

WHAT DO WE REALLY WANT FROM INNOVATION?

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Abstract

What do our customers really want? Who are the customers we should concern ourselves with? How do we get the right voice of the customer? Do our customers really know what they want? Have these questions ever sparked debate within your organizations?

Typically organizations address these questions from a process improvement perspective. The organizations that have approached these questions from an innovation perspective have found that the opportunities identified have a tendency to be within the realm of traditional improvement disciplines. How do we break free of the 'improvement bonds' to freely innovate? Better yet, how do we leverage our experience and knowledge of improvement tools to enhance our innovative abilities?

The Problem

On average, 90% of all companies fail to trace out their growth trajectory in the long run. This is due to numerous factors, for instance a gradual decrease in shareholder returns, failure to “*keep up with the times*”, a lack of “innovative capability”, etc. The bottom line is that organizations have to address the question... “What next?” This has proved to be a most difficult question to answer for the majority of large to medium corporations. Forbes magazine, for their 70th anniversary, did a comparison of their top 100 American companies from 1917 to 1987. The result: Only 18 of the original companies appeared on the 1987 list, 61 companies from the original list did not exist anymore and 21 companies fell off the list. The fact is, only 1 company on the original list continued to perform better than the overall market (General Electric).

The current mindset around process improvement is to ask of your customers the question “How can we improve our *performance*?” This, in itself, locks the resulting opportunities well into the realm of “improvement” and will yield no innovative opportunities. A step further is to ask... how we can improve the *perception* of our services/products, brand image and customer experience. This approach may yield either improvement or innovative opportunities. However, it is only as a result of luck and of team creativity. Since most of us are seasoned veterans at improvement methodologies, the chances of identifying an innovative opportunity are slim.

Having experienced these phenomena, it is logical to conclude that improvement methodologies hinder innovation. After all, moving from one maturity S-curve to the next is analogous to moving from a 2-dimensional view to 3. This can only be made possible by two critical success factors:

- Applying the rigor of a methodology and
- Practice, practice, practice.

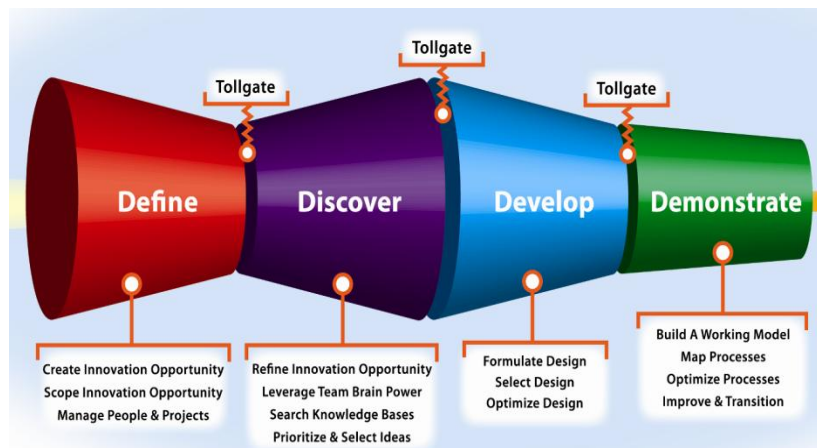
The key to starting at the right level is ignoring the performance and perception expectations of the customer in the beginning and asking the questions:

- What is the **Outcome** expectation of the customer?
- What is the actual “**Job-To-Be-Done**” of the process, service or product?

Professor Theodore Levitt of the Harvard Business School said; “People who buy power drills don’t necessarily want to buy a quarter-inch drill. They want a quarter-inch hole”. In this case the Job-To-Be-Done is “Acquire a quarter-inch hole”. How we go about getting the Job done is dependent on the outcome expectations or, in other words, the solution we choose (the drill being just one solution), is dependent on attributes of how well the job gets done. To rephrase the statement above, if one can think of “hiring a solution” as opposed to simply buying a product, then the outcome expectations would reflect the “hiring criteria”. What makes a customer choose one solution rather than the other?

Understanding the Methodology

BMGI’s D⁴ methodology has been designed to specifically separate improvement ideas from innovative ones; not only separate the two, but nurture or flush out more of either. The D⁴ methodology is broken up into 4 phases: Define, Discover, Develop, and Demonstrate.



The various phases address the questions around the “Job-To-Be-Done” (JTBD). In the **Define phase**, various tools are utilized to seek out the essential JTBD and leveraging these, identifying other related JTBD. The next step within the Define phase is to identify all the outcome expectations associated with each JTBD. These are rigorous exercises and effectively allow the team to traverse both inside and outside the box.

The **Discover phase** is where all the creative ideas are generated. A ubiquitous fallacy is that people are either born creative or not. The tools within Discover allow for anyone to be creative and to stretch, flex and exercise the team’s creative muscles. The tools are mostly designed to harness the creativity of the entire team.

Within the **Develop phase** the lengthy list of ideas are refined, scoped and prioritized. In the **Demonstrate phase** a few concepts are selected and pilot studies are conducted to demonstrate how comprehensively they address the various Jobs-To-Be-Done and their respective Outcome Expectations. This is followed by a launch of the new process, service or product.

How the Methodology Solves the Problem

The JTBD view changes the direction of the team’s focus, away from the limitations of current processes and conditions to what the real JTBD is. Innovation opportunities are incredibly sensitive to the starting point. Where typically one would conduct a **Value Stream Assessment** to identify improvement opportunities, which is highly process-focused, in the world of innovation the focus would be on the “**Job Stream Assessment**”, viz:

- How does the customer of the process, service or product fulfil the JTBD?
- What “Work-around” or “Backdoors” are they using to achieve a JTBD?

This allows the team to move away from traditional improvement thinking towards innovation. The exercising of the creativity muscle must be conducted routinely to get better at these techniques.

Conclusion

Traditional improvement techniques only stifle innovation if one allows it. As mentioned above, the perspective and the starting points are critical success factors as well as the utilizing of the appropriate methodology, which provides enough structure to become creative within it. Creativity fitness is an immovable object and must be worked into the DNA of the innovation team.