



Managing an Innovative Organization

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President
Competitive Focus



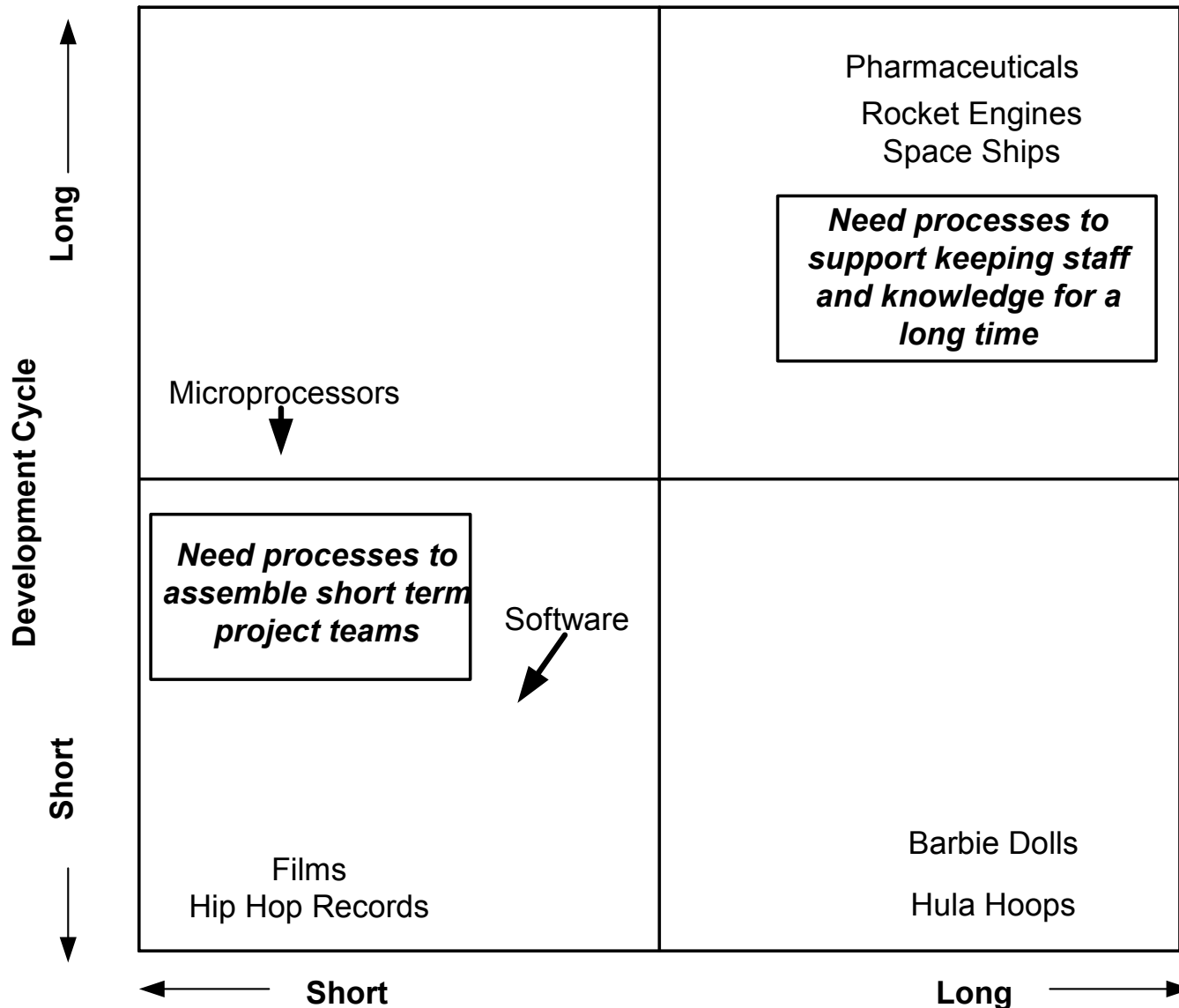
Managing Innovation: Overview

- Understanding why innovation is important
- Understanding the skills needed for bringing an innovation to market
- Using an Innovation Hub
- Managing the tension between radical and incremental innovation
- Understanding how radical innovations affect product development
- Analyzing problems related to commercialization of new technologies



