

The Playbook to Win by Innovation

How to Organize Innovation for Winning

Step out of speculations about how to increase your value contribution and fight the competition. Use our innovation operating model to turn your innovation activities from cost-centers to profit-centers.

Systematically. To win through innovation by design.



There is a Formula to Win through Innovation by Design

Innovators, Company Leaders, and Division Heads,

Something is wrong with corporate innovation. Although decades old, the situation seems to be the same as in 2010. Still, **8/10 executives** believe innovation is **important** for growth, yet only **6 percent are happy** with their **innovation performance**, and only **very few know what the problem is or how to fix** weak innovation performance.

As seen in the last years (again), innovation teams become first in downsizing when economic situations get tough. We still hear that executives want to see returns on investments, yet innovation teams only have ideas that might amortize later. We still see that innovation teams deliver futuristic scenarios, while business departments have concrete business problems. We still see teams hunting for ideas and having a hard time finding funding and sponsors.

Yet, we also see a way to escape these challenges and know there is science and a formula to innovate successfully. The formula explicates the key factors innovation executives should consider. It is about translating corporate ambitions into worthy opportunities. It is about increasing the level of confidence that those will be exploited successfully. And, it is about showing progress and concrete results at every stage of development. These activities are what drive innovation productivity – not only the final financial return-invest-quotient.

THE FORMULA OF INNOVATION PRODUCTIVITY

$$\text{INNOVATION PRODUCTIVITY} = \$ \frac{\text{OPPS POTENTIAL}}{\text{AMBITION}} \times \text{LEVEL OF CONFIDENCE} \times \$ \frac{\text{RETURNS (T)}}{\text{INVEST (T-X)}}$$

leading indicator *lagging indicator*

As long as you cannot show a positive return-invest-quotient or have lost trust, you need to increase the level of stakeholder confidence - any component of your innovation operating model should point in this direction.

To do better, you have completed a great first check in completing our Innovation Performance Assessment. The assessment is based on the ITONICS Innovation Operation Model (Innovation OM) and, following, you will find concrete suggestions on how to strengthen your innovation capabilities and prove that innovation is not just a fancy word, but business critical.



Dr. Fabian Reck [in](#) [✉](#) [📄](#)
Lead Innovation Consultant



Dr. Tassilo Henike [in](#) [✉](#) [📄](#)
Director Innovation Consulting

Table of Contents

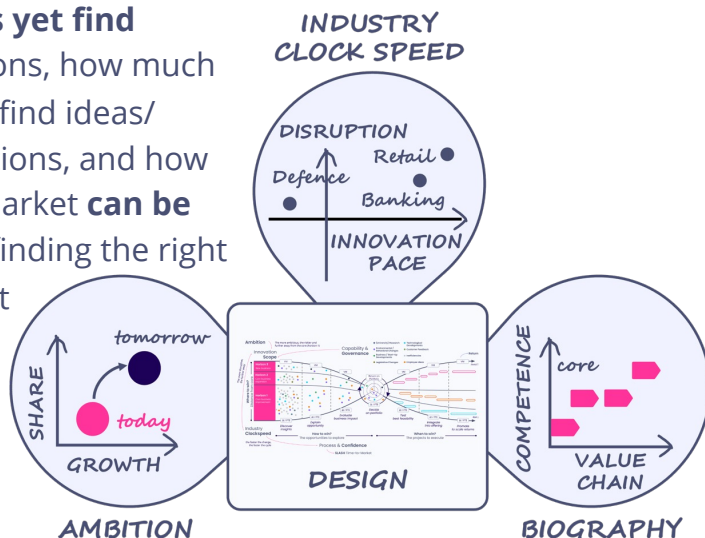
- 01** ITONICS Innovation OM | **Innovation performance follows design follows setting**
- 02** Match Ambition and Scope | **Setting the course of innovation action**
- 03** Match Scope with Capability & Governance | **Leveraging the right structural design**
- 04** Match Scope and Confidence Increases | **Progressing the right solutions right**
- 05** Match Scope and Process Speed | **Leveraging the right execution design**
- 06** Match Scope and Portfolio Returns | **Amortizing the portfolio investments**
- 07** **Implementing** the Innovation OM | **Start points for different angles**

Innovation Performance Follows Design Follows Setting

All companies innovate. In very similar ways.

At its core, innovating means finding a new or improved product-market fit and receiving a (financial) return on it. Innovative solutions thus need to solve a problem uniquely or better than before. There needs to be a desire from its users. Plus, firms need the capabilities to create and provide such solutions. It needs to be feasible for them. In the end, the benefits of creating and providing it need to exceed its costs. Firms are thus interested in increasing their confidence along different innovation stages that they will be successful when deciding how to best improve current operations, products, or develop completely new ones.

How companies and teams yet find confidence in such evaluations, how much risk they accept, where they find ideas/concepts, how many innovations, and how quickly they bring them to market **can be very different.** That is why finding the right design matters. And the right design is a consequence of your company's biography, industry clock speed, and company ambition.



Finding the right design thus follows your firm's setting. **A firm's biography matters** as it significantly defines the capabilities at hand, how fast innovation teams can innovate, and what aspects. If the company has great manufacturing capabilities and high manufacturing depth, finding external partners to innovate the core might not be the most effective innovation engine.

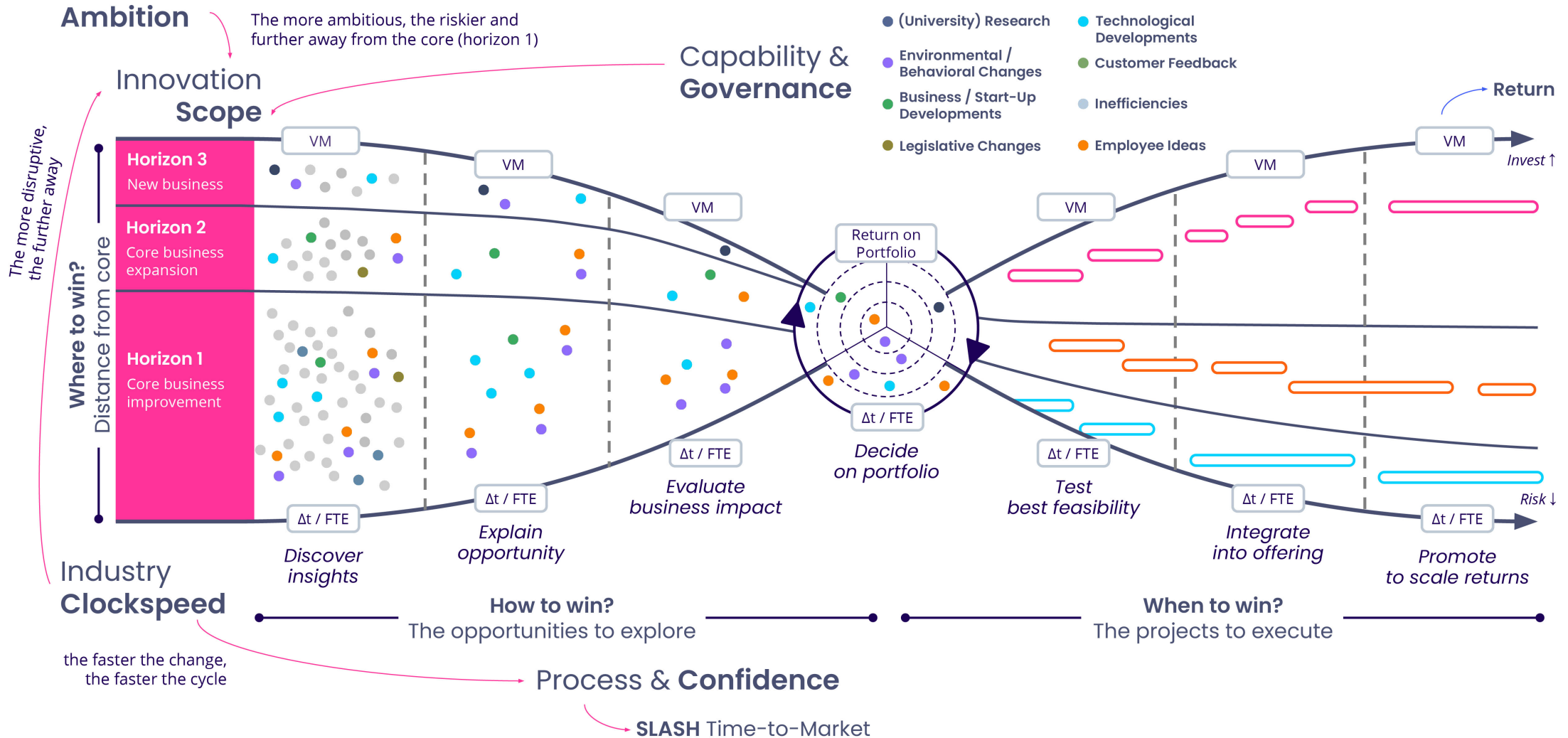
A firm's ambition matters as it defines the expectations for teams innovating and driving developments. If a company wants to quickly grow and significantly, the innovation projects need to have a different risk level compared to a company that wants to sustain its market position. As such, the design of innovation activities will look different for both companies.

