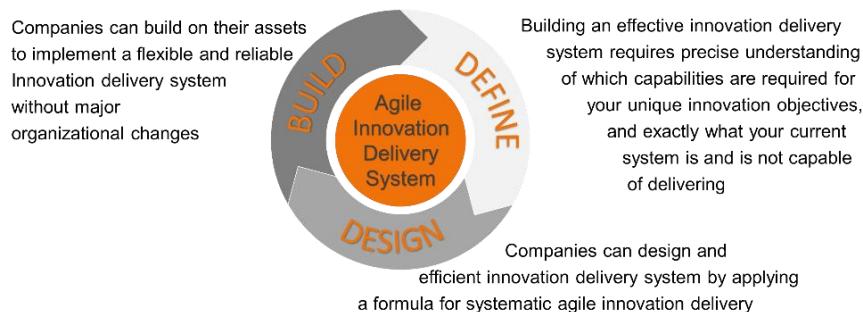
A big part of the Agile Thinking concept involves appreciation of the fact that each organization is unique and inspiring the ability to build on your unique strengths by utilizing flexible resource re-deployment through *collaboration, alignment and accountability*.

With its key focus on creating pathways to execution and change leadership, *The Agile Thinking model integrates critical innovation skills and supporting systems with the existing organization structure*. This ensures cross-function engagement, enables an efficient utilization of the enterprise assets and overcomes barriers of an organization's restructuring (e.g. creating a formal innovation function, which can be particularly challenging in global corporations with decentralized R&D resources).

*The Agile Thinking model integrates critical innovation skills and supporting systems with the existing organization structure.*

One example of an agile thinking process could have three stages: Define, Design, Build. Within these steps, the definition of the "new" and the innovation objectives are clarified, the needed capabilities are defined, and the execution blueprint is created by leveraging a creative combination of opportunity discovery and management methods with a flexible organization structure for its market delivery.

*The Agile Thinking method views innovation capabilities in the context of the business needs of the priority markets, organization's strategy, and existing organizational processes*



## THE PURPOSE

Achieving sustainable growth is the number one priority of most company leaders. This stimulates continuous innovation efforts within organizations. As companies work to augment delivery of innovations with entrepreneurial and intrapreneurial approaches, studies show that these efforts are rarely successful, with the failure rate for “entrepreneurial” type projects between 70% and 90%<sup>1)</sup>. This demonstrates the magnitude of the challenge with delivering innovation in today’s complex and evolving landscapes. Yet the importance of expanding into new and rapidly evolving arenas cannot be understated - product launches in that “new” space actually account for, on average, a factor of 10x more profits than evolutionary products<sup>2)</sup>.

These statistics, both troubling and motivating, suggest that the knowledge and ability to adapt your innovation system to deliver on *evolving* innovation objectives can be a strategic asset and a source of competitive advantage.

*... a call to action for leaders who are seeking to capture new growth opportunities, while continuing to manage the core operations.*

The Agile Thinking method represents a new approach for leaders engineering and manufacturing sectors to develop a *core competency to enable execution and fast delivery of opportunities in complex and evolving landscapes*. This approach has the potential to accelerate growth and achieve sustainable competitive advantage by enabling organizations to capitalize on opportunities opened by global megatrends and enabled by their own core technology and external partnerships.

Informed by deep practical experience with delivering innovations in leading global corporations, Agile Thinking method has the potential to propel growth by aligning various functions and departments in a way that is specific to your organization structure and innovation objectives, and by mobilizing resources in smart and efficient ways for fast market delivery.

The Agile Thinking framework is a call to action for leaders who are seeking to capture new growth opportunities, while continuing to manage the core operations.

---

<sup>1)</sup> Beth Altringer, A New Model for Innovation in Big Companies, Digital Article, HBR, 2013

<sup>2)</sup> Kim & Mauborgne, “Blue Ocean Strategy”, 2005

## THE APPROACH

Our approach is built on the key insight that Innovation fails not because of technological difficulty or the lack of market acceptance, but because companies do not have the needed organization capabilities to execute on innovative ideas. When exploring “new growth”, capabilities that propel success with sustaining core innovation are not sufficient (and can even be disabling).

