

Managing Radical Innovation

**Leading corporate high-growth ventures
built around radical innovation**

100 PowerPoint slides + 100 Half-page Executive Summaries

This is a demo version (12 slides only)

Managing Radical Innovation

- 1. Corporate Venture Strategies**
- 2. New-to-the-World Product Development**
- 3. Creating a Winning Business Model**
- 4. Managing a Radical Innovation Project**
- 5. Entrepreneurial Leadership**
- 6. Psychology of Achievement**
- 7. Entrepreneurial Creativity**

Corporate Growth Strategies

Achieving Bottom-Line Results and Top-Line Growth

“Shun the incremental and go for the leap.” – *Jack Welch*

Evolution + Revolution

VENTURE STRATEGIES



- In-company Ventures
- Spinouts
- Venture Investing
- Venture Acquisitions

EFFICIENCY IMPROVEMENT

- Business Process Management
- Lean Production
- Continuous Improvement / Kaizen
- Quality Management / Six Sigma



Innovation Management

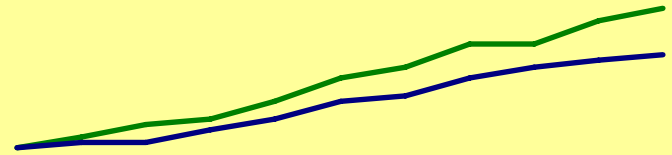
Radical versus Incremental Innovation

RADICAL INNOVATION: Project Trajectory



- Explores new technology
- High uncertainty
- Focuses on products, processes or services with unprecedented performance features
- Creates a dramatic change that transforms existing markets or industries, or creates new ones

INCREMENTAL INNOVATION: Project Trajectory



- Exploits existing technology
- Low uncertainty
- Focuses on cost or feature improvements in existing processes, products or services
- Improves competitiveness within current markets or industries

Achieving Corporate Growth through Venture Strategies

Internal and External Ventures

EXTERNAL VENTURES

SPINOUTS

Creating new
great businesses

MANAGING PROJECTS

as external ventures

IN-COMPANY VENTURES

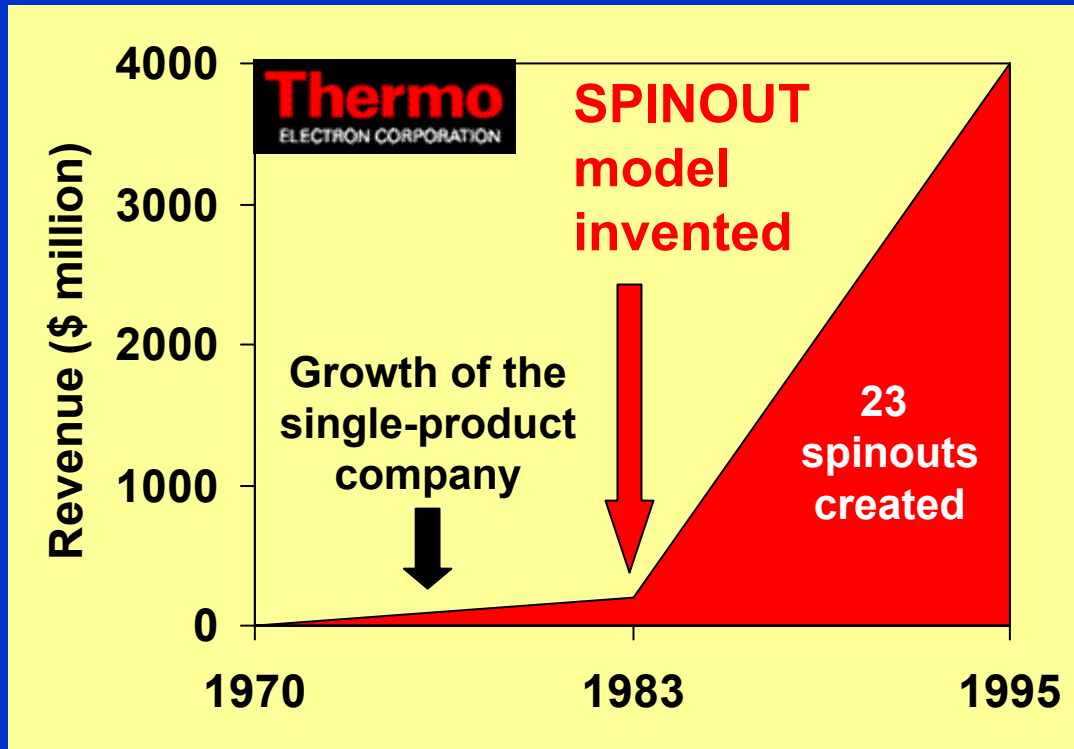
Managing new
product/service
development projects
as in-company
ventures

