Gartner
SYMPOSIUM ITXPO®

29 October – 01 November 2018 / Gold Coast, Australia

Developing Innovation Strategy: A Primer for CIO to Deliver Successful Innovation

Mike J. Walker
@mikejwalker

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates. This publication may not be reproduced or distributed in any form without Gartner's prior written permission. It consists of the opinions of Gartner's research organization, which should not be construed as statements of fact. While the information contained in this publication has been obtained from sources believed to be reliable, Gartner disclaims all warranties as to the accuracy, completeness or adequacy of such information. Although Gartner research may address legal and financial issues, Gartner does not provide legal or investment advice and its research should not be construed or used as such. Your access and use of this publication are governed by Gartner's Usage Policy. Gartner prides itself on its reputation for independence and objectivity. Its research is produced independently by its research organization without input or influence from any third party. For further information, see "Guiding Principles on Independence and Objectivity."

Innovation Defined



"An innovation is the **implementation** of a new and useful idea from the creation to the successful, practical application."

— Arthur D. Little

Five Proven Practices to Cultivate Innovation Leadership Mindsets and Behaviors

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates.

Gartner®

Lead With a Deliberate Strategy

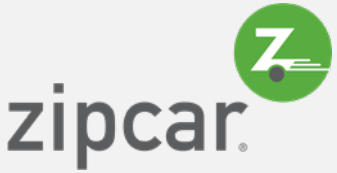
© 2018 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates.

Gartner®

What's Your Innovation Model?

Need Seekers. Creators of new markets, new products and new customer experiences.



Market Readers. Fast followers of new and innovative trends with a competitive product.







Tech Drivers. Technology innovation as a means of a viable business model.



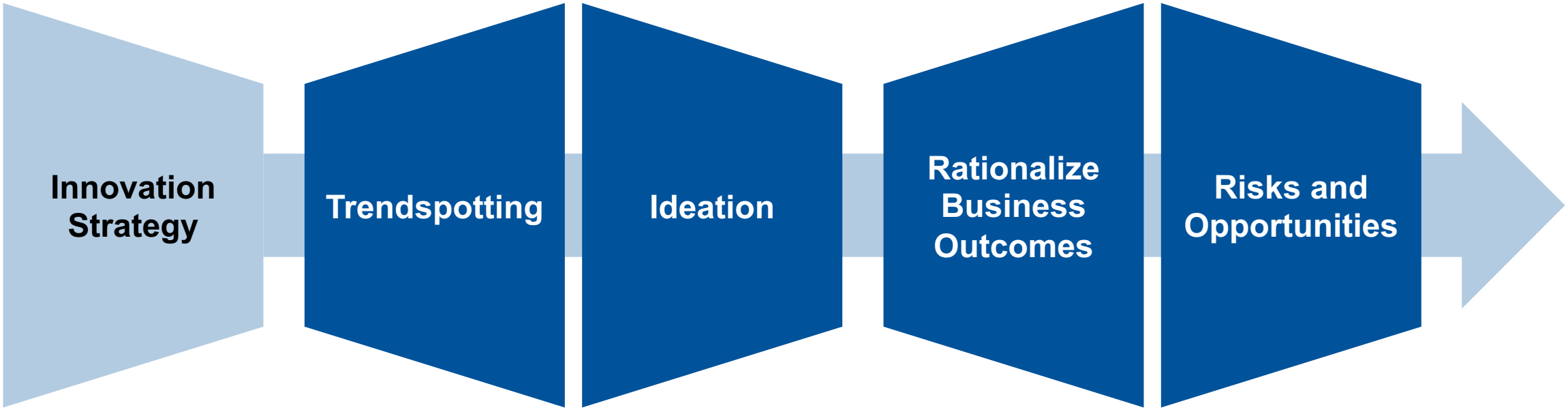




© 2018 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates.

Gartner

Deliberate Innovation Sets the Overall Direction



Narrow innovation options

Scope innovation approach

Focus on specific business areas

Expand view to new markets and competition

Scan disruptive trends

Identify new emergent technologies

Brainstorm specific business and technologies areas

Refine ideas into opportunities

Identify new emergent technologies and business models

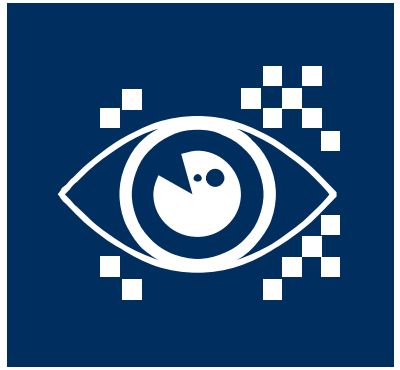
Maximize business value options in specific business capabilities

Narrow realistic business opportunities based on value and risk

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

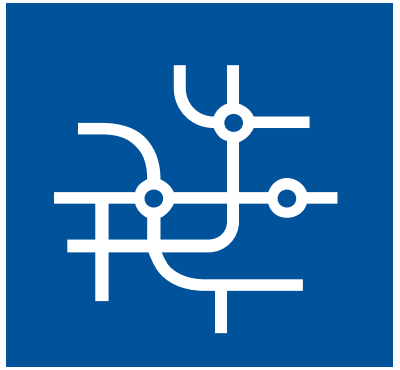
Gartner®

Five Components of an Innovation Strategy



Innovation Vision

Create an innovation vision by understanding the company's long-term direction and immediate needs.



Innovation Blueprint

Understand the innovation models needed to enable the fulfillment of the purpose of the company.



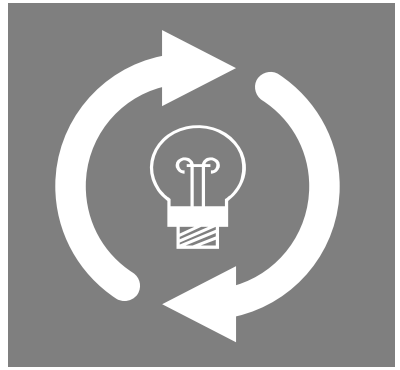
Innovation Approach

Institutionalize innovation through the definition of innovation competencies, approaches, tools and forums needed.



Innovation Economics

Determine how the innovations will produce value, resource allocation, and legal challenges.



Innovation Optimization

Engage and optimize innovation strategy through interactions with innovation leaders.