And, **the industry clock speed matters** as the pace by which companies are expected to bring new solutions to market are completely different for companies in, for instance, the fashion industry versus the defense industry. As such, how firms innovate in the defense sector and the design they choose needs to be different from the design firms in the fashion industry choose. Fashion companies need to respond much faster to trends whereas R&D-heavy companies need to focus much more on research, testing, technology, and risk mitigation.

Our ITONICS Innovation Operating Model considers these factors and helps finding the right design and maximum innovation productivity.

From Willing to Winning – The Innovation Operating Model

The ITONICS Innovation OM explains your options to innovate and how to unlock your best performance.



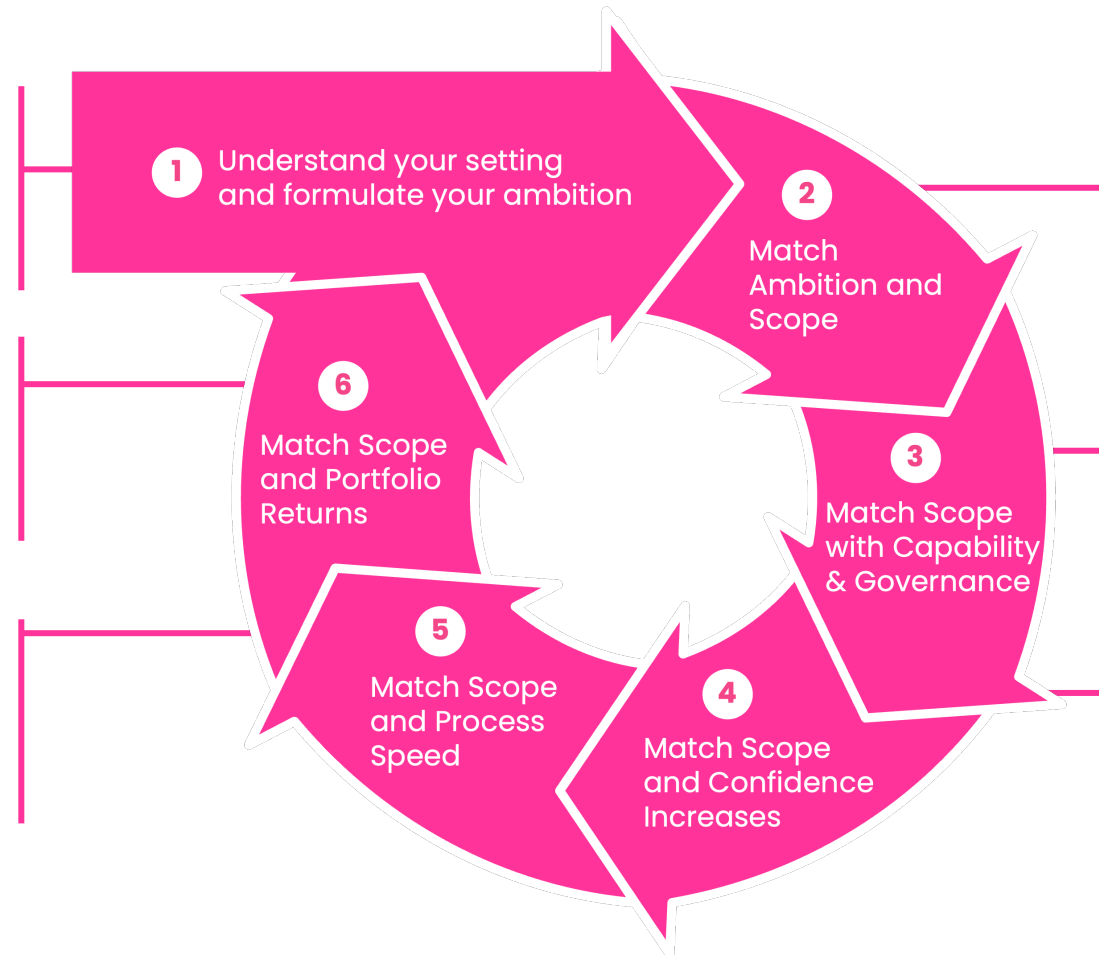
Innovate Successfully by Using the Innovation OM

Assess, develop, and make your innovation activities impactful and the perfect match given your ambition.

- Know your industry development
- Know your capabilities and lifecycle
- Formulate your ambition (as a team or organization)

- Know the expected return of your portfolio and match with ambition
- Know the confidence level per project
- Know the expected costs

- Know the speed per project and stage
- Match with the required speed and benchmark with industry development
- Increase resources/decrease scope if speed needs to be accelerated



- Break ambition into horizon scopes and formulate your playing grounds
- Formulate resource intensity per scope

- Assign innovation scopes to the right teams/individuals
- Formulate concrete responsibilities and expectations

- Define process steps and gates along which the confidence of the potential will be increased
- Provide the resources needed to progress topics

Table of Contents

01 ITONICS Innovation OM | **Innovation performance follows design follows setting**

02 Match Ambition and Scope | **Setting the course of innovation action**

03 Match Scope with Capability & Governance | **Leveraging the right structural design**

04 Match Scope and Confidence Increases | **Progressing the right solutions right**

05 Match Scope and Process Speed | **Leveraging the right execution design**

06 Match Scope and Portfolio Returns | **Amortizing the portfolio investments**

07 **Implementing** the Innovation OM | **Start points for different angles**

Matching Ambition & Scope: Options & Implications

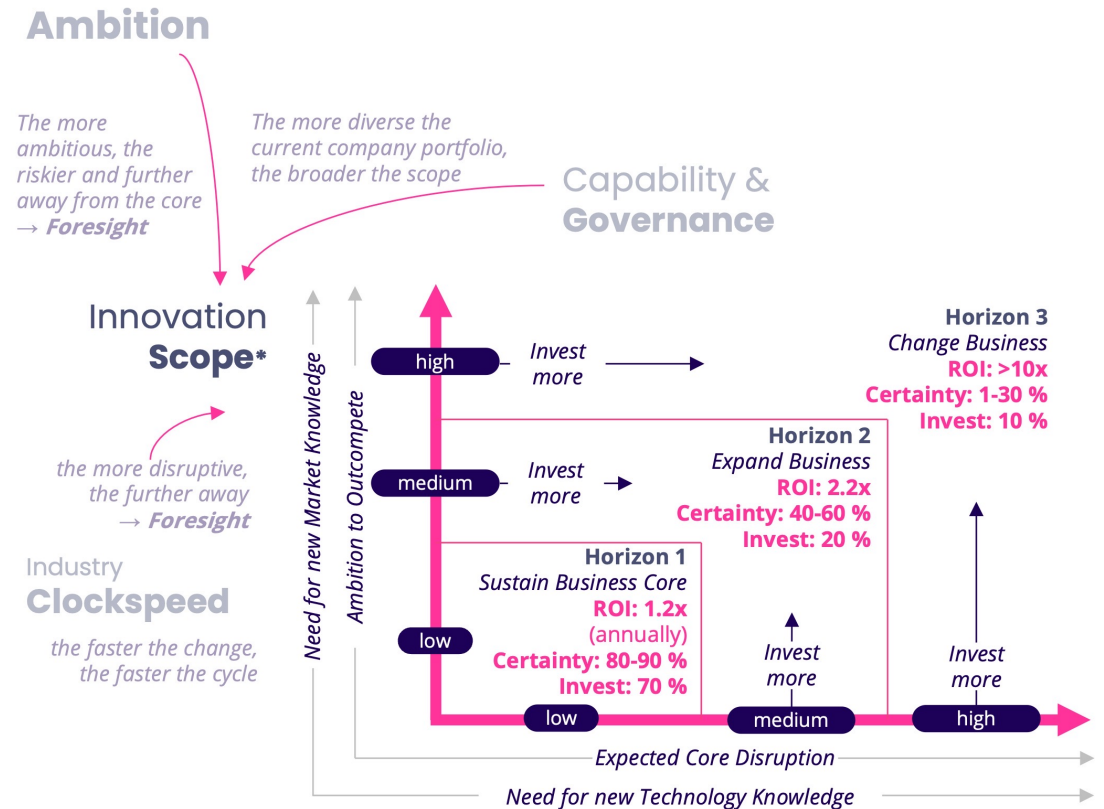
The key question: What consequences does your company's ambition have for your innovation scope?

Business innovation can happen along three horizons:

- **Horizon 1 Innovation:** Activities related to improving the core, the most frequent innovation type. Known improvements of existing products and marketing based on clear requirements, and handled by today's teams. Used to sustain a position or slightly grow.
- **Horizon 2 Innovation:** Activities related to the extension of the current business model, i.e., serving new-to-the-firm markets or introducing new-to-the-firm technologies/products. Handled by technological research & development or business development teams. Used to grow stronger than the market or in growing markets.
- **Horizon 3 Innovation:** Activities related to creating new business models, i.e., serving new markets and unmet needs by new technologies/products. Handled by innovation and entrepreneurial teams. Used to disrupt markets and grow stronger in new markets.

As horizons 2 and 3 contain more “unknowns”, these types of innovation are riskier, yet promise greater returns and growth options. The organizational objective is to find the right innovation scope, i.e., resource split across the three horizons given the corporate ambition and industry clock speed (is it changing or rather stable?).