ALLIANCES

Joint ventures,
venture acquisitions

EXTERNAL INVESTING

in new technology
development



Company Creation:

1956; main business-thermal-energy R&D projects

Single-Product Growth:

till 1983; manufacturing large carbonizing heat-treating furnaces

Multi-Product Growth through Spinouts:

from 1983; diversification into new product areas through internal R&D commercialization

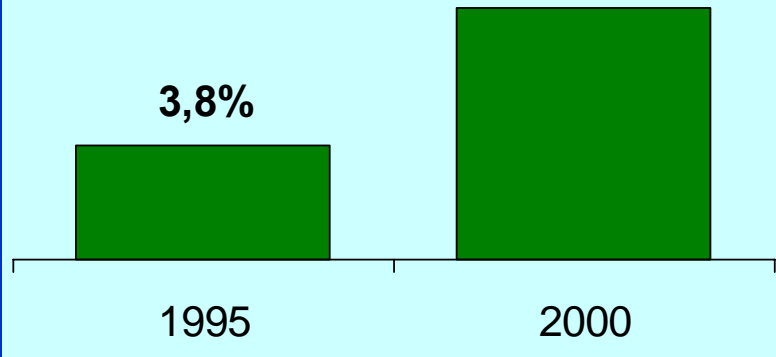
Current Product Range Achieved through Spinouts:

Environmental monitoring and analysis instruments; biomedical products; paper-recycling and paper-making equipment; alternative-energy systems; industrial-process equipment; and many other specialized products.

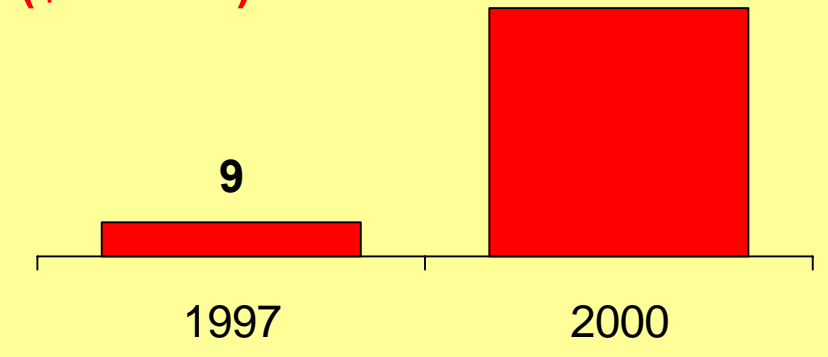
Corporate Venture Strategies

In-Company Ventures by Corning (USA)

