

Article

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Breathing life into delicate ideas

Developing a network of options to increase the chance of innovation success

By Paul Gardien

Growth through innovation is high on management agendas, as companies can no longer rely on technological breakthroughs and incremental product development. But it's an inescapable fact that the hit rate for innovative ideas is pitifully low. This was clearly demonstrated in an article published in Business Week in 2005, stating that the "brutal truth was that up to 96% of all new projects fail to meet the targets for return on investment."

As a result companies have lately put a lot of emphasis on implementing innovation processes – by introducing funnel models in which research results, new technologies or user insights move in a very linear way, via advanced development and new business processes onto the market. Although these processes are very much needed, we believe that using only this model, business cases are being forced too early onto innovations and confused the issue rather than clarify. Feeding the innovation funnel it is better to develop ideas into good ideas than creating a lot of new ones.

Therefore we propose an alternative view; that innovation can in fact be seen as a network of options. We believe that there are different ways of capitalizing on imaginative ideas, and that it is necessary to explore the best way forward on a case-by-case basis, rather than trying to impose a business 'straitjacket' too early.

To get a better understanding of the innovation territory we build upon a model from the book 'Alchemy of Growth' - describing that companies have to manage three different innovation horizons simultaneously in order to be able to innovate effectively: horizon 1. extend core business, horizon 2. develop new business, and horizon 3. create viable options.

In our experience research propositions developed in horizon3 will go to market in a different context in horizon 2. This is illustrated by the example of the ideas and technologies associated with our Nebula exploratory project - which looked at customizing the experience of waking up by for instance projecting images and messages onto the ceiling - are now used in medical examination rooms.



At Philips Design we therefore believe that the forcing of business cases too early onto innovations confuses the issue rather than clarifies it. Very often the route to market success is markedly different than the one described in the linear models, because ideas may need to divert from the 'conventional' path and mature, before they find their true application. Also indicating that to innovate we don't necessarily need *more* ideas, just *better* ones. And in order to facilitate this, it is important to have better input (identify value) and better feedback (communicate value).

Instead of positioning research at the start of a normal business chain of: choosing value, providing value & communicating value, these can be superimposed on the three horizons model. Providing better input (identify value) and better feedback (communicate value).

	horizon 3	horizon 2	horizon 1
communicate value	aspirational promise	concept car	specific campaigns
develop value	innovation debate (probes)	collaborative innovation	incremental innovation
identify value	social cultural trends & narratives	future focussed persona research	market research & data mining

Next we investigate how design can contribute to this process, by developing imaginative ideas, but also by presenting these ideas in different ways – depending on their place in the matrix – to ensure maximum acceptance by the different stakeholders in the process. This is illustrated by a number of Philips Design examples.

We conclude that finding the best way through the matrix will be a key factor in moving imaginative ideas effectively to the market. There is more than one path you can follow to breathe life into delicate ideas. What's more, the design discipline can play a central role in facilitating this.

This article is an extract from the paper Breathing life into delicate ideas, published in April 2006 by Paul Gardien. Ir. Paul Gardien studied Industrial Design Engineering at the University of Delft in the Netherlands. He has worked in Philips Design in a large number of different areas, ranging from product design, user interface design to multi-media and internet design, both in the professional as in the consumer domain. At present he is responsible for New Solution Development, a program encompassing our own Design Research program, the development of New Business for Philips Design and the development of the current Service Portfolio.