

Managing the Innovation Process: Developing the Selected Idea (Excerpted from the SPARK Innovation Model)

Once the decision is made about the ideas selected for development, the emphasis should shift to make the development happen. To make the 'transition' from an abstract idea to a concrete innovation (e.g. a product or a service or a process etc.), you should pull a range of skills together. For instance you may need engineers to do the actual development, lawyers to build the legal protection, designers to provide a nice design etc. The main challenge at this stage is to co-ordinate such a variety of skills without losing focus of the need to develop the final outcome in relatively rapid way while containing the cost of development. Managing the process in an effective and efficient way as well as bringing external expertise wherever needed are crucial requirements for this stage of the innovation process.

Obviously a necessary step at this stage is the development of a prototype. A critical decision required at this stage is whether to go for a strategy of 'maximising chances of success' or 'releasing early, releasing often'. The former strategy is about building an innovation with enough features that increase the likelihood that customers, beneficiaries or funders want to use it. The risk of this strategy is the lack of any feedback until it is too late to make serious adjustments. The latter strategy advocates the introduction of a 'minimum viable solution' as soon as possible in order to receive feedback from potential users and test its value and the future projections. The risk of this strategy is to go in circles chasing what the people involved in these releases think.

The choice of the right approach depends on a number of factors such as the nature of innovation, the context etc. For instance introducing a minimum viable solution when working with people with learning disabilities may not be possible because of health regulations. Equally a minimum viable solution approach may be ideal when developing peer-to-peer market distribution channels for organic food products. A potential compromise between the two approaches is the introduction of a minimum viable solution which is then introduced to lead users, that is visionary early adopters who are keen to experiment and innovate with new products, services or processes.

The development process needs to test in reality the three criteria set out earlier i.e. the technical feasibility, the social acceptance of these ideas and (c) the economic feasibility. In other words the key factors to be tested at this stage are whether the developing innovation is practical, what is the value proposition for the targeted people (customers, beneficiaries or stakeholders) and whether the viability of the proposed business model.

What does that mean for me?

Once your organisation has decided which candidate idea to develop further you face a practical hurdle. This is to move from planning and strategising to implementing your ideas.

3.4 Developing the Selected Idea

The difficulty comes in committing to one course of action. A temptation for entrepreneurs in general and social entrepreneurs in particular, is the desire to pursue all of the good ideas at once. As we have acknowledged we have limited resources so this approach is not practical. Rather, you have a choice between two main options.

The first is to perfect one, or perhaps at most two, ideas so that it is fully formed for the market. This has the advantage of being planned and may well be a strong competitor in the commercial market place. It is resource intensive in time, planning, and resources.

The other option is to embrace an emergent approach. By using rapid tests of your product or service with your beneficiaries and customers you will receive accurate feedback on the efficacy of your solution and the appetite (and ability to play) of your customers.

This approach can often give you answers you aren't prepared for or aren't expecting. It is also an approach that can feel quite strange to some of us that have a more traditional back ground in business and social enterprise.



Be Aware

Deliberate approaches are well documented and explored in the Innovation Model and the Business modeling element of the SPARK Toolkit. Here we will focus on agile and lean approaches to developing products and services.

 Key concepts	<p>Lean and agile methods are:</p> <ul style="list-style-type: none"> • An amalgam of a number of different methodologies • Very popular, particularly with technology start ups, but can be applied to any field and any stage of a product/ service or enterprise life cycle • Based on the Toyota method of efficiency • Also sales techniques of being customer focussed • Developed and popularised by Ash Maurya
--	---

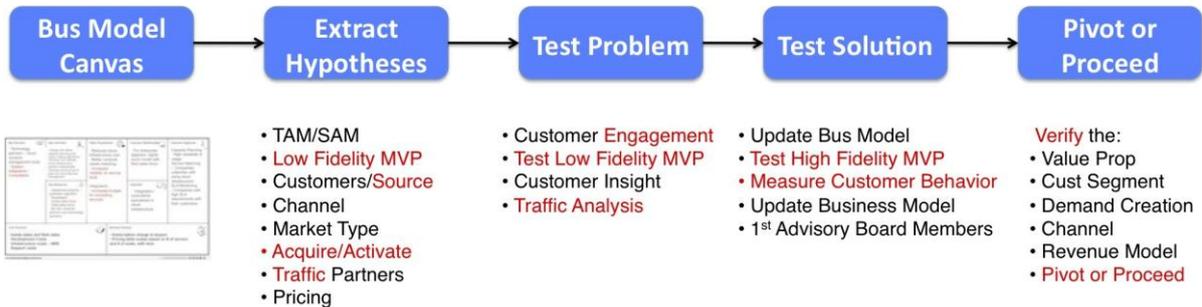
The agile process

At its core is a series of tests to validate your ideas for a product. During these tests you should learn more about:

- The problem your customers and beneficiaries have
- How you contribute to the solution / alleviation of those problems
- The appetite (whether, and how much they will pay for your solution) your customers and beneficiaries have for your solution

This is summarized graphcailly here:

3.4 Developing the Selected Idea

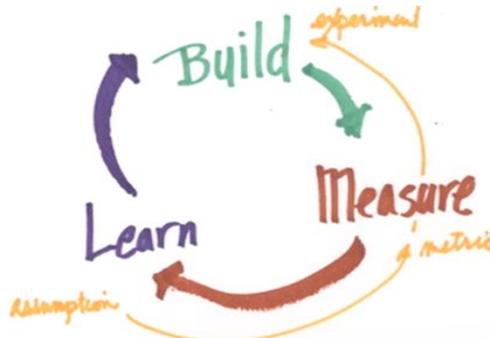


An overview: The agile process

Measuring and controlling the development stage

At this stage we're not thinking about in depth monitoring, evaluation and reporting (see Develop Innovation Capabilities: Monitored).

During early stage development we are concerned on the frequency and accuracy of information capture and what this tells us about the problem, solution and our customers. A rapid iterative approach as summarized in the diagram below lends itself well to this style of monitoring and control.



Measuring a rapid development process

Typical measures of success during the development stage are summarized in this diagram:



Lean Start-up KPIs: AARRR Metrics

3.4 Developing the Selected Idea

Lean and agile methodologies are **not**:

- Cheap start up
- Fast start up
- Shortcut start up
- Not a new concept
- **It is** an approach to build new products/services in situations of uncertainty



Be Aware



Dig Deeper

- 2.1.4_3.4_EX_Develop your selected idea.pdf
- SPARK Innovation Model: Enable Mature Innovation Activities
- Emergent vs. deliberate strategies
- Lean Startup
- Agile
 - Agile organizations
 - Agile Project management
- Market tests
 - Test trading
 - Minimum Viable Products (MVP)
 - Concierge testing