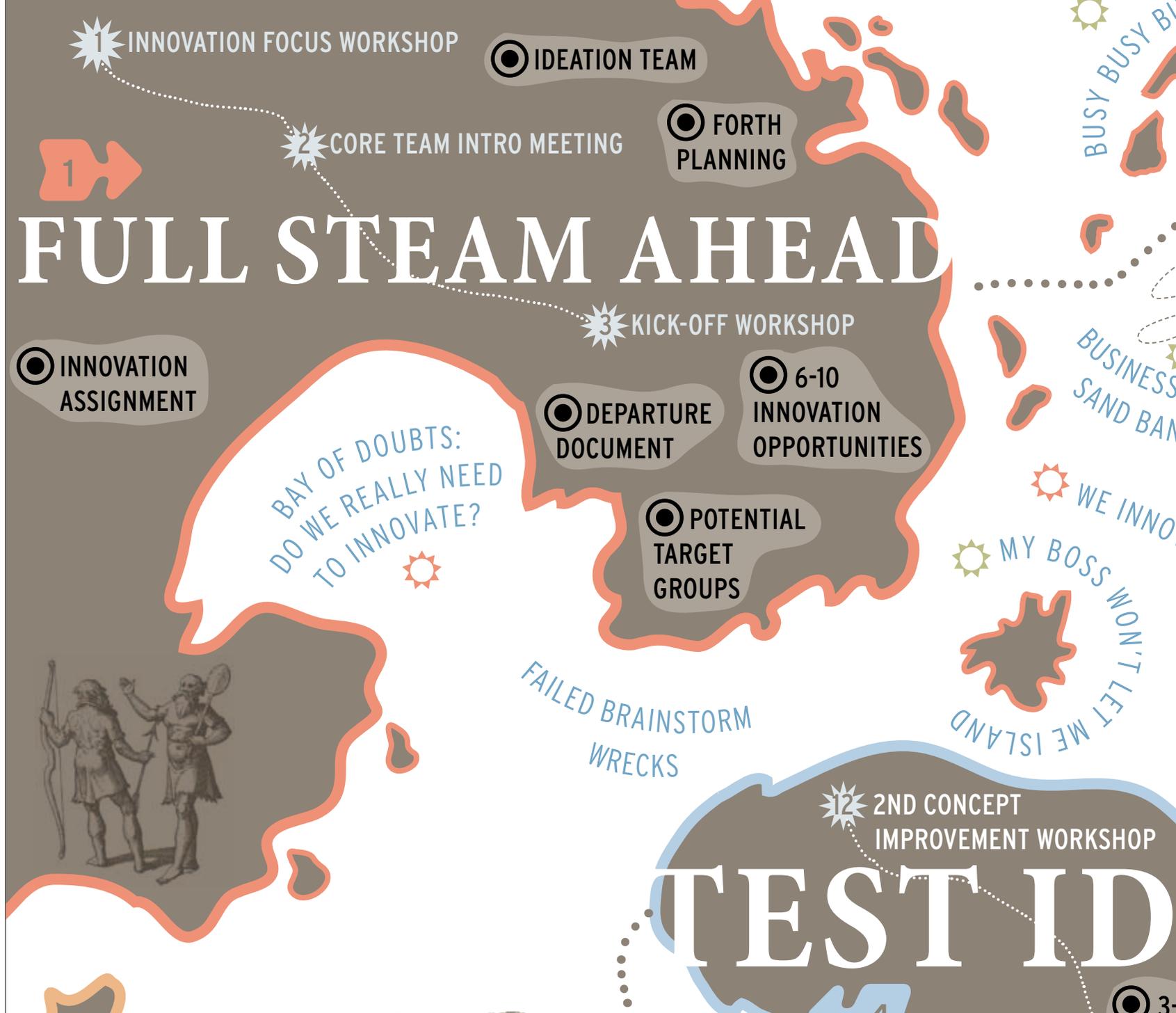


# III.

# Full Steam Ahead





## STEP 1: FULL STEAM AHEAD

You never start a professional expedition unprepared. Good preparation not only increases the chances of success, but also creates priorities and the will to succeed. That is why this first step in creating new concepts is so terribly important. Full Steam Ahead illustrates how you can challenge management to start a real innovation project and how you formulate an innovation assignment during the innovation focus workshop. It also shows how you can put together the ideal ideation team with internal and external participants. All this lasts about five weeks and is the first step of the ideation phase.

