

Innovating To Win

Observations from the front line on building the high performance innovation organization

September 15, 2009

Finding New Market Opportunities Through Systematic Innovation

It has been more than a year since the bottom fell out of the financial markets, and companies around the globe are still struggle to figure out which way is up. There are some early signs of hope, but the future is still masked by the murky cloud of uncertainty. Companies must find ways to not just survive but thrive. A return to growth is demanded by shareholders who feel the pain of depressed share prices. But where to turn for growth remains the question of the day.

I have recently heard more companies than ever asking about ways to improve the health and effectiveness of their innovation programs. This is a direct consequence of global market trends. These companies understand that growth will not come from doing more of the same. The engine of growth is change through innovation.

One common question I hear is: "How can we find new markets more effectively?" Fortunately, there are some straight forward answers that can help these companies get on the right track. There are a few basic approaches to driving revenue growth:

- Finding new markets for existing products
- Extending the revenue life of products in their current markets
- Finding new applications for technologies or methods
- Entering adjacent markets

For each of these basic approaches, there are a number of systematic innovation methods that support the approach. Yesterday, I had the opportunity to show a company how to apply one such method using repeatable innovation best practices to find candidate new markets to drive revenue growth. The method I demonstrated is aimed at identifying a set of key technical capabilities, understanding the core value benefits delivered through the capabilities, isolating customer pain in new markets that represent need for the value benefits, and defining the market opportunities that exist at the intersection of the customer pain and the value benefit.

Showing how the theory of high performance innovation practices can be put into practice is always an enlightening experience. For the people observing the demonstration, it provides a tangible proof point of what is possible through sustainable innovation practice. For me, it is always a reaffirming exercise. So it was yesterday as I showed how the voice of this company's technology, the voice of the customer, and the voice of regulation were speaking in unison and suggesting a new multi-billion dollar market opportunity--an epiphany that had only taken me 30 minutes to identify by following the path of sustainable innovation, leveraging innovation best practices and technology to amplify the voices of innovation and hear what they have to say.

Understanding how to develop strategic innovation competence is a critical success factor for companies. Whether it is the every day innovation needs of the enterprise in finding new ways to define and execute on operational excellence or the strategic Big I initiatives around developing new products and markets,



innovation is the elixir to drive the health and success of the company. Globally, companies are critically reexamining what they are doing to establish sustainable, high performance innovation as a value-driving core competence of the organization. Are you?

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