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

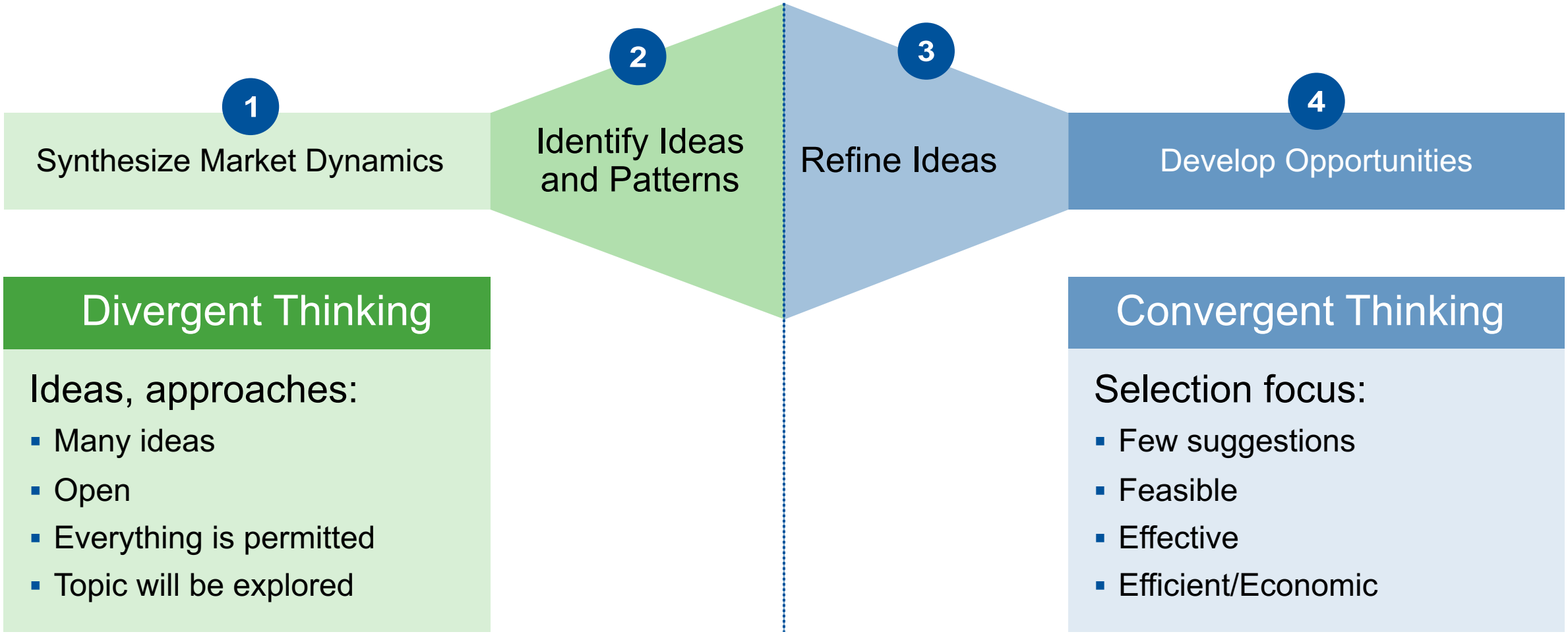
Gartner®

Lead With Innovation Dexterity

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates.

Gartner®

Foster Open Innovation for Diversity of Thought



© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

Innovation Is Inclusive to Everyone

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates.

Gartner®

"**Everyone** in the company, whether in sales, marketing, manufacturing, procurement and administration has played a **vital role in driving innovation**, 3M's scientists, process engineers and innovators still remain the single most important competitive advantage we have, everywhere in the world. They are the engine room of our progress, and the **collective imagination** of our creative people is ultimately the birthplace of our success. This **vital and core part of our culture** is what we need to protect and foster into the future."

George Buckley (2012)



© 2018 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates.

Gartner

Fostering a Culture of Innovation Is Vital

1. Innovator Recognition Program
2. Celebrate Failure
3. Make Innovation Fun and Easy

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

Gartner®

Fostering a Culture of Innovation Is Vital

1

Innovator Recognition Program

Haier
Inspired living

The Haier "Makers" innovation program provides being famous as the incentive for their employees by naming the product of their great idea after them.

This shifts the culture from a transactional monetary mindset to a long-term investment in the company mindset. Allowing the employees to have their fingerprints on the future of the company.

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.
Gartner

Fostering a Culture of Innovation Is Vital

2 Celebrate Failure

The "**failure award**" is given to the team whose idea ultimately flopped but it provided significant insights.



Like Adobe with their Kickbox, Intuit has learned that reaching the minimum viable product by understanding what doesn't work first yields the most value.

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

Fostering a Culture of Innovation Is Vital

3 Make Innovation Fun and Easy



Your big idea innovation tournament crowdsources the entire company to supply, evaluate and pitch ideas tournament style. The winners get their own product team, funding and time to implement.

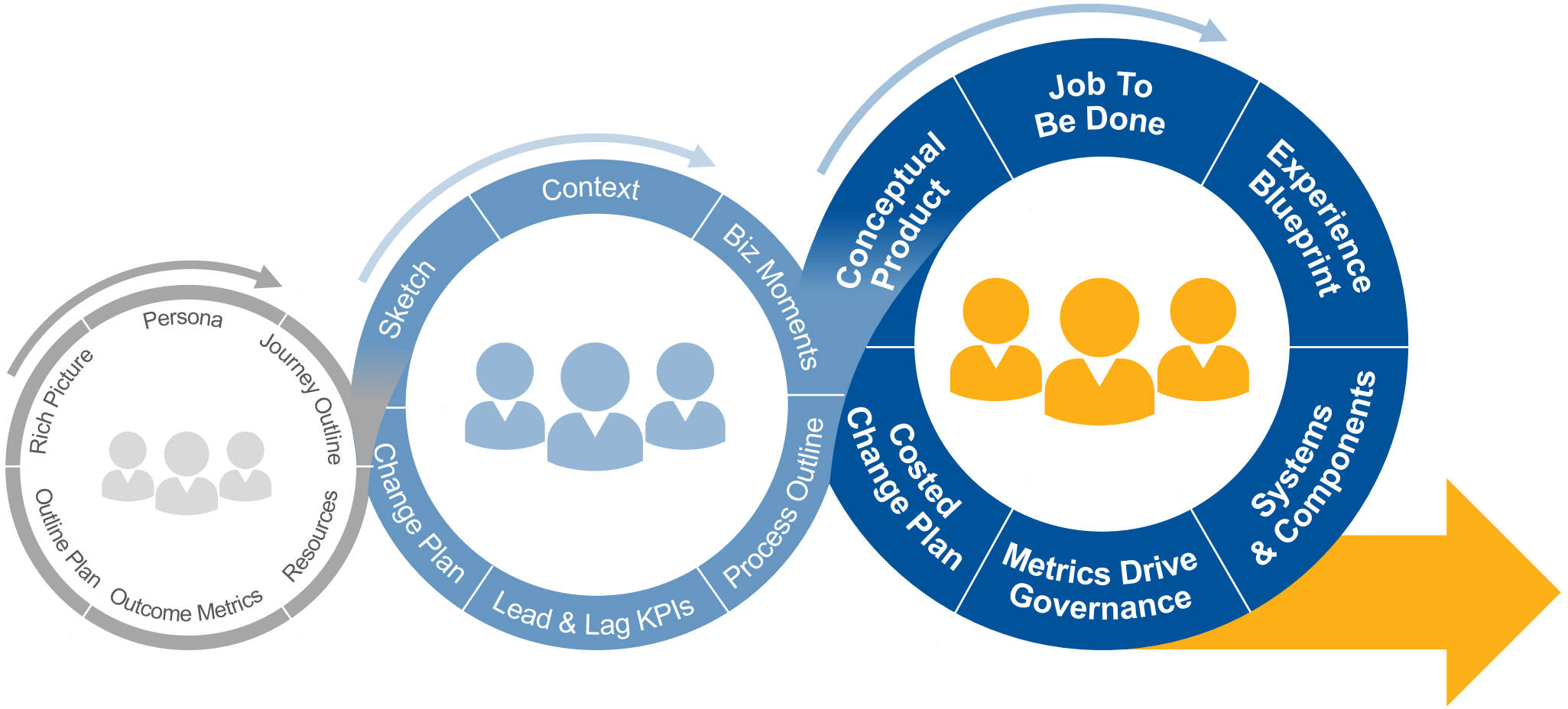


P&G is in contact with hundred thousands of registered researchers and inventors through external online services such as YourEncore, NineSigma and InnoCentive.

