

**Innovations  
what for?**





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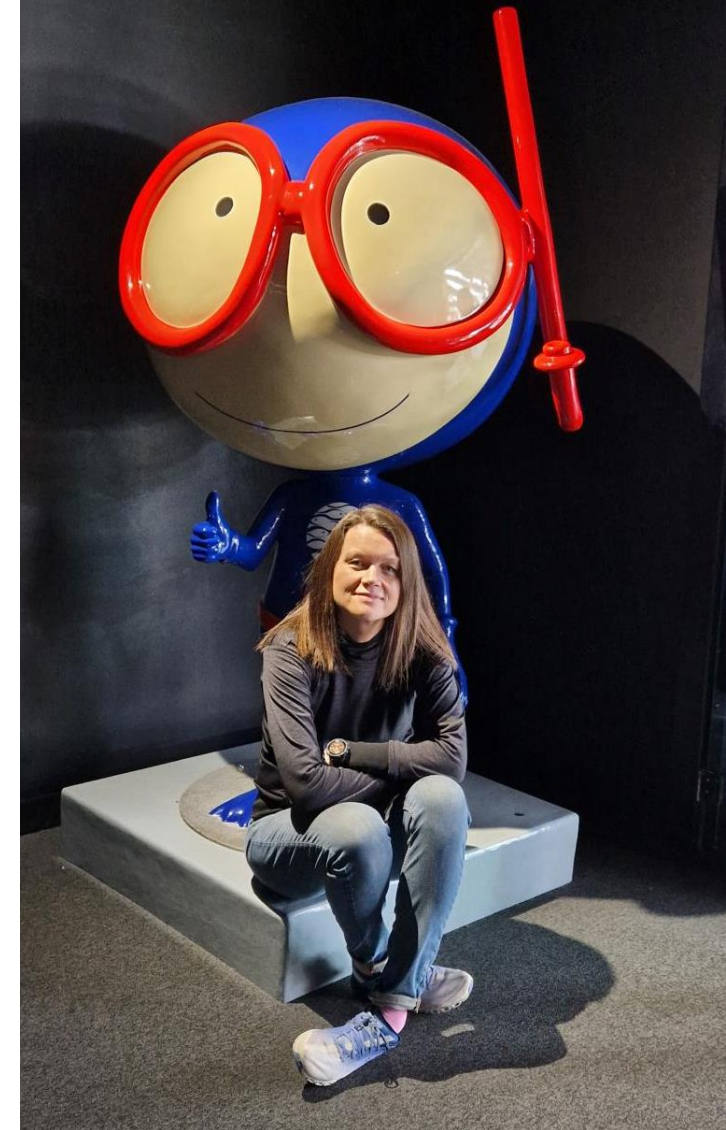
Customers System Department Manager

Rossmann Poland



**Midjourney**

Illustrator





WHAT INNOVATION IS?

# DIFFERENT WAYS OF DOING THINGS



WHY TO INVEST IN INNOVATIONS?

Why to change the way you work  
... if current way is well enough?





WHY TO INVEST IN INNOVATIONS?

WHAT'S WRONG?



## REASONS

- Average age of company on S&P 500 has shortened from 32 years in 1965 to 21 years in 2020\*
- Pace of changes is growing
- Companies are competing on a global marketplace
- The product life cycle has shortened

The end of many companies began ...  
when they built their own skyscraper



\*<https://www.statista.com/statistics/1259275/average-company-lifespan/>



## GREAT LOOSERS



### KODAK

- Giant in the photography industry One of the first companies to develop digital camera technology
- Continued to focus on traditional film products

### Toys "R" Us

- Failed to invest in e-commerce and digital initiatives



### BlackBerry

- Major player in the smartphone market in the early 2000s
- Failed to follow the rapid development of smartphone technology

