

A REVELX PUBLICATION

# THE CEO INNOVATION GUIDE

Everything you need to know as a leader of your organization about Innovation Management

Version 1.0

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**REVELX**  
REALIZING GROWTH



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# 01

## INTRODUCTION





# WE ARE REVELX

We help you realize growth through strategic innovation.

Innovation theory and methodologies are the easiest part of innovation. The hardest part is the execution within your organization. We ensure that innovation becomes a systematic and supported business process, adapted to the specific characteristics and DNA of your organization. We make it stick! That's how we distinguish ourselves. We make innovation contribute to your business objectives.

We are a team of senior growth entrepreneurs. A collection of curious minds and diverse personalities. Based in Amsterdam, we are proud to partner with our clients around the globe with a team of highly skilled and passionate professionals.



## WHY WE MADE THIS



Innovation is hard. Especially given the amount of uncertainty we face today. It requires many efforts, and the proceeds are often discouraging. We created this guide to help you as a CEO deliver on innovation.

## WHAT WE WILL COVER



We cover the most essential innovation management topics, necessary for every CEO. We introduce you to innovation, take a deep dive in the necessity of innovation strategy, design winning portfolios and its management, the organization of innovation, leadership and culture, and proper decision making and governance.

## HOW YOU CAN READ IT



This guide is structured around several key innovation challenges and solutions. You don't have to read it from start to finish. You can jump straight to those topics which have your interest. But, if you wish to cover everything, you're more than welcome to read it like a book.



# 02

## INNOVATION AND WHY IT'S HARD



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## INNOVATION

The process & activities to transform ideas and hypotheses into solutions that add value from customer, business and societal perspective



# WHY SHOULD YOU INNOVATE IN THE FIRST PLACE?

In many organizations, the need for innovation has become apparent. However, innovation also faces a lot of (internal) resistance. The mantra of 'we have done it this way for the past decades, why change?' is still persistent.

It is key to become best in class in innovation. Research shows that companies that excel at innovation generate 3 times more revenue growth!

Three main reasons why innovation is important:

## 1. Relevance for customers

Customer needs are changing all the time. This holds true in a consumer context as well as in a business-to-business context. Your job is to stay relevant for your customers. This requires a process of constant adaptation. Continuous innovation is key.

## 2. Building business resilience

We are living in challenging times. Crises are following each other in rapid succession. COVID-19 and the war in the Ukraine are recent impactful disruptors. We must build resilient business models to keep our businesses afloat amid this turmoil. Business model innovation is a key competence.

## 3. Fend off industry disruptors

Disruptors are around every corner. You might not be aware of them yet. As businesses and markets mature, incumbent organizations tend to be too much focused on extending current offerings for current customers. Build your own disruptor to prevent getting caught by an outsider.



# INNOVATION IS HARD, INSIGHTS FROM OUR INNOVATION READINESS BENCHMARK

The RevelX Innovation Readiness Benchmark indicates what it takes to be a best-in-class innovator

- » 7 key innovation areas
- » 35 best practices
- » 7 drivers for disruption
- » 5 performance KPI's
- » 500+ participants

Only 25% of companies rate their own innovation performance as 'good'

RevelX research shows that only 25% of companies are satisfied with their own innovation performance, while 65% of companies are afraid of being disrupted. Only 47% of companies have a well-defined innovation strategy and roadmap in place.

65%

estimates the disruption risk as 7 or higher (on a scale from 1-10)



25%

Rates their own innovation performance as 'good'



47%

Indicates they do not have a well-defined innovation strategy and roadmap in place





# WHY CORPORATE INNOVATION FAILS

Between 70-90% of innovation projects fail\*. Based on our experience and research\*\* we identified 5 key reasons why innovation fails within a corporate setting.

## 1. Innovation theater

Many organizations play 'innovation theater': they don't walk the talk on true innovation practices. They perform innovation activities but don't make them integral part of their strategy or core process of continuous innovation.

## 2. Strategy disconnect

Innovation programs should be part of the overall organizational strategy. They should be tied into all strategic horizons: short, medium and long term. Disconnected innovation will not deliver (long term) value.

## 3. "Not invented here" syndrome

Siloed and inward focused organizations suffer from the 'not invented here' syndrome. Successful innovation is based on cross-functional collaboration. This requires an open attitudes towards other business units and external opportunities.

## 4. Low risk appetite & failure acceptance

Innovation is often seen as synonymous with high risk. Industries with low-risk appetite and failure acceptance miss out on the opportunity. Innovation done right de-risks the process and learns from failure.

## 5. Lack of data culture

Smart decision making is a key aspect of successful innovation. Too often decision making is only based on gut feel or opinions. Smart decision making is based on data and insights. A data culture is a prerequisite for value.

\* Beth Altringer, Harvard Business Review research, <https://hbr.org/2013/11/a-new-model-for-innovation-in-big-companies>

\*\* RevelX - Innovation Readiness Benchmark insights, 2022



# 03

## CREATE A PURPOSE, THE INNOVATION STRATEGY





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## INNOVATION STRATEGY

Innovation strategy defines what and how innovation contributes to the long-term relevance and success of your organization. It defines how your business will be shaped and how it generates value. In addition, your innovation strategy should clearly define how to realize future success.



# WHY SHOULD YOU HAVE AN INNOVATION STRATEGY?

Having a good innovation strategy is a foundation for innovation success.

A good innovation strategy helps you to:

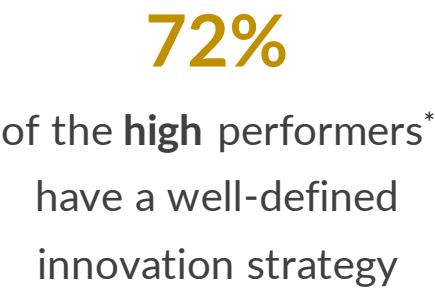
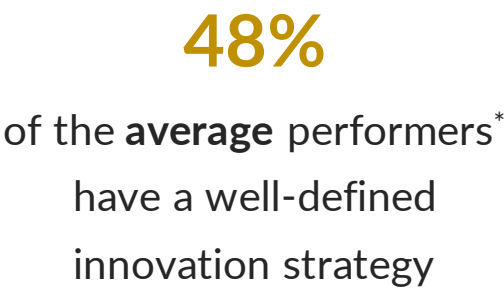
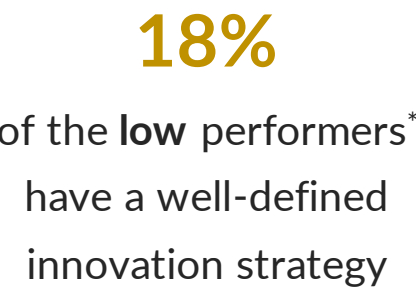
- » Focus on future disruptions and opportunities
- » Build a future-proof organization that prevents itself from being disrupted
- » Look beyond products and features: the entire business model & ecosystem
- » Communicate to the organization what the importance of innovation is
- » Guide the innovation ideation, validation and, scale-up process
- » Manage your portfolio of innovation projects effectively



# WHY HAVING A GOOD INNOVATION STRATEGY MATTERS?

In our RevelX innovation benchmark research, including 500+ companies from various sizes and industries, we found that many companies still struggle with defining a good innovation strategy. Deep-rooted barriers for strategic thinking in the innovation space are:

- 1. Short term (shareholder) thinking
- 2. Lack of vision
- 3. Tunnel vision
- 4. Strong operational focus
- 5. Lack of ownership



\* Being a low, average, or high innovation performer in our benchmark depends on how companies rate themselves on the criteria for innovation performance in our research



# THE DIFFERENCE BETWEEN BUSINESS STRATEGY AND INNOVATION STRATEGY

Do not confuse innovation strategy with business strategy. There are some distinct differences.

## BUSINESS STRATEGY

Defines the overarching strategic ambition

Has a 3-year horizon

Focus on growth targets in turnover and profitability

Focus on growth engines: the propositions delivering (short term) growth

Translated into commercial and organizational plans for the next strategic cycle

## INNOVATION STRATEGY

Is supportive and so a part of your overall business strategy

Should look further in the future

Focus on the business model transformation and agility

Focus on the propositions and enablers that deliver future growth

Translated into a roadmap of strategic innovation projects over different horizons



# INNOVATION STRATEGY

## BUILDING BLOCKS

A good Innovation Strategy consists of six key building blocks





# PVG CREATING A FUTURE PROOF GROWTH STRATEGY

The PVG Group is an international trading group in climate products. Since 1983, PVG has offered a wide range of products that increase comfort at home: portable heaters, pellet stoves, mobile air conditioners, heat pumps, dehumidifiers, humidifiers and products to purify the air.



## The client

PVG has grown into the climate specialist in Europe and market leader in the field of portable heaters and mobile air conditioners. The entire process of purchasing, marketing, distribution and sales is handled from the head office in The Netherlands.

## The solution

RevelX has supported PVG's management team in defining and developing future growth options. The project started with a thorough business assessment, to understand PVG's current business, capabilities, and potential. This was followed by several ideation sessions to explore potential tracks for innovation and diversification.

## The challenge

One of PVG's plants in Belgium mainly produces fossil-based heating products. Although the business is still very profitable, eventually the business will have to be replaced by more sustainable alternatives. In addition, the products follow a heavy seasonal pattern. This leads to a large fluctuations in capacity utilization.

## The result

The project has resulted in a long list of potential innovations and new growth opportunities, which were further prioritized in a short list of 3 concrete new projects that will be further explored.

