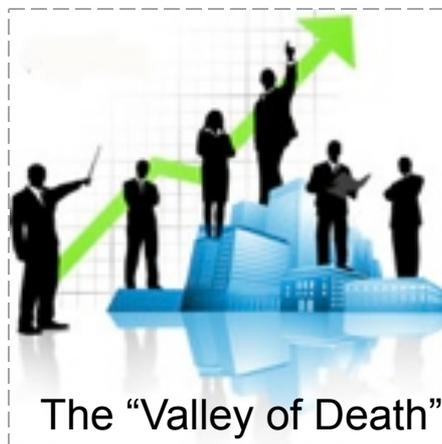
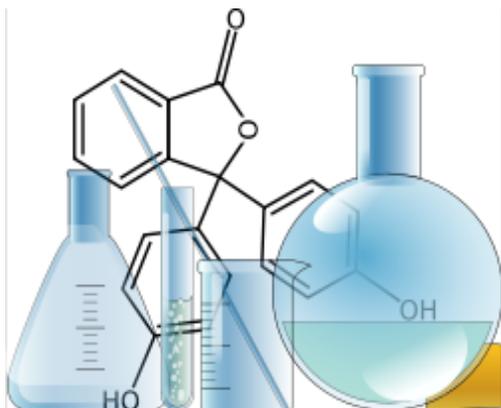


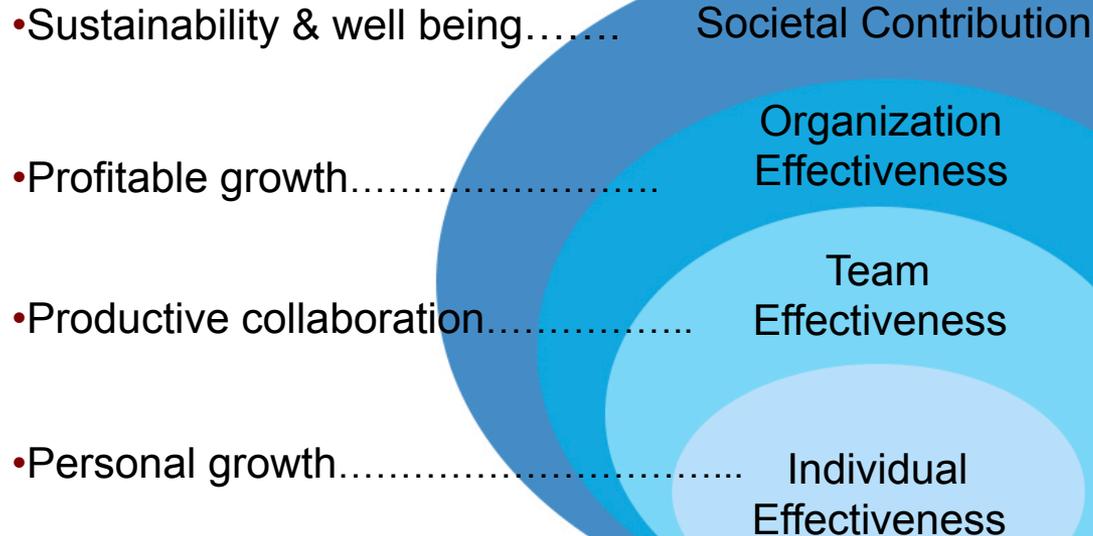
From Bench to Business: Tools to Help Innovators Cross the Chasm and Achieve a Triple Play



Achieving the Triple Play: The Innovation Imperative

Innovation leaders (versus inventors) translate science and technology into customer solutions that generate economic value and improve the quality of life.

