



Highlights and main take-aways from Stora Enso workshops

Transformation

Lead question for discussions was:

- *What would have been your company's most urgent actions in a disruptive situation where it needs transformation?*

Transformation is something most companies do while the world is changing. It is important to see and understand transformation need, examples are analysing predictions like "paper will disappear" (1998) and carefully analyse market changes like decline in paper consumption observed in US (2002). One way to identify transformation need is to focus on understanding customer needs in terms of products and services for prioritization. Transformation is about building trust.

When transformation need is identified create a sense of urgency and convince people change is needed, move resources to innovation work, and stick to the company values rather than panic, and be aware of the natural human reactions Deny – Accept – Change. In last phase – Change – set direction and create a sense of where to go, get all aboard for implementation, spend time to manage change. Have patience, as it normally takes time. To improve ability to manage changes it is crucial for the company to be perceived as an attractive employer for young new recruits.

In transformation, set the direction first so that everyone is pulling the rope in the same way. To set the direction, be aware of what's going on and building scenarios might help in that. Focusing on customer needs help in detecting changes early. It's also essential to have the right people to lead the change and who and what needs to change. To get all on board for the change and to allow that, there must be slack in people's calendars so people have time to change and experiment. Mentoring can also be good option to foster change, and there also the more experienced employees and leaders can lead new things from the younger talents. Intrapreneurship might provide opportunities for change within big companies. Furthermore, partnerships offer great help in transformation as you can't do everything yourself.

To get momentum and speed in transformation definition of problems to solve, and the core to stick to, and what one is looking for is a necessity. The "core" in this sense is "core knowledge" rather than "core business". Put the innovations in a portfolio with sufficient steering.

To be able to continuously follow and be pro-active in customer needs an innovative culture is needed, which amongst others include F2F-meetings in collaborations. Transformation always imply exposure to risks, especially when entering new areas. A common risk is traditional financials. Successful transformation might not only be made by risk mitigation – sometimes pure luck is needed.

Is transformation always about change management?

How to pick innovation and scale it up to fast market launch?

Lead question for discussion were:

- *How do you know that you have enough and relevant experiments on-going to understand the world, enabling you to create compelling products and services?*
- *How do you choose and engage with external partners to speed up your innovation and go to market of new products and service, ensuring also strong internal competence development?*
- *What is the requirements to scale up a new business as fast as possible?*

It is not possible to know when one has sufficient information and ongoing experiments to make a Go / No-Go decision for innovations if actions not are measurable within given constraints, and not possible to continuously verify their relevance. Mostly ongoing experiments are impossible to count, and maybe the question of sufficient amount of ongoing experiments is the answer itself – the important thing is to have experiments ongoing. Focus on prioritize innovations that is solving customer problems/needs, and changing focus from products to services would gain new possibilities. Measures that can be taken are to try and fail, and kill ideas early – learning by doing.

Reward both failure and success. Failures might be subjected to divest and successes scales-up fast by means of external cooperation that utilizes competence network, bring fresh eyes and minds (e.g. student works), and internal communication. Job rotation and flexibility in human resource management might bring fresh eyes and minds as well as externals. To pick external partners valuable contact points and receptive staff is crucial. Get people engaged.

Suggested actions are;

- Map the possibilities; Define your cores (-business & -knowledge)
- Change the mind-set towards continues change.
- There is a need to be a “sexy” company – also to attract new talents. Our movie (What a tree can do) is very good in this aspect.
- Get your own people involved and convinced.

How to get consumer insight for innovation input, what innovation process to use, and get innovations fast to market?

Lead question for discussion were:

- *How to set up an approach for innovation that enables speed from idea to launched product/service, and takes customer needs in consideration?*
- *Most effective set up for capturing consumer and customer insights, and to translate those insights to actionable input for innovation?*
- *What is according to your experience best practice to execute innovation process?*

Even thou chaos can be regarded as more creative, a matrix organization with clarified responsibilities and strong project managers is judged as advantageable as innovation management process. A combination – starting with chaos and bring the success rated innovation in an innovation management process – could be fruitful. Ideation portfolio to be executed by R&D was also suggested. That portfolio could host internal startups to get more speed using small and dedicated teams if resource allocation could be managed. There are pros and cons with having different people in the start and the end of the process. Business case with real numbers is a prerequisite, but must be a living document that develops while information is building up.

Sometimes branding can be an alternative or complement to innovation. It was mentioned that e.g. “Absolut is more brand than booze”. Since it is hard to “kill darlings” a mindset that promotes “be in love with opportunities” would be embraced.

An approach to identify customer needs would be to think in terms of “What is the customer really buying from us?” or “What job do our product/service for the customer?” (see e.g. Clayton Christenson, Youtube, [“Understanding the job”](#))

Also in this workshop sections context importance of partner up early with external partners was emphasized, however early partners can be hard to find and get procurement, but if succeeded they mostly stay due to mutual commitment.

Suggested actions are;

- Find the right (test) customer (flexible, open)
- Watch your customer using your product. (Even in the customer's home)
- Be flexible when executing (pushing & killing projects; good bring the good enough product to the test customer) Take the learnings on both and park ideas.