The Agile Thinking framework calls for developing a precise understanding of how well a company’s innovation system matches specific innovation objectives, and establishing an *agile but reliable structure* to connect innovation efforts to the existing organization. **It leverages a creative combination of opportunity discovery and management methods with a flexible organization structure for its market delivery.**

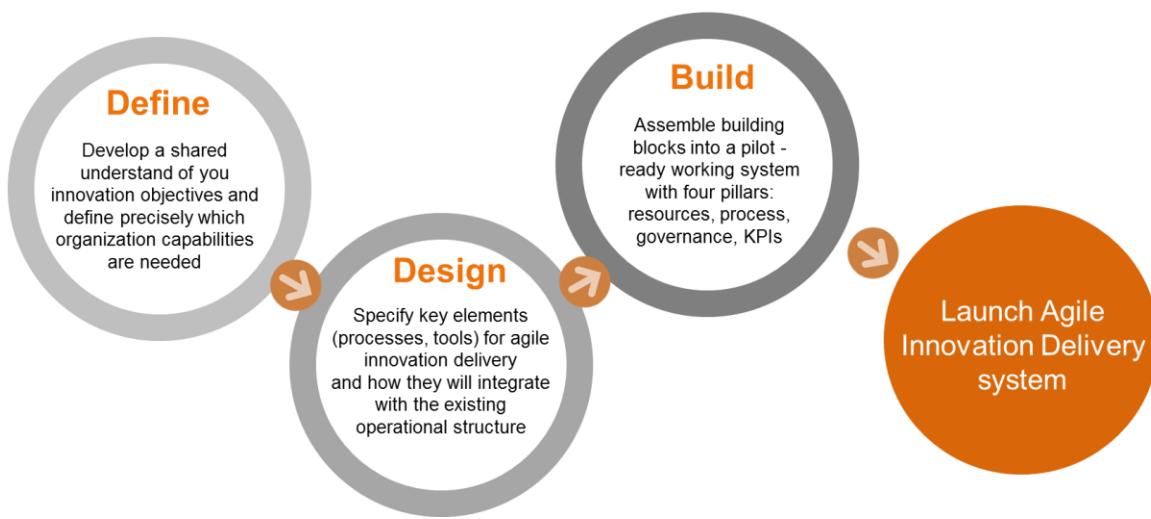
*...establishing an agile but reliable structure to connect innovation efforts to the existing organization...*

We view innovation capabilities as strategic pathways to execution and change leadership, and therefore approach design and implementation of “upgrades” to innovation management systems in the context of company’s specific innovation objectives, unique assets, and existing business systems.

The Agile Thinking approach helps companies to deliver sustained growth by turning three common pitfalls into opportunities:

1. **When pursuing new growth opportunities, companies too often misjudge the magnitude of departure from their existing business model.** As a result, they over-rely on their established innovation processes. This leads to “new initiative” projects stalling and not delivering because the existing processes aren’t the right match for new growth. Our methodical approach precisely assesses how well their innovation capabilities match specific innovation objectives and then accurately defines capability gaps.
2. **With many innovation trends continuously emerging on the scene, it is compelling to adopt them in the hope of achieving quick results.** This typically fails because the introduced changes impact other processes and priorities which potentially interrupt both “core” and “new” innovation. Our AIS (Agile Innovation Systems) methodology helps to avoid this trap and build robust platforms to align multiple priorities.
3. **Often, when pursuing outside the core opportunities, companies rely on the creation of “Front End Innovation” groups to vet the ideas.** It is common for these groups to work in isolation from the rest of the business, and often without clear deliverables and performance metrics. As a result, the execution of new growth ideas becomes an afterthought. Our 4- Step “Growth” process enables companies to build flexible and adaptable delivery structures through which the front-end efforts align with the rest of organization to assure future market delivery.

