How to Innovate Effectively, Fast and Engaging?

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Innovation usually isn't an outcome of a sudden "Eureka!" moment. In fact, it comes from a carefully managed process that is adjusted to the company's size, structure and complexity. There are many ways to innovate. However, today, speed is the most important criteria as companies are desperately trying to innovate faster and adjust to new reality of the digital world. This short write-up is about how firms can increase metabolism for cycling ideas and innovation process, and about my personal experience at the Innovation Pioneers practical **workshop** to test this relatively new way.

One of the answers to the question raised - lean and user experience based innovation processes such as Lean Startup and Design Thinking that are gathering momentum by companies of all sizes. These methods, if consistently engage employees, can immensely develop creativity and innovation capabilities of an organisation. Those capabilities add to the firm's unfair advantage that is difficult to copy and thus – build long-term competitiveness at a fraction of the cost comparing to acquisition or outsourcing approaches. Moreover, they ensure the most important gains of the current business landscape – speed and fit to the market.

So what is Lean? Lean production is based on cutting off the excess and everything unnecessary aiming to reach goals with the lowest price and the greatest speed. This could mean either the reduction of resources (human or material) or the elimination of needless or redundant activities. Both mentioned methods apply lean philosophy and are effective in reaching results. If put in other words, they seek to eliminate the biggest waste - creating a product or service that nobody needs. No-brainer – they considerably reduce the risks and thus help creating a favourable environment for employees' creativity and innovation.

A little about both innovation methods. The Lean Startup concept is an appropriate choice for creating new businesses through development of an already existing idea or vision. Design Thinking, on the other hand, might be preferred if the right business idea has not been found yet and problems or customer needs are complex and unclear.

The term "lean startup" was developed by E. Ries for tech-startups, but is more and more used in basically all industries and even by the large companies such as General Electric, Qualcomm, and Intuit. Lean startup evolved from the "customer development" method pioneered by S. Blank. The idea behind these methods is to define and understand customers and build solutions based on a user-centered approach.

It virtually means that solution developers go out and ask potential users, purchasers, and partners for feedback on their product, service or elements of the business model. The emphasis is on nimbleness and speed. Teams rapidly assemble minimum viable products (MVPs) and immediately elicit customer feedback. Then they revise their assumptions and start the cycle over again by making further iterations or pivots to ideas or aspects that aren't working. This way a continuous feedback loop with customers is created that builds, measures and learns from the core assumptions early in the product development process, in many cases - even before any product is built at all.

Lean Startup process
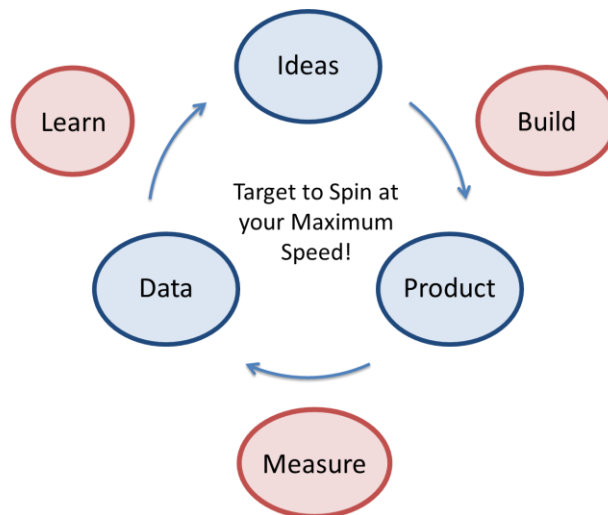
"Design Thinking" is another user-driven innovation method that has become popular during the last decades as promoted by famous business schools and global innovation labs. It was developed by the design consultancy IDEO in the late 90s. The main idea behind is similar, though it first more empathises with the user in order to create truly needed and liked solutions. It employs more extensive user research, feedback loops and iteration cycles. Based on a human-centered approach, with multi-disciplinary teams (!), it usually aims at solving complex (wicked) problems and thus is applicable to wider areas and sectors. Notably, Design Thinking process does not start with an idea, but with a problem or a challenge instead, as followed by the empathy phase.