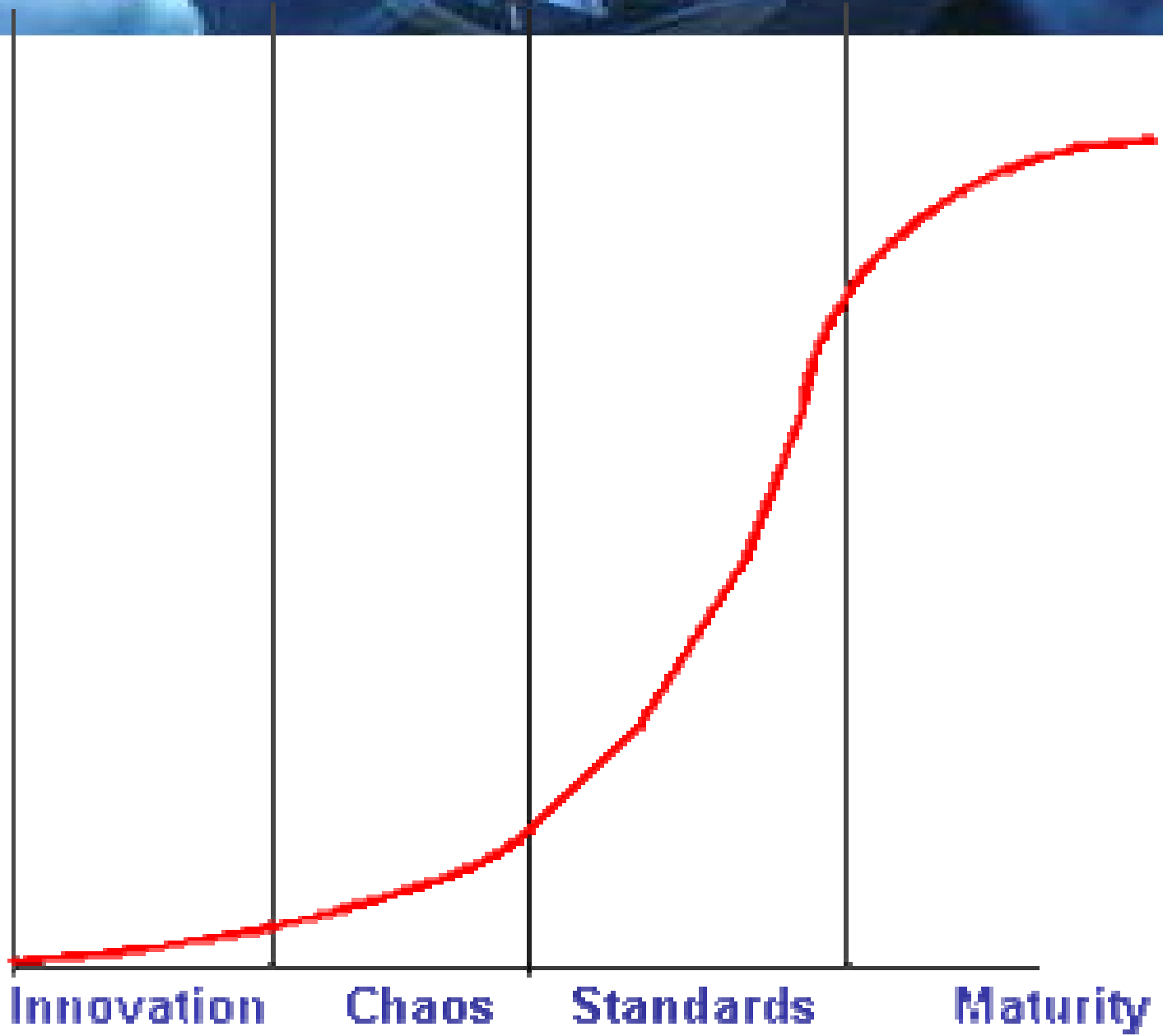
Understanding why innovation is important

- Big picture: Innovation drives prosperity
- Closer in: your ability to adapt to or lead innovation may make the difference between success and failure

