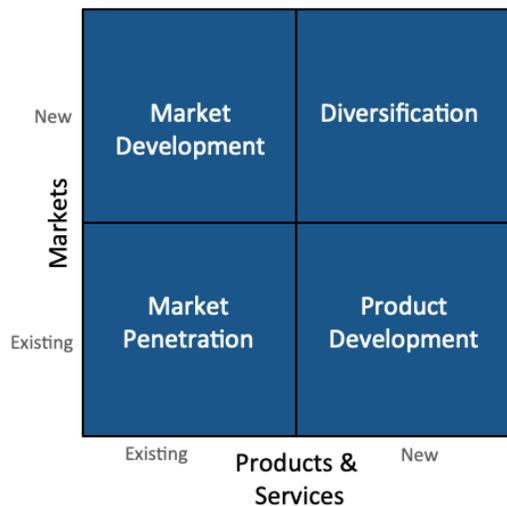


Go Innovate! Now What?

Marketing and R&D teams are under pressure to generate new revenue and profit. Many teams are often overwhelmed by the request, and struggle deciding where to start. An effective program for managing the front-end-of-innovation (FEI) may be the right solution to kickstart innovation. There are several best practices in FEI that will increase your odds of commercial success.

FEI is the process whereby customer needs are established, opportunities are identified, and concepts are developed before entering the formal product development process.

Know the Strategy



Ansoff Matrix: https://en.wikipedia.org/wiki/Ansoff_Matrix

Growth can come from one of four strategies: market development, market penetration, diversification, and product development. Most organizations think that “innovation” is only about product development—new gizmos among your existing markets and customers.

Far too often, organizations jump on the product development train without a thorough analysis of its current customers and markets. Before investing heavily in new products, examine penetration of existing products with existing customers. Achieving greater market penetration is often less risky and more profitable.

If the strategy is market development or diversification, this too will influence how you approach the innovation assignment.

Have Your Own Definition of Innovation

Having a sharp definition of what is considered “innovative” is essential. It also defines your risk vs. reward profile. If the goal is “new to world” products, then prepare to spend more money on riskier projects. While the risk for failure is higher, the payoff for successful launches could be enormous.

If the goal is “new to company”, the risk is smaller, since the focus is on bettering something with a track record.

Before defining an innovation assignment, be very clear on your goals (new-to-world, line extensions, product improvements, etc.) and your overall risk vs. return tolerance.



Invest in the FEI

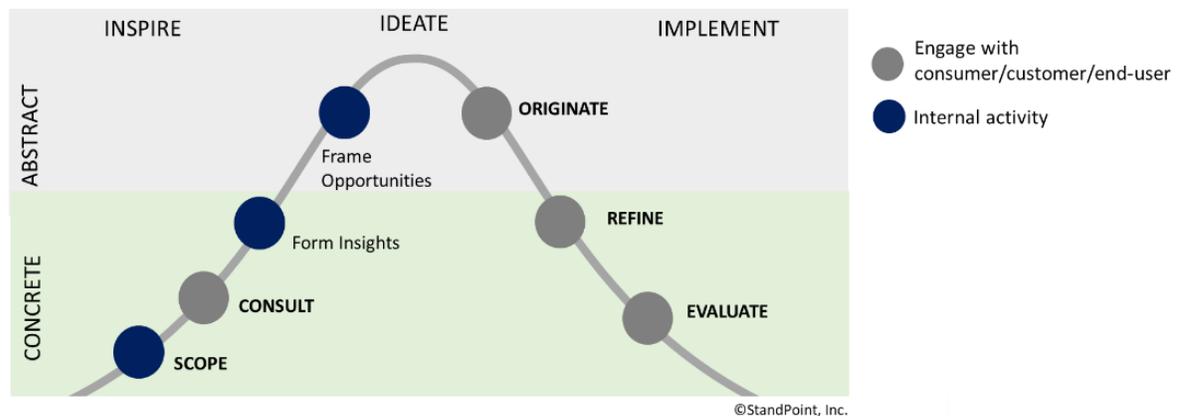
Effective FEI will require a commitment of time and money. It should involve a cross-functional team (marketing and R&D) and have executive sponsorship. Ultimately, the outcome of a FEI assignment is three-fold:

- Identify opportunity areas and develop an innovation roadmap.
- As it relates to ideas and concepts, kill early and kill fast so that you focus on the right projects.
- Focus on fewer, bigger launches.

Use a FEI Framework

We advocate the SCORE© framework for managing the front-end-of-innovation.