### FORTH Activity 1: Innovation Focus Workshop

Your first action is to establish the purpose and the innovation direction. In the FORTH method it is done collectively in an innovation focus workshop with both the managers concerned as well as those who will lead the FORTH project.

The agenda has four main points:

1. The innovation assignment and the criteria for evaluation.
2. The participants of the ideation team.
3. The planning of the FORTH innovation approach.
4. The total costs in time and money.

At first you have to determine a concrete aim and direction. At the same time, together with those who are going to evalu-

ate the new concepts, you have to decide which criteria the innovations have to meet. The innovation focus workshop has only succeeded when you have collectively formulated a concrete innovation assignment and can start putting an ideation team together. In this book, you will find a practical checklist on how to draft an innovation assignment.

A very important decision to make on your innovation expedition is how your ideal team will look. The bigger the team is, the greater the diversity and the greater the chance of coming up with wild, offbeat and pioneering ideas. Through experience I have found that fourteen is an optimal team size, made up of twelve internal team members with the option of bringing in two outsiders for the brainstorming process. I usually distinguish between two

roles in the team: core team members and the so-called extended team members. A core team member goes through the whole ideation process very intensively. From Kick-Off, it requires about twenty days over a fifteen-week period. Extended team members experience the process less intensively; mainly being there for the highlights. They are generally the CEO or other members of the board or senior management. Their involvement with the FORTH method requires approximately seven days in the fifteen weeks following the Kick-Off.

Make sure that you choose a well-balanced internal team. And choose the best people: always choose those who have a passion for the assignment and who possess the right qualities. A specific assignment always requires special people. However, they are usually the ones who have the least time available and therefore aren't given permission to participate. Fortunately, it is only a matter of convincing the managers. The criteria whereby potential team members could be chosen are: *Their enthusiasm and drive*. Find participants who are enthusiastic about the theme and who are driven to innovate. Their unrestrained energy and passion will rub off on the group. *Their responsibility and support*. You usually include participants whose work

relates to the innovation assignment fostering internal support at the same time. For example, if you include the marketing manager because it concerns the market for which he is responsible, his department will likely be more supportive.

*Their knowledge and expertise.* You include participants in the team based on their knowledge and expertise because this is essential for the successful execution of the innovation assignment.

*Their fresh outlook and skills.* You also choose outsiders to complement the internal team especially during the Raise Ideas Step. The advantage is that an outsider can bring in something extra or new.

#### **FORTH Activity 2:** **Core Team Intro Meeting**

As FORTH facilitator I have found that it is a good idea to meet with the core team the evening before the official Kick-Off workshop. This is a chance to meet and share personal experiences. This should be done at the same venue where the Kick-Off workshop is being organized on the following day. It is possible that the members have had negative experiences at the start of a development process in the past, which might hamper the fresh start of the innovation project. An excellent technique on how to approach this can be found in 'The Trash Can' (see The Innovation Toolkit).

#### **FORTH Activity 3:** **Kick-Off Workshop**

I usually implement a full-day program with the internal client, the project leader and the ideation team. Together we strive to achieve our four goals. First, a good personal introduction is essential. It is important to break through existing ways and to allow the participants to get acquainted in a creative way. Second, the team has to get acquainted with the content of the innovation assignment. In this respect the chairman of the board of directors plays a huge role. It is his or her task to emphasize the urgency of the innovation assignment, to explain the innovation assignment and to reach an agreement after amendments have been made. Third, it is very satisfying when you have determined, with the help of excellent pre-analysis and some creative techniques, six to ten innovation opportunities for the ideation team to explore in the next step. You can do this in practice by asking: Where are the greatest opportunities with regards to the innovation assignment? Which experts, organizations or companies will be a significant source of inspiration? Lastly, you identify with the ideation team interesting target groups you will approach in the next step Observe & Learn to dive into their needs and challenges.

At the end of the five weeks you will have an enthusiastic, multidisciplinary team ready for the innovation expedition.