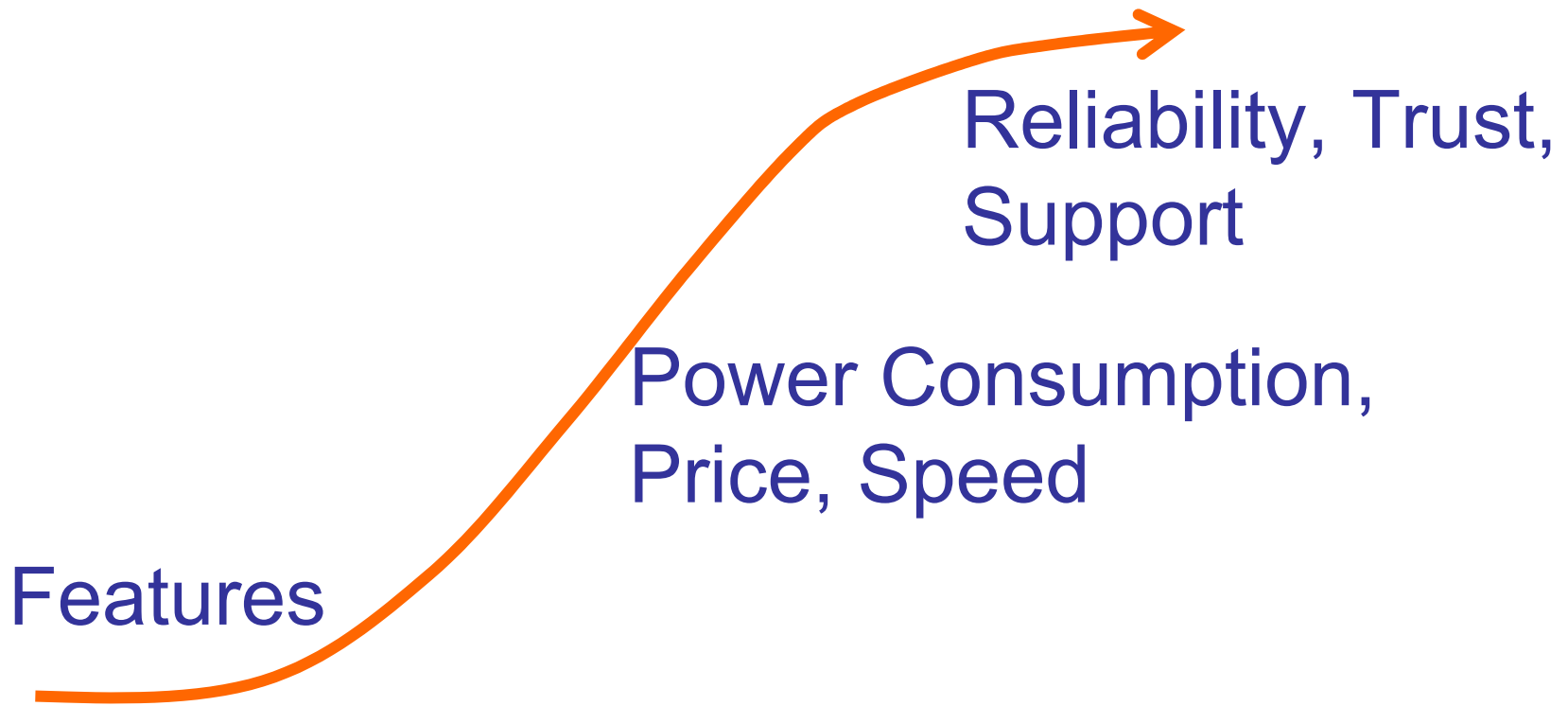




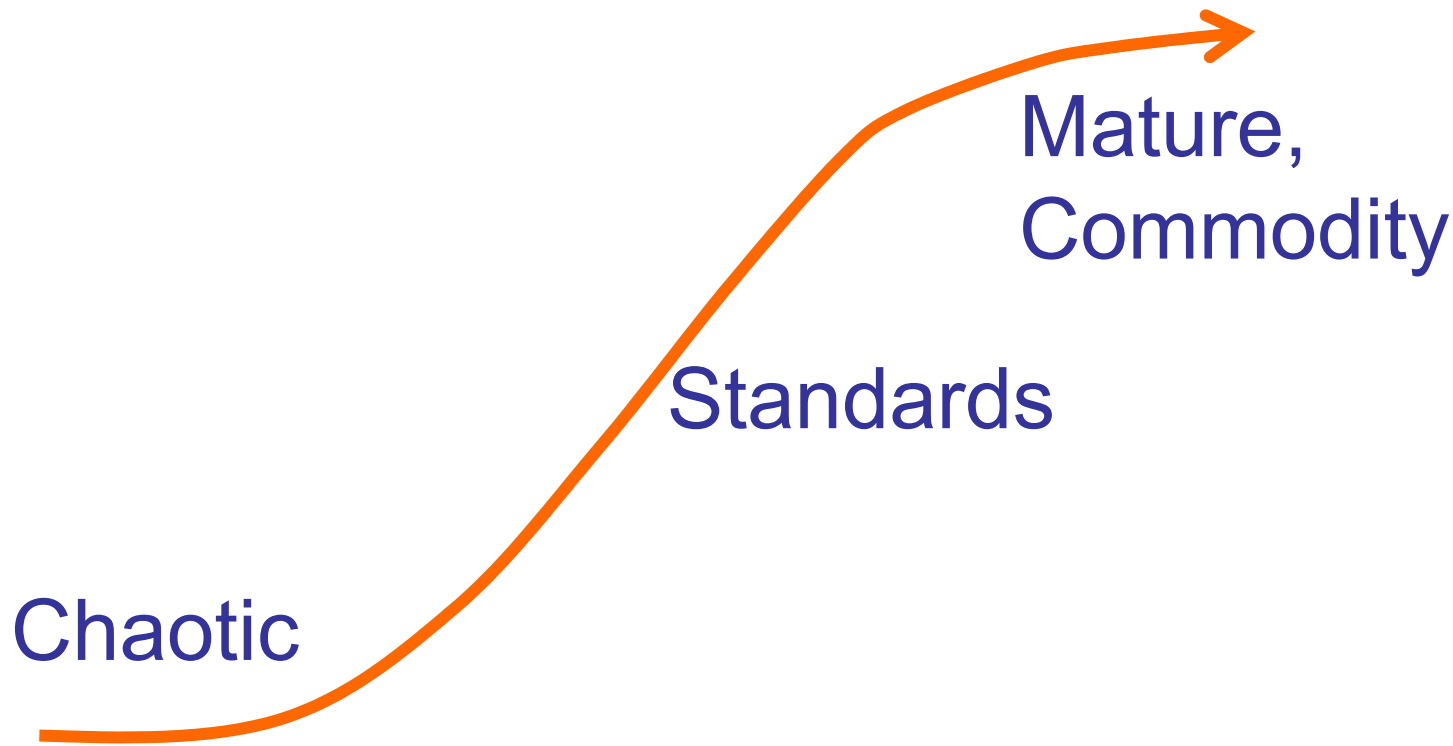
**Cumulative Adopters
OR Performance**



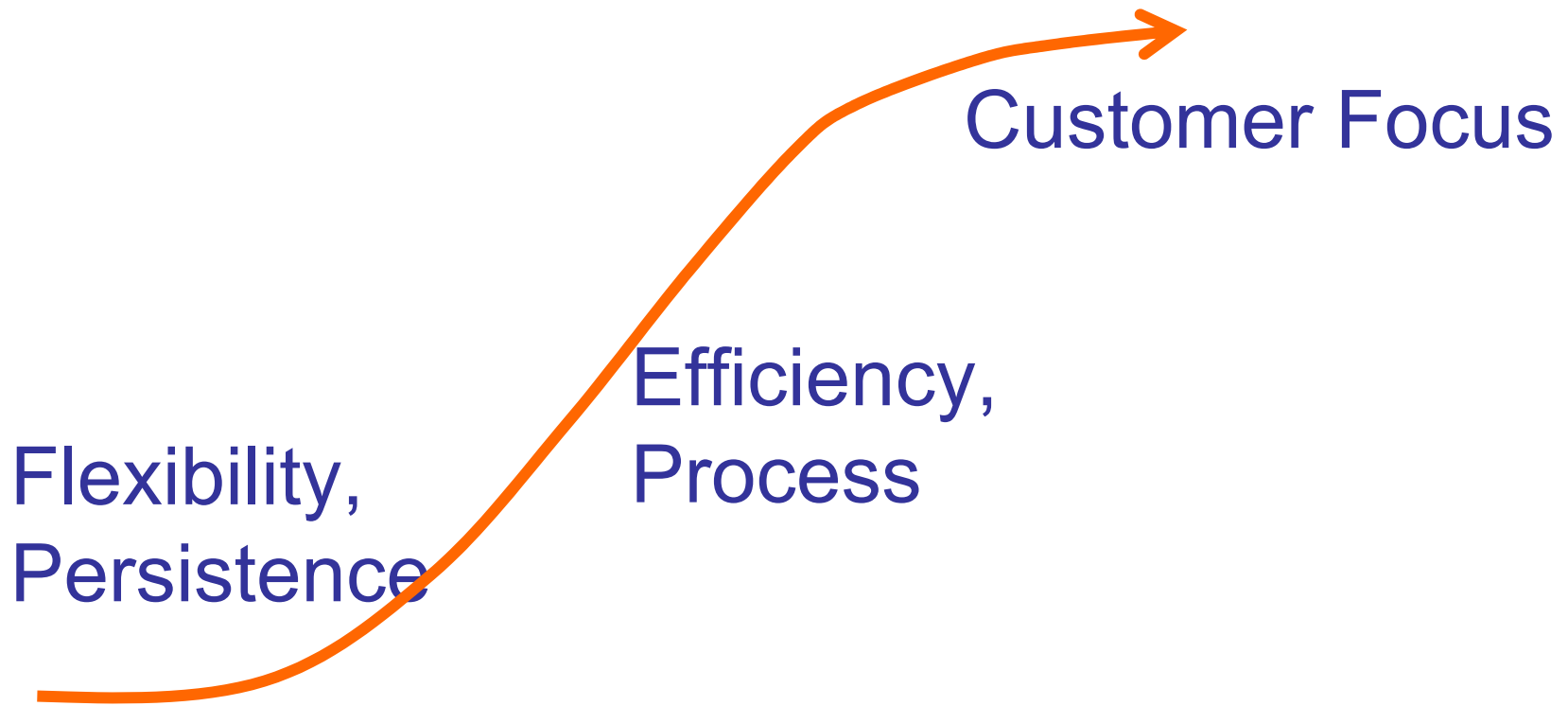