Figure: The Impact of Industry Clock Speed and Ambition on Companies' 3 Innovation Horizons/Scope

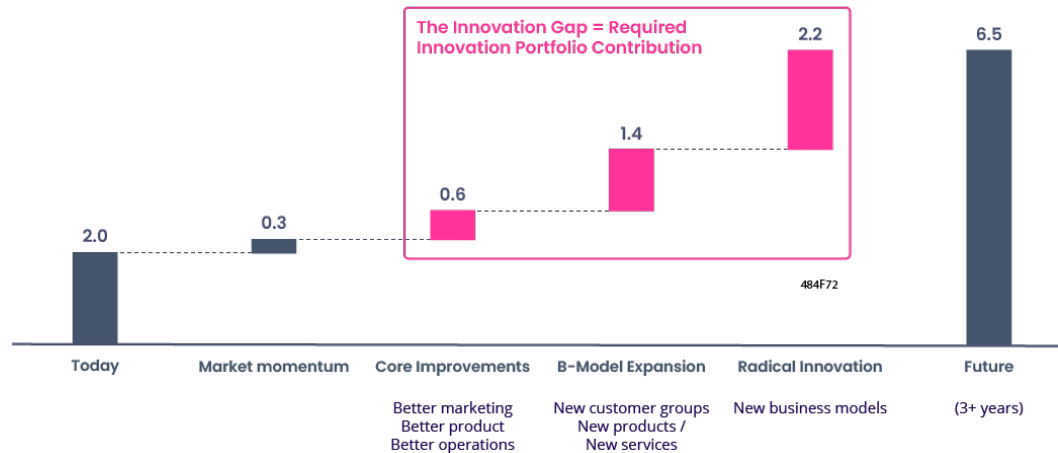


Matching Ambition & Scope: The Process

Turn your ambition into the right innovation scope by following a simple process

Identifying your innovation scope comes from recognizing the gap to your ambition. Knowing what your organization wants to achieve is the key to identifying your innovation scope. Your company's north star is key to understanding how close you are to reaching your full market potential.

Illustration of growth ambition breakdown in € billion



This understanding will help your organization to formulate its (growth) ambition. What amount of growth is expected over the next year(s)? What growth will be achieved from market dynamics? What growth will be achieved from core improvements (horizon 1) and what else is needed to meet the ambition?

The **first step** is knowing the growth ambition of your company and your industry dynamics. Collect the revenue outlook and match it with your outlook on what revenue can be gained by market dynamics and projects you already run. This will help you see the required portfolio contribution expected from new innovation activities.

As a **second step** determine the best investment split for your organization given the three innovation horizons. If you are certain to reach your ambition, focus on core improvements as the least risky investment. If there is still a gap estimate from where the remaining innovation contribution can come. Are there closely related business areas that are growing and in which you can easily expand (horizon 2)? Or, are there yet unrelated market options that you can enter (horizon 3)?

As a **third step** codify the expectations and goals. Write down the expectations and start the exploration process and the process of building a convincing opportunity portfolio that complements the expected contribution of your already existing project portfolio.

Matching Ambition & Scope: Assess your Performance

Use the following KPIs to assess your maturity and keep track of your corporate innovation performance

Organizational Level KPIs

- **Innovation Gap [Yes/No]:** Our leadership has clearly expressed their (financial) expectations with regard to the contribution needed from innovation.
- **Strategic Return [Y/N]:** We have clearly translated leadership expectation into how much we need to return from Horizon 1 (improving the core), Horizon 2 (expanding the core), and Horizon 3 (new business models).
- **Strategic Invest [Y/N]:** We have clearly translated leadership expectation into how much we invest into Innovation Horizon 1 (improving the core), Horizon 2 (expanding the core), and Horizon 3 (new business models).
- **Innovation Fields [Y/N]:** We have clarity of the innovation fields focused (=growth areas) along Horizon 1 (improving the core), Horizon 2 (expanding the core), and Horizon 3 (new business models).

Team-/Individual Level KPIs

- **Mandate Clarity [Y/N]:** We have a clear codified team mandate (=innovation scope) that is aligned with the corporate ambition.

Figure: Typical Horizon Splits of Industries

Industries	Horizon 1	Horizon 2	Horizon 3
Retail / Consumer Goods	60-70%	20-30%	5-10%
Finance & Banking	70-80%	30-40%	5-10%
IT / TelCo	50-60%	20-30%	10-20%
Manufacturing	60-70%	10-20%	5-10%
Construction	70-80%	15-20%	5-10%
Automotive	60-70%	20-30%	5-10%
Energy	70-80%	15-20%	5-10%
Aerospace	50-60%	20-30%	10-20%
Defense	50-60%	20-30%	10-20%
Pharmaceuticals	50-60%	20-30%	10-20%

Template: The Innovation Strategy Template

Use the Innovation Strategy Template to map your commitments and reach your company's ambition

Innovation Strategy Canvas

An innovation strategy outlines the key areas a firm invests in as it believes these areas are most promising to help an organization fulfill its ambition.

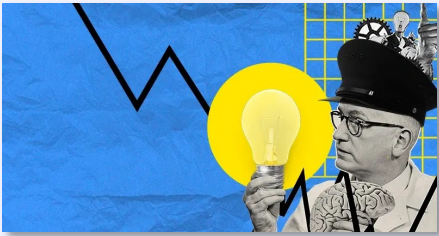
Use this template to formulate your innovation strategy.

Company Name	Version	Timeframe	Document Owner
--------------	---------	-----------	----------------

Ambition			Innovation Portfolio Value (Actual)		Innovation Portfolio Governance	
	Innovation Gap	Innovation Budget		Value (Actual) <input type="text"/> <input type="text"/>	Value 	Decision Forum <input type="text"/> Meeting Cadence
Today's Revenue <input type="text"/> Planned Revenue <input type="text"/>						Participants <input type="text"/>

Innovation Horizon Split									
	Owning Business Units	Innovation Gap Contribution	Innovation Budget	AVG Portfolio Return Ratio	Focus Areas	Innovation Engines			
Horizon 1 Core Business Model Innovation	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Business Line R&D <input type="checkbox"/> (Internal) Idea Campaigns	<input type="checkbox"/> External Crowdsourcing <input type="checkbox"/> Start-Up Collaboration	<input type="checkbox"/> R&D / Innovation Labs <input type="checkbox"/> University Partnerships	<input type="checkbox"/> Accelerators / Incubators <input type="checkbox"/> Acquisitions / Partnerships
Horizon 2 Business Model Expansion	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Business Line R&D <input type="checkbox"/> (Internal) Idea Campaigns	<input type="checkbox"/> External Crowdsourcing <input type="checkbox"/> Start-Up Collaboration	<input type="checkbox"/> R&D / Innovation Labs <input type="checkbox"/> University Partnerships	<input type="checkbox"/> Accelerators / Incubators <input type="checkbox"/> Acquisitions / Partnerships
Horizon 3 New Business Models and Transformation	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Business Line R&D <input type="checkbox"/> (Internal) Idea Campaigns	<input type="checkbox"/> External Crowdsourcing <input type="checkbox"/> Start-Up Collaboration	<input type="checkbox"/> R&D / Innovation Labs <input type="checkbox"/> University Partnerships	<input type="checkbox"/> Accelerators / Incubators <input type="checkbox"/> Acquisitions / Partnerships

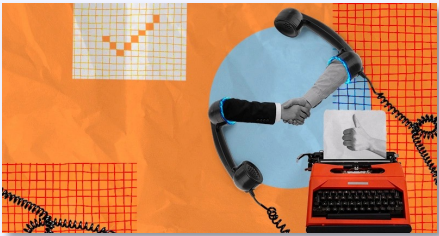




The Optimal Innovation Strategy

This article equips innovation executives and experts with the key insights and steps needed to drive innovation systematically throughout the organization.

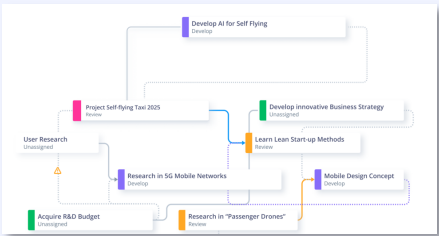
[Read More →](#)



Securing Board Buy-In: Crafting an Effective Mandate for Innovation Success

This article shows you how to craft your innovation team's mandate by answering four key questions and provides a handy template for usage at your convenience.

[Read More →](#)



Corporate Strategy with the ITONICS Innovation OS

Align corporate strategic planning. Build an agile innovation strategy. Identify growth opportunities. Create an effective corporate strategy.