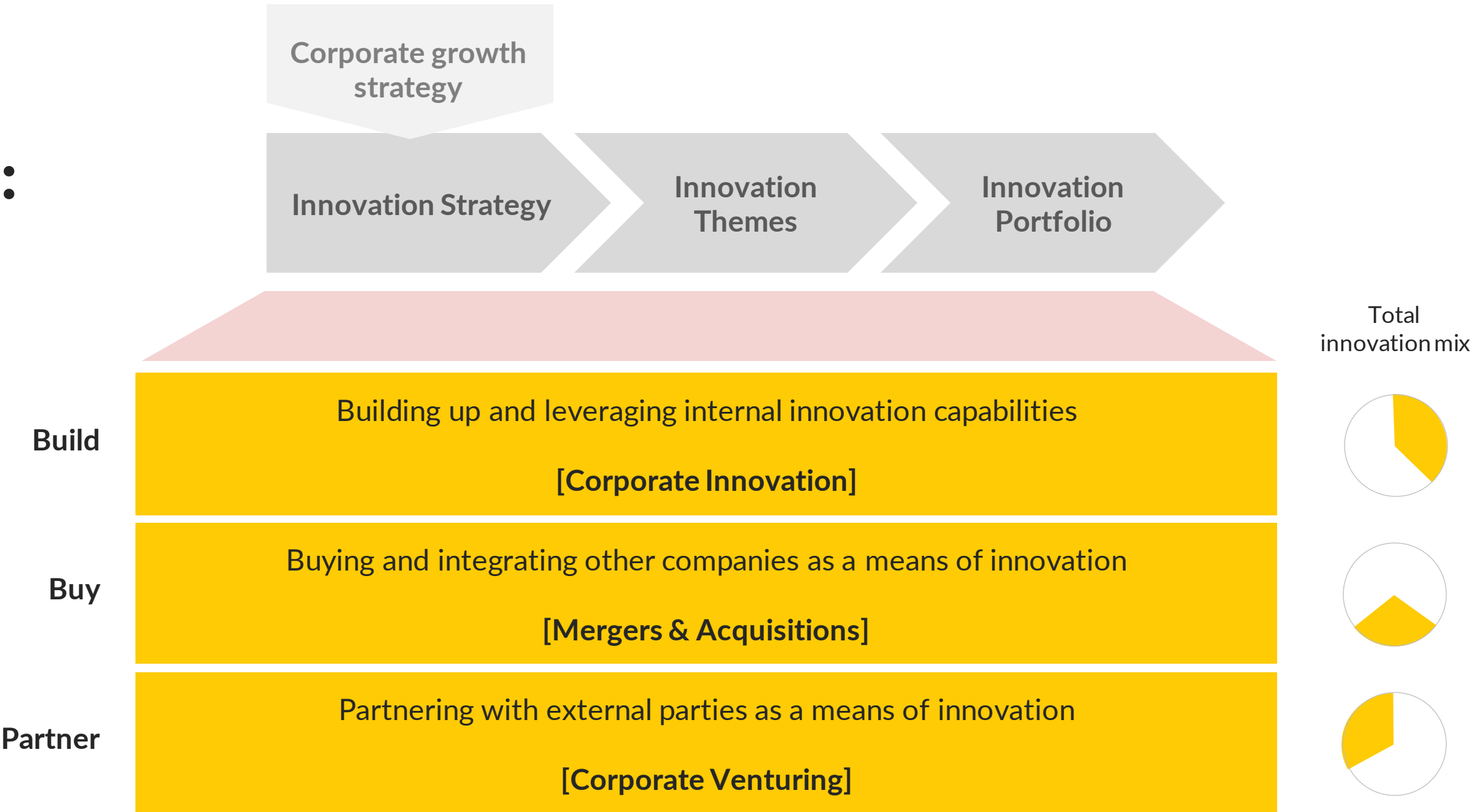
During the project, we took care of the embedding of the innovation management process within the organization. This enables PVG to continue to innovate in the future.



# INNOVATION EXECUTION MIX: BUILD, BUY, OR PARTNER

Build and Buy have been there for quite some time. Partnering, or Corporate Venturing, is gaining in importance as an effective means of innovation. MIT research (2020) values startups as the main source of innovation (44%). Outperforming internal R&D (29%) and the business (10%).

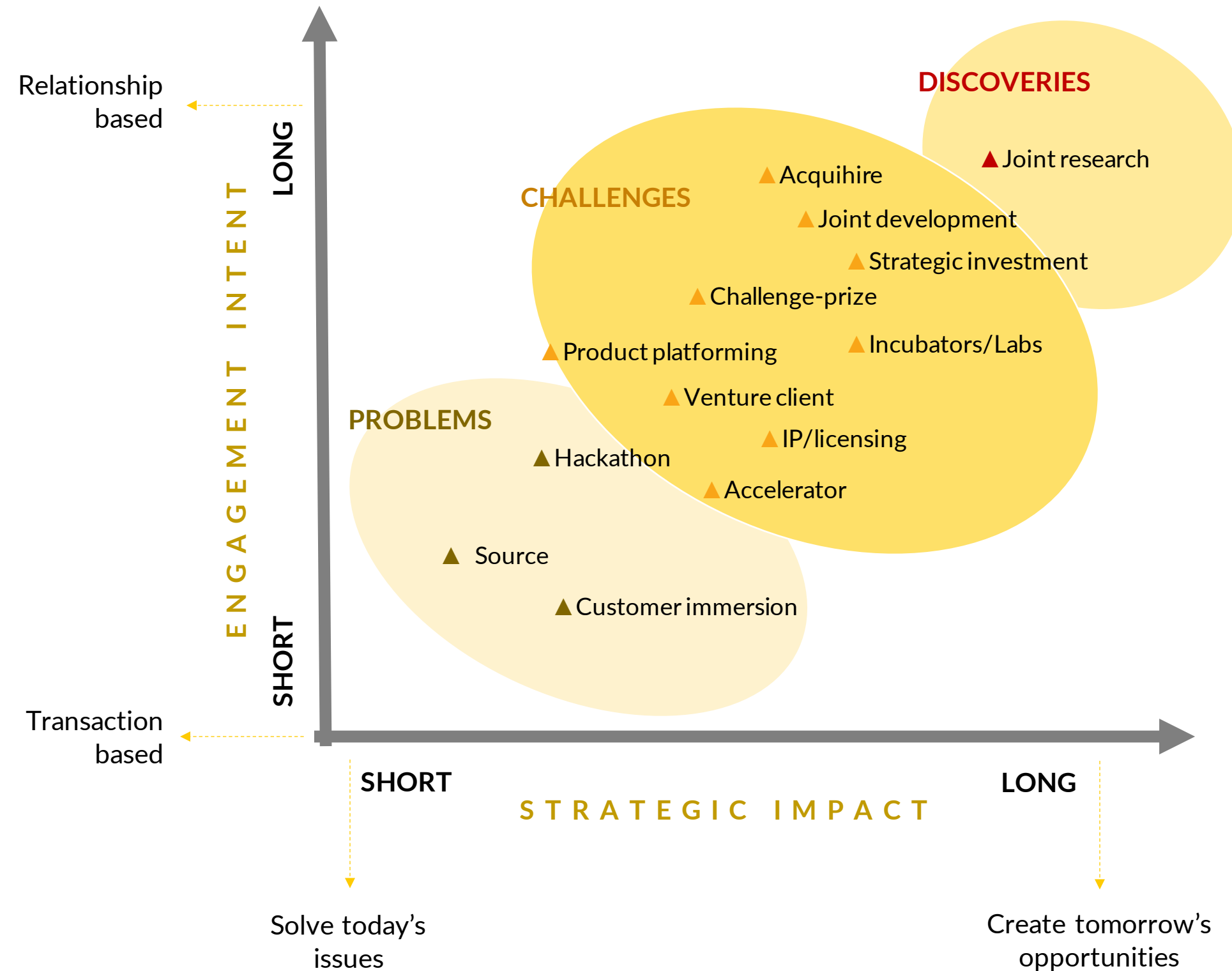
After all, no company, big or small, can do it alone in today's world of autocatalytic change.





There are many options for partnering with start-, scale-, and grownups. Which one is right for your organization depends on the envisioned strategic impact and the engagement intent of the partners\*.

# HOW TO COLLABORATE WITH START-, SCALE-, AND GROWNUPS?



\* Adapted and adjusted from Scoutely research



# KLM TECHNOLOGY INNOVATION VENTURING PROCESS

KLM is one of the world's leading innovative airlines. Technological innovation is a key pillar of its corporate strategy.

In order to facilitate successful technological innovation and become more efficient, customer-focused, sustainable, and provide a better employee experience, management asked RevelX to help set up a new corporate technology venturing process and organization called BlueLabs.



## The client

KLM was established in 1919 and is one of the world's oldest airlines, carrying over 35M passengers, over 600K tons of cargo to 160+ destinations in the world. Since 2004, KLM is part of the Air France KLM Group and is part of the SkyTeam Alliance.

## The solution

Together with the core team of BlueLabs, RevelX has designed the new department, its core processes, and roles and responsibilities. The main activities of BlueLabs are scouting, match making, exploring and creating new technology opportunities. An important part of our approach was to create buy-in from important stakeholders and start executing with some early internal customers.

## The challenge

BlueLabs is a new organization within KLM focused on introducing technology to the business. Technology which is new to KLM but known and proven in the world. Its main purpose is to find, explore, develop, and scale technology opportunities with and in the businesses of KLM.

## The result

A new process for corporate venturing, focused on technological innovation has been designed. In co-creation with the team, an operating model, governance, and way of working through the set-up of technology labs in the businesses has been developed. The BlueLabs Innovation Playbook serves as a guide for internal and external collaboration.



# 04

## DESIGN WINNING INNOVATION PORTFOLIOS





# HOW TO ANTICIPATE TO **DISRUPTIVE** **DRIVERS?**

The design of winning innovation portfolios starts with understanding what disruptive drivers impact your business.

Disruptive threats and its main actions and responses are key to your innovation strategy and portfolio of innovative ventures.

Perspective		Key action	Question(s) to answer
Market	▶	1 Respond proactively to mega trends that reshape the industry	Which disruptive trends can reshape our industry and how can we respond proactively with disruptive innovations and become a trend shaper instead of a follower?
Business	▶	2 Exploit the forces for industry disruption	What drivers for disruption impact our business model? How should we act on those drivers?
Customer	▶	3 Satisfying unaddressed customer needs	What are (future) customer needs that are currently not addressed by one of the existing players and how can we anticipate with own innovations?
Internal	▶	4 Challenge dominant myth and beliefs	What are the dominant beliefs within the organization and which disruptive paths will open if we decide to abandon them?