Understanding the skills needed for bringing an innovation to market



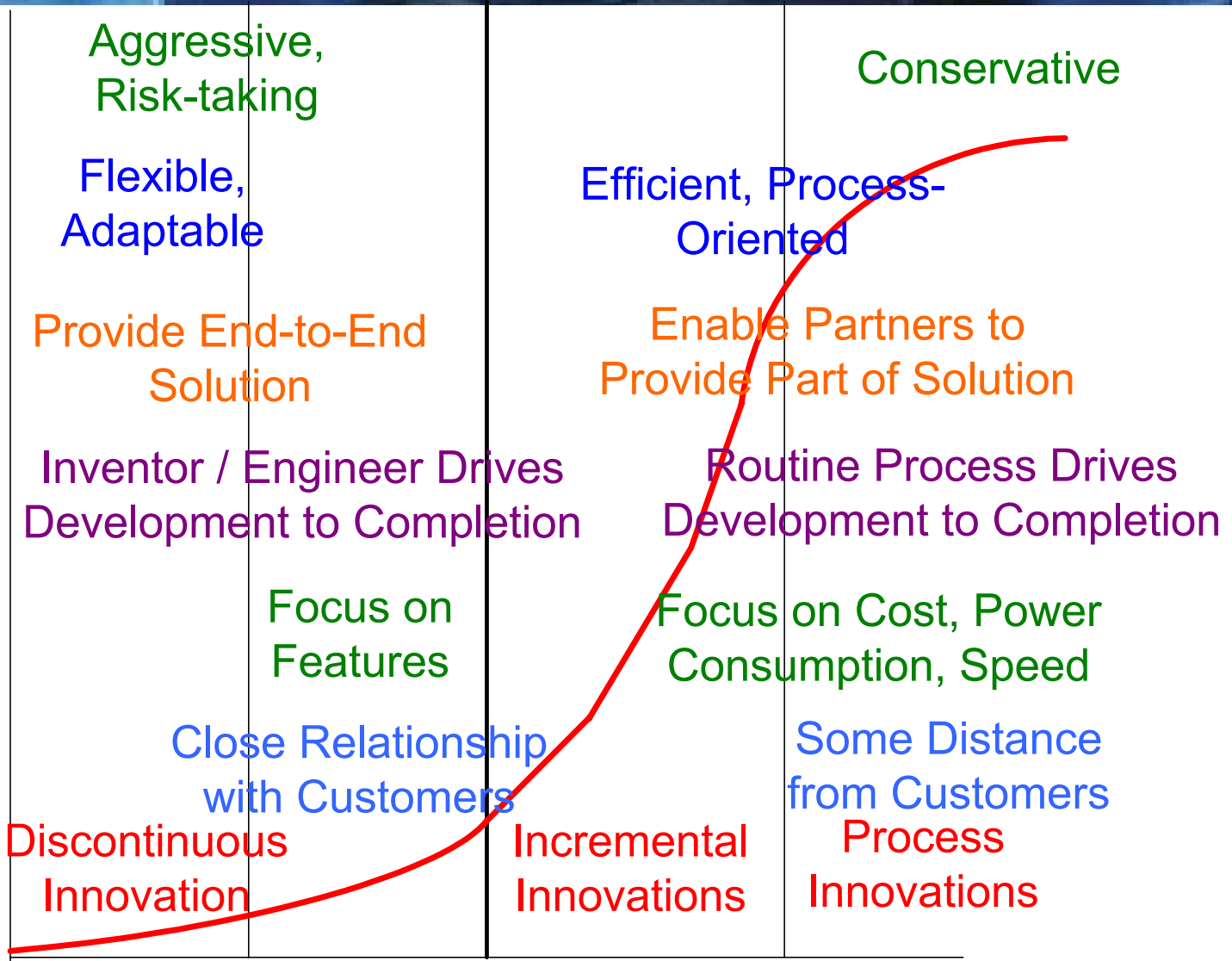
Understanding the skills needed for bringing an innovation to market