SCORE An award winning process for rapid pipeline fill



SCOPE	CONSULT	ORIGINATE	REFINE	EVALUATE
<ul style="list-style-type: none"> Define project parameters Link innovation assignment to business strategy 	<ul style="list-style-type: none"> Consumer attitudes and usage Identification of insights, needs, motivations, beliefs, and pain points Development of insights and opportunities Prioritization of insights and opportunities 	<ul style="list-style-type: none"> Ideation with the client team and handpicked consumers 	<ul style="list-style-type: none"> Small group to finalize concepts Includes client team and handpicked consumers 	<ul style="list-style-type: none"> Consumer evaluation of product concepts

SCORE© begins by scoping the assignment, determining what is in-bounds and out-of-bounds. A proper *SCOPE* is essential. If the scope is too narrow, you run the risk of getting too many incremental ideas. If the lens is too broad and blue-sky, the outcome is not actionable.

In *CONSULT*, we engage the customer/consumer/end-user to better understand problems, needs, pain points, motivations, beliefs, etc. From there, we form deep insights and frame opportunities into an innovation roadmap.

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The next step is to create original solutions (*ORIGINATE*) via carefully-managed internal or external brainstorming. The *REFINE* process involves working with internal teams or customer/consumer/user groups to develop product concepts using the ideas from brainstorming. The last phase is re-engaging the customer/consumer/end-user to *EVALUATE* (and prioritize) concepts or to *EXPERIMENT* with a prototype.

Over the next several pages, we further define each step in SCORE©.

SCOPE

This is the process for setting the parameters of the innovation assignment.

Key questions to guide scoping decisions include, but are not limited to, the following:

- What is the playing field? How far do you want to stretch outside of current capabilities and competencies?
- What is the category of products or services where you seek an innovation?
- What types of innovation are you seeking: products, services, new business models, new claims, etc.?
- Who should we engage to really understand needs and pain points?
- Who else in the ecosystem can enable or roadblock innovations in this playing field?
- What background work has been done thus far that might play a role in scoping or serve as input to the process: competitive analysis, trends analysis, or technology scan?
- What macro trends are creating demand?
- What ideas, concepts, or prototypes already exist in the idea bank? What amount of vetting has been done on these items?
- What core capabilities or technologies could the organization scale?
- What hypotheses do you have regarding needs, pain points, or problems within the areas of interest?

Before proceeding to next steps, a precise understanding of the playing field and various customer/consumer/end-user segments is essential.

If this is not clearly defined, this may require some preliminary research to define which segments to include in the innovation assignment.

The lack of a precise definition on segments is a common pitfall and can greatly impact the viability of next steps.

CONSULT

The CONSULT phase is intended to build empathy with the consumer/customer/end-user. The goal is to fully understand met and unmet needs, pain points and problems, desires, motivations, and beliefs. This is often done through qualitative research.

If the number of needs and pain points is large, the prevalence and importance can be validated prior to next steps. Oftentimes, understanding priorities is necessary before moving into idea generation and concept creation.

The final output of CONSULT is a series of opportunity areas (OAs) like the one below. OAs are generated by highly-skilled analysts that synthesize the insights from the CONSULT phase, past research work, macro trends, and more.

Each OA is hinged on known customer insights and needs and will serve as your innovation roadmap.

TARGET	Commercial airframe painters
INSIGHT	The time that it takes to install window coverings takes me away from more critical processes in airplane painting
NEED	I want a more efficient and standardized way to cover passenger windows before airframe priming and painting
VALUE PROP Functional Benefits Emotional Benefits	<ul style="list-style-type: none"> • Faster process • Reduced errors and waste • Focus time on more critical processes • Less time stress
CURRENT SOLUTIONS	<ul style="list-style-type: none"> • Aluminum foil and aluminum tape • Kraft paper and masking tape • No commercially available solutions identified

ORIGINATE

OAs serve as input into your brainstorming process. During brainstorming, the goal is to focus on generating a large quantity of ideas without worrying about quality. A trained facilitator is highly recommended as they can lead an internal or external team to maximum output.

REFINE

In the REFINE stage, common ideas are grouped and converted into product and service concepts. A best practice is to involve the consumer/customer/end-user in this process as they can ensure the output is attuned to their needs and guide the team on what is desirable and feasible. At this stage, the goal is the quality of the concepts versus quantity of concepts.

EVALUATE OR EXPERIMENT

In the last phase, concepts are re-presented to the consumer/customer/end-user for final vetting. During this encounter, the goal is to ensure the concepts are written in the right language and gauge overall enthusiasm for the proposed solutions. An emerging best practice (where it is feasible) is to create prototypes or a minimally-viable product for more specific and concrete feedback.

CLOSING

The idea of knowing your customers' needs is not new. What is often lacking is a framework that is not too rigid and not too loose to manage the FEI. Because the SCORE© framework is highly-immersive, it is also very effective at aligning internal teams on the greatest opportunities. For more information, please contact **Kip Creel** at kcreel@standpointgroup.com.