**GO TO THE FORTH WEBSITE  
AND DOWNLOAD THE FOUR  
PRACTICAL CHECKLISTS OF  
THE STEP FULL STEAM AHEAD**  
([www.forth-innovation.com/forth-steps/full-steam-ahead/](http://www.forth-innovation.com/forth-steps/full-steam-ahead/))

## FACTSHEET STEP 1

Duration	5 weeks
Activities	<ol style="list-style-type: none"> <li>1. Innovation Focus Workshop</li> <li>2. Core Team Intro Meeting</li> <li>3. Kick-Off Workshop</li> </ol>
Deliverables	<ol style="list-style-type: none"> <li>1. Innovation assignment</li> <li>2. Ideation team composition</li> <li>3. FORTH planning</li> <li>4. Departure document</li> <li>5. Potential target groups</li> <li>6. Six to ten innovation opportunities</li> </ol>
Outcome	An enthusiastic, multidisciplinary team ready for the innovation expedition.
Crucial moments	<ol style="list-style-type: none"> <li>1. Do we get the innovation assignment SMART?</li> <li>2. Are the potential target groups clear?</li> <li>3. Is there sufficient support for innovation at the top?</li> <li>4. Do we have the right team?</li> <li>5. Are the interrelations in the team okay?</li> <li>6. Do we have insights in the challenges for the target groups?</li> <li>7. Do we choose the right innovation opportunities?</li> <li>8. Will the selected sources of inspiration lead us away from our daily business?</li> </ol>
Risks	<ol style="list-style-type: none"> <li>1. I would love to go FORTH and innovate. Therefore I am not so critical about meeting all preconditions to be successful.</li> <li>2. The innovation assignment remains too vague because we lack the courage to choose.</li> <li>3. Managers block the participation of key members of the team.</li> <li>4. The sources of inspiration for our explorations in the next step are too close to our daily business.</li> </ol>
Next step	Step 2 Observe & Learn: Explore innovation opportunities, customers' frictions, trends and technology.

Lao Tzu,  
Taoist:

*A journey of a thousand miles  
must begin with a single step.*

# THE PERFECT INNOVATION TEAM

The Mayo Clinic's Center for Innovation, a best-practice organization which was researched in APQC's *Innovation: Putting Ideas into Action 2009* study, favors a specific combination of personalities when it builds innovation teams. The Mayo Clinic strives to include the following nine personality types when composing innovation teams:

1. The Visionary – The force behind creating the world as it could be - and should be.
2. The Generator – The generator of the idea who gets an innovation rolling.
3. The Iterator – An idea-engineer who takes the original idea and turns it into an innovation.
4. The Customer Anthropologist – The keen observer of what customers truly hunger for.
5. The Tech Guru – The harnesser of technology to turn the innovation into reality.
6. The Producer – The champion of flow. The master of moving ideas along.
7. The Communicator – Amplifies and clarifies the idea in the minds of others outside the team.
8. The Roadblock Remover – With a hammer - or velvet gloves - knocks away organization, political, and financial roadblocks.
9. The Futurecaster – The forecaster and modeler of the economic and social value of the future of innovation.



Source: "Innovation: Putting Ideas into Action 2009 (Best Practices Report)", APQC, Houston, USA.

## Never Start Innovation With Just an Idea

It is a provoking title, isn't it? Never start product or service innovation with just an idea. It's true that innovation is initially about ideas. But, it's about getting the right ideas and their marketability. The global symbol for innovation is a bright, shining light bulb. Of course, it's wonderful to dream big; to have a vision and lots of ideas. However, when you are innovating within an organization, there are three reasons why you should not start with just one idea.

### Blinded by an idea.

Once an idea comes to you, you'll probably fall in love with it. That's certainly a great feeling. Unfortunately, love puts blinders on. The psychological phenomenon of selective perception only lets you see the positive points of an idea and only lets you listen to people who are supportive. But down the road, when you try to get your idea off the ground, you'll run into a brick wall in 80 percent of the cases. This will wake you up. Be sure to have alternatives available to realize your business challenge.

### It's very difficult to convince others.

What happens when you tell your idea to other people? Their first reaction often starts with 'Yes, but...' Others within your company will start criticizing your idea the moment it is told to them. An important reason for this is that the idea is not theirs. Furthermore companies and organizations are structured to keep a handle on the current operational processes and to give account of the results produced. Should the size and complexity of the organization increase, innovation then becomes more difficult. On your own, the innovation process may seem complex. The solution is to raise ideas together as a team so everyone can share ownership of an idea.