R&D Spending
as % of Sales

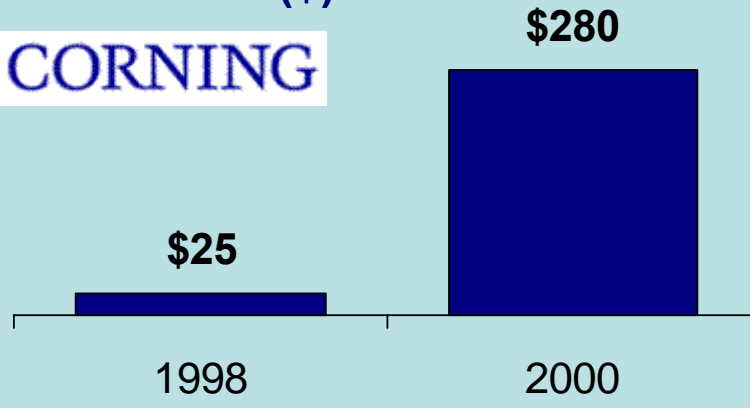


Market Capitalization
(\$ billion)



Stock Price (\$)

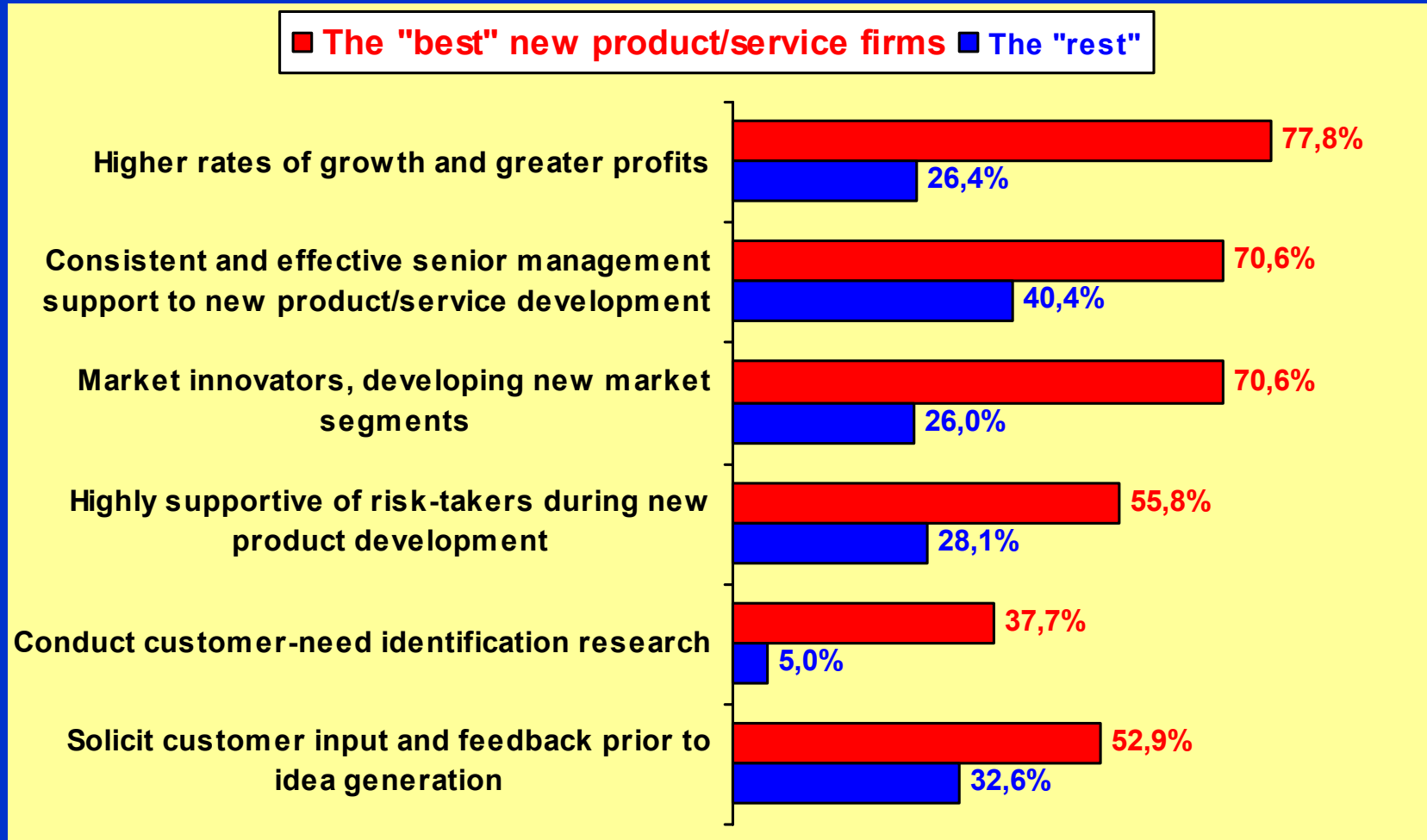
CORNING



- The company's long-range technological strategy emphasizes optic fibers, photonic parts, and leading-edge ceramics
- 70% of the company's business is in growing in-company ventures
- Employees motivation is managed through performance bonus plans

