

The background of the entire cover is a dark, rich red. In the center, there is a cluster of several apples, some showing red and yellow streaks. A single, bright yellow leaf is positioned above the apples, slightly out of focus. The overall lighting is warm and directional, creating highlights and shadows on the fruit.

Hans Prehn and Erik Keldmann

THE INNOVATION TREE

Release your ability to innovate

4 MANAGING THE INNOVATION PROCESS

Innovation requires disturbance – not confusion. We organize creative project groups that dig deeply into the customer's problems and needs, and apply tangible tools in order to solve and control the creativity.

We have recognized that the company's future lies inside the heads of its customers, and that it is our own key employees who must be motivated to address customer problems and needs. We have also recognized that for this to succeed, we must have both them and the customers involved in the entire innovation process. In reality, it begins to seriously succeed if we are in a condition to engage our main stakeholders so much in the process that it in reality becomes they who are the prime movers in the work. The point of departure for it all – selection of the “value word” (noun) that we would like to own – is a central exercise, which the management in reality can carry out with the external and internal analyses as a decision-making basis. However the crucial acid test consists of course of testing the word in practice on the company's most important stakeholders, and converting it into actual innovation on the basis of beneficially applied knowledge and creativity. The objective of an “innovation transaction” is to develop ideas for products and services that others would like to own, enjoy, make use of – and steal. So the question is quite simple: Where does the actual innovation come from? How do we mobilize the creative brains inside and outside the organization to discover completely new manners of satisfying the selected customer need? How do we control the process, so on the one hand we are allowing the forces to be unfettered and on the other hand to ensure that they do not run completely off the rails? How do we utilize the innovation process at the same time to mobilize our future missionaries? And how do we “theft-proof” the ideas and fruits?

Management of creative work

Many managers have difficulty with managing creative processes and complicated minds. Perhaps because they themselves are equipped with genes other than those that actually are the most wild and unrestrained. Leading creative work is a totally different management task, which is based upon creating and developing “Intellectual Property” through information gathering and unprejudicial utilization of knowledge and creativity. And on this point in specific the “Innovation Tree” features a strength as a process catalyst for the creative work of many people.

The tree actually makes it possible to work creatively on all levels of the company, and every single employee who becomes involved in the process gains the opportunity to release their own creative potential. The efforts of the service technicians are in this regard just as important as the head of development's – and perhaps even more important, because through their knowledge and daily contact with the customers they can stimulate both the boss and the rest of the group. And precisely because this form of innovation process involved widely differing people both inside and outside the organization, it provides a good possibility for creating respectful communications between the top and bottom of the organization.

The task is to convert the mission into new strategies and concepts, and ultimately to convert the collected knowledge into creative development of a completely new type of products and services. And the work of the project groups takes place as mentioned in a development spiral, where information is gathered, which is analyzed, assessed, corrected and formulated – and where the trip around inside the spiral continues, up until the individual elements can be described with the use of a verb and a noun.

The mission as the guiding star

The project groups do not start out on their innovation journey at random. They have the mission as a point of departure and a guiding star. The mission contains the “action word” and the emotional and motivating “value word” which it becomes their task to test and develop the innovation points based upon, so the strategies, concepts

and ensuing products and services become documentation showing that we are taking the mission seriously.

It is not the easiest task to put the project groups together that will follow the innovation process through in the different phases from strategies and concepts to the derived products and services. The individual phases require different forms of competences and then the groups must encompass both internal and external stakeholders. But first and foremost, they must contain some renewing and disruptive elements that can turn some conventional notions upside down – without spoiling the work of the groups. This is in itself quite something of a task.

As we have seen, the composition of the group depends on where we are in the course of the innovation. At the beginning, where it is the strategic guidelines that are to be staked out, it is especially important to involve the fighters on the front, i.e. those who have direct contact with the customers. By also incorporating some important key customers into the strategy group, the primary persons themselves are at the table, and that means that the input from the work in the development spiral will be given a competent and realistic assessment throughout the entire process. In addition, what is also achieved is the direct engagement of some important stakeholders in the task and the innovation. Finally, the direct involvement of customers provides a certain weight when the group's results are transmitted further along in the system.