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

Gartner

Engage Business Stakeholders To Co-Create The Future



© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

Gartner®

Tailor Innovation

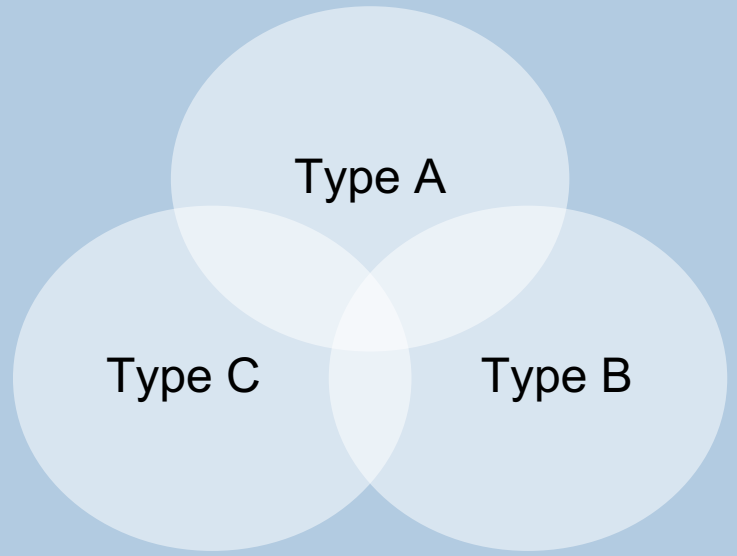
© 2018 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates.

Gartner®

Degree of Innovation

- Market/Industry
- Business Model
- Organizational
- Product/Service

Innovation Mix

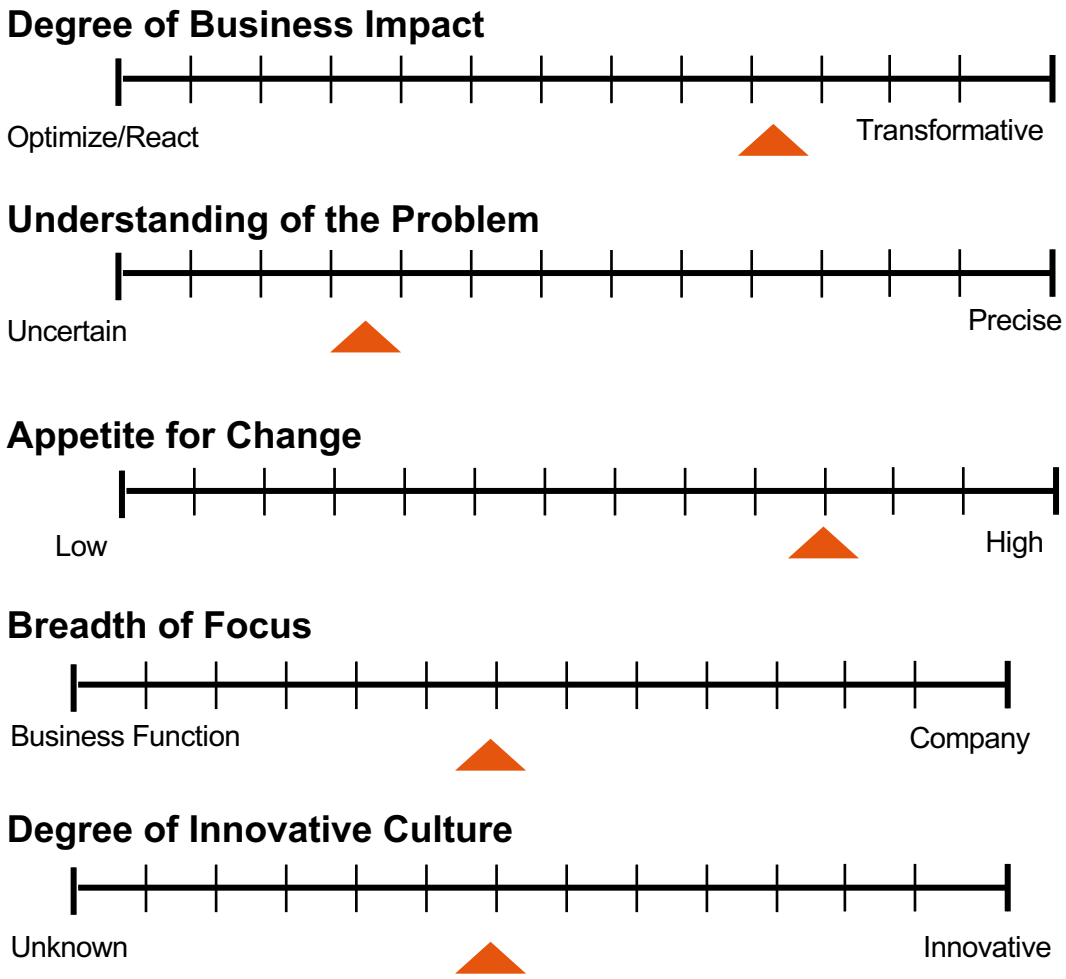


Tailored Innovation Approach

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates.