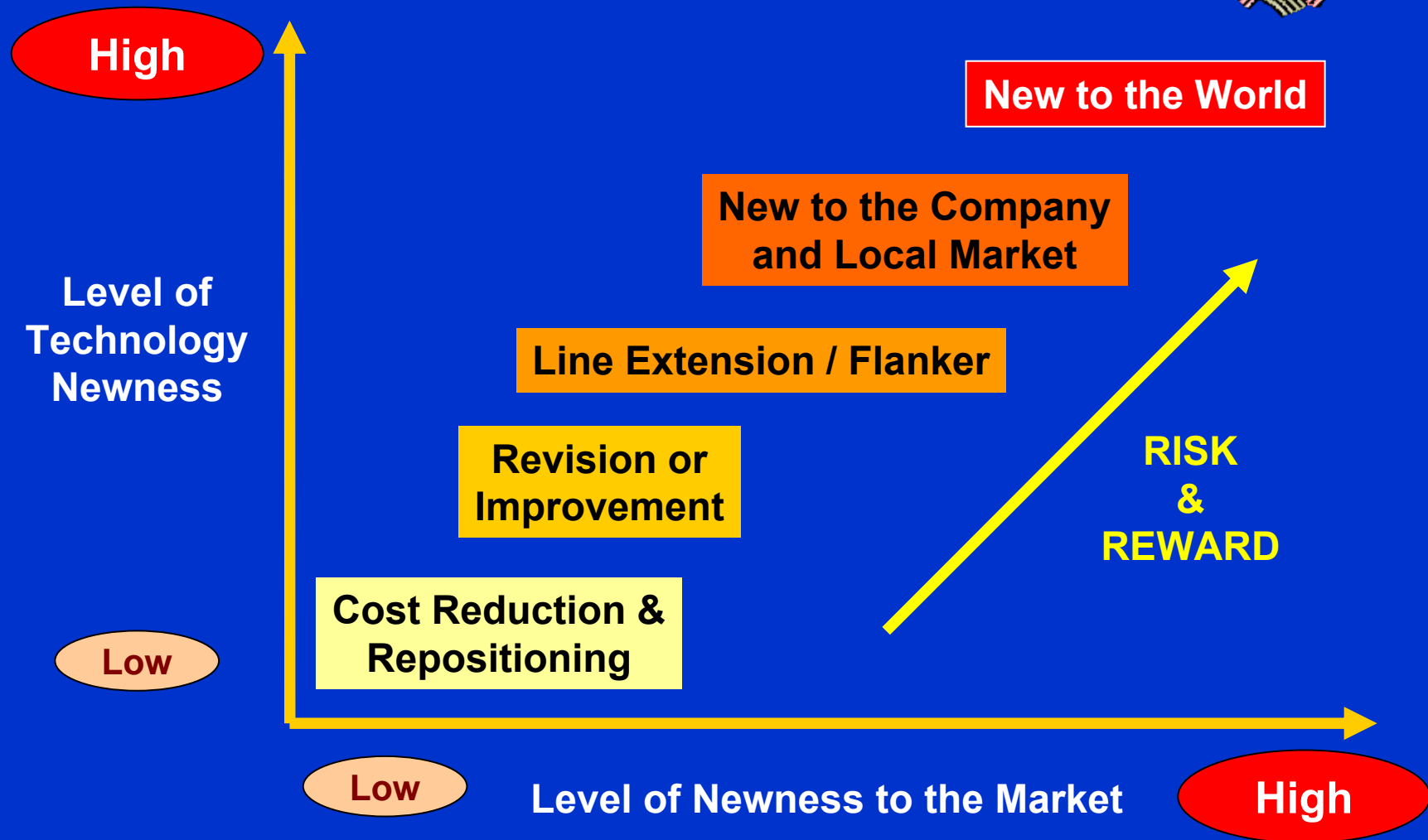
Building a High-Growth Business

Characteristics of the Most Successful Companies



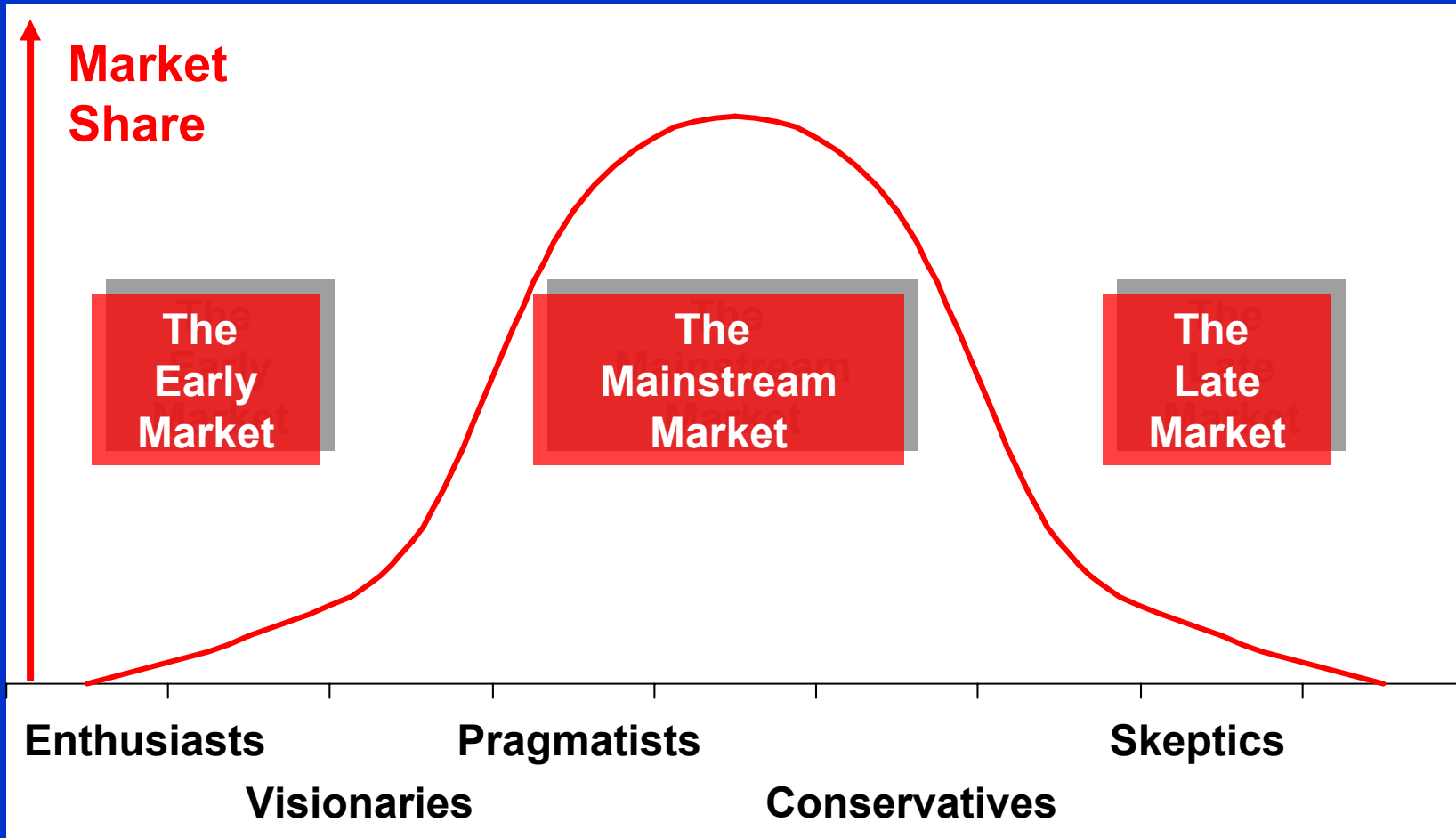
Product Innovation

New Product Types




Market Development Trend

The Normal Curve of New Concept / Technology Adoption



Innovation Management

Managing Operations vs. Managing Innovation

 MANAGING OPERATIONS	MANAGING INNOVATION 
 <p>Creating today's revenue</p>	<p>Creating tomorrow's revenue</p>
<p>Steps are pre-defined</p>	<p>Steps are undefined</p>
<p>Steps are mostly linear</p>	<p>Steps are mostly non-linear</p>
<p>Single route and result</p>	<p>Multiple routes and results</p>
