

World Research Group's Open Innovation Series Presents...

INNOVATION³

Crowdsourcing, Culture & Tools Summit

Extend Your Ideation Process BEYOND Traditional Boundaries

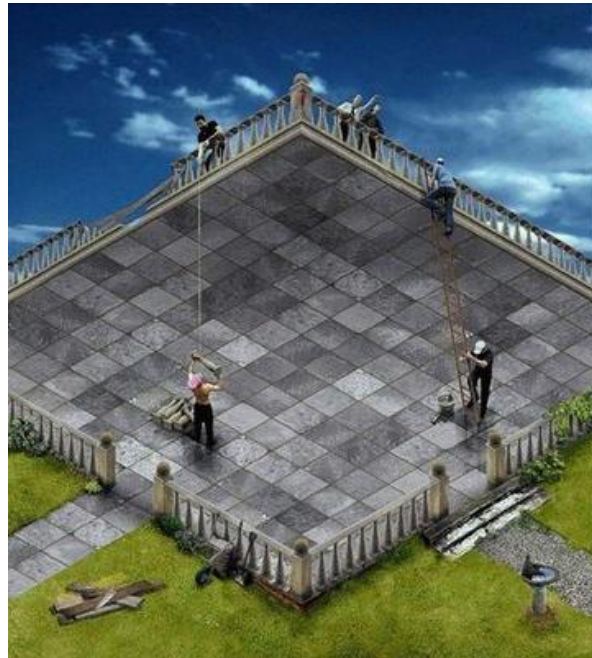
Identifying Leading Indicators for Innovation

Workshop B: 08 December, 2010

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Lens Shifting



**Using Leading Indicators to See the Path
Forward Differently and Act on Opportunities
You Didn't See Before**

The Dilemma:

To create a successful product innovation, you need to predict today what constitutes a “must buy” for consumers 2-5 years from today...

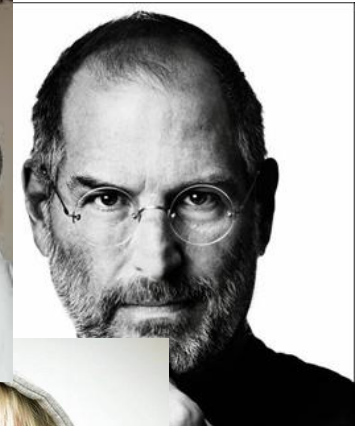
And, oh, by the way, your customers of today, may not be your customers of tomorrow



Many people have reputations as leading business and consumer behaviors

- Product innovators
- Taste makers
- Style icons

Have you ever wondered how they always seem to be on the cutting edge of their areas of expertise year after year?



You may have worked or played with people like this in your life

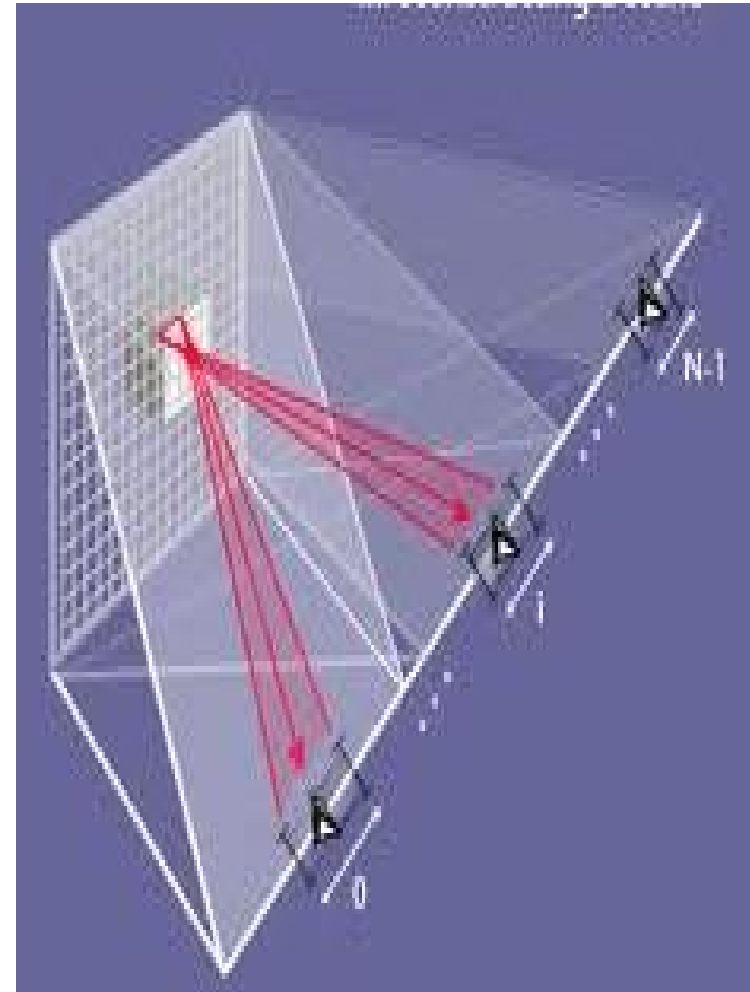
- **Bosses**
- **Colleagues**
- **Neighbors**
- **Friends**