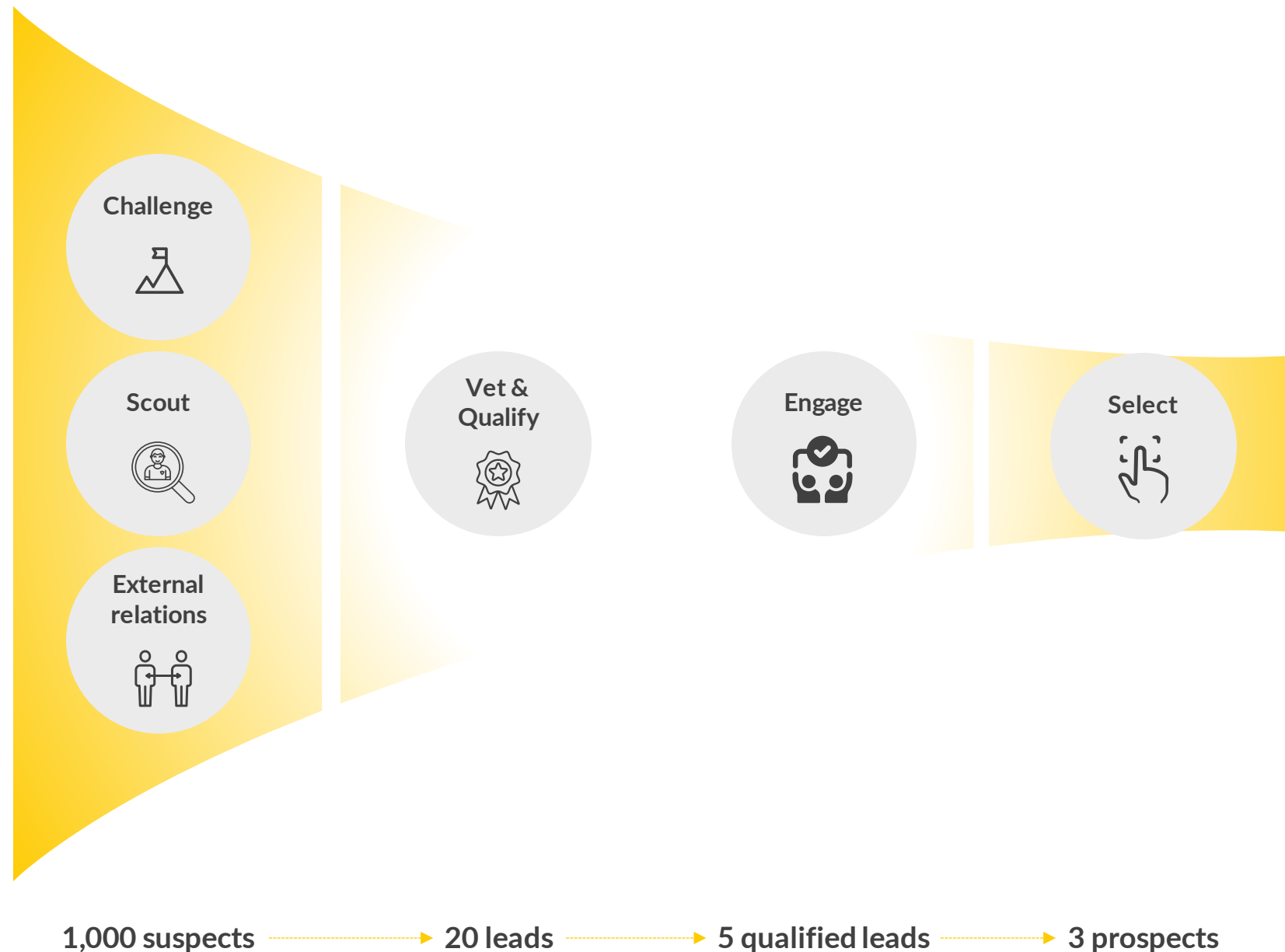


# DISCOVERING OUTSIDE OPPORTUNITIES

When looking for outside opportunities and partners, you need to get out of the building to find the relevant (unknown) trends, technologies, solutions, startups, scaleups, and grownups. To search properly you need to kiss many frogs to find your prince.

## Six characteristics of the discovery process

1. Compares to a VC operating model: out of many (1,000) a small selection (3) is made to enter the funnel
2. Search is reactive (challenges) and proactive (scouting)
3. Include your existing business partners and relations
4. Make the process continuous, collaborative, and transparent
5. Connect to as many external sources you feel fit
6. Automate the workflow, but do not skip the human factor; making real connections





# BREAKTHROUGH INNOVATIONS COMBINE SEVERAL TYPES OF INNOVATION

Strong and sustainable innovations thrive on multiple types of innovations\*.

A common mistake is that innovation only refers to new products and or services. Good innovations also encompass business model innovation and how you interact/interface with customers.

Business Model			Products & Services			Customer Interface		
How you organize your business			What you offer to your customers			How you deliver your products and services and interact with customers		
Profit Model	Partners	Process	Function	Brand	Platform	Service	Distribution	Customer Engagement
€								
The way in which you make money	Connection with partners that create value	Operational processes that create competitive advantage and value for customers	Distinct features and functions of the products that help to differentiate	Brand values that create competitive advantage and/or are leveraged into other domains	Complementary products and services that are offered next to the core product	Support and customer service that surrounds the product and service offering	The way products and services are delivered to customers	Is all about experience. Personal, relevant and predictive. Beyond transactions

\*Based on Ten Types of Innovation by Larry Keeley



# TP VISION CONSUMER CENTRIC INNOVATION

TP Vision is an international player in the field of consumer electronics. With close to 2,000 employees around the globe, the company has a 10% market share in the global television market; in the higher segment of OLED televisions, the market share is as high as 15%.

TPVISION



## The client

TP Vision focuses on the development, production, and marketing of Philips branded television sets and Philips branded audio products worldwide. TP Vision combines the strong Philips brand with product development and design expertise, operational excellence, and its industry footprint.

## The solution

In collaboration with various people from TP Vision, we created a consumer insights playbook which covers key insights in consumer behavior and attitudes towards Philips Ambilight. In a series of high impact working sessions, the Ambilight team worked with a team from RevelX to identify and capture new market opportunities based on these insights using the 9 Types of Innovations approach.

## The challenge

Although new features and technologies are extensively tested on consumer panels, the industry has a strong product innovation focus. In-depth insight in consumer preferences and behaviors is missing. In order to grow market share this knowledge gap needed to be solved and new customer centric propositions developed.

## The result

We developed over 200 innovative ideas for Ambilight. These resulted in over 30 propositions of which 6 are prioritized for consumer testing. These propositions will hit the market in 2023. The approach is now fully engrained in TP Vision and is also applied to TP Vision's sports headphones division with equal success.



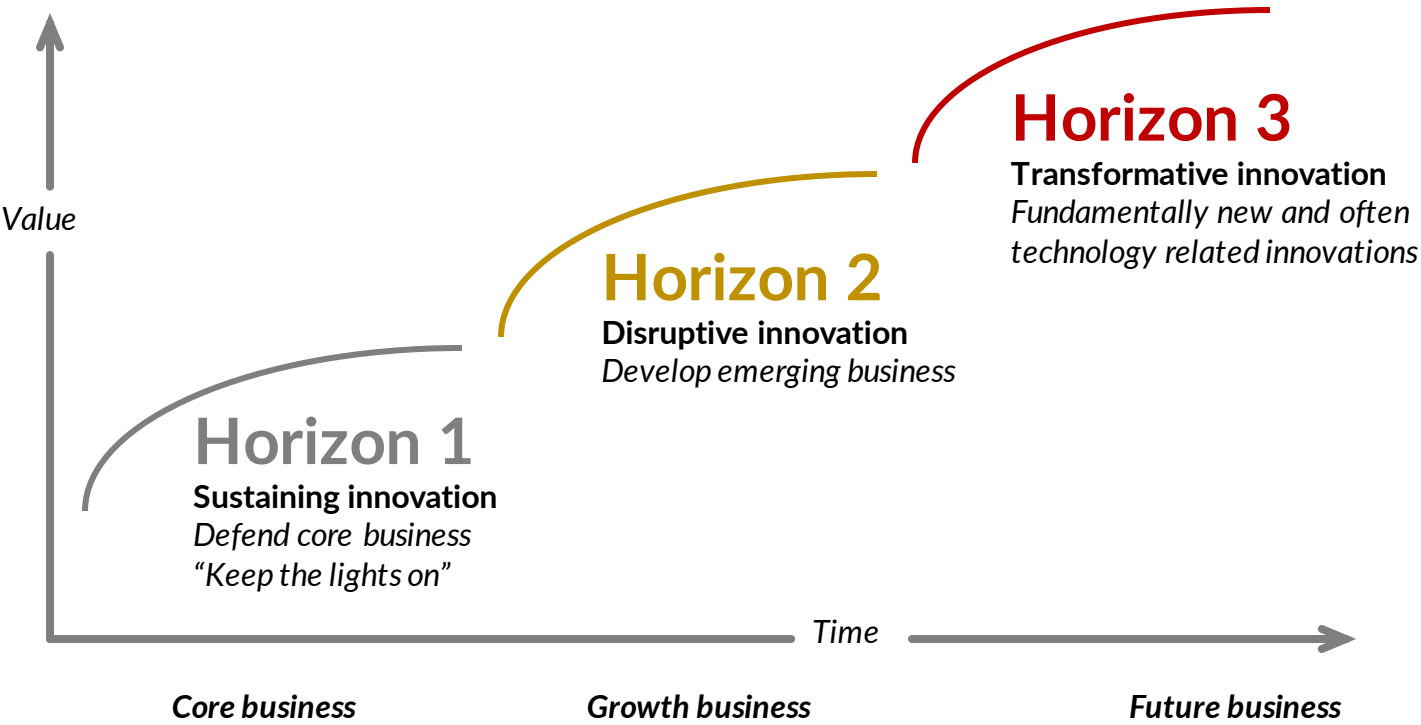
# THREE INNOVATION HORIZONS

Make sure that your innovation ideas & projects cover all 3 horizons. Typically, in a 70% (Horizon 1), 20% (Horizon 2) and 10% (Horizon 3) distribution.