[Read More →](#)

Ambition & Innovation Scope

Additional Resources

Table of Contents

- 01** ITONICS Innovation OM | **Innovation performance follows design follows setting**
- 02** Match Ambition and Scope | **Setting the course of innovation action**
- 03** Match Scope with Capability & Governance | **Leveraging the right structural design**
- 04** Match Scope and Confidence Increases | **Progressing the right solutions right**
- 05** Match Scope and Process Speed | **Leveraging the right execution design**
- 06** Match Scope and Portfolio Returns | **Amortizing the portfolio investments**
- 07** **Implementing** the Innovation OM | **Start points for different angles**

Match Scope with Governance: Options & Implications

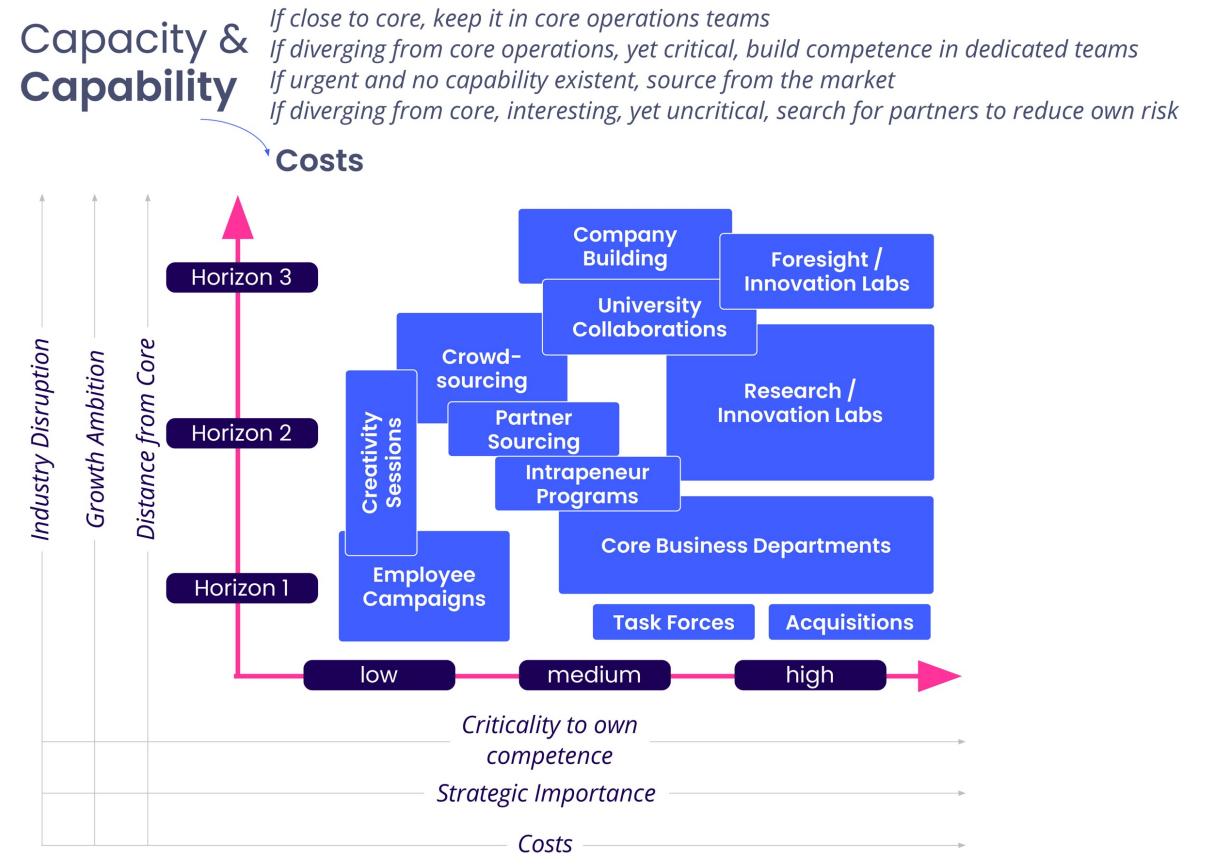
The key question: What is the best performing organizational design (=innovation engine) per innovation scope?

Different scopes need different organizational designs. Every department is typically engaged in innovation activities. A key motivation for every department leader is improving the status quo which typically results from doing things differently or adding new things. That is why, it is best to keep innovation activities in the business teams that are very closely related to their current activities.

However, it is most of the time insufficient to also ask existing business teams to explore newer concepts. To explore the new, they need time to explore which will be missed for the current activities. That is why it is more efficient to outsource activities to dedicated research and innovation teams if the tasks diverge from the core. Yet, this also requires that the exploration within Horizon 2 and Horizon 3 is of strategic importance and needed to meet the ambition.

Another critical aspect is to not split research and development. Specific teams will also need access to resources to put their findings into practice and test assumptions. This also means that not every company needs to have venture teams if it does not have the resources or strategic ambition to grow beyond the core.

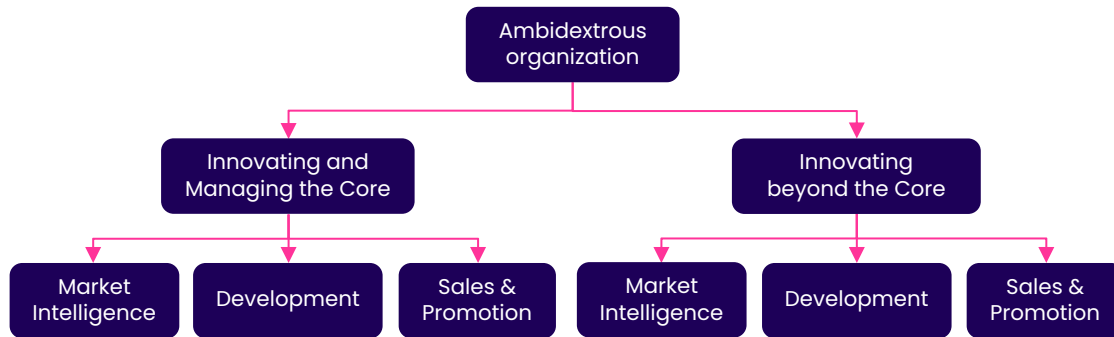
Figure: Innovation Engines and Area of Application



Match Scope with Governance: The Process

Turn your scope into clear responsibilities for teams that are best suited to complete the tasks

To perform best, companies need to understand the differences of innovating the existent core and new business models. That is why, the term of the ambidextrous organization has become popular. In an ambidextrous organization, organizations are split by design into teams innovating the present core and teams moving beyond it.



The strength of this approach is that each team owns the discovery and execution of new opportunities related to their horizon. They do not compete on resources and have clear own responsibilities. At best, they meet on an Innovation OS to leverage synergies.

The critical components to build the most effective innovation organization are:

- **Not splitting opportunity exploration and exploitation:** Teams need to have the resources to work on the execution of projects for opportunities they have explored. This requires a dedicated budget. At worst, teams need to find sponsors in the core business line for testing radically new ideas.
- **Giving clear responsibilities to individual owners:** To get things done, tasks need to have clear owners, being accountable for the completion of tasks. Without clear ownership, responsibility will be shifted from person to person.
- **Taking the company ambition and innovation scope** to decide whether it is necessary to build own teams for innovating beyond the core. They're good reasons to not build additional teams.
- **Match the innovation engines with the ambition and assess their performance contribution regularly.** Does each engine have a positive revenue contribution over a three-years period?

Match Scope with Governance: Assess your Performance

Use the following KPIs to assess your maturity and keep track of your corporate innovation performance

Organizational Level KPIs

- **Clear Objectives [Yes/No]:** Each team/innovation engine has a clear objective that directly contributes to the company's KPIs.
- **Profit Contribution [%]:** (Each of) our innovation engines has a positive profit contribution on average (over three years).
- **Coordination [Y/N]:** There is a platform that allows transparent exchange, coordination, and communication between the teams.

Team-/Individual Level KPIs

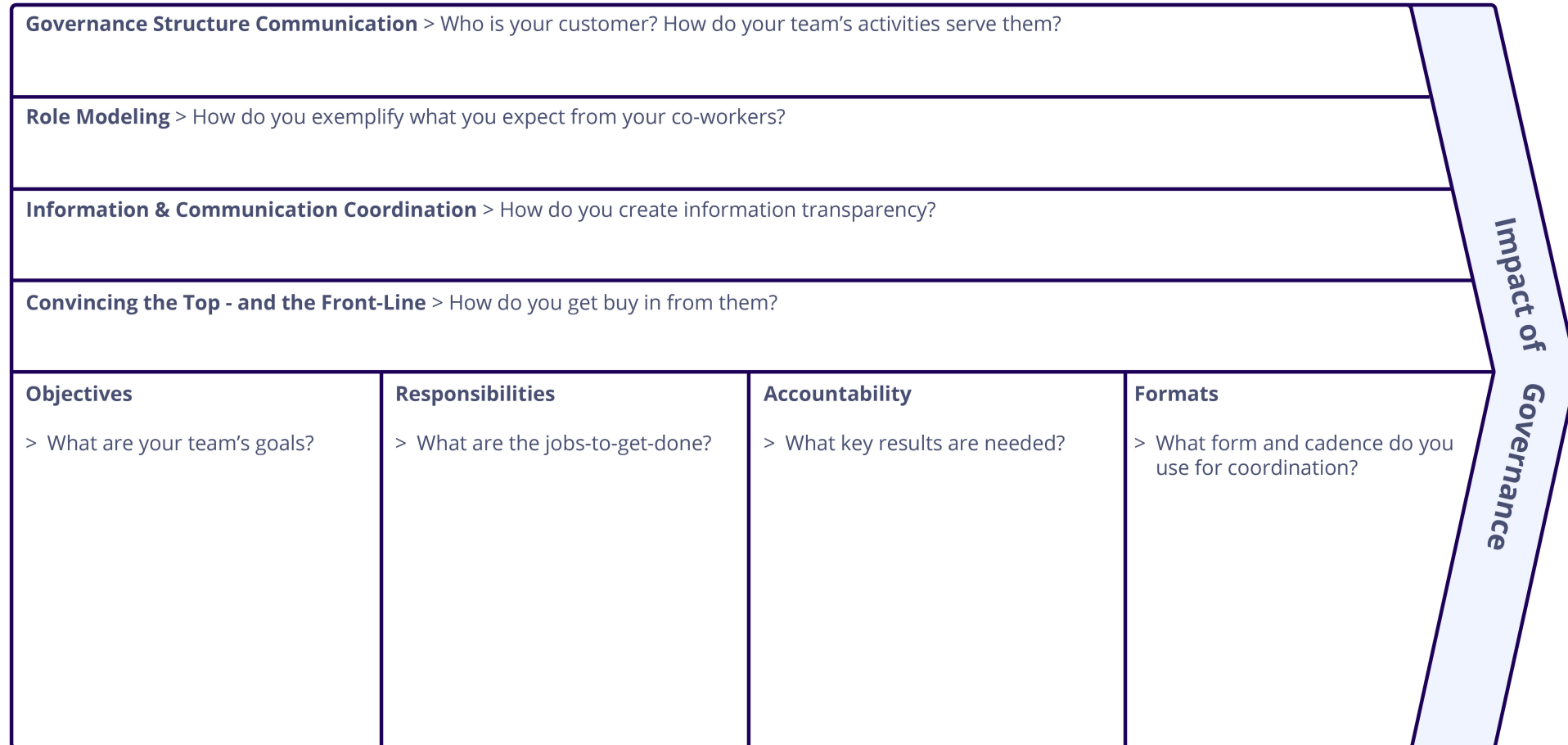
- **Resources/Budget [Y/N]:** We have (access to) resources to complete the complete innovation process (from discovery to scaling).
- **Accountability [Y/N]:** The team's objective is split into mutually exclusive, collectively exhaustive responsibilities.

