

Our most important innovation is the way we work[©]

Creating an Innovative Enterprise

Systematic creation of high-value innovations

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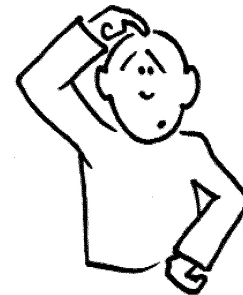
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Innovation is a Mystery to Most

"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.

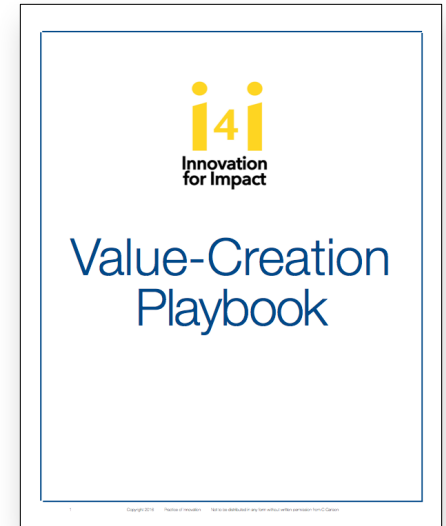
They have none."



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



Poor Performance



Companies



National Laboratories



University “Tech Transfer”



Silicon Valley

Many Unproductive Ideas

Fail fast to ~~succeed~~ early