The division of projects between horizons depends on your current market position (are you a leader or a follower?), and the level of disruption that you face in your industry. With lots of disruptive elements many horizon 1 endeavors just simply don't cut it.

BALANCING  
SHORT AND  
LONG TERM  
PERSPECTIVES

EACH HORIZON  
REQUIRES SPECIFIC  
CAPABILITIES



Horizon 1	Horizon 2	Horizon 3
<b>Sustaining innovation</b> <i>Defend core business</i> <i>"Keep the lights on"</i>	<b>Disruptive innovation</b> <i>Develop emerging business</i>	<b>Transformative innovation</b> <i>Fundamentally new and technology related innovations</i>
<ul style="list-style-type: none"><li>• Proven technology</li><li>• Known</li><li>• Short time-to-market</li><li>• Direct business impact</li><li>• Fast-track process</li></ul>	<ul style="list-style-type: none"><li>• Existing technology</li><li>• New</li><li>• Mid time-to-market</li><li>• Disrupt business</li><li>• Validation needed</li></ul>	<ul style="list-style-type: none"><li>• New unproven technology</li><li>• New to industry</li><li>• Long time-to-market</li><li>• Transform business</li><li>• Complex concepts</li></ul>
<ul style="list-style-type: none"><li>• Clear vision</li><li>• Core focus</li><li>• Market insights</li><li>• Goal oriented leadership</li></ul>	<ul style="list-style-type: none"><li>• Ideation</li><li>• Design thinking</li><li>• Prototyping</li><li>• Speed to market</li></ul>	<ul style="list-style-type: none"><li>• Co creation</li><li>• Open innovation</li><li>• Exploring options</li><li>• Identify emerging opportunities</li><li>• Dealing with high uncertainty</li></ul>

Characteristics

Required  
capabilities  
for  
innovation

The 3 horizons model is a growth strategy framework by McKinsey that you can use to think about the future of your company

# PITFALLS WHEN PUTTING TOGETHER YOUR INNOVATION PORTFOLIO

Winning innovation portfolios are often refrained from specific pitfalls like too operational, and or too many projects in the funnel. Or not being properly balanced between time and value (horizons) and the existence of hobby and or dead horses.

PITFALLS TO AVOID	
ACCEPTING WRONG PROJECTS	Putting operational, incremental and departmental improvements in the portfolio
TOO MANY PROJECTS	Putting more strategic innovation projects on the roadmap than you can possibly manage
LOPSIDED PORTFOLIO	Too many projects in either one of the three horizons. An innovation portfolio needs both short-term and long-term successes
HOBBY AND 'DEAD' HORSES	And yes, they still exist. The projects of which everybody knows they will never deliver but somehow just keep going



A photograph of two men in business attire sitting at a white table, looking at a tablet. The man on the left is wearing a dark blue suit and a white shirt, while the man on the right is wearing a light blue shirt. They are both smiling and appear to be in a collaborative meeting. On the table, there are several documents, a pair of glasses, and a pen. The background is a blurred office setting with large windows.

# 05

## INNOVATION MANAGEMENT

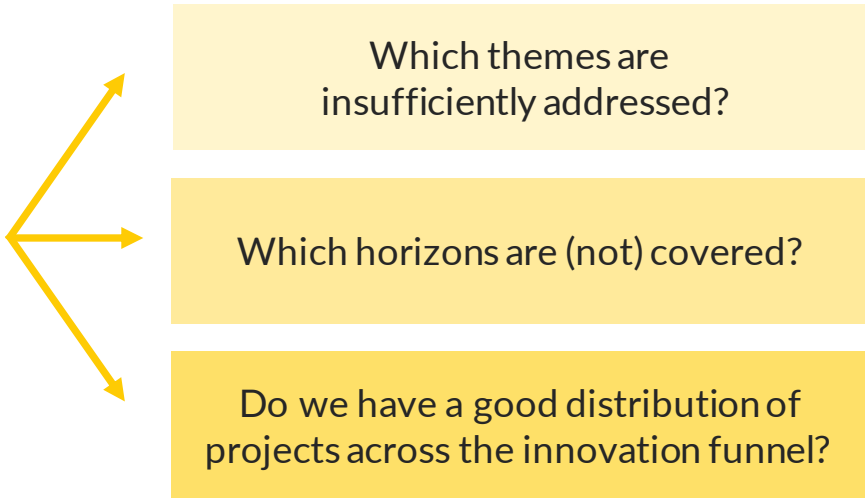
# EVALUATING YOUR PORTFOLIO

There are three criteria your innovation initiatives must meet to make it into your innovation portfolio:

1. They qualify as actual innovation initiatives
2. They link to an innovation theme
3. The projects are deemed desirable and viable

## THREE LEVELS OF PORTFOLIO ASSESSMENT

1	Strategy alignment	How does the portfolio fit with the innovation strategy?
2	Value creation and return	Does the portfolio deliver sufficient value?
3	Execution	Can we execute the portfolio with our current capabilities and capacity?



### Keep doing this!

- » Be aware that good portfolio management is not a one-time effort
- » You need to continuously evaluate your portfolio and identify gaps
- » Ensure a steady influx of innovation ideas
- » This is all about how you organize and embed innovation, see also the next chapter



# MANAGE YOUR INNOVATION PORTFOLIO

Innovation portfolio management enables your organization to deliver your innovation strategy by developing and successfully managing the roadmap of innovation projects.

Proper management helps you focus and distribute scarce resources, gives clarity in prioritization and shortens lead times.

## 3 KEY ACTIVITIES FOR INNOVATION PORTFOLIO MANAGEMENT

Project status and progress reporting	Tracking the performance of innovation projects on predefined KPIs and targets
Stage gate decision making	Approving the transition to the next phase of innovation process, which can also lead to stop or pivot projects
Resource allocation to innovation projects	Making sure your innovation projects have sufficient budget and the right people

# POSTNL RATIONALISATION OF INNOVATION PORTFOLIO

PostNL, Formerly known as TNT, is active in mail, parcel and e-commerce. PostNL has operations in the Netherlands, Germany, Italy, Belgium, and the United Kingdom. It provides universal delivery in the Netherlands and is publicly listed at Euronext Amsterdam.



## The client

PostNL is the market leader in mail and parcel services in the Benelux. It is also active in Germany, Italy and the United Kingdom. PostNL focuses on creating innovative and people-oriented delivery solutions.

## The challenge

The paper postal market is shrinking. PostNL is therefore looking for new opportunities for growth. They asked RevelX to explore the opportunities for innovation and to design an effective organization that could accelerate the innovation process.

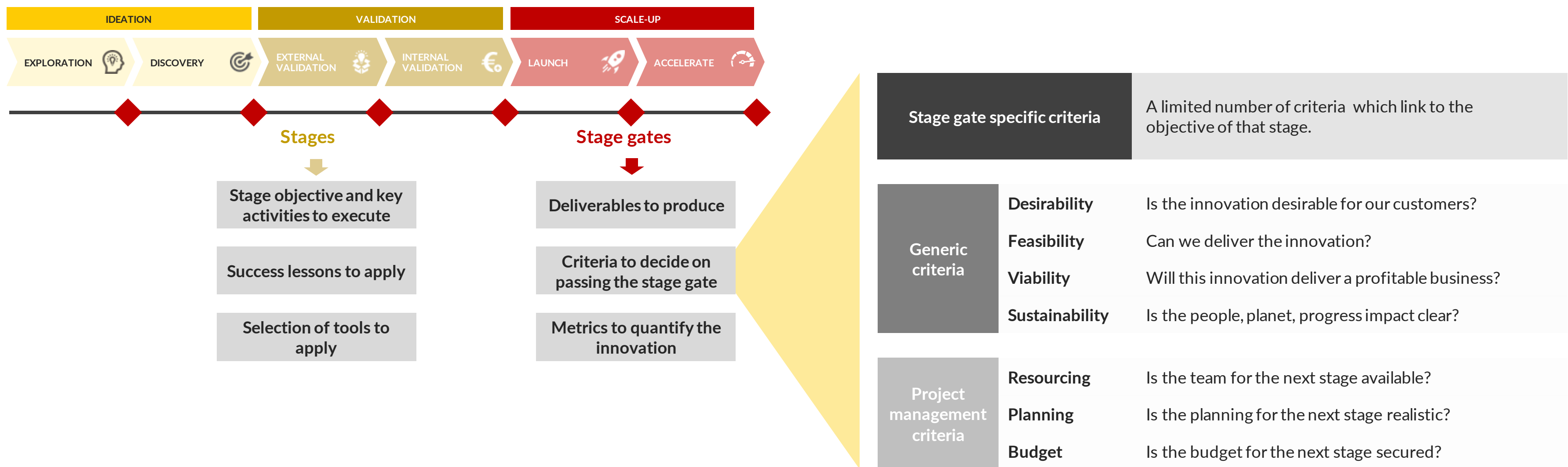
## The solution

RevelX started with a quick scan. We assessed the current innovation portfolio and defined criteria for rationalization. After this we developed an improved the innovation approach including its governance, process, teams and agents. We took every step with a core team of PostNL and validated the results with relevant stakeholders.

## The result

The project gave PostNL better insight into the opportunities for innovation and a faster and more targeted innovation process.





# INNOVATION PORTFOLIO STAGES AND STAGE GATES

There are specific stages in the portfolio process and stage gates that need to be passed, depending on the achievement of the right deliverables and criteria

# OVERALL INNOVATION PERFORMANCE METRICS

When managing your portfolio, you do not only look at the individual stages, but also at your overall innovation portfolio metrics.

There are two types of overall metrics:

- » Effectiveness of the innovation process
- » Performance of innovation projects

## EFFECTIVENESS OF THE INNOVATION PROCESS

Time to market (in months/years)
Stage gate passing rates (in %)
Value development (in €)
Organizational Involvement (in %)
Learning velocity (e.g. # training)

## PERFORMANCE OF INNOVATION PROJECTS

Planning status (traffic light)	Are innovation projects running according to plan?
Resources availability	How many projects are well resourced?
Budget (in €)	How many projects run on budget ?