<p>Driven by functional teams</p>	<p>Driven by cross-functional teams</p>
<p>Reworking is waste</p>	<p>Reworking is part of learning</p>
<p>Clear, shared goals</p>	<p>Unclear, often conflicting goals</p>
<p>Clear front end</p>	<p>Fuzzy front end</p>
<p>Easy to measure</p>	<p>Tough to measure</p>
<p>Rich historical data</p>	<p>Poor historical data</p>
<p>Forecasting possible</p>	<p>Forecasting impossible</p>
<p>Short cycle time</p>	<p>Long cycle time</p>
<p>Many common causes</p>	<p>Many special causes</p>
<p>Traditional players & roles</p>	<p>New players & roles</p>
<p>DOING THINGS RIGHT</p>	<p>DOING RIGHT THINGS</p>



“Innovators win by struggling toward breakthrough success, managers win by avoiding failures.”
 – Vadim Kotelnikov

Radical Innovation

Key Uncertainties and Project Life Cycle

Radical Project Trajectory



- Explores new technology
- High uncertainty
- Focuses on products, processes or services with unprecedented performance features
- Creates a dramatic change that transforms existing markets or industries, or creates new ones

HIGH LEVELS of UNCERTAINTIES

1. Technical
2. Market
3. Organizational
4. Resources

RADICAL PROJECT LIFE CYCLE

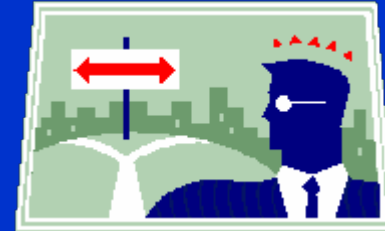
- ✓ Long term
- ✓ Highly unpredictable
- ✓ Sporadic
- ✓ Nonlinear
- ✓ Stochastic
- ✓ Context dependent

Managing chaotic radical innovation projects is more art than science.