Figure: Innovation Engines and their Distribution

Innovation Engine	%	Reason
Product Development	90%	Core offering for most companies and key to maintain competitiveness
Employee Idea Campaigns	50%	Useful in companies that value a participative culture and continuous improvement, like technology and consumer goods sectors
Startup Collaboration	40%	Favored by companies seeking rapid innovation within less capital-intensive fields
Crowdsourcing	35%	It is a relatively cheap approach to access a wide array of unique thoughts and solutions
Research Labs	35%	Typically found in sectors with long product development cycles and high R&D intensity
University Collaborations	30%	Favored in industries relying on scientific breakthroughs and rigorous testing
Foresight & Innovation Labs	25%	Attractive to companies looking to break away from traditional models and explore disruptive technologies
Company Building	15%	Employed by companies with the resources and strategic interest to test new markets

Template: The Innovation Governance Template

Use the Innovation Strategy Template to map your commitments and reach your company's ambition





How Innovation Governance Elevates Your Innovation Teams' Performance

This article equips innovation executives and experts with the key insights and steps needed to drive innovation systematically throughout the organization.

[Read More →](#)



Organizational Ambidexterity and Innovation at Bosch

In this episode, we welcome Manuel Krauß and talk about the different types of innovation at Bosch and the organizational structure required to manage ambidexterity.

[Read More →](#)



ITONICS Academy: Innovation Management Governance

This one-hour course helps you to bring structure to innovation management! Learn about the building blocks of innovation governance and how to track progress.

[Read More →](#)

Capability & Governance

Additional Resources

Table of Contents

- 01** ITONICS Innovation OM | **Innovation performance follows design follows setting**
- 02** Match Ambition and Scope | **Setting the course of innovation action**
- 03** Match Scope with Capability & Governance | **Leveraging the right structural design**
- 04** Match Scope and Confidence Increases | **Progressing the right solutions right**
- 05** Match Scope and Process Speed | **Leveraging the right execution design**
- 06** Match Scope and Portfolio Returns | **Amortizing the portfolio investments**
- 07** **Implementing** the Innovation OM | **Start points for different angles**

Match Scope with Confidence: Options & Implications

The key question: How to use funding best at each stage to increase decision confidence for more fundings?

Each team has its own process to manage innovation. Not really.

Over the years, a plethora of different frameworks have been promoted, each prescribing to be the perfect combination of stages to grow from wild thought to multi-billion solution. While each framework puts some other emphasis on the importance, naming, and number of steps required, the underlying principles are the same.

The final goal is to find the best winning solution given a number of different options that promises the best return-cost relationship. To identify this best option, the complete set of possibilities needs first to be explored and filtered from the many to the one best option.

To do so, the innovation process is organized along different stages, each focusing on certain validation aspects and providing enough information to make a decision and filter. In essence, every thought is analyzed with regards to strategic fit, a (customer) need, (financial) impact, and (technical) feasibility. This is more important, the more resources are needed to validate and (later) implement.

By systematically moving from one validation stage to another, firms can secure investment as only new funds are provided if enough evidence and confidence has been collected in a previous stage. If not, projects need to be killed.

Figure: Variates of Innovation Processes

Framework	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Design Thinking	Empathize	Define	Ideate	Prototype	Test
Lean Startup	Ideate	Build	Measure	Learn	Pivot/ Persevere
Stage-Gate Process	Scoping	Business Case	Development	Testing and Validation	Launch
Agile Innovation Process	Ideate	Build	Measure	Learn	Pivot/ Persevere
Disruptive Innovation	Identifying	Defining	Developing	Scaling	
Open Innovation	External Scouting	Internal Scouting	Collaborate	Experiment	Commercialize
Blue Ocean Strategy	Create	Raise	Reduce	Eliminate	
Jobs to be Done	Identify Jobs	Define Priorities	Design Solutions	Develop and Test	Launch
Innovation Funnel	Idea Generation	Idea Screening	Concept Development	Feasibility Analysis	Product Development
Technology S-Curve	Research	Development	Ascent	Maturity	Decline
Business Model Generation	Desirability	Viability	Feasibility		

Match Scope with Confidence: The Process

Ensure to design a process that provides new evidence and confidence at every stage

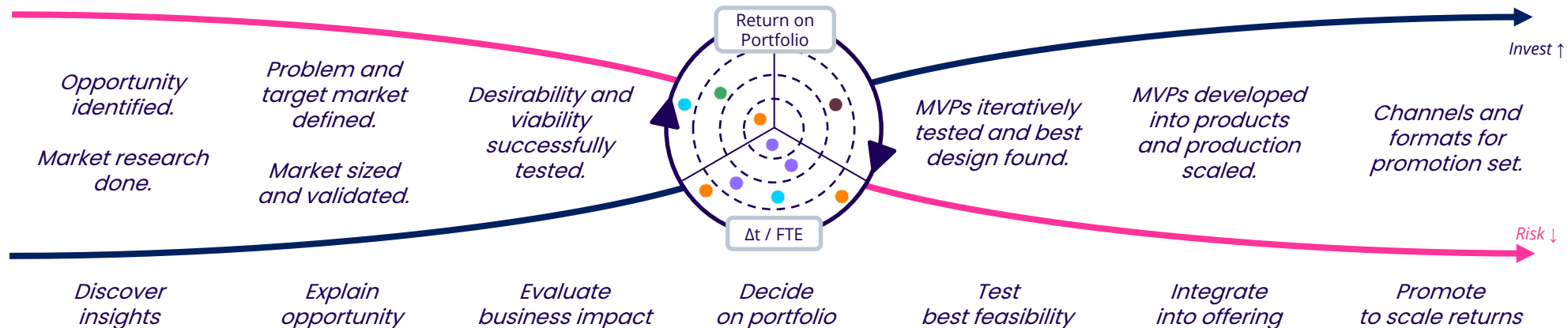
Risk is a vital part of any innovation initiative, and the job is to increase the certainty of a result to be expected. To not over- or underinvest, the innovation process is typically split into different phases whereas each phase is used to increase confidence.

Confidence means being sure about the result. Gaining confidence reduces the risk of lost investments with no or insufficient returns. To gain confidence in innovation investments means validating the market desire, the willingness to pay, and the technical feasibility/scalability.

To secure new investment, it is thus important to collect new evidence and increase confidence at each stage to secure new metered funding.

Confidence increases when:

- The number of alternatives is completely known
→ no alternative is missed that might be a better fit
- Alternatives are ruled out against the option under question
→ the option considered is the best
- The impact is validated evidently (measuring the right thing), and
→ There is belief in the correctness of the data
- The impact is validated without a bias (the thing is measured rightly)
→ There is belief in the correctness of the method



Match Scope with Confidence: Assess your Performance

Use the following KPIs to assess your maturity and keep track of your corporate innovation performance

Team-/Individual Level KPIs

- **Process Fitness [Y/N]:** At every stage of the innovation process, we increase the confidence level of our opportunities.
- **Evidence-based Decisions [Y/N]:** Decisions are made on the evidence collected. If not enough/new evidence is collected, we kill opportunities or projects.
- **Metered Resourcing [Y/N]:** We provide resources (and additional funding) for a new development phase based on the confidence gained in the prior stage (metered funding).
- **Validation [Y/N]:** We derive confidence in our opportunities from multiple concrete data, complete coverage, and unbiased collection.
- **Execution Quality [Y/N]:** We always finish tasks in scope/quality and at the cost level expected.