Management and reporting

The overall management of the creative work in the groups and the reporting from them is of course vital, and must be simple and flexible, but also stringent, because if this is not the case the process will become infinite. Both the management and the reporting must hence take place in the same manner: with the use of a carrot with a steel insert. It is important that the groups have a completely free hand as regards their capacities for self-development. However they must accept that every group will have some time and budgetary frameworks imposed on them, which they must adhere to. Similarly, they must subject themselves to some strict rules involving both their participation

in the project work and in the reporting by the group. It is however only at the beginning when these frameworks will be perceived as a burden, because once the creative processes start and develop, the commitment kicks in and the participants will even feel tempted to spend their leisure time on the work. We will see how simply and nevertheless strictly the process can be controlled: with the use of a project specification and a status report. Both on a single page.

Project specification

The project specification is the starting shot for the work, and is filled in for each individual project group, regardless of whether it concerns strategy development, concept development or the development of products and services.

The project specification is made by the executive management in consultation with representatives from the group, so all parties are in agreement about what the task is about and what specific requirements the group will have to live up to. Essential information from the management will be found in the specifications – and in general all internal and external information that is of significance to the group's work must be made available to the group's members. In purely practical terms, the executive management will participate with one representative, who will be part of a steering committee that will have the overall responsibility for the process progressing as planned, and that the internal reporting to the rest of the management occurs on a consistent and on-going basis.

On the following pages you will be able to see how the process is initiated with only a few words.

Project specification – the starting shot

A project specification will be prepared for each individual task and for each individual group, and we will start by giving tasks names, because once they have received such, it becomes more difficult to kill them.

We must also have a responsible project manager, and we will make no compromises here. It must be a future apostle who has been affected by the new value word and thus smitten by the sacred spirit to fight for it, and who can spot a unique possibility for personal development.

The project manager will have the direct backing of the executive management, which must be represented in the professional reference group (the “Steering Committee”), which in turn bears the direct responsibility with respect to the board, and which thus becomes a shareholder in the innovation that the project work will bring about. Hence this representative must also be obligated - with their name on the form - to act as a close back-up and sparring partner for the project leader as well as the group, and as a fair reporter for the rest of the steering committee.

Every task specification must have a short and thoroughly prepared justification, so nobody is in doubt as to why this task is important. And the task itself must be described in a few simple words, what it is based upon – namely to develop ideas for how the mission can be concretized with the use of a strategy, and later how the strategy can be concretized with the use of several concepts, and finally how the concepts can be converted to ideas for products and services.

Each project will run through 4 phases: “Investigation phase”.

“Concept phase”. “Detail phase”. And “Realisation phase”. The management must specify the specific documentation here that is requested after each step of the process.

Finally, the form contains basic timetable, and space for essential information from the management that may be of significance to the group's work. A specification will actually be prepared for every single project – and this means to begin with that a process will be started that will culminate in a proposal for those strategies that comprise the branches of the “Innovation Tree”, and subsequently in tangible proposals for the derived concepts, and later for the derived products and services.

Project Specification

Project title:	Project no:
Project Manager:	
Project Team:	
Steering Committee (receiver of Status Report):	

Date of Specification:	Updated:
Project start date:	Expected end date:
Stopped/paused date:	Project completed date:

Reason for project:
Outline project task:

Project Phase:	Investigation	Concept phase	Detail phase	Realisation
Start date				
End date				
Hours (expected)				
Costs (budget)				
Dates for Status:				
Requested documentation by end of the phases:	Project Specificat, Stakeholder overv. Budget, Time plan, Innovation Tree (Delete/add)	Brainstorm, Solution idea evaluation,select solution (Delete/add)	Prototype, experiments. (Delete/add)	Implementation plan, project evaluation. (Delete/add)
Advice from mgmt.				

Status report

In order to give the steering committee the possibility to follow the process and be a part of the results, it is however not sufficient to just prepare the project specifications. Reporting must be done on an on-going basis of what new information the project groups are arriving at, so an effective dialog can be established between all the parties who are included in the innovation process. The project specifications must thus be followed up on by fortnightly status reports, which briefly specify what results have been arrived at.