Win-Win Success Metrics



Success Factors

- Right mindset
- Right tool set
- Right skill set
- Right network

External Context: Environmental Force Field Analysis

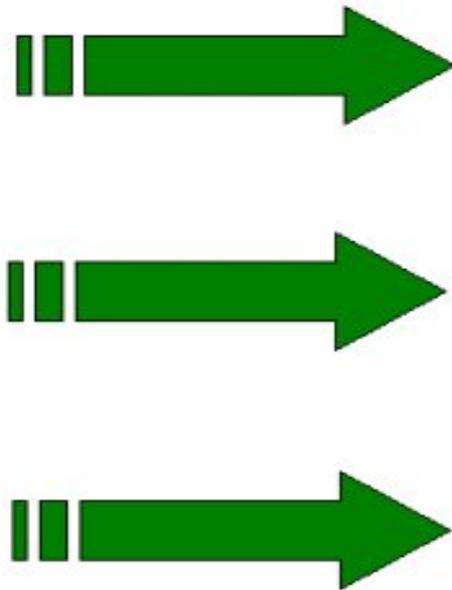


Force Field Analysis

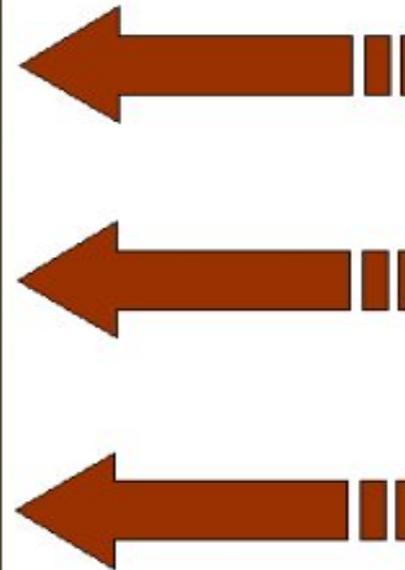


FORCE FIELD ANALYSIS – KURT LEWIN

DRIVING FORCES
(Positive forces for change)



RESTRAINING FORCES
(obstacles to change)



**Present State
or
Desired State**

www.change-management-cosch.com

External Context: Environmental Force Field Analysis

(Source: Business Model Generation by Osterwalder & Pigneur)

Market Forces

Market Forces	Identifies key issues driving and transforming your market from customer and offer perspectives
Market Segments	Identifies the major market segments, describes their attractiveness, and seeks to spot new segments
Needs & Demands	Outlines market needs and analyzes how well they are served
Switching Costs	Describes elements related to the ease or difficulty for customers to switch to competitors
Revenue Attractiveness	Identifies elements related to revenue attractiveness and pricing power

Industry Forces

Competitors (incumbents)	Identifies incumbent competitors and their relative strengths
New Entrants (insurgents)	Identifies new, insurgent players and determines whether they compete with a business model similar to or different from yours
Substitute Products and Services	Describes potential substitutes for your offers—including those from other markets and industries
Suppliers & Other Value Chain Actors	Describes the key value chain incumbents in your market and spots new, emerging players
Stakeholders	Specifies which actors may influence your organization and business model

External Context: Environmental Force Field Analysis

(Source: Business Model Generation by Osterwalder & Pigneur)

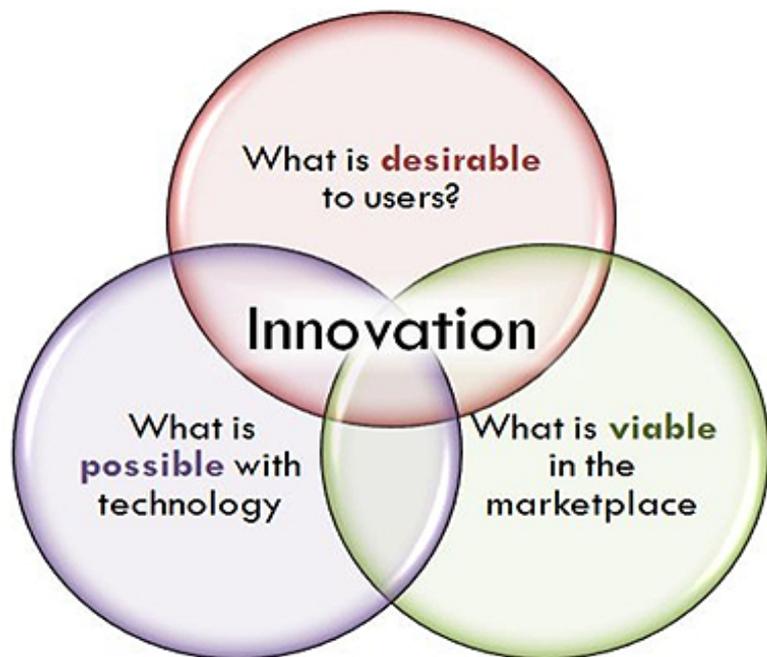
Macroeconomic Forces

Global Market Conditions	Outlines current overall conditions from a macroeconomic perspective
Capital Markets	Describes current capital market conditions as they relate to your capital needs
Commodities and other Resources	Highlights current prices and price trends for resources required for your business model
Economic Infrastructure	Describes the economic infrastructure of the market in which your business operates

Key Trends

Technology Trends	Identifies technology trends that could threaten your business model—or enable it to evolve or improve
Regulatory Trends	Describes regulations and regulatory trends that influence your business model
Societal and Cultural Trends	Identifies major societal trends that may influence your business model
Socioeconomic Trends	Outlines major socioeconomic trends relevant to your business model (e.g., demographics, wealth distribution, geographic location, political tendencies, etc.)