### Fewer than two out of seven new product ideas ever reach the market.

An excellent study on new product innovation (Robert G. Cooper, 2011) showed that for every 7 new product ideas, about 4 enter development, 1 to 2 are launched and only 1 succeeds. These are very poor odds. There is only a 1 out of 5 chance that your idea will reach the market. So, what do you do when your boss, the vice president of marketing or the innovation board stops your new idea? Do you have any alternatives available to realize your business challenge?



NEVER BET ON  
ONE HORSE. THAT'S  
THE MAIN MESSAGE.

## It's All About the Right Moment

**Organizations innovate continuously. At least, that's what they say. There is a difference between what they say and what they really do. Of course there is a department continuously working on new concepts. But most of these concepts are variations, line extensions or brand extensions. Senior management will only approve real innovations when they believe all low-risk concepts have stopped generating growth.**

And these are the moments you should wait for. These we-really-need-to-innovate moments often coincide with other incidents, like:

- Three continuous quarters without any growth in turnover;
- A competitor just introduced a great new product that everyone envies;
- One of your biggest clients just left;
- A new competitor entered the market with a revolutionary business model;
- You just lost three tenders in a row for a big assignment.

An effective innovator should act with the patience of a hunter:

“When it comes time to take a shot, take your time. Remember, too, that most hunters, even very experienced ones, have no business trying a shot at a running animal. All too often doing so results in a wounded deer that is never recovered. Wait for a shot that you're sure you can make.”<sup>1</sup>

But you, the innovator, face a dilemma. You cannot wait too long. You know completion of the innovation process takes at least 18 months– from the idea to introducing it in the market. So, it is extremely important to anticipate and react in time to be a market leader. Leaks in the roof are easy to spot when it's raining, but it is better to have the repairs done beforehand. The ideation process can only succeed if the company is financially and mentally sound enough to do this. If the board of directors and co-workers are under a lot of pressure you should think twice before starting an ideation project. It is best to wait until the dust has settled and the forecast is clear.

Once you start, be sure to act swiftly. You know that a merger, strategy change or another crisis will jeopardize your innovation project. So focus and market new concepts as fast as you can. Remember: you can only start an innovation project once for the first time!

1. Deer Hunting for Beginners, by Bruce Woods, November/December 1989 <http://www.motherearthnews.com/>



Andy Warhol,  
artist:

*They always say time changes things, but you actually have to change them yourself.*

# What's Your Innovation Assignment?

**How do you start ideation in practice? Often there's a senior manager experiencing an urgent need for something new. A new competitor may have entered the market, turnover may have decreased dramatically or a big contract is lost. And something has to happen: we need to innovate. A special innovation project team is set up and starts generating ideas. However, an essential point is often missed: ideas for what? That's the question!**

## Do you have a clear innovation assignment yourself?

You should never start an innovation expedition unprepared. Good preparation increases the chances of success because it creates priorities, direction and the drive to succeed. That's why it is essential to start your innovation journey with a clear and concrete innovation assignment. Starting with an assignment obligates senior management to be concrete about the target market group for which the innovations must be developed and the criteria that must be met. This forms the guidelines for your ideation team when you are underway. You can formulate the innovation assignment with the help of the following six questions:

1. Why? (Why do we want to innovate?);
2. Who? (Who is the target group?);
3. Where? (For which distribution channels, countries, regions or continents?);

4. What? (Evolutionary or revolutionary: products, services or business models);
5. When? (Intended year of introduction);
6. Which? (Which criteria should the new concepts meet?).

The purpose of an innovation focus workshop is to answer the questions above together with senior management. Often your board has not yet defined the criteria the new concepts should meet. Then it helps to ask some questions. In practice you will go a long way with the following eight questions:

1. **Turnover.** How much turnover must the new concept realize during the first three years? Or, if new products compete with existing products, how much extra turnover must be realized?

2. **Profit.** What profit margin should the new concept realize?

3. **New.** Should the new concept be new to the company, new to the market or new to the world?

4. **Appeal.** How attractive and pioneering to the target group does the new product concept need to be?

5. **Promotion.** To what extent do we want the product concept to create buzz and hype among potential customers?

6. **Positioning.** To what extent should the new product concept fit the current brand positioning?

7. **Production.** Do we produce the new product ourselves (with our own manufacturing facilities) or can we form production partnerships?

8. **Strategic fit.** To what extent should the new product concept fit the business strategy of the organization?