Understanding the skills needed for bringing an innovation to market

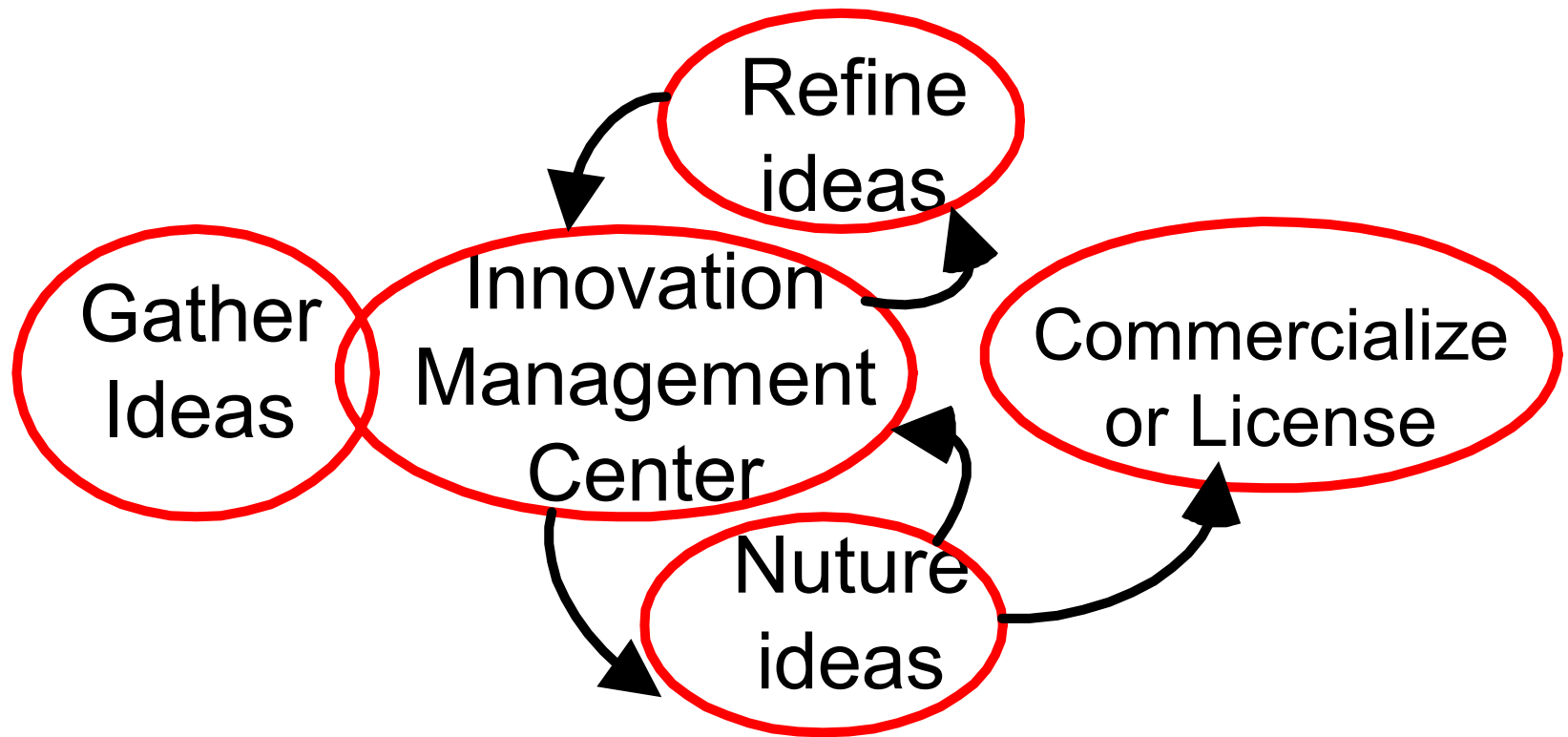


Market: Cumulative Adopters, OR Number of Patents OR Product Performance



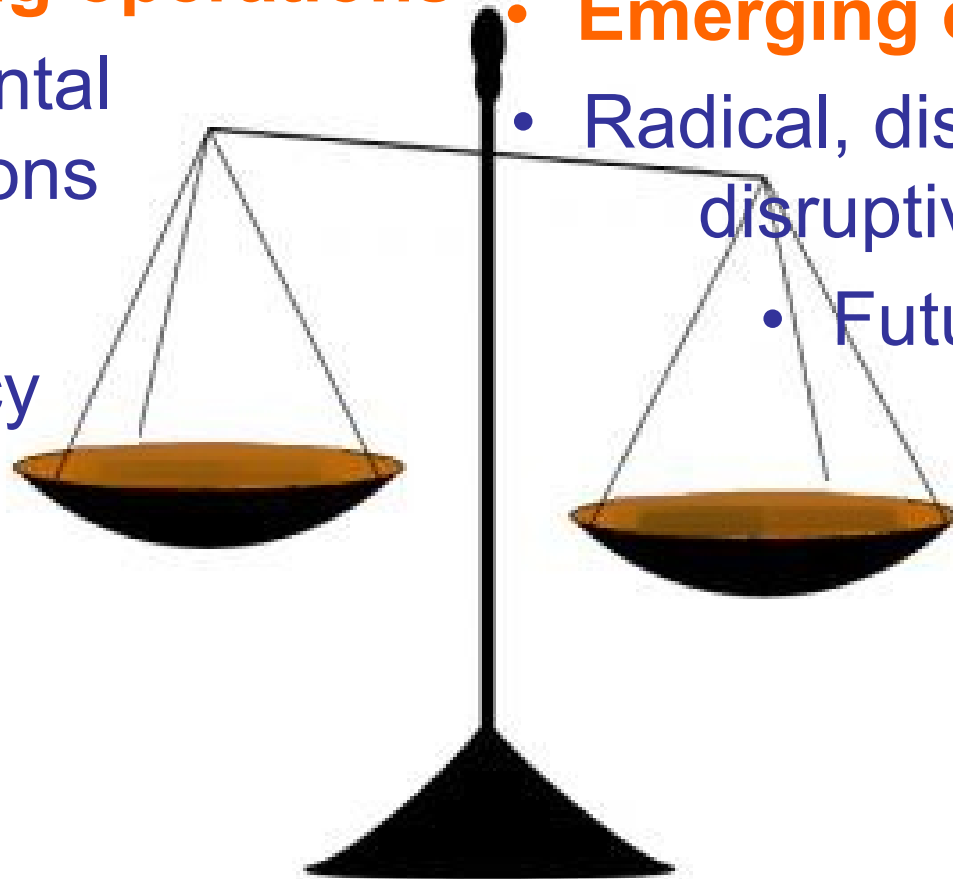
Time: Innovation Early Stage Standards Maturity

Using an Innovation Hub