Innovation Sweet Spot



Innovation leaders translate science and technology into customer solutions that generate economic value and improve the quality of life.

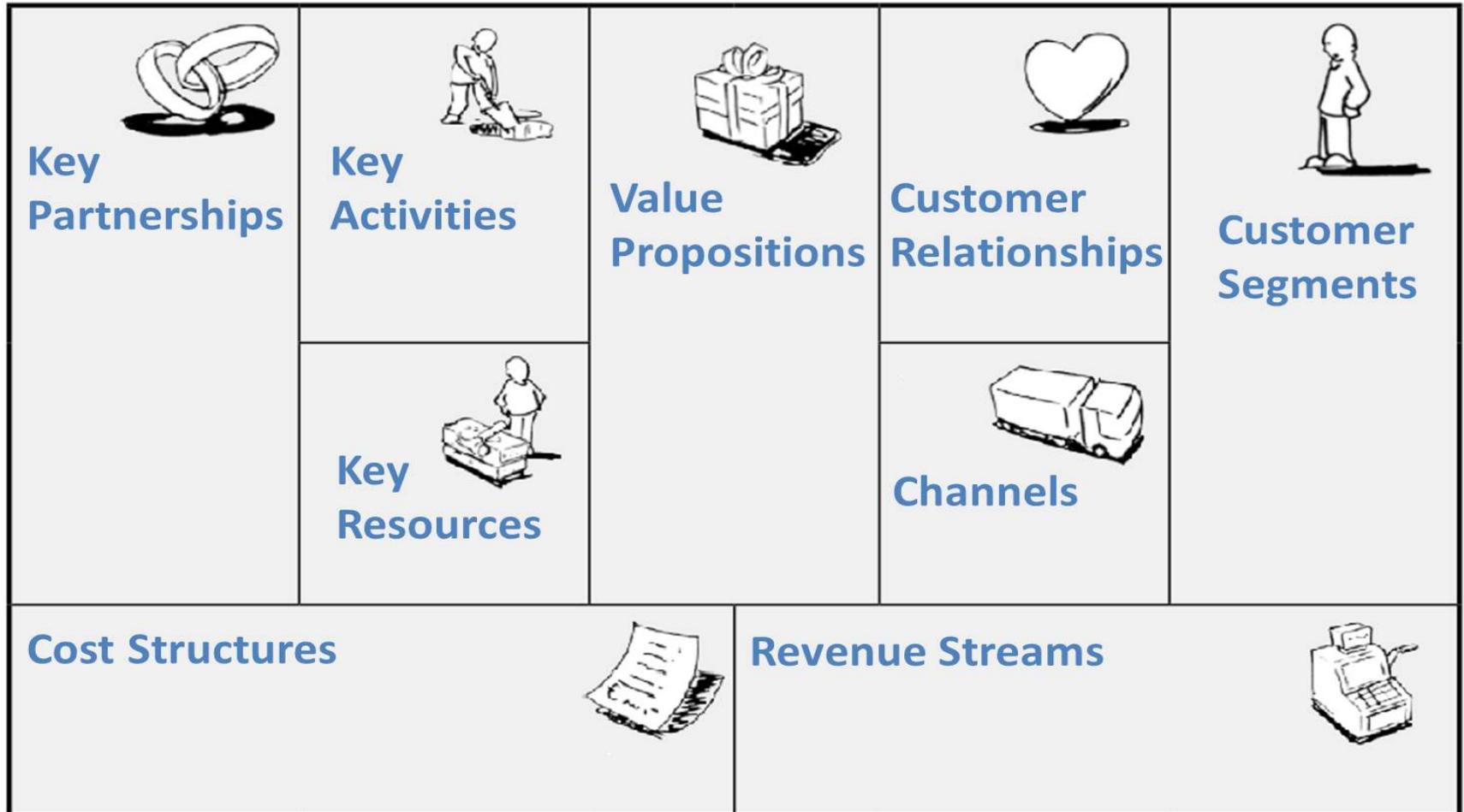
The Real-Win-Worth Screen

George Day, "Is it real? Can we win? Is it Worth Doing?
Managing risk and reward in an innovation portfolio."
Harvard Business Review, Dec. 2007