## THE MODEL



The Agile Thinking model integrates critical innovation skills and supporting systems with the existing organization structure. This enables an efficient utilization of internal assets and overcomes barriers of an organization's restructuring (e.g. creating a formal innovation function, which can be particularly challenging in global corporations with decentralized R&D resources). Re-defining a company's innovation system is approached in three major steps:

In the **Define Phase**, our **R-3-S (Resources – Strategy – Systems – Structure)** and **Portfolio Assessment** frameworks employ creative analytics to accurately determine which organization capabilities are missing or need to be augmented.

In the **Design Phase** – working collaboratively, we apply a unique **Innovation Execution Model** and **Agile Innovation Systems (AIS)** frameworks, to specify key elements (processes and tools) that are necessary to align the innovation system with specific objectives (e.g. commercializing new technology platforms, delivering new business models, delivering growth through open innovation programs, etc.).

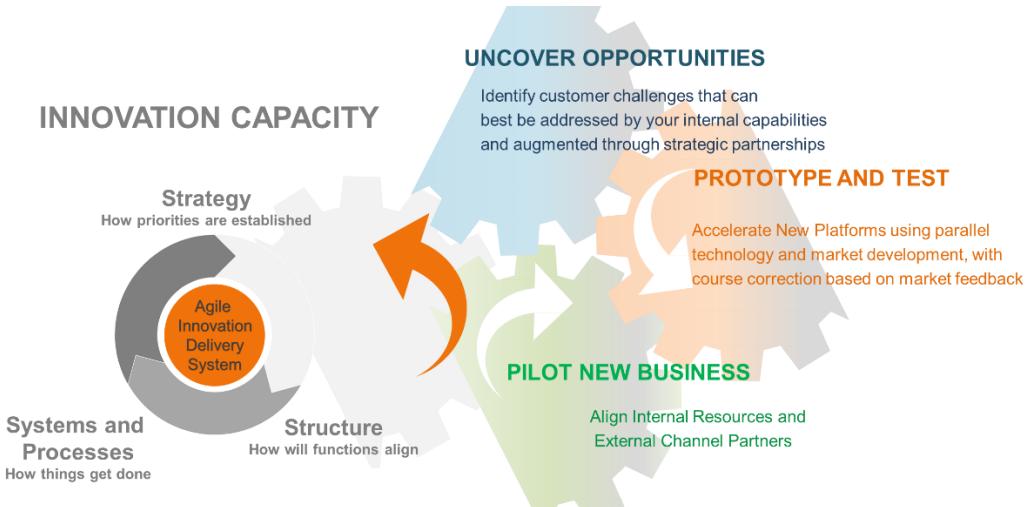
In the final **Build Phase**, we apply our **4-Step Growth** approach to jointly build and launch your flexible innovation system. This is done by creatively assembling the key building blocks selected in the Design Phase into a pilot-ready working system, which clearly addresses the key-to-success areas – *resources, process, governance and KPIs*. As a result, the company has “codified” knowledge - a playbook for how to best utilize existing organization’s assets to execute on new initiatives reliably and repeatedly.

**As a result**, you launch a system that allows you to leverage enterprise resources to bring innovations to market reliably and repeatedly by systematically identifying and prioritizing new growth

*...you launch a system that allows you to leverage enterprise resources to bring innovations to market reliably and repeatedly*

opportunities, validating them through prototyping and market testing, and aligning the needed resources for commercial pilot.

### *Delivering Innovation through Agile Thinking*



### **THE BENEFITS**

- A new definition of innovation and clear innovation strategy aligned with corporate aspirations and the commercial needs of priority markets
- A robust, clear process for idea generation and selection
- A team of innovation leaders with improved strategic, analytical, communication, and facilitation capabilities
- A flexible organization structure to support cross-functional alignment in delivery of “new growth” ideas to market
- Organization-wide buy-in on innovation objectives, delivery process and metrics
- A measurable improvement of innovation resource efficiency in the “core” innovations - with new savings to deploy for delivery on “new growth” initiatives.