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Focus on Innovation

Focus on Innovation is a monthly electronic newsletter designed to provoke thoughts and ideas on how to bring innovation to life within the organizations in which we work.

For Those on the Run

Organizations, focused on innovation, face many challenges in their attempt to turn great ideas into a product or service that will bring value to the marketplace and/or the organization. Innovative organizations, choosing to pursue the innovation journey, have learned what it takes to be successful at it. Read more to find out about the practical aspects of innovation.

The Road to Innovation is Not an Easy One

The innovation journey is not an easy one. Those companies who have been successful at moving through the innovation process from idea conception to commercialization and/or a practical solution have learned the practical aspects of innovation and are incorporating them in their innovation journey.

Before identifying the practical aspects of innovation, it is important to clarify what innovation is. Those who have dabbled in the topic know that innovation is not a well-defined concept and can mean different things to different people. What is known for sure about innovation is that it goes beyond technology development, it involves the exploitation of new ideas, and that it is a journey, not a destination. Executives interviewed as part of Industry Canada's Study on [The Practice of Innovation](#) perhaps captured the essence of innovation best. Says Firoz Rasul, chairman of Ballard Power Systems Inc. "Innovation is not just about technology development. Innovation had to be in the way we did our financing, the way we did our marketing and marketing relationships, the way we created strategic partnerships, the way we dealt with the government. The innovation nature of doing business for us had to be pervasive in the company, and had to look at more than just technology development. Innovation is "...not a eureka moment. It is like any other art. You have to train for it. You have to get experience for it. You have to discipline yourself. It's hard work," says Mike Lazaridis, CEO, Research in Motion (RIM).

So what are the practical realities an organization must consider in the pursuit of innovation? The following summarizes key findings from Industry Canada (IC)'s study, conducted in 2002, of seven innovative companies.

- **Innovation is hard - it takes time.** Getting innovations to market can take years of investing, researching, and trying to get the innovation to work. For example, it took Chris Griffiths, CEO of

Garrison Guitars, six minutes to sketch out his idea for a new guitar on the back of a napkin, and six years to get working prototypes, etc. Organizations need passion, belief in their idea, and perseverance to go the distance in the pursuit of innovation.

- **The innovation journey costs a lot of money.** Typically no revenue is generated during the formative research and development and precommercialization stages. Hence, raising money has to be a major preoccupation for innovating companies in order to get their innovations to market. The key is to develop systematic approaches for funding innovation.
- **The innovation process requires lots of non-financial resources.** At the early stages of innovation, companies need to seek the help from varied organizations. For example, IRAP assistance can be invaluable to companies seeking knowledge about specialized technologies. Community support, in all forms, can help the company tap into expertise and advice they need to move their idea forward.
- **The innovation journey is full of trial and error.** Innovative companies learn what works and doesn't work through trial and error and that there is no direct path to innovation, e.g. what you start with is not going to be what you are working on when you are successful. The key is not to get discouraged, to stay focused and stick with it.
- **Innovation requires discipline and focus.** Innovative companies focus their R&D efforts on customer-or market-driven solutions, and see the importance of setting R&D targets and monitoring them to ensure that pre-determined milestones have been met. The question asked repeatedly by shareholders and/or the board, and that needs to be answered is, "What did you do with the last bunch of money we invested?"
- **The importance of on-going R&D patents.** Patents are extremely important to innovative companies. "...Patenting should be a standard operating procedure for your company, a standard operating procedure for your researchers and engineers. If they come up with an ideas to solve a difficult problem, then they should immediately apply for a patent" says RIM's Lazaridis.
- **The importance of strategic partnerships.** Strategic partnerships with large companies can help to secure financing for R&D, gain access to markets and distribution channels or obtain technology. Innovative companies make strategic partnerships part of their direction going forward.
- **Making the transition from one stage of innovation to another.** Making the transition from one stage of innovation to another is a major challenge for most organizations. The seven case studies identified in IC's study highlight how different companies have dealt with various transition challenges.
- **The role of serendipity.** Often innovation comes out of the least likely place, e.g. the chance meeting with someone at a trade show, a request for innovative solutions to a problem an customer is having, etc. The ability of a leader in the organization to recognize an opportunity and be willing to act on it to solve a problem and go down the innovation path is key. The convergence of timing, readiness and technological capacity during the innovation journey cannot be underestimated.

What's the Bottom line

Understanding the practical realities of innovation, by tapping into the experiences of innovative companies, can help an organization in overcoming the challenges to successful innovation.

This newsletter was adapted from a publication produced by Industry Canada titled *The Practice of Innovation: Seven Canadian Firms in Profile*. For more information visit <http://www.innovation.gc.ca/gol/innovation/site.nsf/en/in04262.html>.



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