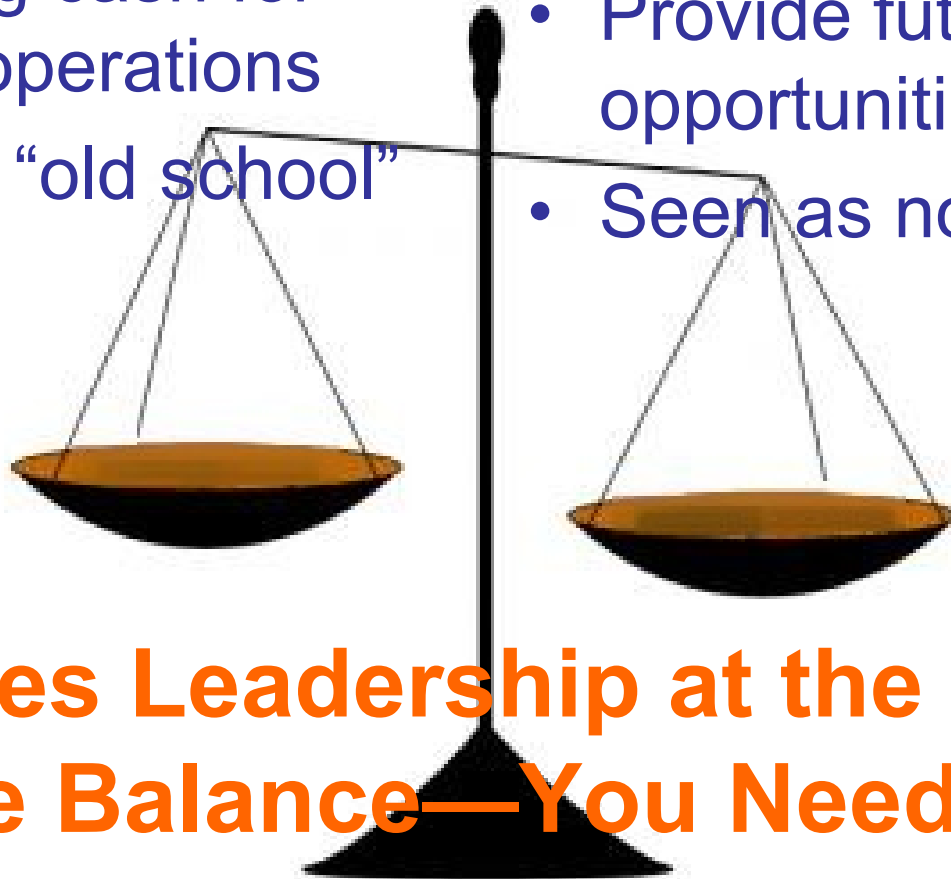
Managing the tension between radical and incremental innovation

- **On-going operations**
- Incremental innovations
- Process
- Efficiency
- **Emerging opportunities**
- Radical, discontinuous or disruptive innovations
 - Future orientation
 - Flexibility