Design Thinking process
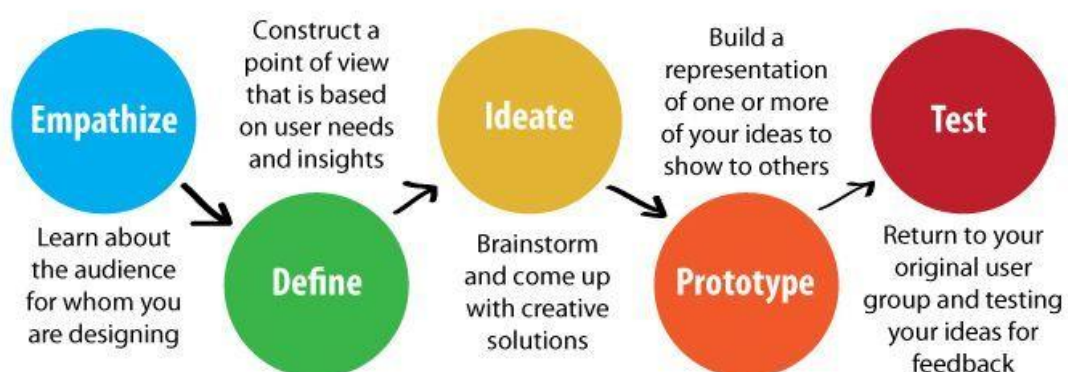
Similarities and differences of both methods were analysed by R. Mueller and K. Thoring. I wish only to accentuate the prototyping and testing stage. Both methods try to gather user feedback in early stages of the process by building simple prototypes, which are then used for testing as followed by rapid iteration of the solution. The essence of prototyping and testing is 'fail early to succeed sooner' meaning that the sooner you realize an idea is not working, the faster you can update and retest it.

This was exactly the purpose of the Innovation Pioneers 34th Tank-meeting on Lean Discovery – to apply a mix of techniques from the two innovation methods and focus on speedy prototyping within teams. In three hours, we created and prototyped integrated solutions combining product and digital service for an imaginary Verybaby company that wished to find a solution: 'What digital solutions could bond parents and children together instead of keeping them apart?'

The audience was very mixed in terms of professional background and knowledge about innovation management tools, thus a little more light on why and how would have been helpful for some participants. Nevertheless, this did not preclude the spirit and creative potential to engage in a fun but

productive discovery exercise. The workshop was structured according to the agile development principles into 3 sprints, which ensured adherence to time limits for specific tasks. These were:

- Sprint 1: Decision on the specific problem to solve by looking at its reasons.
- Sprint 2: Defining an idea, visualizing it and receiving customer feedback.
- Sprint 3: Refining the idea and prototyping a solution; creating a 2-minute video to share process experience.

I'd say the Sprint 1 was the most difficult one as it required not only discussing different point of views, but also orchestrating the team work and building trust in very limited time-frame. After everybody was content with the chosen approach, in the Sprint 2 we have developed an idea – a digital smart toy that through IoT and AI capabilities could perform a role of interactive learning facilitator. An invited customer's feedback helped us to simplify the solution and 'create' a prototype, which in fact was the existing soft toy used in the role-play scenario. Other teams' prototypes varied from sketches, user journeys to board presentations.

What have we learned? First, that such fast prototyping, especially collaborative one, can be magical in how it engages a team in a playful way to just start building something. It was very rewarding to see that in three hours teams came up with different creative solutions as opposed to having long discussions with no tangible results. Such type of workshops are much more memorable and have greater impact on building genuine innovation skills than other forms of learning. Not to forget - the diversity of a team is a crucial aspect for innovativeness.

Another learning was that starting to prototype before knowing what the final solution will be can seem premature, but it actually releases imagination and does not allow you to get stuck in the ideation stage. Early rough prototypes are learning tools that help to visualise the concept and gather user feedback. Majority would imagine that prototype should be a smaller or simpler version of the real product. The truth is - it is not. Most importantly, it should contain just the critical function to test and be just enough to grasp the essence. It is said: 'if you are not ashamed by the first version of your prototype, you've done too much', meaning - wasting time and resources, and consequently – delaying the entry to the market.

And finally, above all, it was great fun! As well as a perfect setting for networking and team building that led to getting to know people at a deeper level. Sharing experiences of different companies, the members of the Innovation Pioneers, is the constant aim of these kind of events.

Now, imagine applying this learning process in an incumbent slow company where silos and functional divides separate people and knowledge. Then imagine having small hotbeds of creativity – and then a system of them - by using Lean Startup, Design Thinking or any other mix of methods that let people to get together across units, with no fear for risks or failure (within acceptable limits, of course) to ideate, create prototypes, go out and test, and present to the heads a refined solution that meets customer needs. And foremost – imagine how this would affect the company's culture, entrepreneurial mindset, attractiveness of talents, innovation speed, and lastly – the acceleration of profitable growth.

Imagined? Then try it.