Figure: Research Methods and Confidence Contribution

Testing Methods	Accuracy	Challenges
Controlled Data Experiments	Highest	Requires precise control over variables, sound data model
Observations	High	Observer bias, time-consuming, limited accessibility
Big data interference / pattern matching	High when correctly implemented	Requires large datasets, potential for data quality issues, privacy concerns
Surveys / questionnaires	Moderate	Sampling bias, response bias, phrasing of questions
(Structured) Interviews	Variable, generally lower	Requires skilled interviewers, can be time-consuming, consistency
(Unstructured) Feedback	Variable, generally lower	Subject to significant bias, non-systematic, varied data quality
Experience-based Judgements	Variable, (topic - and expertise dependent)	Highly subjective, prone to bias, lacks empirical grounding

Template: The Innovation Validation Template

Use the Innovation Validation Template to calculate your confidence level and make the right decisions.

Business Model Validation Template

Start-Ups help to test new business ideas in areas with limited knowledge and with less investment. To test their potential, a number of hypothesis need to be validated before their business model is added.
Use this template to formulate the key hypothesis and provide an evidence score to track updates and progress.

Business Model Case Name	Version	Total Score / 45	Scores for Validation 1... untested assumption 2... validated by experts 3... validated by multiple context-specific data
--------------------------	---------	----------------------------	--

The Business Model we test ...

... has the following value proposition ...
describe what you want to offer to whom, why and how

... and we create value by ...
describe what you need to create value

... and we want to amortise the costs by ...
describe how you collect money

Desirability

... We address the current problem of ...
describe the unmet need

Score

... It's a problem for ...
describe the target audience

Score

... and the severity of the problem is ...
describe the importance of the problem

Score

... It is not yet solved because ...
describe why the problem exists

Score

... If solved, the target group will value ...
describe what the target group will earn

Score

Our evidence score for desirability is

Sum

Viability

Our total addressable market is ...
describe the size of your target market

Score

For today's solutions, they pay ...
describe the competitive pricing

Score

With our solution, we can expect max ...
describe the maximum possible return

Score

And our target group is willing to adopt if ...
describe your competitive positioning

Score

Thus, our reachable market is ...
describe the revenue you will realistically gain

Score

Our evidence score for viability is

Sum

Feasibility

... We address the current problem of ...
describe the unmet need

Score

... It's a problem for ...
describe the target audience

Score

... and the severity of the problem is ...
describe the importance of the problem

Score

... It is not yet solved because ...
describe why the problem exists

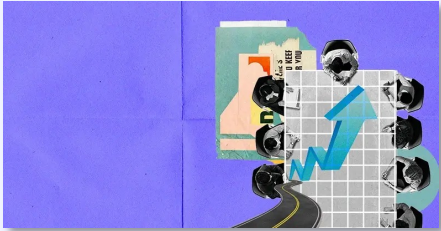
Score

... If solved, the target group will value ...
describe what the target group will earn

Score

Our evidence score for feasibility is

Sum



Startups Wanted: A Cost-Effective Route to Business Model Innovation

In this blog, we explore the best route to successfully test and innovate entirely new business models by leveraging startup partnerships.

[Read More →](#)



End-to-End Innovation: 3 Key Steps to Boost Your Innovation Process

What's the difference between a traditional innovation process covering ideas to projects and an end-to-end innovation approach from strategy to execution?

[Read More →](#)



ITONICS Academy: Ideation Essentials

Discover why structured ideation triumphs over ad-hoc brainstorming and learn to harness diverse sources for ideas.

[Read More →](#)

Innovation Process & Confidence

Additional Resources

Table of Contents

- 01** ITONICS Innovation OM | **Innovation performance follows design follows setting**
- 02** Match Ambition and Scope | **Setting the course of innovation action**
- 03** Match Scope with Capability & Governance | **Leveraging the right structural design**
- 04** Match Scope and Confidence Increases | **Progressing the right solutions right**
- 05** Match Scope and Process Speed | **Leveraging the right execution design**
- 06** Match Scope and Portfolio Returns | **Amortizing the portfolio investments**
- 07** **Implementing** the Innovation OM | Start points for different angles

Match Scope with Speed: Options & Implications

The key question: How to accelerate your process to meet your ambition without changing your scope and costs?

Innovation, at its heart, is a resource-allocation problem; it is not just about creativity and generating ideas. Main reasons that slow down innovation processes are:

- improper resource planning (not having the right resources ready to finish tasks on time)
- inefficient resource utilization (choosing the wrong resource for task completion)
- confusion or ambiguity (less clarity leading to take wrong directions),
- and over-engineering (focusing on details instead of the bigger picture).

To counteract these roadblocks, companies can apply a set of SLASH tactics to accelerate their innovation speed. SLASH stands for **settle and focus**, **lacerate & split**, **automate & parallelize**, **store & recycle**, as well as **harmonize & standardize**. Applying such tactics can help firms to accelerate and move fast to market, allowing to profit from the first-mover advantage.

Figure: Tactics to Accelerate Innovation Speed



Settle & Focus: Clear focus, leading to less room for interpretation



Lacerate & Split: Cut unnecessary tasks or split work among different responsible persons



Automate & Parallelize: Utilize machines and run tasks in parallel, not in sequence



Store & Recycle: Re-use information collected earlier or elsewhere



Harmonize & Standardize: clear, repeatable guidelines and smoothly integrated processes

Match Scope with Speed: The Process and Template

Use specific tactics to accelerate your process and get in a position to profit from first-mover advantages

I. Start by going through the different stages of your innovation process

II. Check out SLASH tactics and evaluate the possibility to implement those

III. Check the implementation details and plan the implementation

IV. Start the implementation and redefine your process

SLASH Time-to-Market (TTM) Template

Go through the list of the most common time eaters along all stages of the innovation management process. Identify the dimension where you lack behind the most and find direct help in the linked reference material. Slash Time-to-Market.

Discover ITONICS as your software tool to implement the SLASH TMT tactics

[Book a Free Demo](#)

Innovation Stages SLASH TMT Tactics	Problem & Opportunity	Idea Generation	Research & Concept	Development & Prototyping	Testing	Regulatory Approvals	Launch & Go-to-Market	Internal Approvals	Collaboration
Settle & Focus	<ul style="list-style-type: none"> Providing a clear direction on what to scout for Providing dedicated scouting resources Find more help →	<ul style="list-style-type: none"> Providing a clear direction or challenge and requirements Find more help →	<ul style="list-style-type: none"> Crafting hypotheses to be tested later Using minimum viable products and designs first Find more help →	<ul style="list-style-type: none"> Planning resources and milestones carefully (+ buffer) Using Scrum to time-box and Iterate Find more help →	<ul style="list-style-type: none"> Following lean experimentation and MVPs Find more help →	<ul style="list-style-type: none"> Following clear IP selection rules Ensure thorough continuous documentation Find more help →	<ul style="list-style-type: none"> Focusing GTM on promoting features and benefits for key personas Find more help →	<ul style="list-style-type: none"> Establishing and communicating clear objectives and criteria for each approval stage Find more help →	<ul style="list-style-type: none"> Minimizing the number of meetings Focusing on clear instructions and responsibilities Find more help →
Lacerate & Split	<ul style="list-style-type: none"> Prioritizing a handful of themes and sources to consider Splitting the work across different accountable persons Find more help →	<ul style="list-style-type: none"> Cutting the number of asked idea submitters Find more help →	<ul style="list-style-type: none"> Cutting nice-to-haves and focusing on must-haves first Providing clear instructions and specifications Find more help →	<ul style="list-style-type: none"> Using rapid prototyping for early iterations Using modules as much as possible Find more help →	<ul style="list-style-type: none"> Using rapid prototyping for early test cases Prioritizing test scenarios Find more help →	<ul style="list-style-type: none"> Conducting IP assessments early Involving IP and regulatory experts early Find more help →	<ul style="list-style-type: none"> Testing interest early on with landing pages and focusing on key features Find more help →	<ul style="list-style-type: none"> Reducing approval layers and empowering lower-level managers to decide Find more help →	<ul style="list-style-type: none"> Removing low-impact activities Splitting larger tasks into smaller ones Find more help →
Automate & Parallelize	<ul style="list-style-type: none"> Automating the detection of key insights Automating the clustering of emergent themes Find more help →	<ul style="list-style-type: none"> Evaluating ideas Checking for external solutions Find more help →	<ul style="list-style-type: none"> Involving product and marketing early Automating customer and look-alike research Find more help →	<ul style="list-style-type: none"> Integrating and using automated simulation, workflow and design tools Find more help →	<ul style="list-style-type: none"> Using simulation algorithms and testing tools Run multiple tests in parallel Find more help →	<ul style="list-style-type: none"> Submitting in parallel jurisdictions Using IP watch services to monitor the IP landscape Find more help →	<ul style="list-style-type: none"> Using automation tools for campaigns Creating buzz while in development Find more help →	<ul style="list-style-type: none"> Approving in parallel Implementing tools to route requests to the appropriate personnel Find more help →	<ul style="list-style-type: none"> Implementing digital collaboration tools Documenting in parallel not at the end Find more help →
Store & Recycle	<ul style="list-style-type: none"> Storing centrally key insights for easier recall Relating the key insights to priorities and projects Find more help →	<ul style="list-style-type: none"> Storing earlier ideas for easier recycling when the time is right Find more help →	<ul style="list-style-type: none"> Using collaborative tools for content editing Recycling and involving stored customer insights Find more help →	<ul style="list-style-type: none"> Creating and storing test protocols and open questions Find more help →	<ul style="list-style-type: none"> Leveraging crowdsourcing for testing purposes Find more help →	<ul style="list-style-type: none"> Running software to monitor IP and patent filings Find more help →	<ul style="list-style-type: none"> Reusing proven formats or channels Maintaining market data and personas Find more help →	<ul style="list-style-type: none"> Implementing a centralized information repository and audit trail Find more help →	<ul style="list-style-type: none"> Building a digital repository and collective innovation home Find more help →
Harmonize & Standardize	<ul style="list-style-type: none"> Establishing one standard collection and contextualizing process Providing one central home Find more help →	<ul style="list-style-type: none"> Standardizing the intake and process Providing one central home Find more help →	<ul style="list-style-type: none"> Using a standard specification template Four-eyes review on specifications Find more help →	<ul style="list-style-type: none"> Collecting customer feedback early and in a structured way Find more help →	<ul style="list-style-type: none"> Clarify the criteria to judge the validation of hypotheses Iterative testing Find more help →	<ul style="list-style-type: none"> Training employees on IP protection Find more help →	<ul style="list-style-type: none"> Involving marketing early Aligning channel x format x audience Find more help →	<ul style="list-style-type: none"> Establishing consistent criteria across departments Naming substitutes to avoid blockers Find more help →	<ul style="list-style-type: none"> Implementing standard communication formats Find more help →

ITONICS

Match Scope with Speed: Assess your Performance

Use the following KPIs to assess your maturity and keep track of your corporate innovation performance

Organizational Level KPIs

- **Speed Rule [Y/N]:** We have benchmarks for how fast each project needs to be executed.