Gartner®

Tailor Innovation to Your Needs



Tailored Approaches

Tailored Engagement

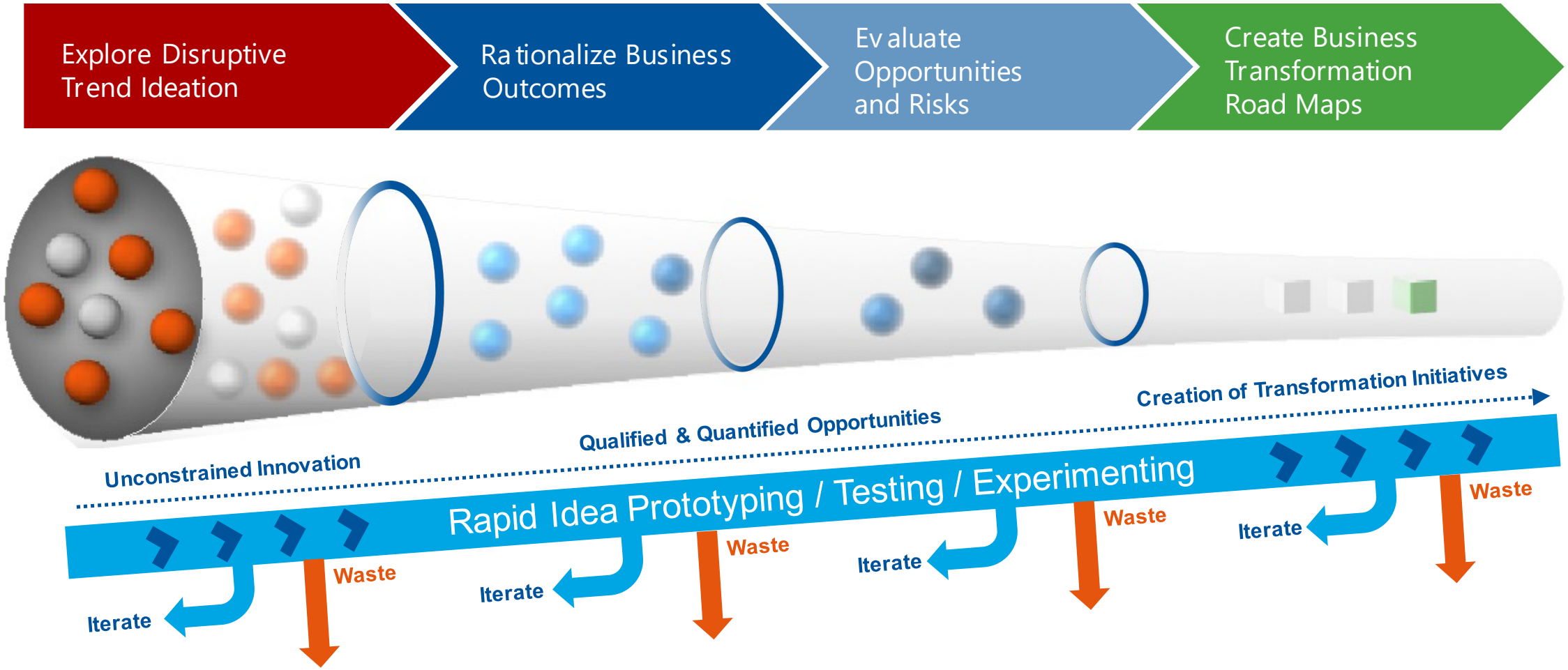
Tailored Deliverables

Tailored Outcomes

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

Gartner®

Define an Open Innovation-Led Approach



© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

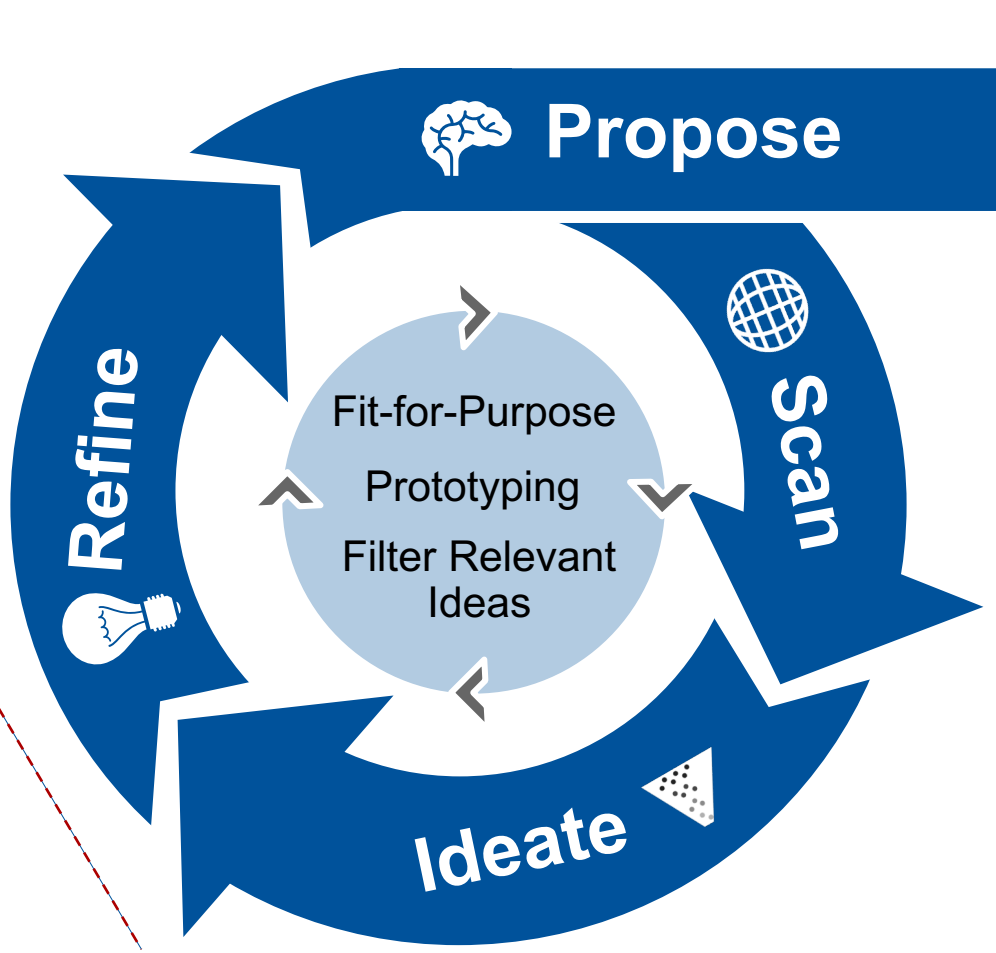
Use an Iterative and Flexible Approach

Explore Disruptive Trend Ideation

Rationalize Business Outcomes

Evaluate Opportunities and Risks

Create Business Transformation Roadmaps

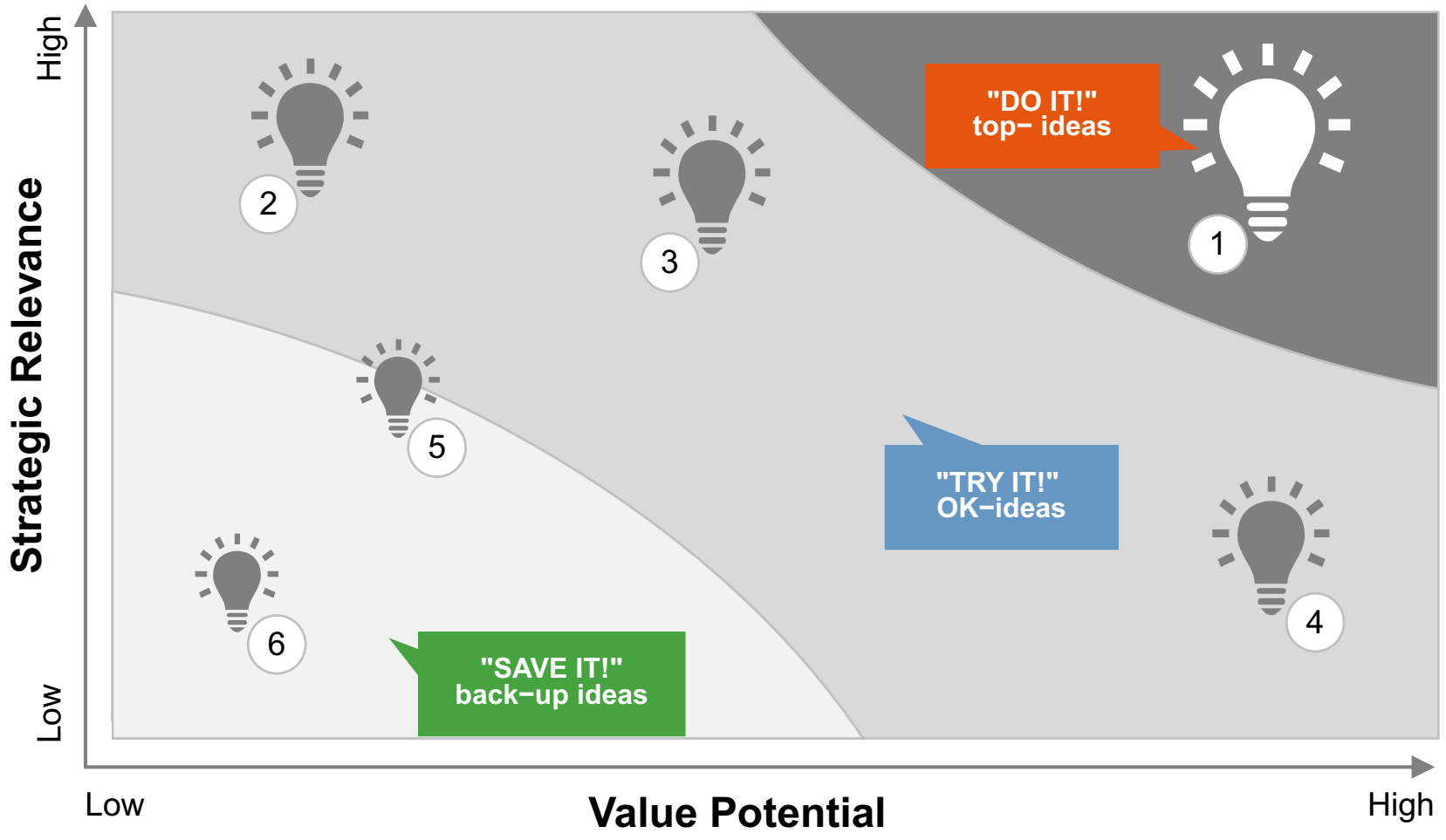


© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

Gartner

Tailor Innovation Based on Source and Style

Focus less on the innovation process and more on the results like



Johnson Controls

Johnson Controls which had a innovation-led goal of growing **50% in one year.**

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

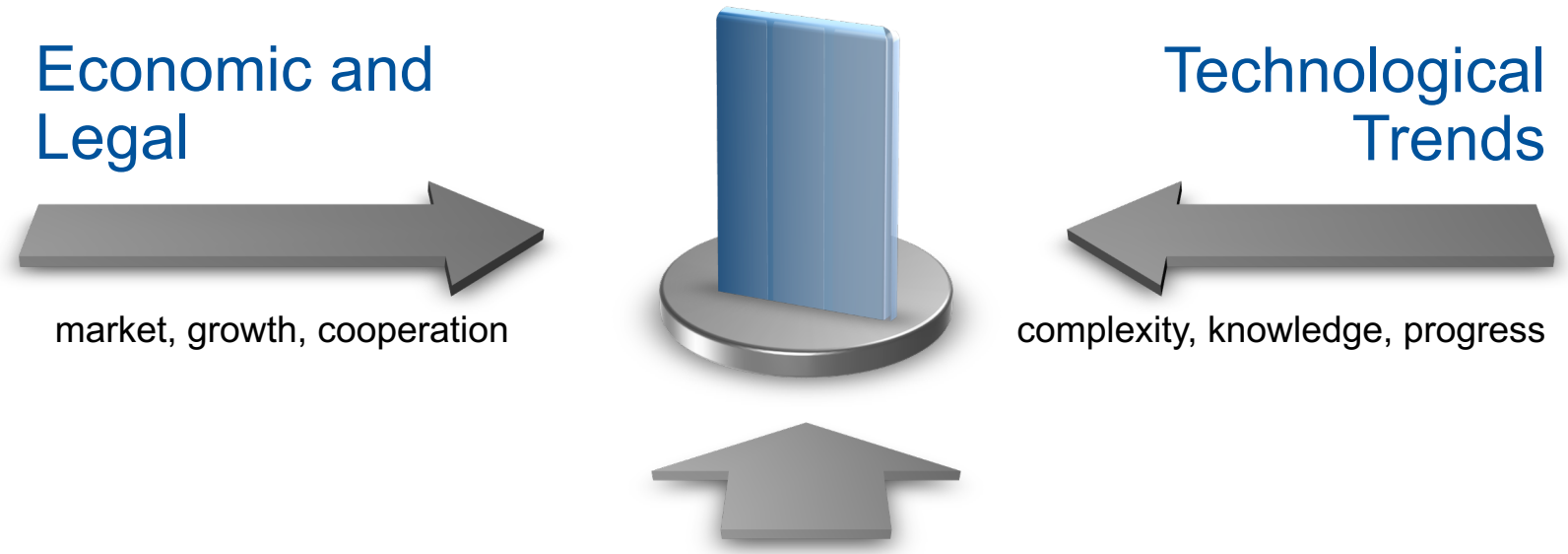
Gartner

Stay in Front of Trends

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates.

Gartner®

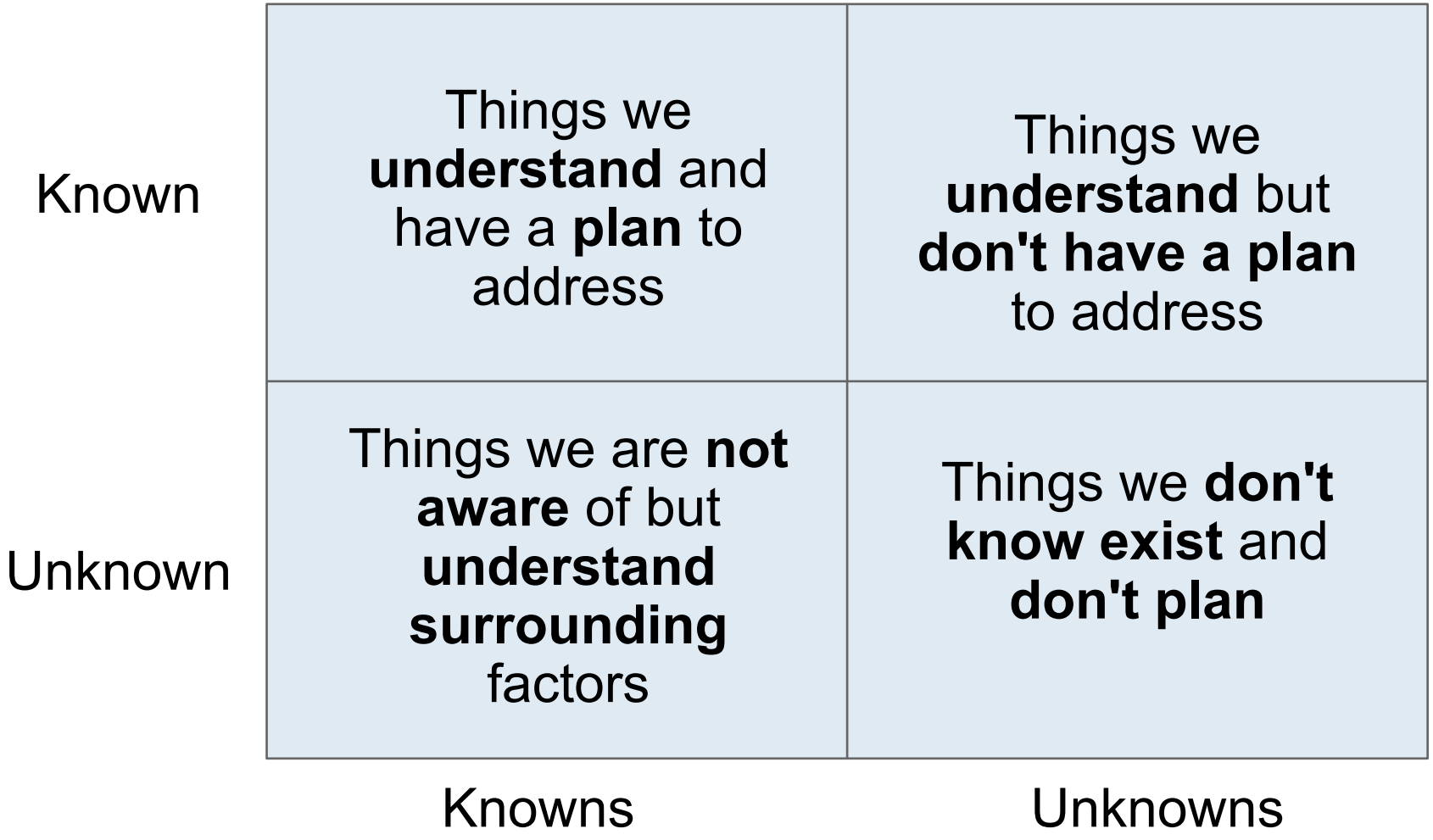
Innovate with agility to identify previously unknown high-value opportunities.