And then one of course could also ask: “Can one have anything new to report every 14th day?”. One can indeed quite easily. Fourteen days is 336 hours, and what is interesting about this process is that those involved cannot help becoming preoccupied by the problem, even during their leisure time.

The status report gives the management/steering committee the requisite information to, jointly with the project manager or the entire group, evaluate and discuss the most important information, recognitions and discoveries since the last status. This provides an opportunity to praise good measures, permit a bit more than the project manager proposes, appoint supplemental project groups or propose new resource persons, and to otherwise make timely adjustments to the decisions without any drama. Everything occurs as a natural part of the creative work. The report also provides the management with a unique opportunity to learn things about the company that it has never known before, and it gives the opportunity to choose some solutions that are both relevant and provide full coverage for some important customer and user needs. However, it also makes it possible to develop a common language, because one is always being forced to express oneself briefly, concisely and understandably. It shortens the path between the “head and the hands” and that in itself is a positive result of the common efforts. The next exhibit shows the status report template.

Information gathering

The gathering of knowledge and information is the

completely crucial point in the innovation process. And in the introductory exercises we have primarily left the work to external analysts who have assisted us in discovering

“Voyages of discovery to unknown territory are not done on streetcars. When you see streetcar rails, you need to be suspicious. Because the tracks are frightening. Cyclists know how difficult it is to come up out of them again. And they are still more treacherous in the mental area, where there are invisible gramophone grooves that one falls down into and cannot get up out of.”

Piet Hein

some fundamental customer/user needs and problems. It is this information that has helped us to select “our word” and our mission. So far so good. But traditional analysis methods performed by traditional analysts do not go far enough when it concerns arriving at a new world order. They cannot help us in discovering new ways to

solve problems, and they cannot involve the entire organization in the work.

Once the basic information has been gathered with the traditional methods, then the gathering and processing commences of the innovation information, and that requires another type of interviewer and a completely different form of creativity in an on-going cooperation process, where even the observer is wearing workclothes. This perhaps requires in particular a highly qualified “coach”, who is able to function as a whip and source of inspiration for the creative forces during the entire course of the process.

The path to innovation information

In the development spiral, the group's own ideas will be tested on an on-going basis, and supplemented with new information from the external channels. It thus is important that our own key employees in particular are directly encouraged to go out into the real world of the customers/users, where they in practice are able to participate in their daily lives and experience the joys, frustrations, irritations, costs, wastes of time, handicaps, uncertainties, etc. Whereas the mission is built on feelings, values and motives, the task is to go deeply into the customer's behavior and reactions in practice, because it is here where we will find the innovation possibilities. It is primarily their

problems and thoughts underway that serve as a credible source for innovation, and the personal contact can be further supplemented and visualized by video recordings of customer doings in tangible application situations.

Status report – the fortnightly whip

As we have emphasized the entire time, it is the collection of information and knowledge that serves as the prerequisite for developing practical and creative innovation elements. Hence is it natural that the first item in the status report be based upon the “Influx of new information”. Because it is precisely this that is what is absolutely essential in the process: What we have harvested in the way of new knowledge since the last report. Formulated in a few, simple words. And the next central point: “Precisely which recognitions and decisions” have we arrived at on the basis of the new knowledge? It is here that the recipient of the status report will be able to see the consequences of the information, analysis, idea creation and idea development work, such as it has emerged from the development spiral. It is here where a fruitful dialog between the project manager and the steering committee can take place on an equal-opportunity information basis, and it is here where the steering committee will have the occasion to enter into the creative polishing and this become a shareholder in the process and the solutions. The report's next main field, “New discoveries” is also vital to the steering committee. It actually happens quite often that the management via the steering committee work spots significant errors, omissions, the behavior of competitors, etc. and thus is able to quickly initiate new and vital measures. Finally, the report makes space for a new, important source for innovation information: A list of “Network and resource persons”. It should in fact fully become a lifestyle for the organization to involve new resource persons in its development work on an on-going basis.

The last point in the report, “Time and money”, will for some managers be the only important point, however it turns out fortunately that most will be so taken by the process that new grants will only be a matter of form. And that will be a sign that the process is on its way to being successful.