Is it <u>Real</u> ?	Is the market real?	• Is there a need or desire for the product?
		• Can the customer buy it?
		• Is the size of the potential market adequate?
	Is the product real?	• Will the customer buy the product?
		• Is there a clear concept / value proposition?
		• Can the product be made?
Can We <u>Win</u> ?	Can the product be competitive?	• Will the final product satisfy the market?
		• Does it have a competitive advantage?
		• Can the advantage be sustained?
	Can our company be competitive?	• How will the competitors respond?
		• Do we have superior resources?
		• Do we have appropriate management?
Is It <u>Worth Doing</u> ?	Will the product be profitable at an acceptable risk?	• Can we understand and respond to market dynamics?
		• Are forecasted returns greater than costs?
	Does launching the product make strategic sense?	• Are the risks acceptable to all stakeholders?
		• Does the product fit with our overall growth strategy (and core competencies)?
		• Will top management support it?

Business Model Canvas

(Source: *Business Model Generation* by Osterwalder & Pigneur)



Business Model Canvas: Critical Questions

(Adapted from *Business Model Generation* by Osterwalder & Pigneur)

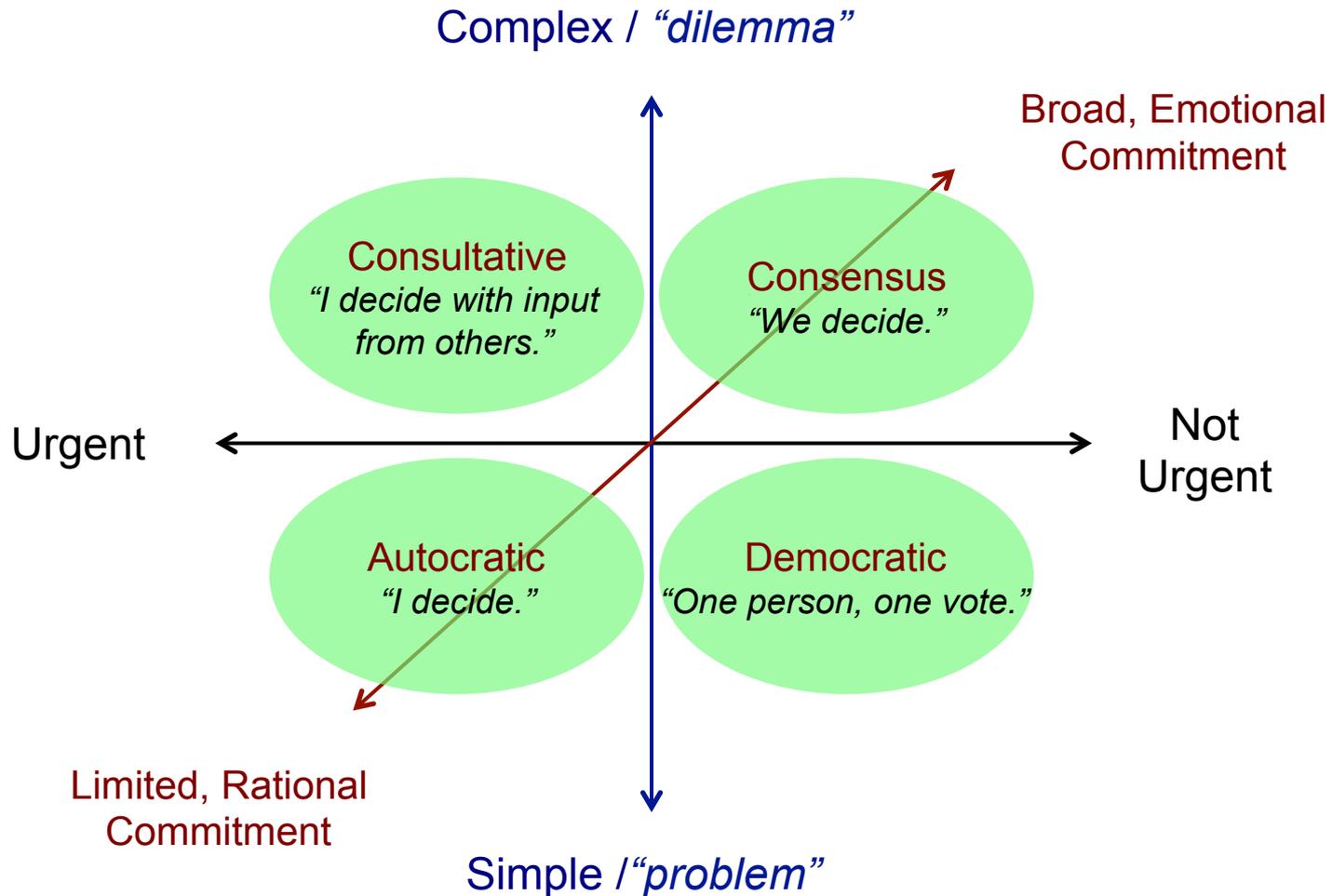
<p>Key Partners</p> <p>Reasons for partnerships:</p> <ul style="list-style-type: none"> • <i>Cost / flexibility</i> • <i>Acquisition of key resources or activities</i> • <i>Reduction of risk and uncertainty</i> <ul style="list-style-type: none"> • Who are key suppliers? • Who are key partners? • Which key resources will we acquire from partners? • Which key activities will partners perform for us? 	<p>Key Activities</p> <ul style="list-style-type: none"> • What are the most important activities we must do well to deliver our value proposition to our chosen segment(s)? 	<p>Value Proposition</p> <ul style="list-style-type: none"> • What problem(s) are we helping our target customers solve? • What unique / differentiated value can we deliver relative to others? • What bundle of products and/or services will we need to offer? • Which customer needs are we satisfying? 	<p>Customer Relationships</p> <ul style="list-style-type: none"> • What type of relationship do our customers expect? What will they not accept? • Which are most cost effective? 	<p>Customer Segments</p> <ul style="list-style-type: none"> • Who are our most important customers? Why? • What are the key characteristics of our target segment(s)? • Which segment(s) will we NOT target initially? Why? • Is this segment(s) viable and attractive for growth? • Are our customers and consumers the same or different?
<p>Cost Structure</p> <ul style="list-style-type: none"> • Is our business model more cost or value driven? • What are the important costs that must be incurred to deliver our value proposition well? • How can we keep costs as low as possible? 		<p>Revenue Streams</p> <ul style="list-style-type: none"> • For what value are our target customers willing to pay? • What do they currently pay? • How does our pricing compare to alternatives or substitutes? • What is the relative contribution of our various revenue stream options? 		