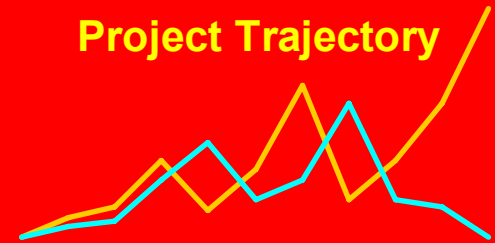
Leading Radical Innovation

Specific Skills of Radical Project Managers

- ▶ **Confronting uncertainties and reducing them**
- ▶ **Dealing with the chaotic nature of the radical project management environment**
- ▶ **Developing resource and competency acquisition arts and skills**
- ▶ **Overcoming project discontinuities**
- ▶ **Improvising and taking tactical detours**
- ▶ **Preparing a project for acceptance by a manufacturing partner**

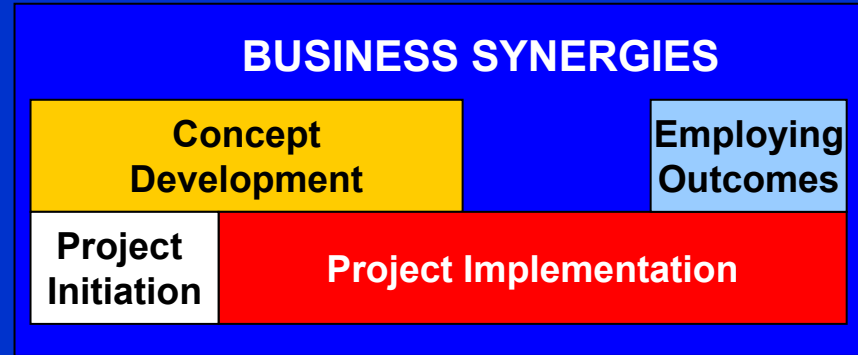


**RADICAL
INNOVATION:
Project Trajectory**



Project Management

Project Administration vs. Business Synergies Approach



Working Environment	PROJECT ADMINISTRATION	BUSINESS SYNERGIES
Success Criteria	Delivering pre-defined output within given constraints	Adding maximum value to the organization & stakeholders
Change	Slow	Fast
Uncertainty	Low	High
Innovation	Incremental	Radical


Leading Radical Innovation

- ✓ 100 PowerPoint slides +
- ✓ 100 Half-page Executive Summaries +

[Click here](#) to see the complete list of slides




Buy now!



The Corporate Strategy Logic
Strategy Pyramid (old) vs. Strategy Stretch (new)

STRATEGY PYRAMID
Top-down



Vision

Mission

Goals

Strategies


Tactics

Action plans

Old Strategy-based
Business Development Model

- Effective in known & stable environment
- Builds on existing competencies

STRATEGY STRETCH
Top-down + Bottom-up



New Opportunity-driven
Business Development Model

- Effective in new & unstable environment
- Builds on new competencies

Instead of Introduction

For the vast majority of companies, having well-defined visions and mission statements changes nothing. The exercise of crafting them is a complete waste of time and talent if visions and mission statements are used for nothing but being published in the annual report and displayed in a reception area. To be able to energize employees to work towards corporate goals, visions and missions should be more than a sign on the wall. Executives and managers should live them, be seen living them, and constantly communicate them to their employees.

Vision

Vision is a short, succinct, and inspiring statement of what the organization intends to become and to achieve at some point in the future, often stated in competitive terms. Vision refers to the category of intentions that are broad, all-intrusive and forward-thinking. It is the image that a business must have of its goals before it sets out to reach them. It describes aspirations for the future, without specifying the means that will be used to achieve those desired ends.

Mission Statement

A mission statement is an organization's vision translated into written form. It makes concrete the leader's view of the direction and purpose of the organization. For many corporate leaders it is a vital element in any attempt to motivate employees and to give them a sense of priorities.

Setting Goals

The major outcome of strategic road-mapping and strategic planning, after gathering all necessary information, is the setting of goals for the organization based on its vision and mission statement. A goal is a long-range aim for a specific period. It must be specific and realistic. Long-range goals set through strategic planning are translated into activities that will ensure reaching the goal through operational planning.

Strategic Intent

A strategic intent is a company's vision of what it wants to achieve in the long term. It should convey a significant stretch for your company, a sense of direction, discovery, and opportunity that can be communicated as worthwhile to all employees. It should not focus so much on today's problems but rather on tomorrow's opportunities.