# RADBOUDUMC PORTFOLIO MANAGEMENT IMPROVEMENT

Radboud UMC is one of the leading university medical centers in Europe. RevelX was asked by the innovation leadership to review and benchmark their innovation portfolio management process and to give advice on improvements.

**Radboudumc**

## The client

Radboudumc, founded in 1956, is a university medical center located in the East of the Netherlands. Their mission is to have a significant impact on health & healthcare. They aim to be a front runner in the development of sustainable, innovative, and affordable healthcare.

## The solution

In close collaboration with management and innovation leads, we critically reviewed the current innovation process. We discussed the major pain points, suggested improvements and co-designed the ideal, yet not existing, governance structure.

## The challenge

Radboudumc Health Innovation Labs (HIL) have successfully developed various innovations over the years. However, to stay ahead of the game, the HIL management team felt the need to benchmark their stage gated process model and specifically improve on prioritization and evidence-based decision making.

## The result

The result of the review and co-design sessions was an adjusted innovation portfolio management process. One of the major adjustments was to incorporate more explicit (passing) criteria and metrics per stage of the funnel. The process was also made applicable for all the innovation endeavors of Radboudumc.

**“ We were impressed by how quickly RevelX pin-pointed our blind spots and we were able to make major improvements thanks to their bold and thorough advice. ”**

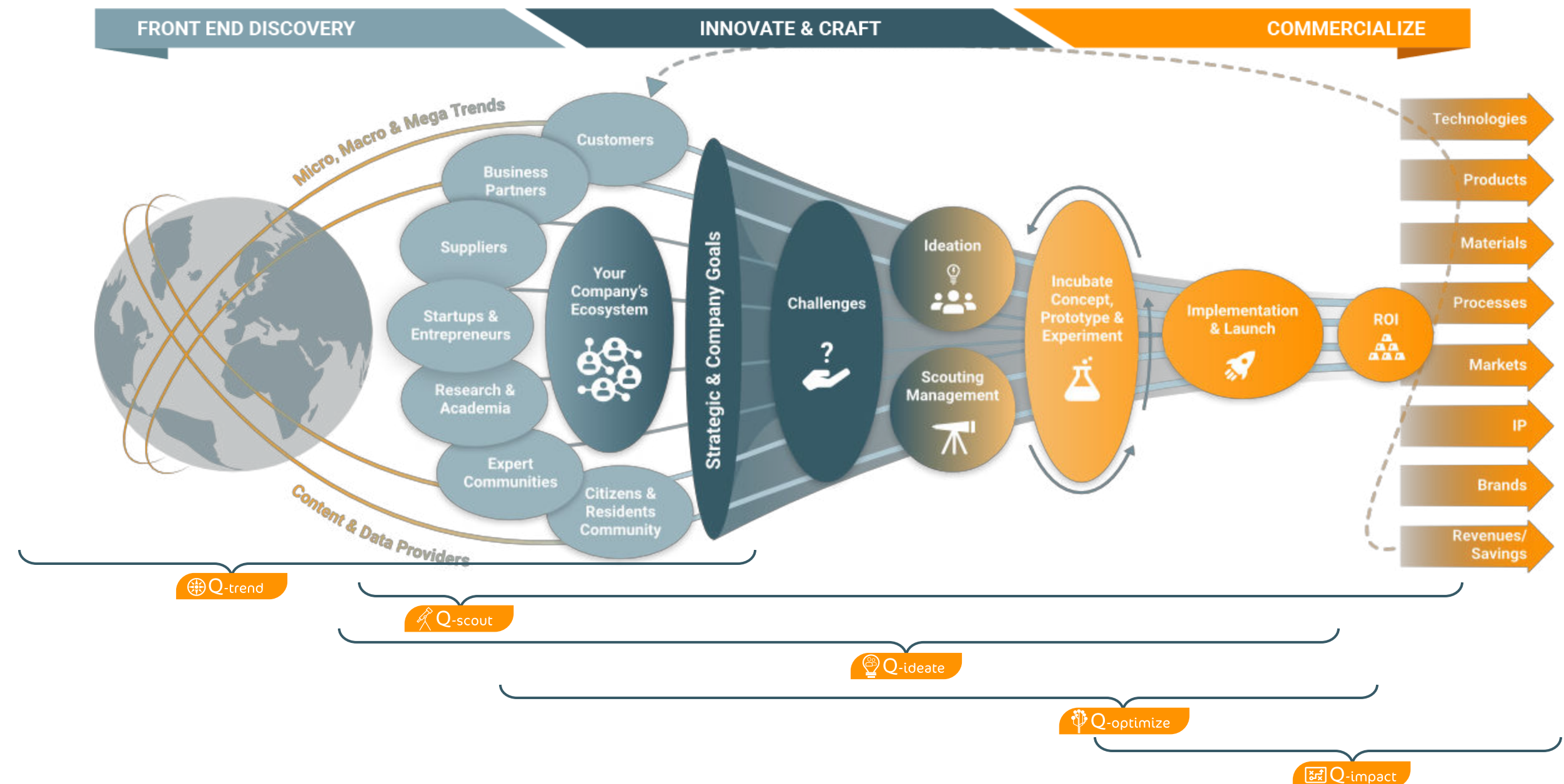


Leanne van Almen & Martijn de Groot,  
Management team Radboudumc  
Health Innovation Labs

# FURTHER PROFESSIONALIZE USING **END2END SAAS** **SOLUTIONS\***

In more complex and comprehensive situations it is advisable to invest in SaaS solutions for your innovation process. This clearly gives you several advantages:

1. Supports a *continuous* process
2. *Proactive* and *reactive* scouting and ideation
3. Easy connect and integration with *unlimited sources*
4. Stimulates *collaboration* in all layers of the organization
5. Makes the process very *transparent*





# 06

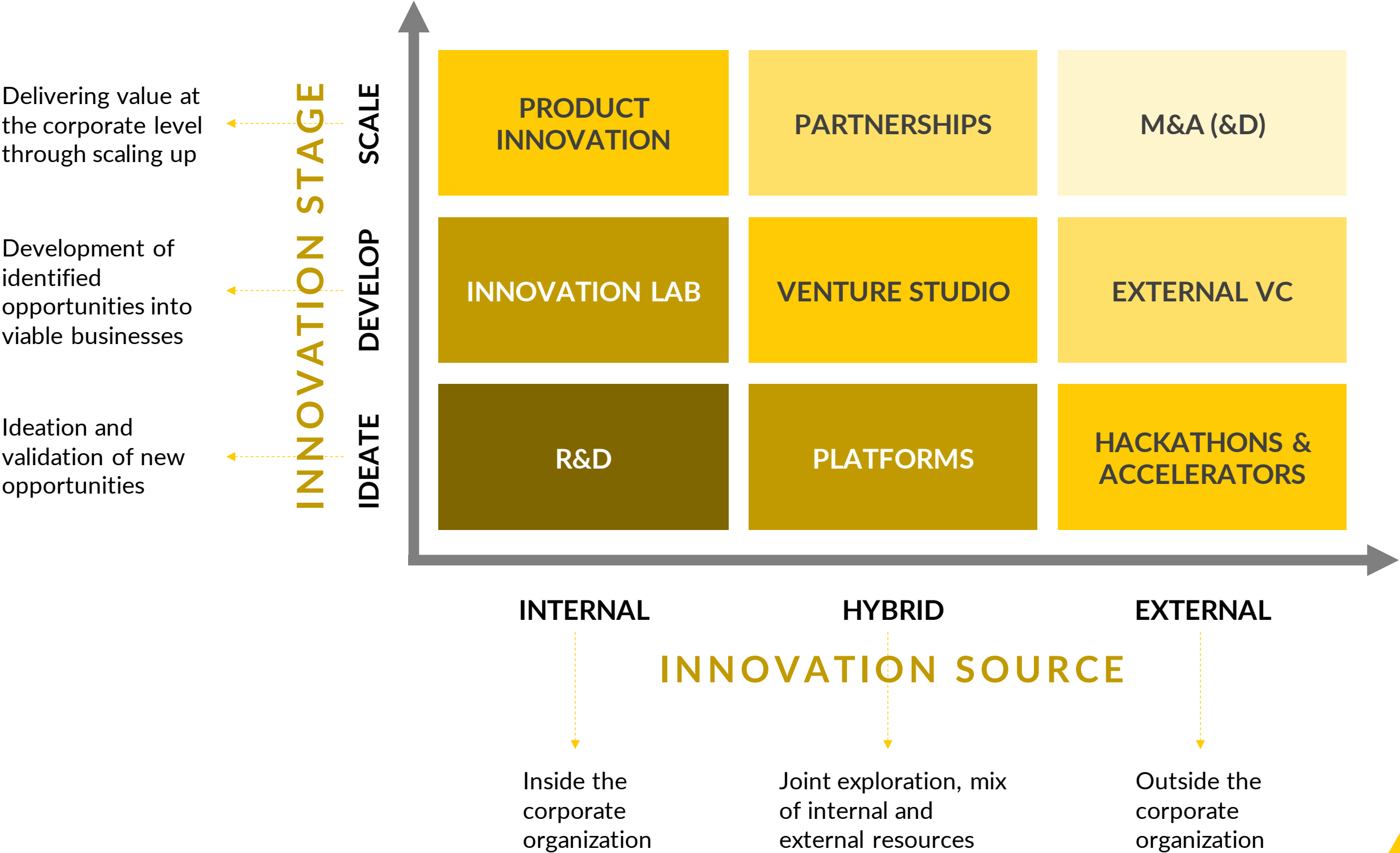
## ORGANIZE FOR SUCCESS





# HOW TO INCORPORATE INNOVATION

There are many ways to structure your innovation process and ventures. Structures are different depending on the stage of innovation and the innovation source.