© 2018 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates.

Gartner®

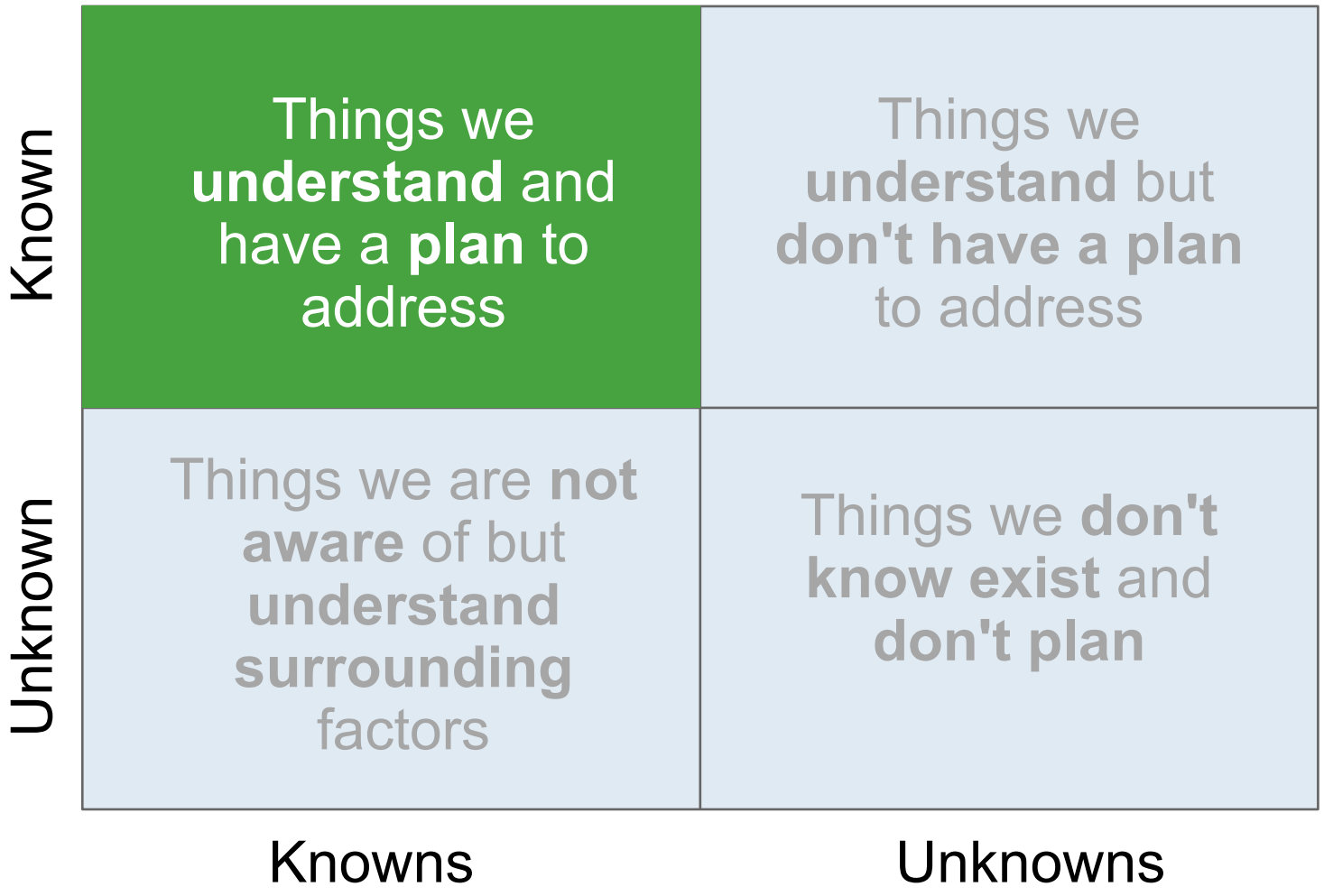
Leaders Must Drive Out Uncertainty From New Trends



© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

Gartner

Leaders Must Drive Out Uncertainty From New Trends

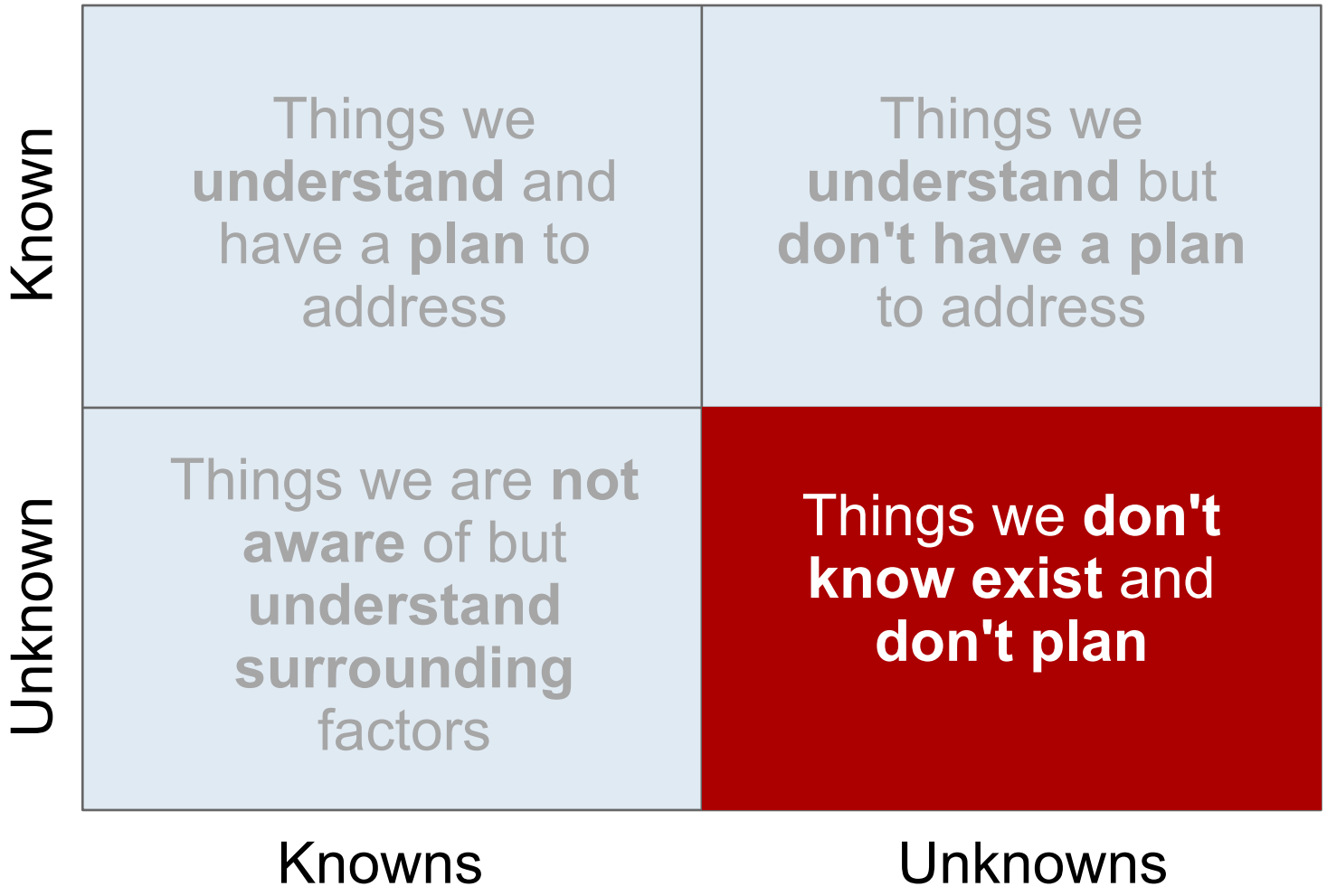


- Current Approaches Work Well
- Lowest Risk to Strategy

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

Gartner

Leaders Must Drive Out Uncertainty From New Trends



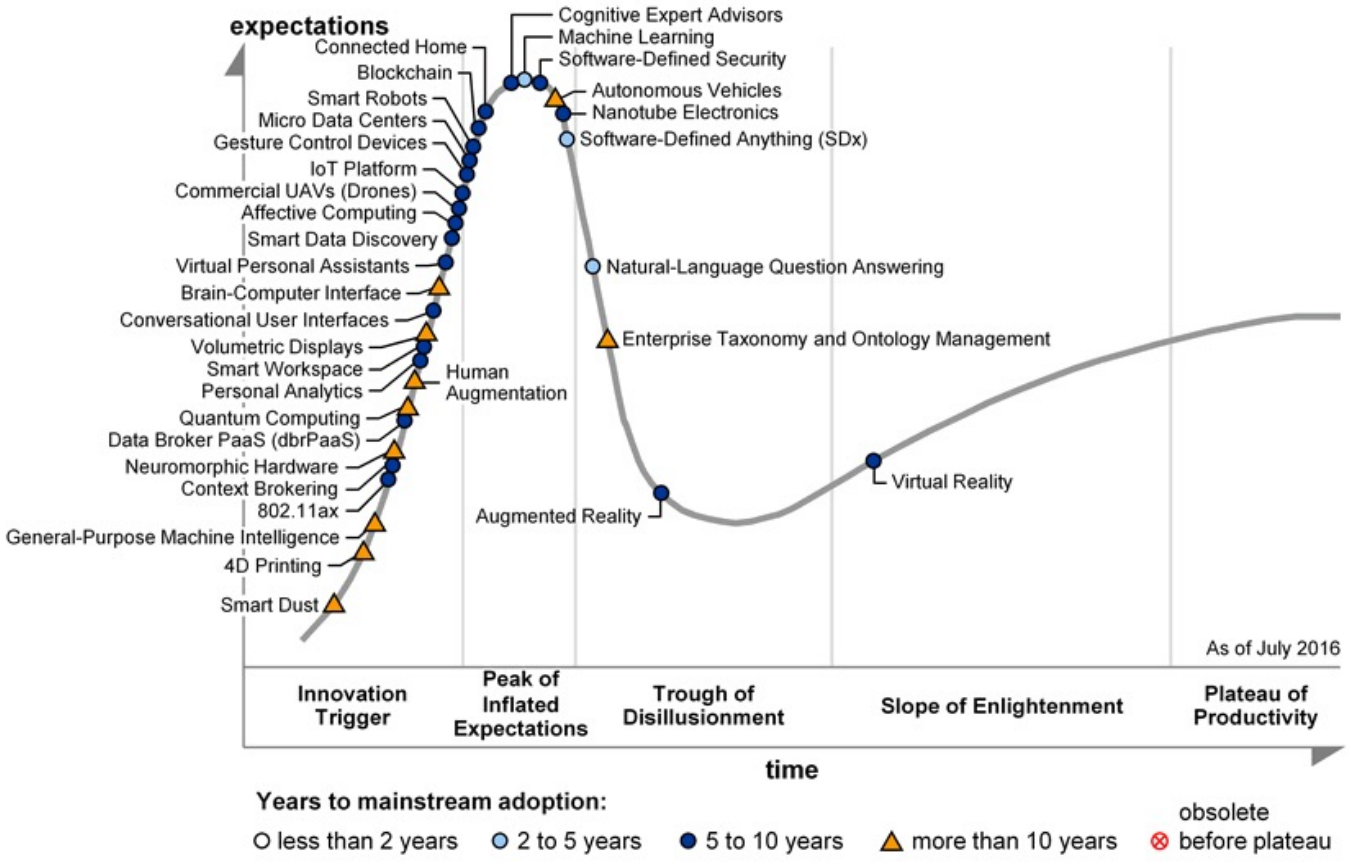
- New Approaches Methods Needed Here
- Highest Risk to Strategy
- Requires Ideation and Brainstorming
- Market Analysis Will Be Needed

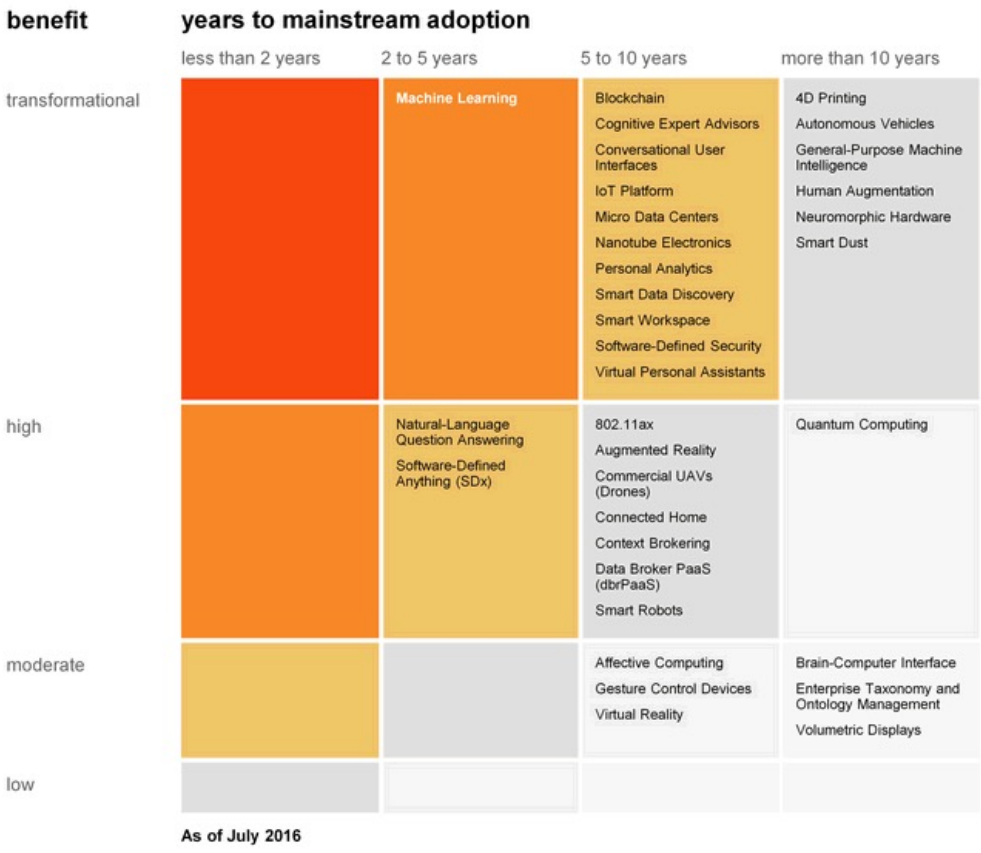
© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

Gartner®

Recommendation #1: Synthesize Market Dynamics

Use Emerging Technologies Hype Cycle





Emerging technologies are disruptive by nature, but the competitive advantage they provide is not yet well-known or proved in the market. These examples illustrate the impact of key emerging technologies in the near term and the long term.