GRPI Model: Architecting Team / Alliance Success

© Kirk Froggatt 2004

Goals	<ul style="list-style-type: none"> • Why is the team being formed? What is the charter and scope for this team? • What are the specific project or process improvement goals for this team? • What metrics and performance targets will we use to measure success? • To whom are we accountable for our results? Does this sponsor support our metrics and targets? • What are our key implementation milestones (deliverables with timeframes)?
Roles	<ul style="list-style-type: none"> • Who is needed on the team or in the alliance? • What skills or expertise and individual needs does each team member bring? What skills or expertise are we missing? How will we compensate for missing expertise? • Who is the team leader? What do we need from him/her? • What specific roles do other team members need to fulfill? • Do we need to assign a process facilitator?
Processes	<ul style="list-style-type: none"> • How often do we need to meet, and how will we structure our meeting time to minimize inconvenience for all? • How will we monitor our progress and manage accountability for results? • How will we make decisions? • How will we surface and resolve conflicting points of view? • How will we keep each other informed between meetings?
Inclusion	<ul style="list-style-type: none"> • What ground rules do we want to live by in order to optimize our effectiveness, respect each others' contributions, and maintain trust? • How will we request and give feedback to each other and celebrate successes?

Decision Making Approaches for Teams: Decide How to Decide



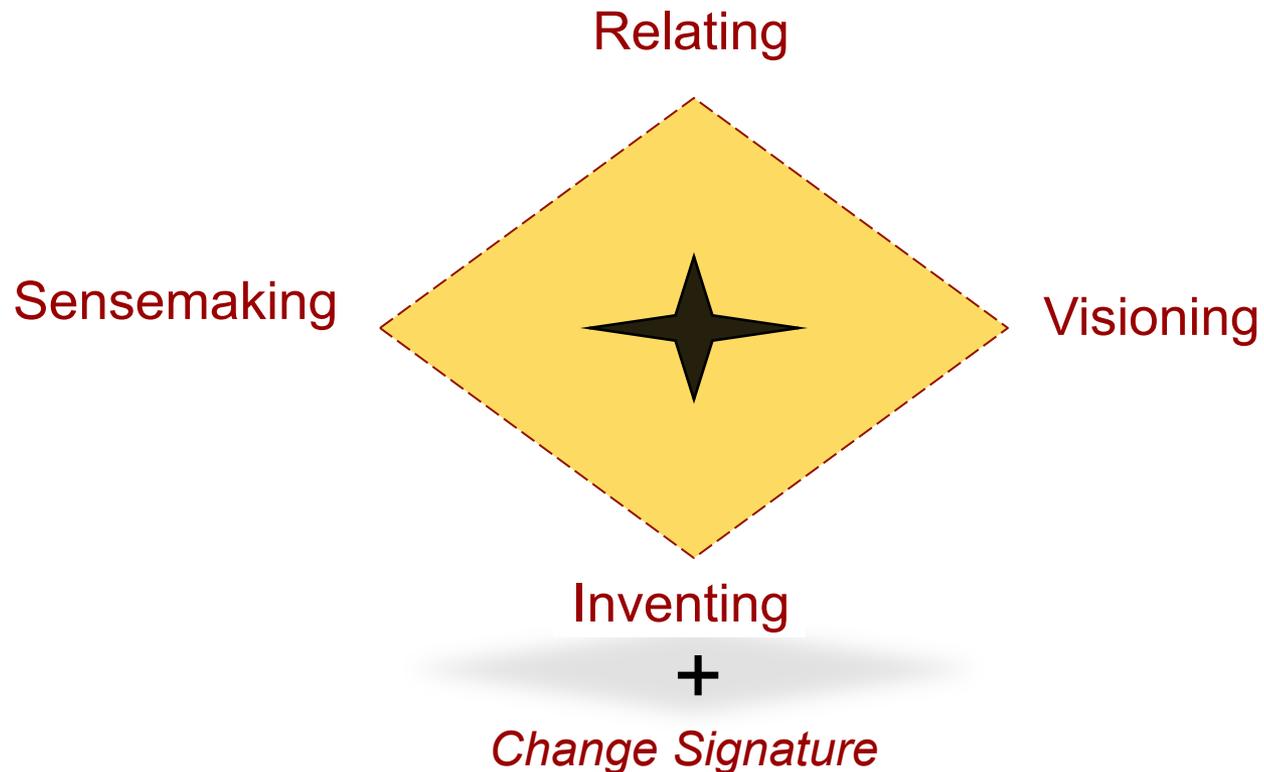
Tuckman's Stages of Team Development: Behavioral Indicators

Stage 1: Forming	Stage 2: Storming	Stage 3: Norming	Stage 4: Performing
<ul style="list-style-type: none"> • Mission is unclear and not owned by the group • Individuals are: <ul style="list-style-type: none"> --polite --not clear on what they are supposed to do --wondering where we're going --checking each other out --not committed to the team yet --learning about the mission and each other • No trust yet • Excitement and/or anxiety are high 	<ul style="list-style-type: none"> • Disagreements about goals and roles emerge • Power and control issues surface • Some members dominate while others retreat • Frustration and/or anxiety are common • Splinter groups form • Arguments are frequent • Team spirit is low 	<ul style="list-style-type: none"> • Purpose and objectives become clear • Roles are understood and accepted • Team members are supportive and engaged • Resource issues are resolved • A sense of alignment and cohesion builds around the team tasks • Creativity emerges • Predictable patterns of behavior ("norms") emerge (both functional and dysfunctional) 	<ul style="list-style-type: none"> • Team members are motivated and contributing • Individuals defer to team needs • Team members listen to and respect each other; ideas are debated, people are respected • Team members offer improvement suggestions and norms are refined • It's "safe" to risk confrontation • Team is productive