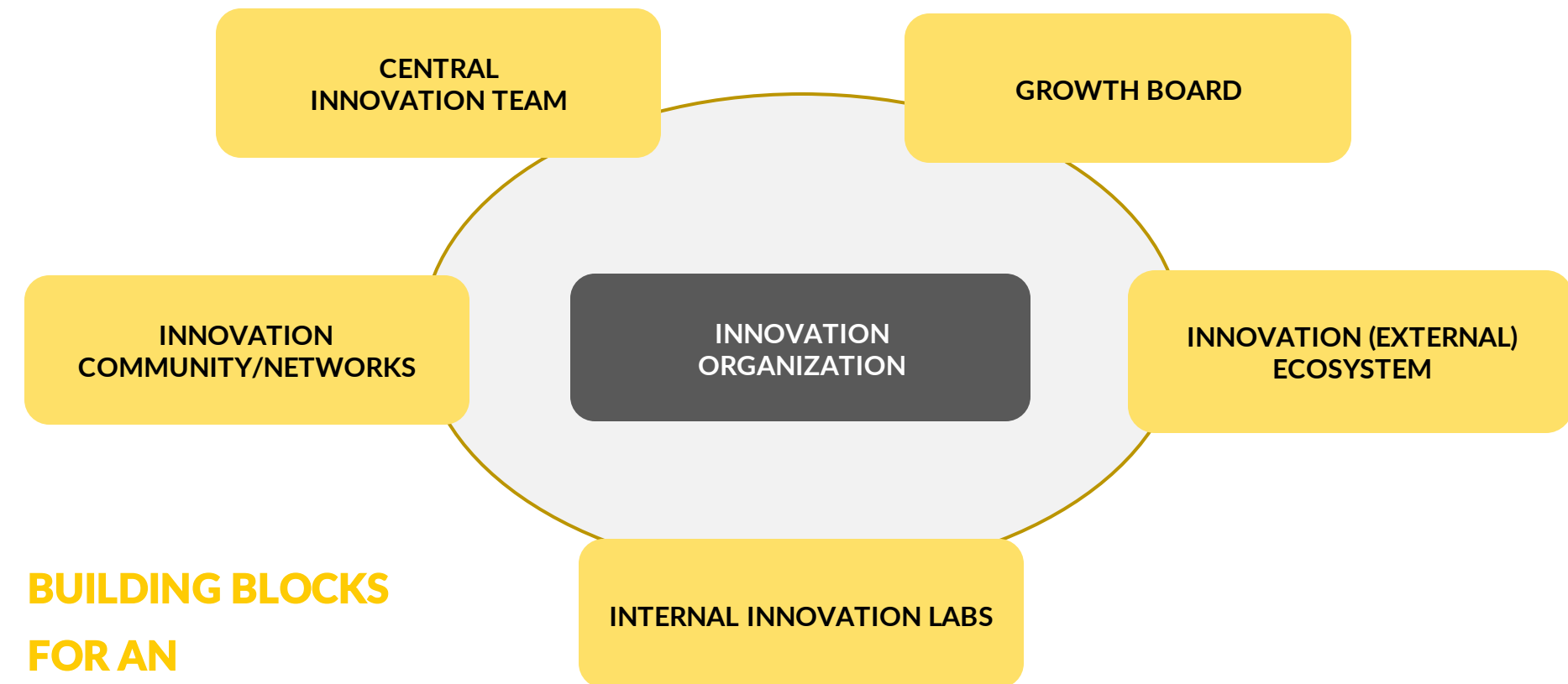
\* Adapted from Pedram Mokrian (New Line Ventures and The Stanford School of Engineering)



# BUILD A BEST-IN-CLASS INNOVATION ORGANIZATION

Creating a structure for innovation in the organization signals the importance the organization places on innovation. When designing your innovation organization, please take notice of the following principles:

- » Bureaucracy kills innovation
- » Foster the spirit of experimentation
- » Innovation is cross-functional teamwork
- » Innovation needs to tap into the outside world
- » C-level needs to provide air for the innovation function
- » Organizational structures are not forever



**BUILDING BLOCKS  
FOR AN  
INNOVATIVE  
ORGANIZATION**

# BUILD A BEST-IN-CLASS INNOVATION ORGANIZATION

Do you set up a separate department for innovation? There are two main considerations and roles. To *facilitate* and support the (decentral) business with their innovation endeavors. And to *create*, to give birth, and to nourish more disruptive initiatives. The projects that the often more risk averse current business is likely to skip or smother.

Different roles occur and might change over time. The central department is also the bridge between the old and the new; bringing the necessary change management.

Pros of centralized innovation	Risks of centralized innovation
Creates focus	Can lead to isolation
Makes it easier to challenge the traditional myths and beliefs	Innovation becomes the responsibility of the innovation manager
Creates a safe place for new way of working and experimenting	Cultural clashes with the core business
Act as a center of excellence for innovation that captures and distributes learnings	The “not invented here” syndrome
Less obstruction and constraints from corporate bureaucracy	Drifting too far away from the current business



# 07

## INNOVATION LEADERSHIP AND CULTURE





# SUPPORTIVE AND INSPIRATIONAL LEADERSHIP

Innovation leaders must shape the right conditions for innovations and take away as many obstacles on its path. Be prepared to make tough decisions and lead by example.

## Visionary

Have a clear vision on where to go. The North Star. Based on a realistic situational awareness (outside in). And with flexibility to adapt the course if changes occur.

## Walk your talk

Lead by example. Not only with a great vision but also putting it into practice. Be able to spread the 'visionary virus' amongst the people in the organization.

## Stamina and passion

Guide with passion, energy and perseverance. Do not back away at the first setback or disappointing quarterly results of the current business. Focus on the future essentials and follow through.

## Fact based

Decisions need to be made in a balancing act between gut feel and facts. Do not rely too much on experiences (biases) from the past. Ask for reliable data that proves the right or wrong.

## Enable

Put your money where your mouth is. Take care of sufficient scarce resources (time, money, people, systems,...etc.). Enable innovation teams to do their jobs, but keep in mind some sort of scarcity.

## Facilitate

Empower teams and their leaders. Break down traditional hierarchies. Ask the rarely asked questions. Do not give answers by default. Award failures that include learnings and celebrate successes.





# FOSTER AN INNOVATION CULTURE

Culture is the collective mindset of your organization. It is often deeply rooted in history and people. And unfortunately, many times a roadblock for innovation. Disarm the ‘old’ culture and turn it into something new.

Involve as many people as possible/needed and train and educate them with a ‘new’ cultural DNA that you would like to download into your organization. And remember, you are leading the way!

Here are some of the innovative behaviors and or values that we care about the most.

Creative chaos	Challenge the status quo, prevailing assumptions and myths and beliefs	Problem solving	Are you part of the problem or the solution? Go to the root causes
Continuous learning	Listen, anticipate and (re)act. Give and receive constructive feedback	Constructive failure	Allow to make mistakes. Analyze them and learn. Consider failure as professional development
Risk acceptance	Accept prudent risks. Without any risks you probably do not have the right innovative plays in hand	Constructive conflicts	Conflicts are the engine of change and optimization. Deal with them constructively. Do not avoid
Passion	What do you need to make your work more fun and challenging? Inspire others, make them better and really care for them	Assertiveness	Speak your mind. Disagree openly. Dare to confront with your opinion

# IMBEMA

## DEVELOPING ASSET MANAGEMENT SOLUTIONS

The Imbema Group is a group of technical trading companies which serve an extremely wide range of markets.

With the rise of internet trading platforms and continued pressure on value chains in industrial and construction markets Imbema faced the risk of becoming redundant as a classical wholesaler. New areas of adding value needed to be explored and exploited.



### The client

Imbema supplies the industrial sector along with other sectors including the construction, offshore and maritime sector, utilities, and mobility sector. Almost all products are characterized by quality, safety, reliability and sustainability. Products come from Europe or North America.

### The solution

Since Imbema has the ambition to fully anchor customer centric thinking in the organization and create a solid foundation for the new type of business, RevelX started the change using a lean startup approach. Bottom up, we formed multiple teams consisting of ambassadors throughout the organization, iteratively developed propositions with a product market fit, suited for the typical asset solutions client.

### The challenge

Imbema faced the challenge of becoming redundant due to vertical integration in their value chain. Opportunities rise for new business models, additional services and new ways of connecting with the client. RevelX was asked to develop a new business: Imbema Asset Solutions (IAS) to capture untapped growth potential.

### The result

New ways of working embedded in the current organization, platform development to support IOT and client portals, new business competencies to even better support client needs and a profitable recurring business with higher margins.



**“RevelX has helped us to build up a whole new range of value-added services. From initial idea, all the way to full implementation of commercial and operational process. Their people driven approach was crucial in realizing this success.”**

Alexander Bloemers, CEO of Imbema Group

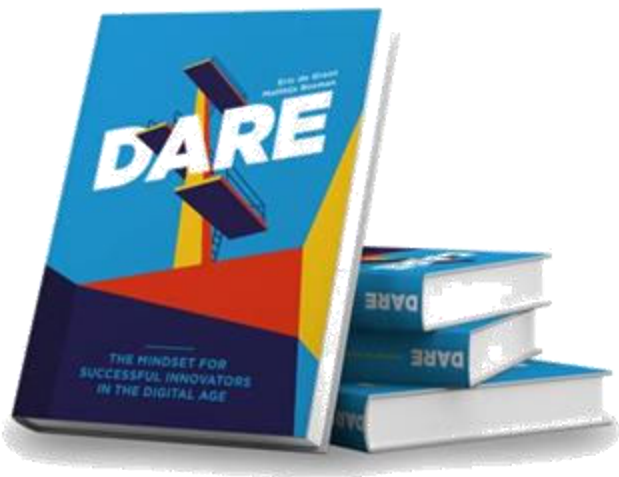


# BUILD TEAMS WITH THE DARE MINDSET

People are the essential building blocks of innovation. Do you have the proper capability and mindset for innovation in your company? With the right mindset your people can become best in class innovators.

In our best-selling book DARE we have described 4 key elements of an innovative mindset: Defiance, Adventure, Realism and Endurance.

Good managers forge and balance innovation teams around these key ingredients.



“DARE: A mindset for innovators in the digital age provides a framework for calculated risk-taking.” You can order a copy via the growth warehouse on our site.