Team-/Individual Level KPIs

- **Speed Fitness [Y/N]:** We always finish project tasks on time and at the cost level expected.
- **Acceleration Rule [Y/N]:** If we need to accelerate, it is not compensated by reducing the scope in important aspects.
- **Delay Alertness [Y/N]:** Changes in project plans are communicated as delays appear.
- **Support [Y/N]:** Leadership supports failing fast and provides other support as needed.

Figure: Time to Innovate in Different Industries

Industry	Incremental	Radical
Retail / Consumer Goods	0.5-1.5 years	1-3 years
Finance & Banking	0.5-1.5 years	2-5 years
IT / TelCo	1-2 years	3-5 years
Manufacturing	1-2 years	4-7 years
Construction	1-3 years	3-7 years
Automotive	1-3 years	3-8 years
Energy	2-4 years	5-10 years
Aerospace	2-4 years	5-15 years
Defense	2-5 years	5-15 years
Pharmaceuticals	1-5 years	10-15 years



First Mover Advantage: The Race to Beat Competitors on Time-to-Market

In this blog, we explore the best route to successfully test and innovate entirely new business models by leveraging startup partnerships.

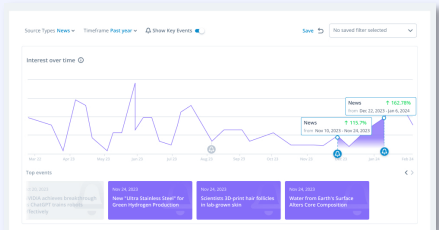
[Read More →](#)



Unleashing Speed: Strategies to Slash Time-to-Market for Innovations

Our research explores the phases in which innovation leaders are particularly fast and the time-to-market strategies they use to move fast.

[Read More →](#)



Speed Up Time-to-Market

Gain unprecedented efficiency in innovation. The ITONICS Innovation OS saves time, reduces efforts, and accelerates time-to-market. When speed matters and time is money, reducing the administrative burden on innovation teams is crucial.

[Read More →](#)

Innovation Process & Speed

Additional Resources

Table of Contents

01 ITONICS Innovation OM | **Innovation performance follows design follows setting**

02 Match Ambition and Scope | **Setting the course of innovation action**

03 Match Scope with Capability & Governance | **Leveraging the right structural design**

04 Match Scope and Confidence Increases | **Progressing the right solutions right**

05 Match Scope and Process Speed | **Leveraging the right execution design**

06 Match Scope and Portfolio Returns | **Amortizing the portfolio investments**

07 **Implementing** the Innovation OM | **Start points for different angles**

Matching Scope & Portfolio Returns: Options & Implications

The key question: Does your opportunity and project portfolio promise the return needed to meet the ambition?

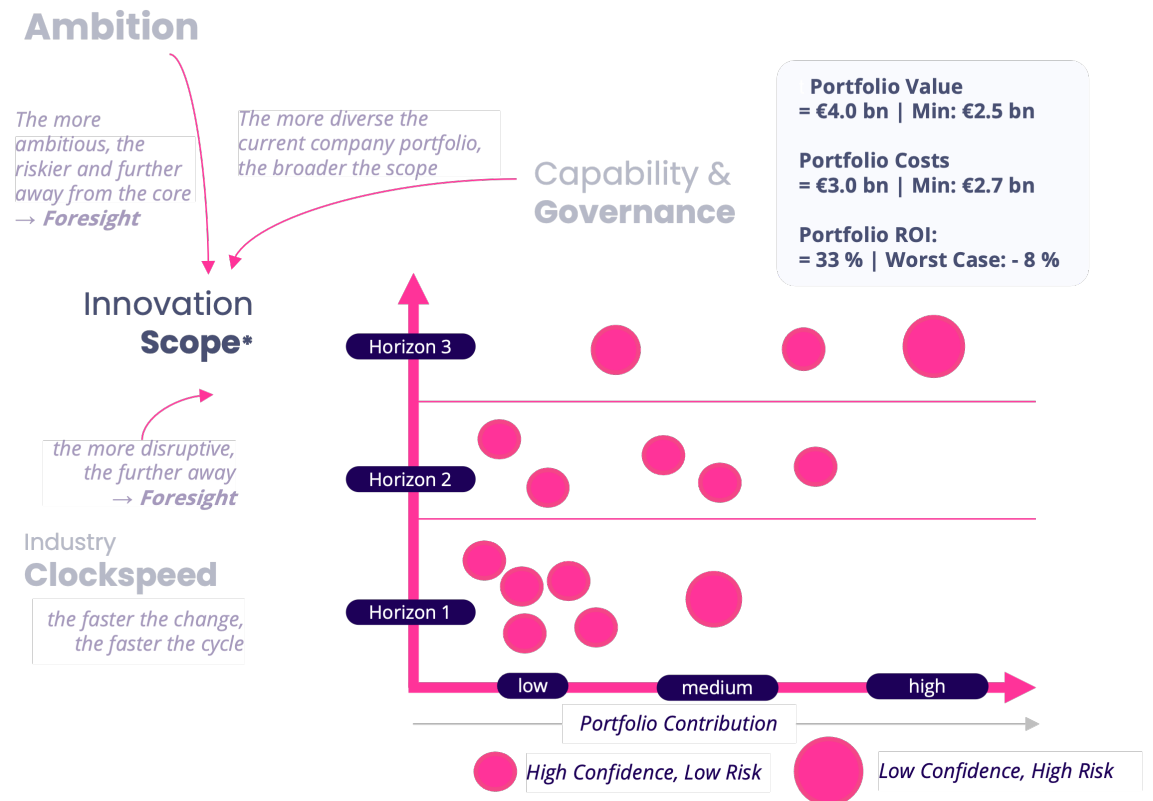
Innovation portfolios inform about the value and costs of all innovation opportunities and projects along the three innovation horizons.

Very typically, Horizon 1 projects have more stable return forecasts than Horizon 2 and 3 projects. That is why the ambition is so important to see the perfect balance of the innovation portfolio. After the definition of the expected portfolio balance, steering groups need to constantly analyze whether the portfolio expects to fulfill the expectation.

It is important to keep a holistic portfolio view and not judge every project on its own expected ROI as the higher uncertainty of Horizon 3 projects leads to bigger ranges and even failures. Therefore, it is important to define what loss in the worst case is still reasonable. This reason is often found in the argument that besides the losses the overall portfolio might still have a positive return.

Besides factoring in the expected value, cost, and confidence of value realization, portfolio analysis also needs to consider time and speed. Being too late might ruin all the effort and every value hypothesis. A structured innovation portfolio thus looks constantly at the expected portfolio return (ROI), confidence level, and timelines.

Figure: Innovation Portfolio Analysis



Matching Scope & Portfolio Returns: The Process

Keep track of your entire portfolio and make timely, evident decisions based on a transparent portfolio view

Reviewing an innovation portfolio effectively is crucial for organizations to ensure they are investing in opportunities and projects that align with their ambition and have the potential for significant impact. As new evidence is collected constantly, it is important to review the portfolio frequently.

Organizations thus first need a dashboard that informs about the complete portfolio and contains up-to-date information. The view needs to be fueled from opportunity and project updates.

To make portfolio-related decisions, such as taking new opportunities into the innovation portfolio, organizations should hold steering boards within a defined cadence. Most often, this happens quarterly but is also up to industry dynamics.

The steering meetings are used to control the portfolio value, costs, and timeline and compare them with the ambition. If opportunities or projects are stuck – due to no new evidence or delays, it is the best opportunity to take corrective measurements.