Managing Team Development: Best Practices

Moving from “Forming” to “Storming”	Moving from “Storming” to “Norming”	Moving from “Norming” to “Performing”
<ul style="list-style-type: none"> • Establish a mission and clear goals • Establish initial roles • Leader should provide structure and direction • Learn what each team member brings to the team and needs from membership • Encourage participation from everyone • Decide on work process (When are meetings needed? Where? What is expected between meetings? etc.) 	<ul style="list-style-type: none"> • Active leadership is needed to <ul style="list-style-type: none"> --clarify next steps and deliverables --support and reinforce team participation --surface and address conflict --recognize contributions and results • Refine and clarify roles as needed. • Agree on ground rules and work tools / methods • Listen for areas of agreement vs. disagreement • Conduct after-action reviews to foster continuous improvement 	<ul style="list-style-type: none"> • Share or divide leadership responsibilities • Determine a decision making process for key decisions (e.g., autocratic, consultative, democratic, consensus) • Delegate tasks to individuals and sub-groups • Request and accept feedback • Celebrate successes and recognize contributions • Be selective about adding new team members • Keep raising the bar

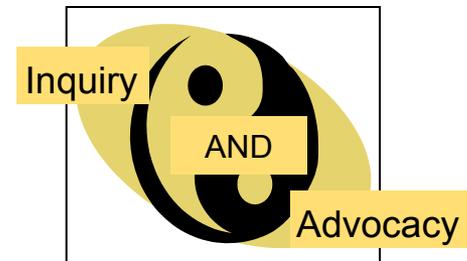
Four Key Leadership Capabilities for a Dynamic World



*Four Capabilities Leadership Framework from Deborah Ancona, MIT Leadership Center:
Leadership in an Age of Uncertainty*

Relating: Developing Key Relationships

- ✓ Be thoughtful and deliberate in identifying and cultivating connections (Who are the “buying influences” you need on board?)
- ✓ Understand the perspectives of others within the organization and withhold judgment while listening to them
- Encourage others to voice their opinions
- ✓ Be clear about your stand and how you reached it—yet open to changing your POV in light of new information;
- Think about how others might react to your idea and how you might best explain it to them
- Use images, metaphors, or stories to try to capture and communicate critical elements of your understanding



✓ Build inclusive, credible, trusting connections with key stakeholders...to sustain commitment--versus compliance or resistance or even sabotage.

Sensemaking: Making Sense of the World Around Us

- ✓ Seek many types and sources of data (use your head, heart and gut for insights)
 - ✓ Involve others in your sensemaking
 - Do not simply apply your existing frameworks or past practices
 - ✓ Learn from small experiments—test your assumptions and ideas early and often (“socialize” your ideas before you formally recommend them)
 - Use images, metaphors, or stories to try to capture and communicate critical elements of your understanding
- ✓ Seek first to understand multiple perspectives (sponsors and executors).
 - ✓ Synthesize “the essence” of your understanding and ideas vs. all the gory details (assess the “force field reality” as it is, not as you wish it were)
 - ✓ Be quick to sense and anticipate inflections points, threats and opportunities...and adapt as needed along the way.

Visioning: Creating a Compelling Vision of the Future

- ✓ Paint a vivid picture of what you think is important
 - ✓ Frame the vision in “win-win” terms that key stakeholders will appreciate
 - Use stories, metaphors and analogies to convey a vivid picture of what the vision will accomplish (“see-feel-change” vs. “analyze-think-change”)
 - Embody the key values and ideas contained in the vision—”walk the talk”
 - ✓ Enable colleagues to see their place in and contribution to achieving the vision—remember to communicate the “WIFM”.
- ✓ Inspire commitment and engagement through crisp, compelling stories (vs. death by ppt) that illustrate win-win intentions.

Inventing: Creating New Ways of Working Together

- Invent the processes and structures to make the vision a reality.
 - ✓ Play with new and different ways of organizing work—examine alternative ways of grouping people together, organizing their internal interaction and linking across different groups.
 - When a new task or challenge emerges, think through how it will get done—who will do what, by when, and in what configuration?
(Optimize capability AND commitment in selecting individuals to lead each task.)
 - ✓ Blend sensemaking, relating and inventing to balance inherent tensions and learn and adapt as needed.
- ✓ Architect an experience that focuses, aligns, and optimizes stakeholder engagement, development and performance—engaging and enrolling vs. telling and coercing.

The Human Dynamic of Change

Why is it often difficult to get people to embrace change?



People don't resist or fear change per se,
They fear and resist **loss**.

Loss of confidence, competence, status, power, relationships, security, time, etc.

Implication:

Change leaders need to anticipate and address perceived losses among key stakeholders.