## DEFIANCE

- » *Provoke and oppose*
- » *Think different*
- » *Challenge the myths and beliefs*
- » *Break the mold*
- » *Observe*

## ADVENTURE

- » *Disruptive creativity*
- » *Failing forward*
- » *Open minded*
- » *Combine multiple perspectives*
- » *Generate creative ideas*
- » *Experimental learning*
- » *Find empirical evidence*

## REALISM

- » *Evidence based*
- » *Balance between gut feel and facts*
- » *Done is better than perfect*
- » *Customers validate*
- » *Persevere, Pivot, or Stop*

## ENDURANCE

- » *Disciplined execution*
- » *Stamina*
- » *Hard work*
- » *Put your money where your mouth is*
- » *Mentoring*
- » *Trust the process; focus on what you can control*



The background of the slide features a photograph of a group of business professionals in a meeting room. They are silhouetted against large windows that look out onto a bright, hazy sky. The people are seated around a table, and their reflections are visible on the polished surface of the table. A semi-transparent yellow banner with a geometric design is overlaid across the middle of the image.

08

**GOVERNANCE  
AND DECISION  
MAKING**



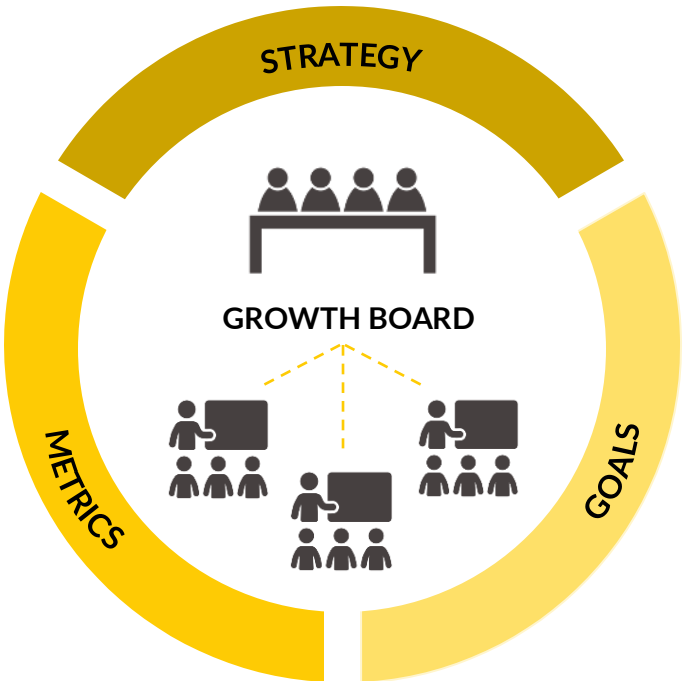
# HOW TO GOVERN: APPOINT A GROWTH BOARD

A key role in governance is placed with a so-called ‘growth board’. A growth board is a group of senior management in your organization who decide over the progression of projects from one stage to the next.

## CHARACTERISTICS OF THE GROWTH BOARD

**Cross-functional decisions**  
Board should include members from all key stakeholder groups; anyone affected by the decision

**Informed by data**  
Team presentations focus on evidence, learnings and provide context for conversation



**Focused on value**  
A single problem area or goal focuses the Growth Board's activities and decisions

**Tackles the riskiest assumptions**  
Are these even the right problems to solve? How would we know?

# GROWTH BOARDS THE WHY AND ITS RESPONSIBILITIES

Growth Boards regularly review, discuss and ultimately support, fund or kill innovation initiatives.

Innovation teams are moving over time through the funnel when they successfully demonstrate evidence.

The Growth Board makes intentional decisions about the progress on innovation efforts, based on the evidence the teams present. They are also the gatekeeper of ‘the quality and quantity’ of the funnel. What comes in and what comes out. Based on the company’s innovation strategy.

## Why should you have a growth board?

- » Establish and secure business ownership of the innovation challenge
- » Accelerate the demonstration of value
- » Enable collaboration and consultation (vertical and horizontal)
- » Instill a more entrepreneurial, venture capital and growth mindset in the organization
- » Make better, collaborative, and faster decisions based on data
- » Achieve better results and mitigate risks
- » Create an aligned portfolio with clear project synergies
- » Serve as ambassadors for innovation

## Key responsibilities of a growth board

- » Stage gate innovation framework ownership
- » Stage gate management and decision making (including escalations)
- » Portfolio selection & management; create oversight
- » Capturing new business needs from inside and outside of the company
- » Creating engagement and marketing of the problem space and the funnel of projects to drive traction
- » Central ‘clearinghouse’ of information and progress
- » Funding of initiatives through metered funding
- » Stakeholder management



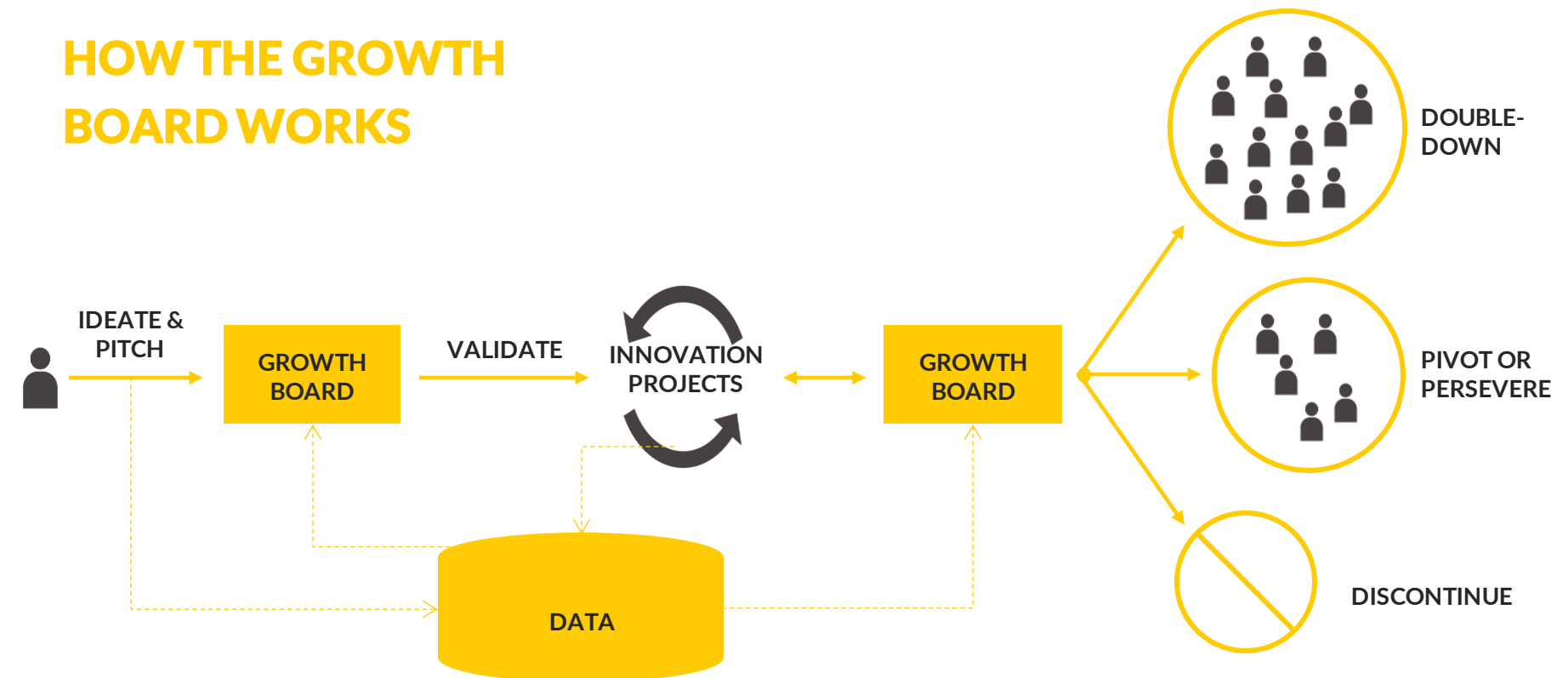
# DATA DRIVEN DECISION MAKING

Making objective decisions about innovation in a corporate setting requires data and a data driven mindset. Applying lean startup techniques in your innovation process means you will gather and assess a lot of data.

The whole act of experimentation means you are looking for evidence (data) to validate your assumptions.

Even when equipped with data, decision making in an organization is often fraught with cognitive biases which are counter productive in many cases and outright dangerous in others.

## HOW THE GROWTH BOARD WORKS



# BIASES IN DECISION MAKING

Making objective decisions about innovation in a corporate setting requires data and a data driven mindset.

Be aware of too much ‘gut feel’ and so-called experience (20+ years) based decisiveness. When making decisions about innovation make sure you recognize the common cognitive biases and address them in your organization.

## COMMON COGNITIVE BIASES

Ambiguity	The tendency to avoid options for which missing information makes the probability seem unknown.	Optimism	The tendency to be over optimistic. Also known as wishful thinking or planning fallacy.
Anchoring	The tendency to rely too heavily on one piece of information. Often rooted in company myths and beliefs.	Selection	The tendency to notice something more when someone or something causes us to be more aware of it.
Group think	The tendency to believe things because many other people do or believe the same way.	Sunk cost/loss aversion	The disutility of giving up an object is greater than the utility associated with acquiring it.
Confirmation	The tendency to search for and interpret information and data in the way that confirms one’s preconceptions.	Semmelweis reflex	The tendency to reject new evidence that contradicts a set paradigm.
Framing	Drawing different conclusions from the same information depending on how or by whom the information is presented.		



# ASK THE RIGHT QUESTIONS

Be aware of the killer innovation question: “How much money will this idea bring me?” As valid as this question is for existing businesses, it kills any new initiative when asked too early in the process. Only at the last stages of the funnel this becomes a valid question.

In every stage of the innovation funnel there are different questions for Growth Boards to ask. Stay high level. Do not interfere with the day-to-day activities of your innovation teams.

Make sure that the currency of progress is about learning through rapid experimentation. Without learning you will not grow (or only by accident).

