Embracing Innovation
TGA Annual Meeting
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Myrtle Beach, South Carolina
Lee Freeman, TAB Certified Executive Coach / Facilitator
The Alternative Board (TAB) Florence / Myrtle Beach
INNOVATION IS THE ONLY SUSTAINABLE COMPETITIVE ADVANTAGE A COMPANY CAN HAVE.

David Friedberg, Weatherbill founder
Defining Innovation?

Innovation in One-Word
“No wonder this is a concept many organizations find it difficult to define.”

Top 5 one-word definitions for innovation:

- Creativity
- Change
- Transformational
- Different
- New
Types of Innovation?

Larry Keely – Author of “Ten Types of Innovation

Organization for Economic Cooperation & Development (OCED)

Greg Satell – Author of “Mapping Innovation”

Jacob Neilson – theinnovativemanager.com

Clayton Christensen – Author ”The Capitalists Dilemma” / “The Innovator’s Dilemma”
Innovation Matrix

Sustaining
A significant improvement on a product that aims to sustain the position in an existing market.

Disruptive
Technology or new business model that disrupts the existing market

Incremental
Gradual, continuous improvements on existing products and services.

Radical
Technological breakthrough that transforms industries, often creates a new market.
The Oslo Manual for measuring innovation defines four types of innovation:

**Product innovation:** A good or service that is new or significantly improved. This includes significant improvements in technical specifications, components and materials, software in the product, user friendliness or other functional characteristics.

**Process innovation:** A new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software.

**Marketing innovation:** A new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing.

**Organizational innovation:** A new organizational method in business practices, workplace organization or external relations.
UNDERSTANDING THE 10 Types of Innovation

New products are invented from scratch all the time, but this is merely one way to innovate.

According to innovation firm Deloitte, most breakthroughs in history comprise some combination of the following 10 types of innovation.

THE Innovation WHEEL

**Configuration**
- Network
- Structure
- Process
- Success
- Innovation

**Experience**
- Design
- Experience
- Journey
- Channel
- Service

**Innovation**
- Product
- System
- Bugs
- Support
- Maintenance

By tactically examining these 10 different types of innovation, you may uncover exciting new product opportunities—or you may change the business world forever.
Design Thinking Innovation

Design thinking is a process for solving problems by prioritizing the consumer's needs above all else.

Open Innovation – Example Mozilla / Fire Fox – Open-source software development

Business Model Innovation – Value Proposition & Operation Model changes
Innovation is, at its core, about solving problems.

Leaders identify the right type of strategy to solve the right type of problem by asking two questions:

- How well can we define the problem?
- How well can we define the skill domain(s) needed to solve it?
For today..

“Creation, development and implementation of a new product, process or service with the aim of improving efficiency, effectiveness or competitive advantage.”
American Petroleum Institute (API)

**Energy is Powering Innovation**

Natural gas and oil are integral to innovations that safely and efficiently supply the daily energy Americans need, as well as the modern products that make lives safer, healthier and more convenient. Natural gas and oil also boost innovation in other fields that support growth, prosperity, discovery and human advancement.

*25 Different Industry Innovations*
Why Innovation Not Diversification
Is Key To The Oil And Gas Industry’s Survival
Forbes (4-28-21) David Blackman

Energy Secretary Jennifer Granholm to the oil and gas industry - Granholm advised oil and natural gas companies they must diversify if they want to survive.

“The Secretary would have been more on-point had she advised them to innovate, because that’s what is inevitably going to happen. History tells us that that is what this industry always does to survive and thrive in a constantly changing world.”
Industries Affected by Disruption - 2030
5 Platforms on the Verge of Becoming Mainstream
Our company has a clear definition of what it means to innovate in our industry? 

Our vision statement articulates our desire to be an innovative leader in our industry? 

Our leadership team embraces innovation and models innovative behaviors in their work and communication? 

Our company has a culture of innovation that includes the collaboration of diverse teams, individuals and disciplines to encourage new ideas? 

Our company seeks not only innovative products and services but also our business model, culture and customer engagement practices? 

Our company has a process for filtering innovation ideas and focusing on the most promising? 

Our company has an openness to hearing new ideas from ALL employees? 

Our company allocates a budget for expenses associated with innovation? 

Our company rewards employees for innovation? 

We consider the innovative mindset and track record of potential hires?
Areas of Innovation

- Processes
- Business Model
- Culture
- Brand
- Markets / Channels
- Revenue Streams
- Products / Services
- Structure
- People
- Technology
- Financial
- Implementation
Innovation Myths

- I am not creative
- Criticism will improve my idea
- If it ain’t broke don’t fix it
- I don’t need a notebook to remember ideas
- Innovation = Epiphany
- We all love new ideas
## Pitfalls in Innovation Management

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<th>Pitfall</th>
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<tr>
<td>Lock into one type of innovation</td>
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<td>Failure to embrace innovative tech</td>
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<tr>
<td>Trying to solve the wrong problem</td>
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<td>Not enough diversity – too small a</td>
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<td>group</td>
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<td>Don’t embrace failure</td>
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<td>Don’t consider “extreme” user</td>
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<td>Talent (Culture)</td>
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Technologies

Communication – Zoom, MS Teams, GoToMeeting, Slack

Innovation Management – Planbox, Aha!, Crowdricity, Planview Spigit, IdeaNote, Mindmeister

Idea Management – BrightIdea, SmartSheet, Ideawake, Celtx, Miro

Workplace Innovations Platforms – Airplay, Claris Filemaker, Appsheet, Quixy, Ninox
Right Problem & Right People

Let's add a drive-thru window!

Let's bring movies right to their home!

old video rental co.

vs.

Netflix

WHY DON'T WE HAVE ANY FRESH IDEAS AROUND HERE?
Techniques

• Brainstorming
• SCAMPER
• 8 Pillars of Innovation (Google)
• Idea Journals
• Innovation Software*
• Crazy – Crazy – Sensible
Brainstorming

- Alex Osborne (1953)
- Focus on quantity
- Withhold criticism
- Welcome Unusual Ideas
- Combine and Improve ideas

NOW LET'S PICK THE INNOVATIVE IDEA WITH THE GREATEST POTENTIAL TO KEEP THINGS EXACTLY AS THEY ARE.
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<th>Have a mission that matters.</th>
<th>Share everything</th>
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<td>Think big but start small</td>
<td>Spark w/ imagination</td>
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<td>Look for ideas everywhere</td>
<td>Be a platform</td>
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<td>Strive for continual innovation</td>
<td>Never fail to fail.</td>
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“Innovation is not the product of logical thought, although the result is tied to logical structure”

“If at first the idea is not absurd, then there will be no hope for it.”

-Albert Einstein
Summary

Most Radical Innovations result from continuous small improvements, so you can still make an impact if you only focus on improving your core business.

- Make it important. Is it on the agenda?
- Turn information into meaning and insight.
- Empathy. Really understand the problem.
- Get diverse insights.
- Engage technology but don’t trash “old school”.
- Many iterations, learn from failures.