What characteristics made them think differently than everyone else?



Perhaps their skill was being able to look at the world from a different viewpoint

- See things through a “shifted lens”
- The object is the same, but it looks different when viewed from a different angle



Seeing Differently

Parallax View

- A viewpoint from which you can observe and study something or somebody from a new angle, thus gaining insights unavailable before
- Can you end up on a different path?



David Bowie...
Lady Gaga...

Freaks?
Geniuses?
Both?



Lens Shifting

Using Leading Indicators to See the Path Forward Differently



Discovering Innovation Opportunities: Look at the World Differently

What Other Meanings May Be Laying Under the Surface?

Housing starts

**Non-durable &
durable goods**

**Las Vegas visitors:
mix/qty**

**Export/Import
materials & \$\$**

Fuel costs

**Private label vs brand
buys**

**Commodities – corn,
cotton..**

**Real estate
transactions**

Consumer spending

Lipstick

Currency rates

**Politics – Iran,
Venezuela, etc.**

Shifting Your Lens

Thinking differently about what is happening today

Do you respond to a trend or use the trend as a leading indicator?

How does what is happening today affect the behaviors of the buying public tomorrow?

Can you see another dimension by using different visual aides?



How to Shift Your Lens

Ignore your business drivers

They are old news

Your customers' drivers are your leading indicators!

If you can solve the problem that keeps them up at night, they will be your customers forever!



How to Shift Your Lens: Food Company Example

- Gluten sensitivity and allergies affect > 10% of over 40 population
- Consumers demanding options



So...if you are a food company, do you

- Jump on the gluten free bandwagon for adults?
- Address the desire to prevent gluten intolerance in the future?
- Both?

How to Shift Your Lens: Food Company Example

- **Adult gluten intolerance = leading indicator for creating low gluten children's food market**
 - Likely more open market
 - Passionate consumers
 - Enhanced opportunity to develop IP that drives exclusivity
- **Adult market insights as LI of children's market ≠ creating market from obtaining children's market insights**
 - Different product development pathway
 - Likely will lead to other products



Are You Already Collecting Leading Indicators in Innovation Processes?

When collected & analyzed properly using leading indicators can mirror analyzing consumer insights

Any leading indicators present in this CPG insight video?

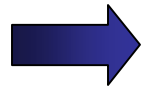


Your Leading Indicators

| Your Leading Indicators | Your Customers' Leading Indicators | Your Customers' Customers Leading Indicators |
|-------------------------|------------------------------------|--|
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Assessing Innovation Effectiveness

People



Process



**Presence:
Prod/Svc**



=

**Market
Value**



Assessing Innovation Effectiveness

People – Process – Presence



- **Tangibles:** capital, time, software, physical infrastructure, equipment, office space...
- **Intangibles:** talent, motivation, culture, knowledge, brand, reputation, engagement, participation...
- **Innovation Structure:** OINs, VC model, Voting/Challenge...
- **Innovation Strategy:** pipeline, incremental, disruptive...
- **External Networks**
- **Systems**
- **Measures**

Assessing Innovation Effectiveness

People – Process – Presence



- Identification of resources required
- Resource combinations/coordination
- Value creation
- Ideation process
- Speed & Performance as intended
- Implementation & integration
- Balance
- Innovation Mapping

Assessing Innovation Effectiveness

People – Process – Presence



- Technology
- Expectations
- New offering launch
- Business process improvement
- Market Share/Success
- Measures

Assessing Innovation Effectiveness

“Intangibles”

- **Intelligence**
- **Learning (failure & success)**
- **Brand**
- **Network**
- **Company**