## EXAMPLE OF SOME OF THE QUESTIONS IN DIFFERENT STAGES

1. Do we know our future customer needs? And how did we discover those?
2. Did we generate enough and stretched ideas?
3. Have we been ambitious enough?
4. Is there much synergy with the current business?
5. Do we have aligned ownership in the business for this venture?
6. Have we run enough experiments to validate our solution?
7. Do we have the proper/enough data to decide to follow through?
8. Can we make this? Or should we partner/buy?
9. Is there a clear strategy for market launch?
10. Do we have a good idea about future growth engines?
11. Do we have dedicated resources and enablers in place?
12. Do we have the right team?

# HOW TO **FUND** INNOVATION: **METERED INITIATIVE FUNDING**

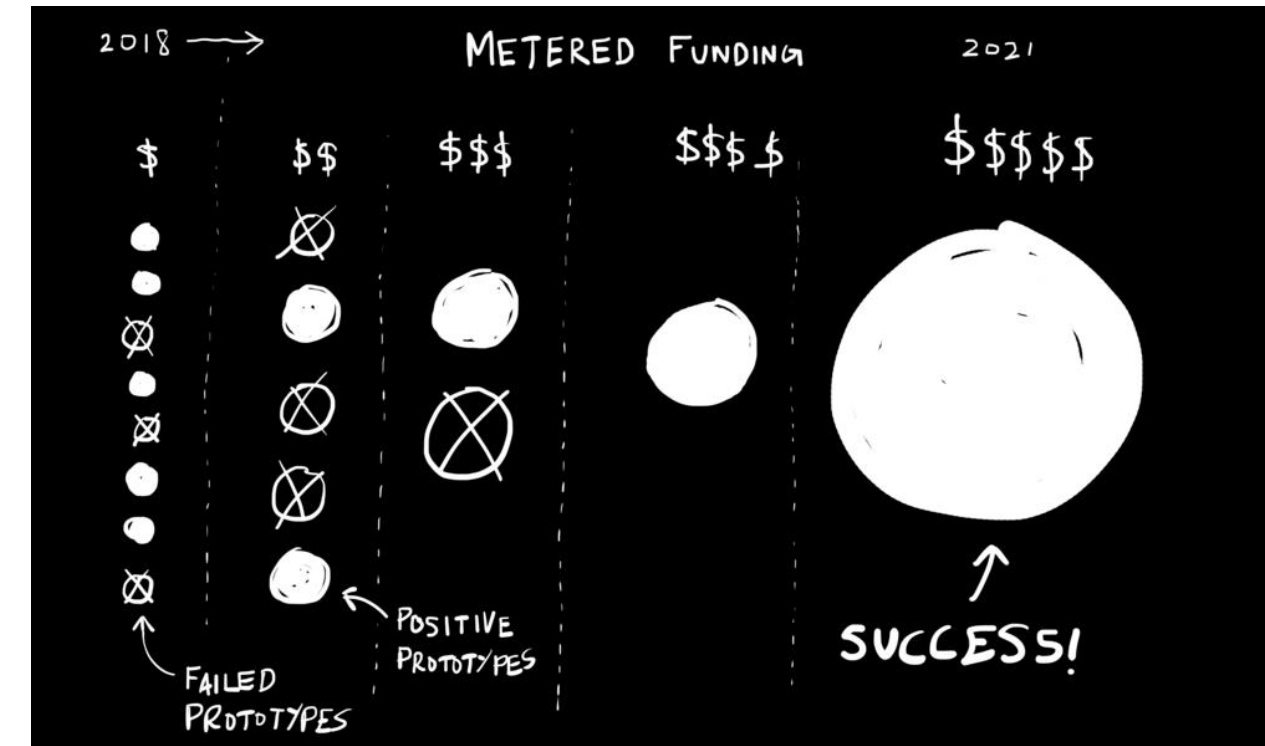
## Traditional funding

- » Teams and projects are funded through an infrequent (usually annual) budgeting process
- » Typically, a central decision-making team makes an allocation for a set period

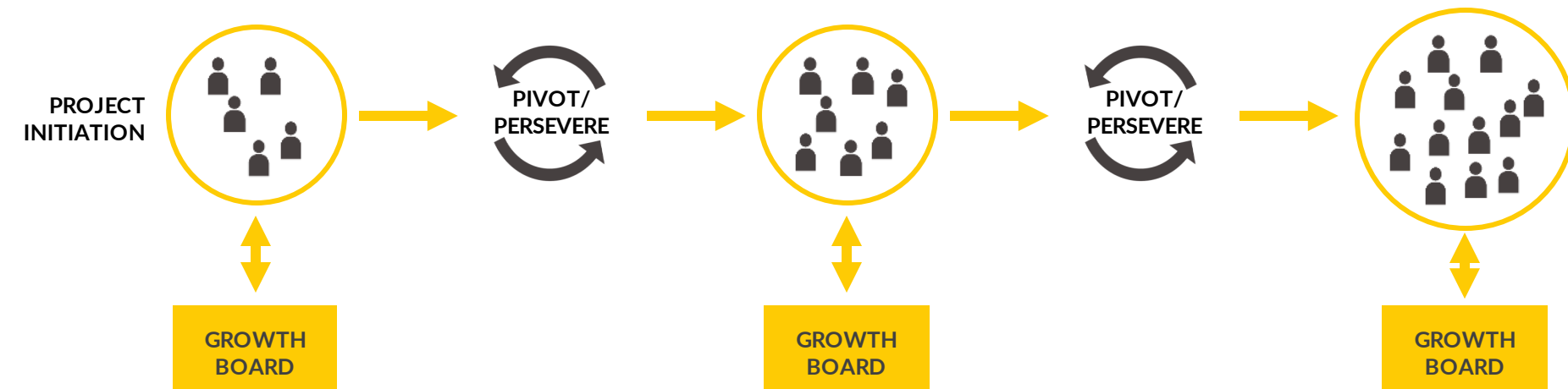
## Metered funding

- » Works like a startup's funding process: allocating funding over a series of rounds
- » Funding is based on goals and milestones
- » In the early stages, funding is learning based, and in the latter stages, funding is growth based

## HOW METERED FUNDING WORKS



## METERED FUNDING PROCESS





# 09

## HOW CAN I IMPROVE MY INNOVATION PERFORMANCE?



# MEASURE YOUR INNOVATION PERFORMANCE

Take the first step and try out our Innovation Readiness Benchmark.  
This benchmark will help you to assess your innovation strengths and weaknesses and to improve your innovation performance.

For a **customized in-company** multi-participant version of the benchmark, please contact us for further details.

START THE BENCHMARK  
HERE

CLICK HERE

## BECOME A BEST-IN-CLASS INNOVATOR

To become a best-in-class innovator you need to understand your current innovation power and the key improvement areas.

This is the first step in order to stay relevant for your customers, to keep ahead of competition, and to defend yourself against disruptive forces.

'YourBusiness' Innovation Readiness Dashboard			
	Score of 'YourBusiness'	Delta with average all participants	Delta with high performers in benchmark
<b>Innovation Strategy</b>			
Our innovation strategy and roadmap is clearly defined and documented	1	-2.2	-3.0
We have well defined and ambitious innovation targets	2	-1.3	-2.1
We have a clear understanding of future innovations that can disrupt our industry	3	-0.5	-1.2
Innovation is not only focused on new products but on our entire business model	3	-0.8	-1.3
Our organization invests sufficiently in projects with a long term horizon	2	-1.3	-2.0
<b>Customer Centricity</b>			
We actively explore the customer's future needs as starting point for our innovation	4	0.3	-0.4
We invite customers to discuss new ideas for propositions and business models	5	1.3	0.9
We test our hypotheses or prototypes for new innovations with our customers	3	-0.7	-1.1
We measure customer satisfaction and use that to drive our innovation	3	-0.3	-0.9
The voice of the customer is leading in our decision making on innovation	4	0.6	-0.3
<b>Organizational Agility</b>			
We have implemented agile as leading principle in our way of working in innovation projects	4	0.8	0.1
Our innovation process is well defined and can be tailored to the needs of a specific project	2	-1.0	-1.7
We understand and apply the principles of rapid prototyping and low-cost experimentation	3	-0.4	-1.3
Our innovation projects are carried out by multi-disciplinary teams	4	0.3	0.0
Our innovation process allows for short lead times and fast learning	3	-0.4	-1.4



## INCREASE YOUR INNOVATION POWER

- Measure the innovation power of your organization against 35 innovation best practices.
- Gain insight in new forces that can potentially disrupt your industry.
- Compare your organization with the high performers in our benchmark.
- Understand which areas can drive innovation performance.
- Receive a personal report including customized recommendations and a free 30 min sparring session with one of our senior partners.



# ‘COMPANY’ MEASURING INNOVATION PERFORMANCE

Company is a leading organization in health and animal feed production. The company, an SME with roughly €100M turnover and 500 employees, wanted to improve its innovation performance. A first step was to grow in-company awareness concerning the innovation performance of the company.

## The client

Company supports livestock business worldwide, thanks to state-of-the-art veterinary laboratories and research facilities, and their veterinary knowledge and expertise. Customers are farm managers and their veterinarians, industrial customers, and governments.

## The solution

Company participated in the RevelX in-company Innovation Readiness Benchmark (IRB). Via an online survey the board of directors and innovation steering committee members have all assessed their organization. Results and insights were presented and discussed during an interactive working session.

## The challenge

To improve innovation performance, Company recognized the awareness of innovation management within the organization had to be improved. It was very important to gain insights into the current innovation performance and it was necessary to ensure a broad support base within the organization, starting within the innovation steering committee.

## The result

During the complete IRB including the interactive feedback session Company gained valuable and actionable input on Innovation Management in general, their own strengths and weaknesses and concrete guidelines on how to improve. Results and future actions were embedded in their innovation roadmap and innovation year plan.

**“The RevelX In-company Innovation Readiness Benchmark has opened the eyes of our innovation steering committee and has provided essential insights to further improve our innovation performance”**

Innovation Manager Company

# WANT TO DISCUSS YOUR INNOVATION CHALLENGES?

Let's start with an introductory meeting where we can  
both share our innovation experiences.



I WILL BOOK AN  
INTRO MEETING



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