Innovation Scope	# of Opps	# of Projects	Expected Portfolio Return			Portfolio Invest / Costs			Projects/Opps Stuck	Projects On-Track
			Y+1	Y+2	Y+3	Y+1	Y+2	Y+3		
Horizon 1										
Horizon 2										
Horizon 3										

Matching Scope & Returns: Assess your Performance

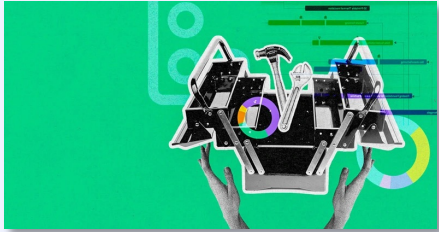
Use the following KPIs to assess your maturity and keep track of your corporate innovation performance

Organizational Level KPIs

- **Return on Portfolio [%]:** The volume/expected return of our potential opportunities and committed projects exceeds our aspired volume/return (=leadership expectation).
- **Steering Board [Y/N]:** We have a steering board that meets regularly and makes portfolio adjustments based on the evidence collected.
- **Conversion Rate [Y/N]:** We know the conversion rates along the complete innovation funnel to not let opportunities/projects slip.
- **Portfolio Transparency [Y/N]:** We have an easy-to-access, up-to-date innovation opportunity and project board, consisting of all relevant information.
- **Return Realization [Y/N]:** The actual returns we realize match the returns we expected.

Figure: Annual Portfolio Values by Size and Industry

Industries	Small (€M)	Medium (€M)	Large (€B)
Retail / Consumer Goods	1-10	10-50	0.5-2
Finance & Banking	5-20	20-100	1-5
IT / TelCo	10-50	50-200	2-10
Manufacturing	5-25	25-100	0.5-3
Construction	1-15	15-75	0.5-2
Automotive	10-50	50-250	1-10
Energy	10-50	50-250	1-10
Aerospace	10-50	50-200	1-10
Defense	10-50	50-200	1-10
Pharmaceuticals	20-100	10-500	1-20



10 Portfolio Management Methods to Maximize Your Return on Innovation

In this blog, we explore ten of the most effective innovation portfolio management methods to help you ensure the right efforts are resourced and delivered at the right time.

[Read More →](#)



The 70:20:10 Rule of Innovation to Navigate the Future

In this blog, we would like to share one of our favorite methods to manage innovation, the 70:20:10 rule of innovation.

[Read More →](#)



ITONICS Academy: Portfolio Management Essentials

Learn how to fight zombie projects, balance quick wins and moonshots, and minimize risk to drive sustainable growth for your company...

[Read More →](#)

Scope & Portfolio Returns

Additional Resources

Table of Contents

- 01** ITONICS Innovation OM | **Innovation performance follows design follows setting**
- 02** Match Ambition and Scope | **Setting the course of innovation action**
- 03** Match Scope with Capability & Governance | **Leveraging the right structural design**
- 04** Match Scope and Confidence Increases | **Progressing the right solutions right**
- 05** Match Scope and Process Speed | **Leveraging the right execution design**
- 06** Match Scope and Portfolio Returns | **Amortizing the portfolio investments**
- 07** **Implementing** the Innovation OM | **Start points for different angles**

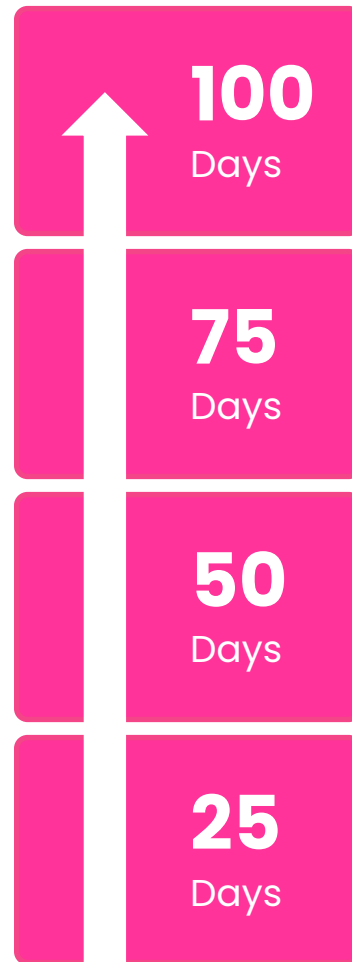
The 100-Day Performance Improvement Plan

The Only Single Source of Truth for Everything Innovation. Automated. Connected. Interactive. Customizable.

Set a specific direction for your first 100-day plan

Our suggestion

- Defining the Innovation Scope (→)
- Improving Innovation Governance (→)
- Improving Process Quality (→)
- Accelerating Process Speed (→)
- Improving Portfolio Returns (→)



Optimize + Accelerate

Find more ways and digital tools to scale your new routines. Re-take the assessment and control your improvement constantly.

Adjust + Standardize

Use the feedback to improve. Start to roll out the improvements to a bigger audience and translate it into new habits.

Implement + Review

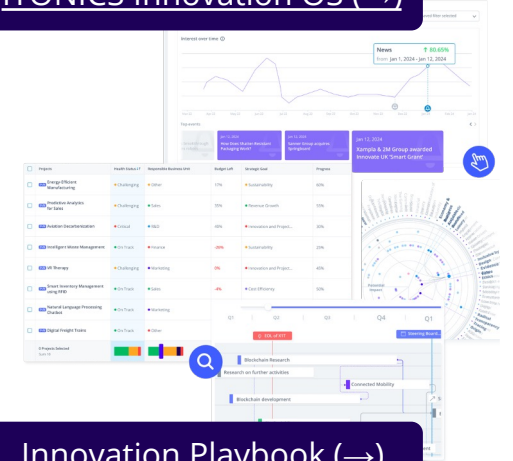
Find supporters, present your results and plans for improvement. Start small and collect feedback on the improvements.

Assess + Plan

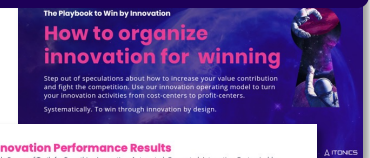
Start with the ITONICS Performance Assessment and identify the areas to improve. Take the recommendations and plan their implementation.

Key resources

[ITONICS Innovation OS \(→\)](#)



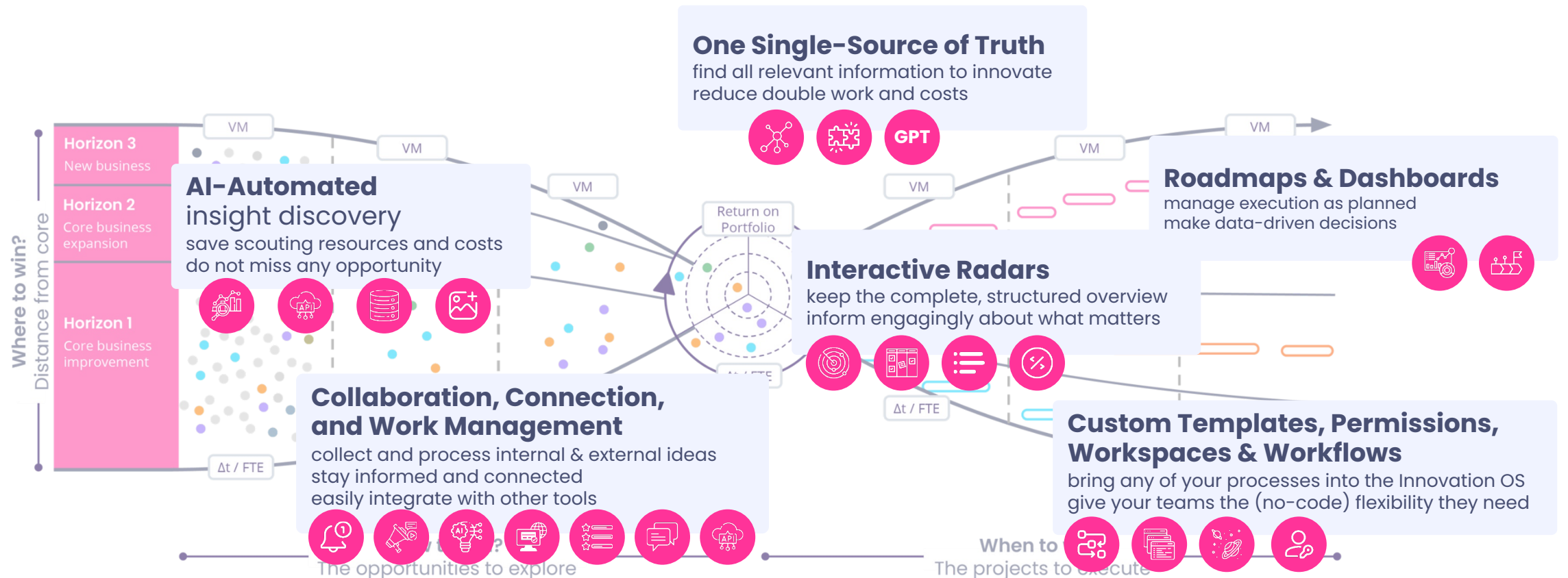
[Innovation Playbook \(→\)](#)



[Performance Assessment \(→\)](#)

Enhance your Performance with the ITONICS Innovation OS

The Only Single Source of Truth for Everything Innovation. Automated. Connected. Interactive. Customizable.



Nuremberg

Berlin

Cape Town

ITONICS

Kathmandu

Paris

Miami

New York

Global Presence, Trusted By Leaders

We are the **leading provider of software and services in innovation management**, serving organizations of any size and public institutions globally.

Due to increased comprehensiveness, speed, and accuracy in managing data, our software eases decision-making and any task to innovate successfully.

amazon.com



SIEMENS



www.itonics-innovation.com