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

Gartner

Recommendation #2: Ideate with Business Partners

Example: Opportunity and Threat Grid

Emerging Trend		Potential Opportunities	Challenges
Societal	Majority of population will live in cities.	Higher market potential. Effective asset deployment. Take share from smaller players.	Higher operating costs. Competition. Rural operations?
Business	Millennial workforce.	Drive innovation. Build future leaders.	Traditional workplace. Competing for talent.
Technology	Drones.	Faster and more reliable property appraisal. Fraud detection on foreclosures.	Airspace regulations. Customer privacy.

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

Gartner

Recommendation #3: Humanistic-Driven Innovation

Experiment with many different scenarios

Digitalized Shopping Experience: Purchases

Scenario Description

Create enhanced customer experience to drive increased customer loyalty in target markets and age groups 16 to 25 and thus increase sales by 20% with seamless cross Internet, mobile and physical experiences.

Step 1

Engaged experience



Digital customer experience enabled in store.

Step 2

Digital interaction





Interaction with shelves lighting up, extended information on phone and suggestion of related products.

Step 3

Simple purchasing







Mobile device adds product to the digital shopping cart.

Step 4

Pay now, deliver later





Customer wants to continue shopping at other establishments in the area. Customer uses mobile app to trigger same-day delivery of the purchases.

Step 5

Always notified



Notification that package was delivered.

Business Outcomes

- Create a new business model to increase competitive position.
- Increase sales by 20%.
- Enable seamless cross Internet, mobile and physical experiences.

Required Inputs

- Existing mobile apps will need to support in-store experiences
- Shelf sensors, RFID tags, beacons and other enabling Wi-Fi technology

Change Required

- Business process streamlining of end-to-end distribution
- Changes in the following systems: point-of-sale systems, payment systems and inventorying systems

JOHNS HOPKINS CAREY BUSINESS SCHOOL

Gartner

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

Top Five Proven Practices for Cultivate Innovation Leadership Mindsets and Behaviors

1	Lead With a Deliberate Strategy
2	Lead With Innovation Dexterity
3	Innovation Is Inclusive to Everyone
4	Tailor Innovation
5	Stay in Front of Trends

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

Gartner®

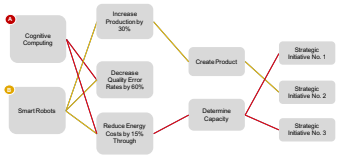
Thank You!

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates.

Gartner®

Recommended Gartner Research

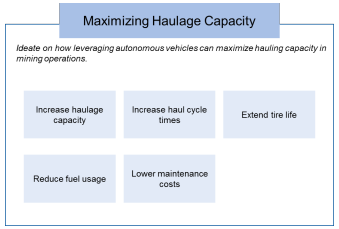
Value Traceability Model



To highlight opportunities for the organization, construct links to the business capabilities that will be enhanced, diminished or created.

See: "Toolkit: What Enterprise Architects Need to Know About Smart Machines," (G00269253)

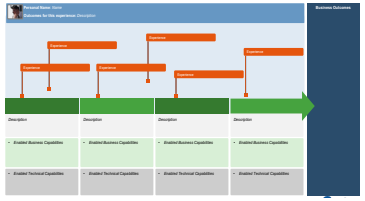
Affinity Analysis



Grounding technology innovation in the context of business issues or gaps. Using this technique surfaces the views, ideas and responses to issues, including the emotional and behavioral aspects.

See: "Toolkit: What Enterprise Architects Need to Know About Smart Machines" (G00269253)

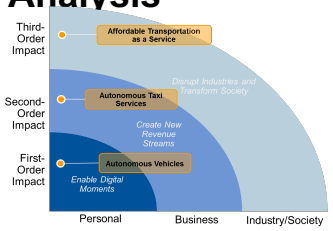
Business Outcomes Journey



Understanding business outcomes in terms of experiences to be enabled by the capabilities that are delivered is a key way to ensure that business outcomes are maximized.

See: "Toolkit: How EA Enables Digital Humanism via Business Outcomes Journey Maps to Exploit Digital Disruptions" (G00272240)

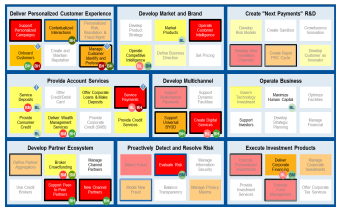
Business Impact Analysis



Tool to understand direct and indirect impacts of technologies.

See: "Toolkit: What Enterprise Architects Need to Know About Smart Machines," (G00269253)

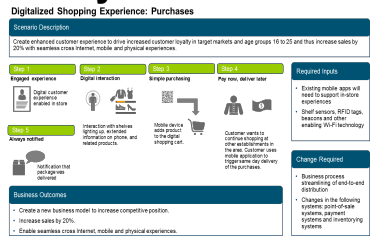
Business Capability Analysis



Business capability maps are used to understand the current and future capabilities of the company's business units.

See: "Toolkit: Business Capability Modeling Workshop" (G00264366)

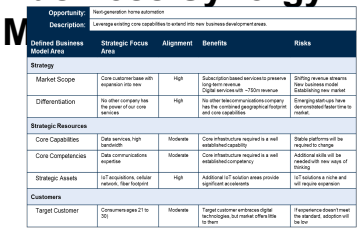
Business Scenario Analysis



Filtering down to a critical set of business scenarios is important to ensure the valuable time of business and IT leaders is used effectively.

See: "Toolkit: How to Create Business Scenarios That Drive Digital Disruption Innovation" (G00272710)

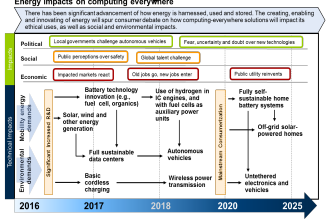
Opportunity Business Synergy M



Contrasts a proposed opportunity with distilled high value business strategy areas.

See: "Toolkit: What Enterprise Architects Need to Know About IoT Technologies" (G00270614)

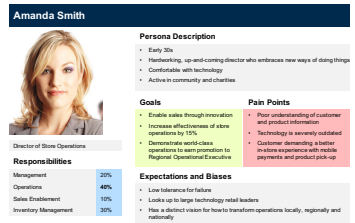
Social and Ethical Roadmap



Defines what-if scenarios with new and disruptive technologies that have more than just technology impacts but across social and ethical boundaries as well.

See: "Toolkit: What Enterprise Architects Need to Drive Computing-Everywhere Strategies" (G00277639)

Persona



Aids in driving decisions and providing recommendations, whereby increasing understanding about many people through abstracting them into an archetype.

See: "Toolkit: Workshop for Creating EA Personas in Digital Business Diagnostic Deliverable Analysis" (G00272697)

For information, please contact your Gartner representative.

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved.

Gartner®