So, in your discussion with senior management, you will collectively formulate the criteria for the new product concepts as well as determine the ambition levels.

Below, is an actual case from an innovation assignment for Sanoma Media Netherlands. Sanoma is a leading European group in the fields of media and learning. With operations in 20 countries, its turnover was € 2.5 billion in 2011. *Libelle* and *Margriet*, two leading women's weekly magazines in the Netherlands, are both important brands for the bottom-line of Sanoma

Media Netherlands. Unfortunately, the market for printed magazines has reached its peak and is declining. That's more than enough reason to look beyond the next 12 months. This is also why Sanoma wants to explore how to extend these popular brands beyond the current media market. Will it be feasible to use the *Libelle* and *Margriet* brands to launch new concepts in a completely new market? Sanoma drafted a very concrete assignment at the start of their innovation process.

Ideate new products and/or services for Sanoma Media to introduce successfully in the Netherlands; using the brands *Margriet* and *Libelle* in new or existing consumer markets with existing brand values for the present target group of women.

We are looking for at least three new concepts which individually will realize an annual sales potential of € 25 million with a profit margin of at least 25 percent. The new concepts should fulfill a concrete need and be attractive, distinctive and reliable to the target group. They should fit the brand values of *Margriet* and *Libelle*. They must be feasible and the business risk should be within manageable limits. To realize the new concepts and increase feasibility; partnerships or joint ventures with other companies will likely be forged. Our aim is to introduce new concepts in the market within two years.

This innovation assignment gives clear objectives and perfectly communicates the expectations of senior management to the members of the innovation team.

# THE INNOVATION ASSIGNMENT



# THE ORIGIN OF HARLEY DAVIDSON MOTORCYCLES

*With special thanks to Marcel Grauls, who wanted to share this story in this book.*

Bill Harley was born in Milwaukee, Wisconsin in 1880. He came from a working class family who had just arrived in the USA from Manchester, England. When Bill was fifteen, he found a job as an apprentice at a small bicycle repair shop. He loved the outdoor life and had a talent for drawing and natural history.

Two years later he found an apprenticeship as a designer draftsman at a small steel factory. It was no coincidence that his school friend Arthur Davidson was working in the foundry as a model-maker. The Davidson family had moved there from Aberdeen, Scotland twenty years before. The Davidsons were true Scots.

Harley really loved trout fishing and every weekend he and Davidson went fishing together at the numerous lakes in the Milwaukee area. Around that time, when they were still in their teens, a German who had previously worked in Paris showed up at their small factory, carrying the drawings of a Dion Gasoline engine.

First, they constructed an engine for their small fishing boat. In autumn 1900, they got the idea to put an engine on a bike.



The bike frame, however, was too light. In the course of 1902, Arthur got his 26-year-old brother Walter involved, who already had worked for a number of railroad workshops. By spring 1903, they had the first prototype of their motorcycle ready. Their contraption managed to reach 23mph (37 kph), but it still needed extra pedaling on the hilly back roads of Milwaukee. Naturally, that was unacceptable.

Harley designed a new and heavier motorcycle. And Davidson's father, a carpenter, built a 10 × 14-foot shed in the backyard for the boys to work in their spare time. Bill Harley thought he lacked the proper professional technical training and enrolled into a technical college that autumn. Walter Davidson gave up his job in spring 1904 to dedicate himself full time to motorcycles.

In 1904, they sold three motorcycles, all with a 50% payment in advance. They needed the buyers' money to afford supplies for the bikes. In 1905 they brought out 5 motorcycles, 49 in 1906, and 152 in 1907. At that time Arthur's oldest brother William had joined them as well.

By 1908 they had 36 employees on their pay-roll and produced 456 motorcycles. That year Walter won a spectacular motorcycle

race with 84 racers at the starting line, representing 22 motorcycle companies. Walter got the record score of 1000 points and a bonus of 5 points. This was five points above the absolute maximum. The makers of 'The Silent Gray Fellow' (for its smooth running engine and gray frame) saw their business take off.

None of them lived to a very old age. William was the first to die in 1937, at the age of 66, followed by Walter in 1942 also 66. In 1943, Bill Harley died at the age 63. Then, in 1950, at the age of 69, Arthur died together with his wife in, of all things, a car accident.

Source: Marcel Grauls, *Het paard van Ferrari* (2003), Publisher Balans en Van Halewyck, Amsterdam