





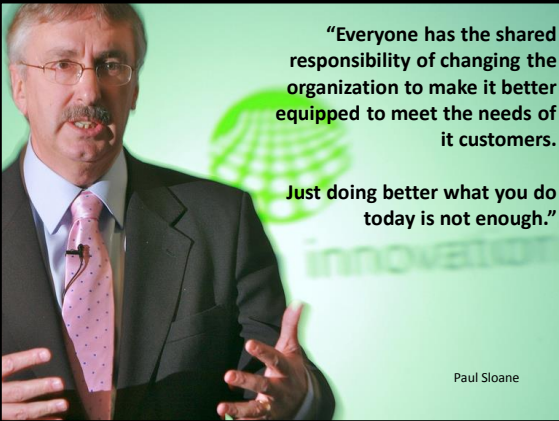
ad+ financial
the challenge of innovation

Rowan Norrie
True North Innovation


Agenda

- The challenge
- Balancing core business versus innovation
- Introducing change

“Everyone has the shared responsibility of changing the organization to make it better equipped to meet the needs of its customers. Just doing better what you do today is not enough.”

Paul Sloane




The Challenge of Innovation

- Maintain efficiency while fostering innovation
- Stressing bottom-line results without restricting innovation
- Introduce change

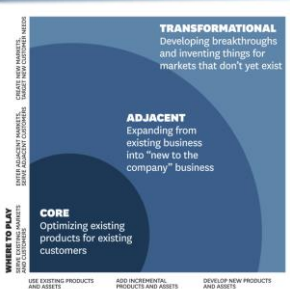


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Types of Innovation



TRANSFORMATIONAL
Developing breakthroughs and inventing things for markets that don't yet exist

ADJACENT
Expanding from existing business into "new to the company" business

CORE
Optimizing existing products for existing customers

HOW TO WIN

HOW TO WIN BY
NEW CUSTOMERS
NEW EXISTING PRODUCTS AND ASSETS
NEW EXISTING PRODUCTS AND ASSETS
NEW CUSTOMERS
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NEW CUSTOMERS
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Innovation Portfolio

	Core	Adjacent	Transformational
Cost			
Process	70% for established companies		
Product	50% for high growth companies		
Technology		20% established, 30% high growth	10% established, 20% high growth
Business Model			

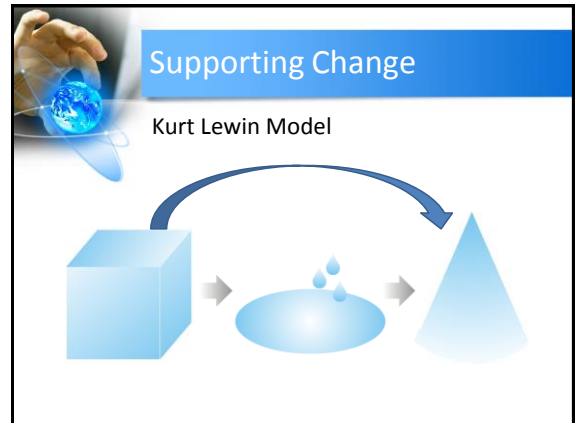
The Innovation Balance: Core Vs Growth

Separate: create different organisational, financial and performance models for innovation; create cross-functional innovation project teams

- **New Funding Model:** to allocate investment/ resources
- **Develop Adjacencies:** first step in creating New Growth Platforms, focusing on close-to-the-core, risk-managed opportunities that leverage existing assets and knowledge
- **Develop Innovation Capabilities:** to support both Core and New Growth, in the areas of Cost, Process, Technology, Product and Business Model Innovation
- **New Key Performance Indicators (KPIs)** in place

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Supporting Change

Kurt Lewin Model

Unfreeze

- Create right environment

- Determine what change is needed
- Ensure strong support from management
- Create the need for change – emphasise why
- Manage doubts


Supporting Change

Kurt Lewin Model

Change

- Support change to the desired state

- Communicate often
- Dispel rumours
- Empower action
- Involve people in process



Supporting Change

Kurt Lewin Model

- Anchor changes into culture
- Develop ways to support change
- Provide support and training

Re-freeze

- Reinforce to anchor change



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