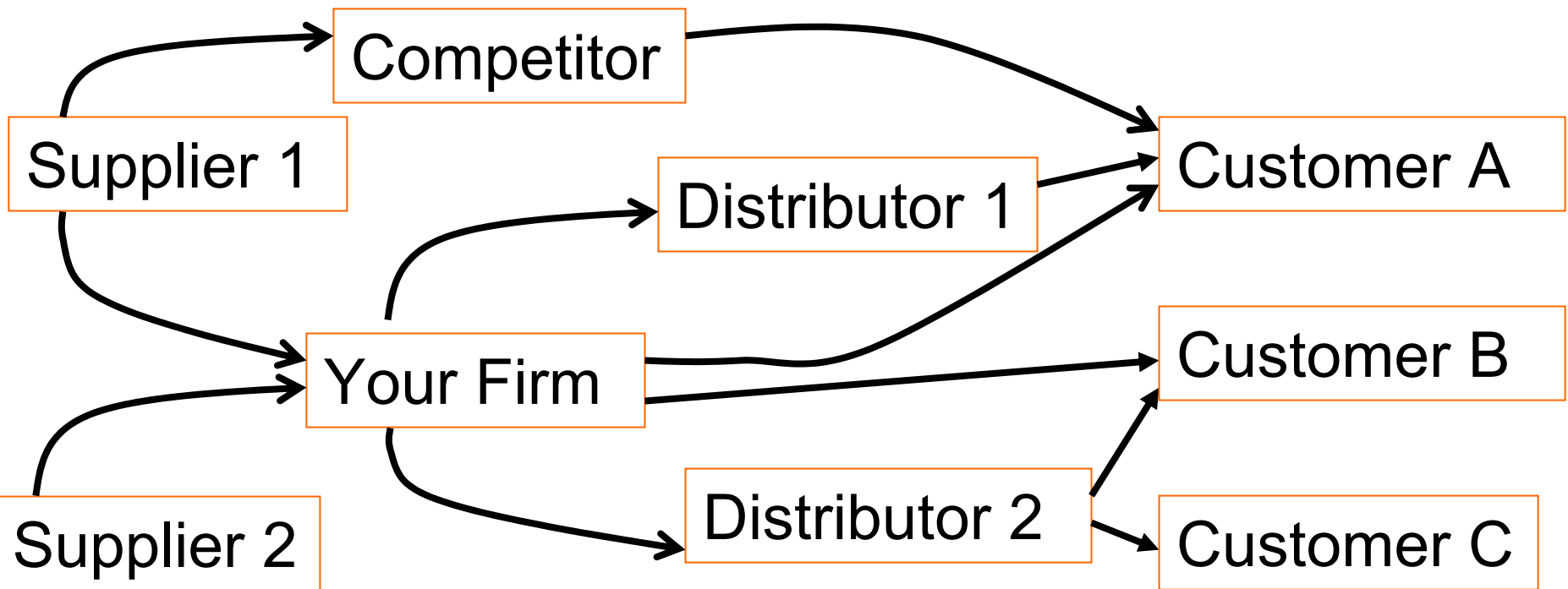
Managing the tension between radical and incremental innovation

- Providing cash for current operations
- Seen as “old school”
- Provide future opportunities for the firm
- Seen as not producing



Requires Leadership at the Top to Provide Balance—You Need BOTH

Understanding how radical innovations affect product development





Analyzing problems related to commercialization of new technologies

- Trends
 - Economic
 - Technological
 - Market



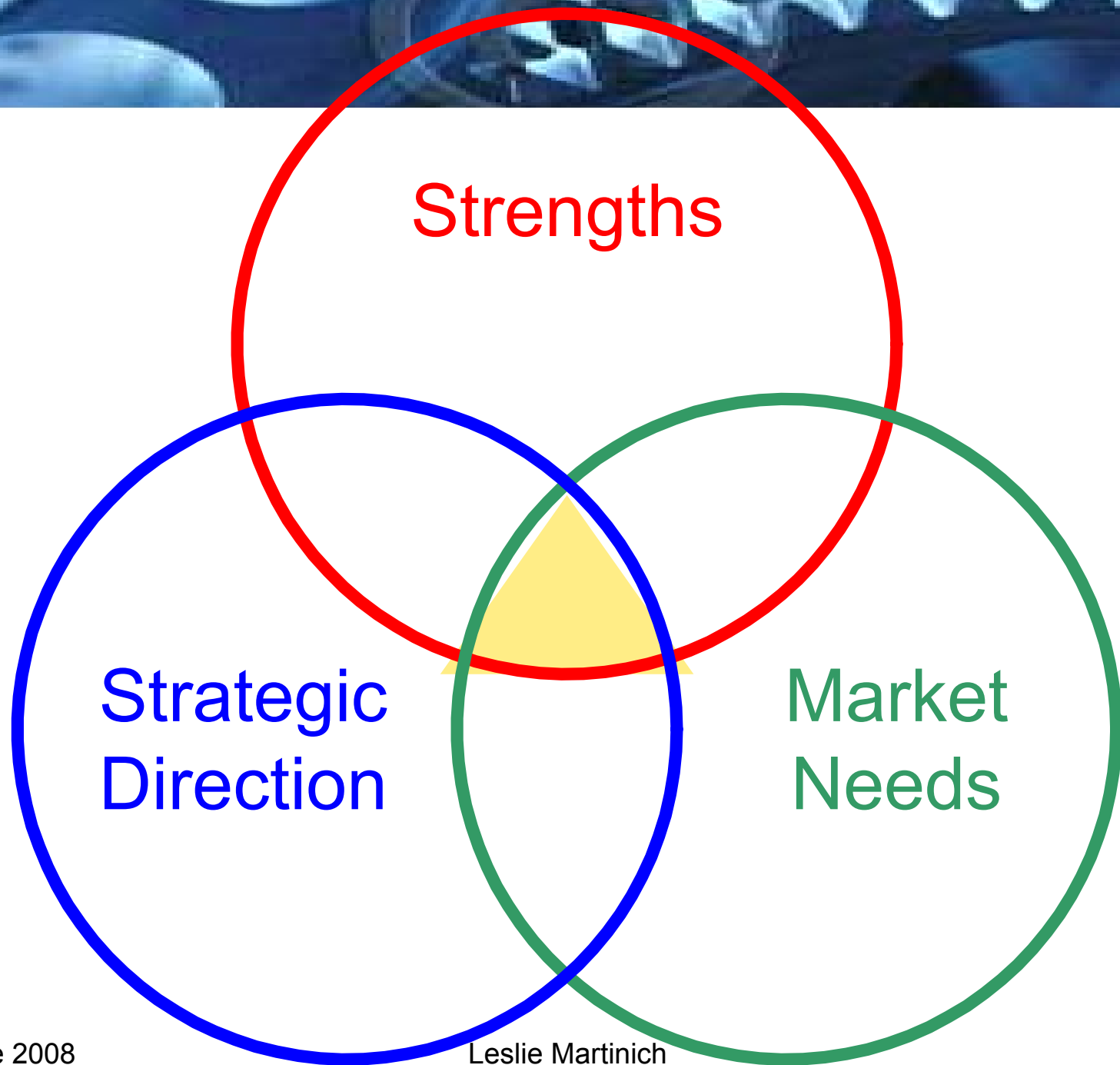
Analyzing problems related to commercialization of new technologies

