Creating an Innovative Enterprise

Systematic creation of high-value innovations

Curtis R. Carlson, Ph.D.
Founder and CEO, Practice of Innovation
President and CEO, SRI International: 1998–2014
email: curt@practiceofinnovation.com
website: www.practiceofinnovation.com
November 17, 2016
Innovation is a Mystery to Most

"Every CEO will at least give lip service to the idea that the world is moving faster and that we need to do a better job at innovation. But if you go into an organization and ask people to describe their innovation system, you get blank looks. They have none."

Gary Hamel
Three Essential Concepts

1. Important customer and market needs

2. Value-Creation Playbook: NABC value propositions

3. Intense learning: Value-Creation Forums

If these elements are not in place, at best the results will be episodic
What Is Innovation?

Creation and delivery of new customer value in the marketplace with a sustainable business model

![Image of Heinz Ketchup bottle]
Poor Performance

Companies

National Laboratories

University “Tech Transfer”

Silicon Valley
Many Unproductive Ideas

Fail fast to succeed early

Learn fast to succeed early
Best Practices Rarely Used

• Lack of focus on:
  • The important opportunity
  • Best practices: no Value-Creation Playbook
  • Intense, effective team collaboration for fast learning

• Progress: U.S. NSF and Singapore NRF
Most Failures Start at the Start

< 20% of R&D has any value
Definition of a Value Proposition

**N**eed
**A**pproach
**B**enefits/costs
**C**ompetition or alternatives
The Most Common Failure

>95% of presentations are like this
Value-Creation Forums for Learning Fast

- Recurring, multidisciplinary, facilitated meetings
- 3-5 teams, 2-20 minute NABC value propositions
- Speaker listens to feedback: no talking back
- Risk-reduction, investments, IP
How Impactful Innovations Develop

Customer Value

Time

Value creation

Start

Interesting problem

Initial target

End result

Important opportunity
Example: Formation of Siri

R&D

NABC Value Propositions  →  Business plan
Conclusions

• Success requires:
  • Focus on important customer needs
  • Use of a Value-Create Playbook, including NABC value propositions
  • Intense learning through Value-Create Forums
  • Like in the Olympics, be the best at what you do — or go home
Thank You

Curtis R. Carlson, Ph.D.
Founder and CEO, Practice of Innovation
President and CEO, SRI International: 1998–2014
email: curt@practiceofinnovation.com
website: www.practiceofinnovation.com
November 17, 2016