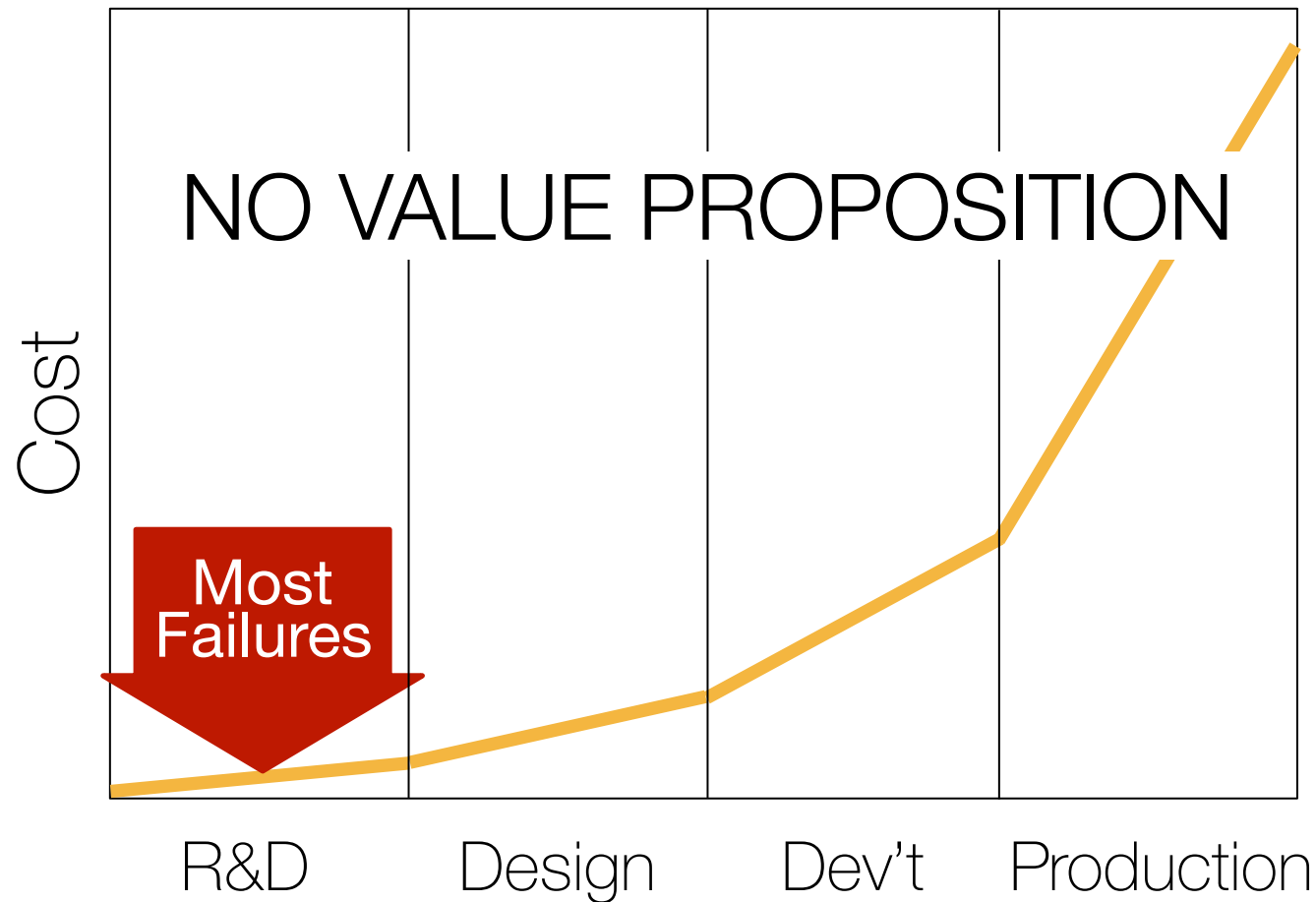
Learn fast to succeed early

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

Need

Approach

Benefits/costs

Competition or alternatives

The Most Common Failure

N  B/\$C

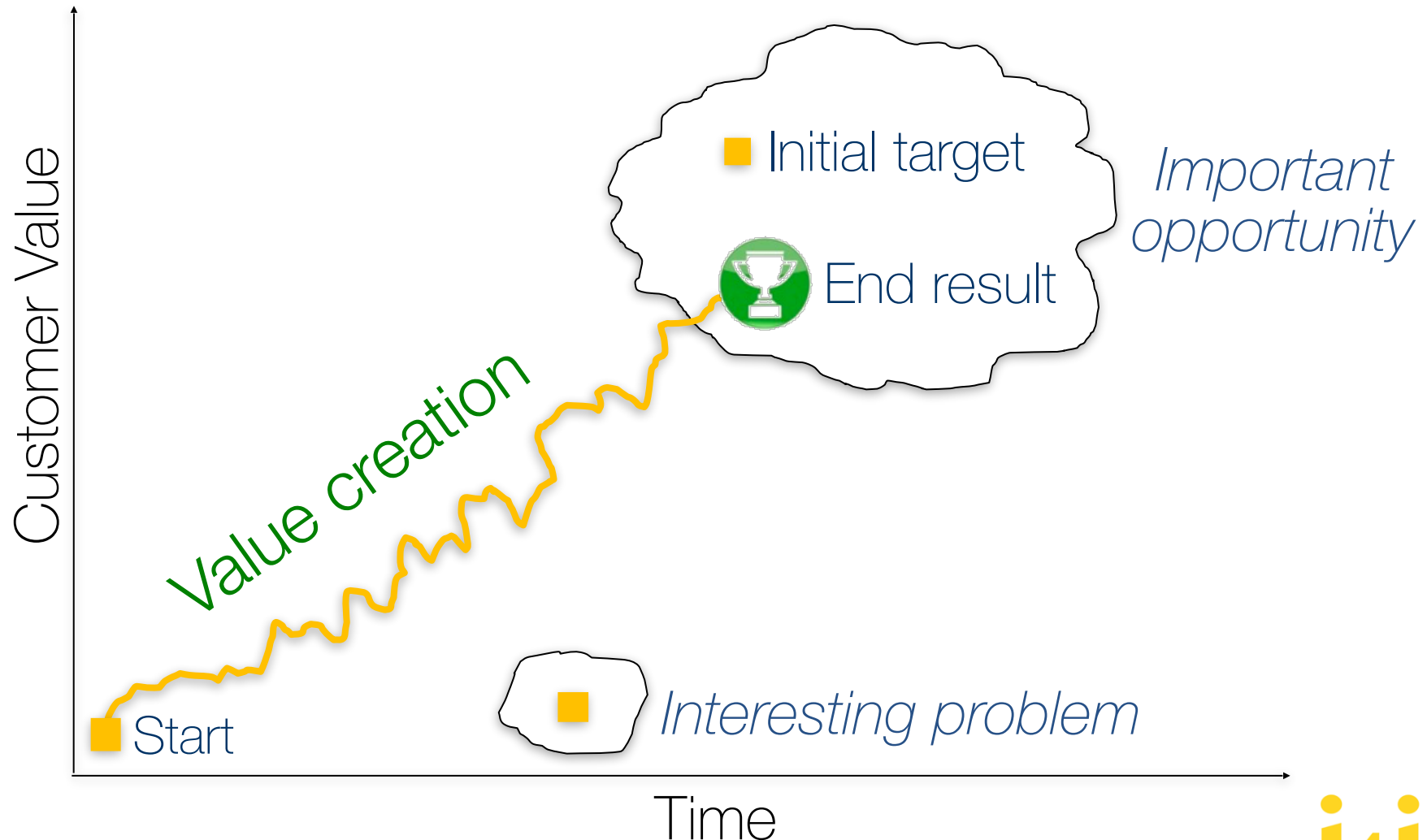
>95% of presentations are like this

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



Example: Formation of Siri



R&D

Siri



NABC Value Propositions — Business plan

Conclusions

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



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Thank You

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