- Market needs
 - Is there a need?
 - Can you fill it?
 - Can you win?
 - Does it matter?



Analyzing problems related to commercialization of new technologies

- Understand your competitive advantage
 - Know what you know
 - Know what your competitors' advantages are
- Research the market needs
- Make a decision
- Focus, focus, focus



Industry Assessment

- Industry Structure



Industry Assessment: Competitive Forces

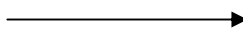
Potential Entrants



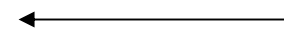
**Industry
Competitors**

**Rivalry Among
Existing Firms**

Suppliers



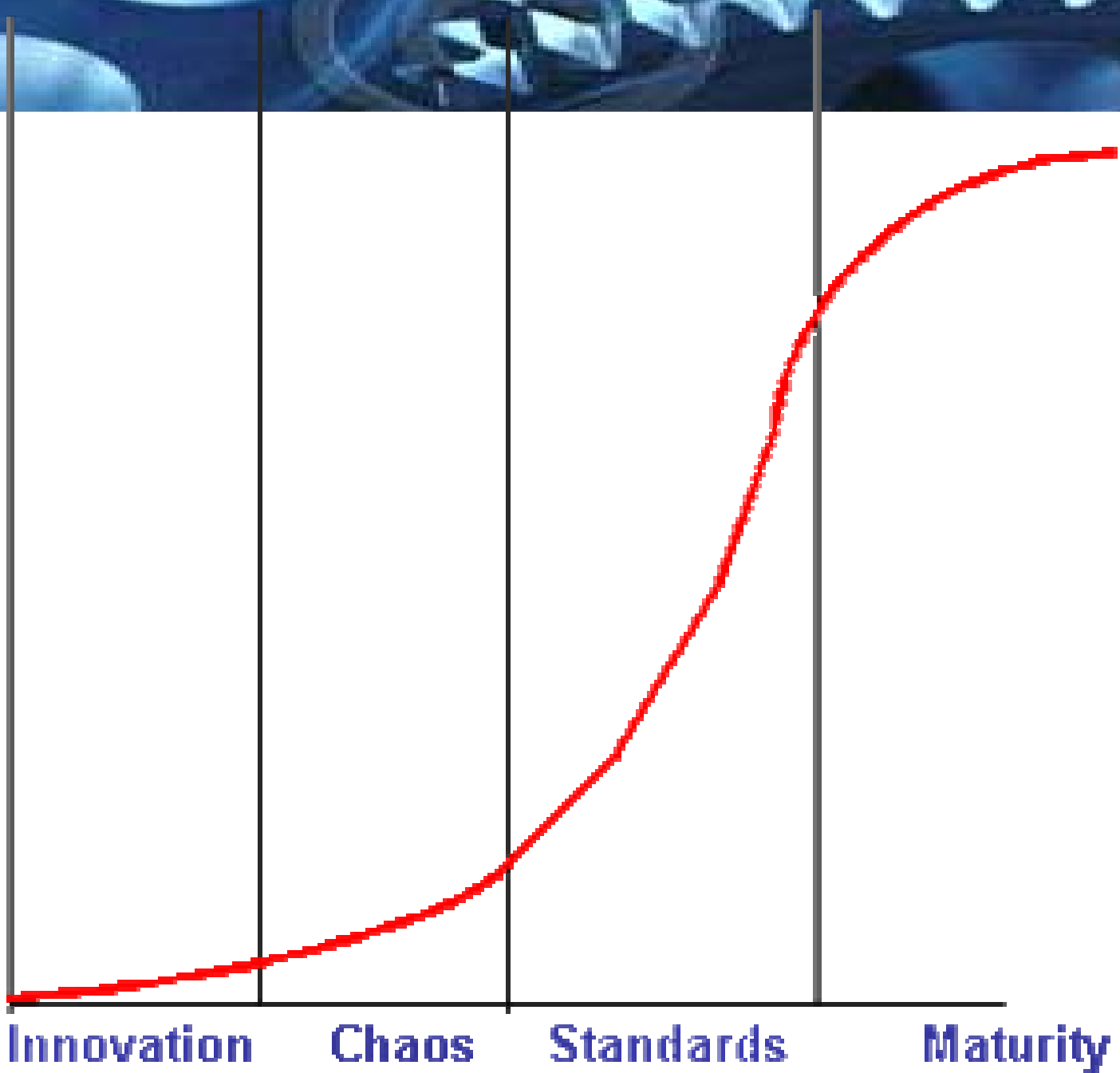
Buyers



Substitutes



**Cumulative Adopters
OR Performance**



Wrap up

- Innovation is important
- Innovation is difficult
- Understand that ongoing and emerging operations require different strengths and skills
- Keep a balance

QUESTIONS?