# WINNERS

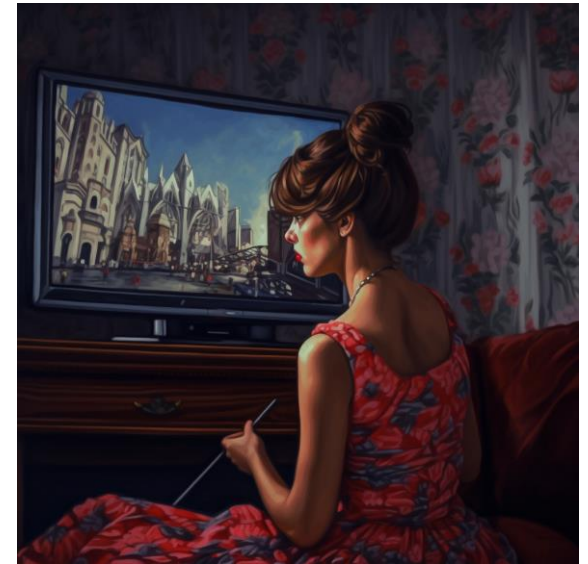


## Netflix Inc

- Started as a DVD-by-mail rental service
- Invested in streaming technology and content creation
- Moved away from DVD rentals
- Global leader in streaming.

## Amazon

- Started as online bookshop
- Constant innovation
- Leader in e-commerce, cloud computing (Amazon Web Services) and Logistics



## L'Oréal

- Attracting customers by continuously introducing innovative products and digital transformation
- Emphasizing sustainable
- Development and exploiting partnerships





**What are the goal  
and horizons for  
innovations?**



# WHY DO WE NEED INNOVATIONS?



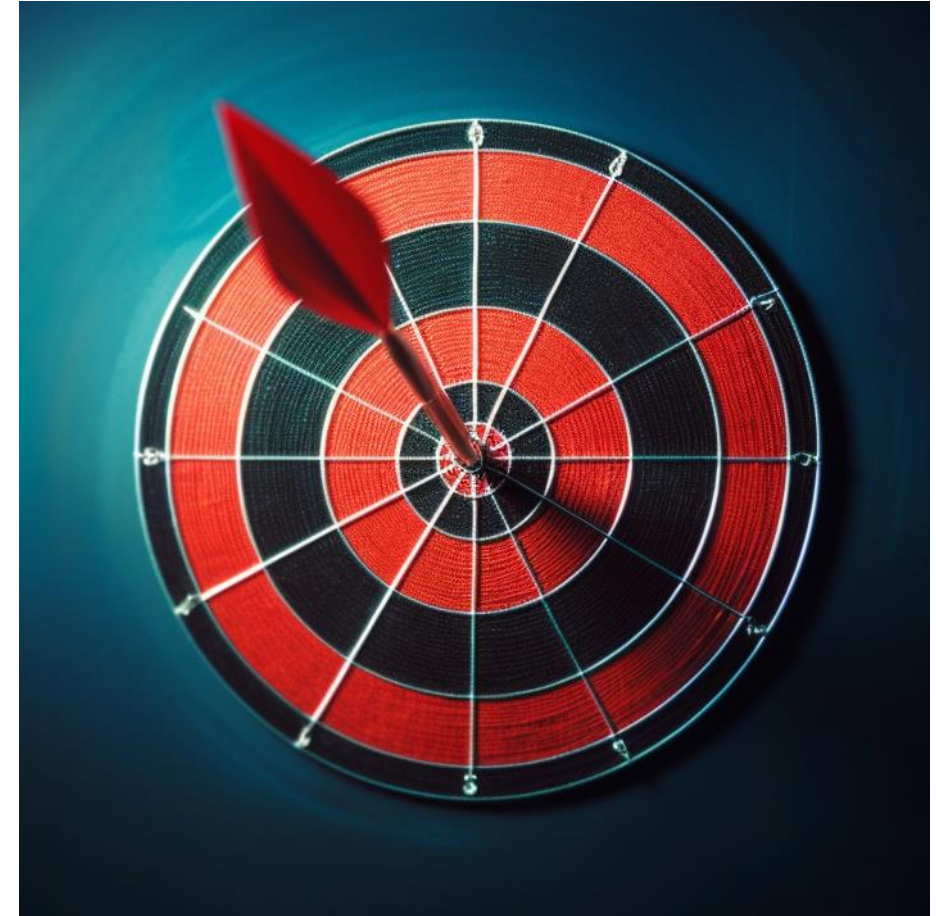
Work smarter, optimize



Expand and extend the business



Be "future-proof",  
and diversify the business





# 3 HORIZONS FRAMEWORK

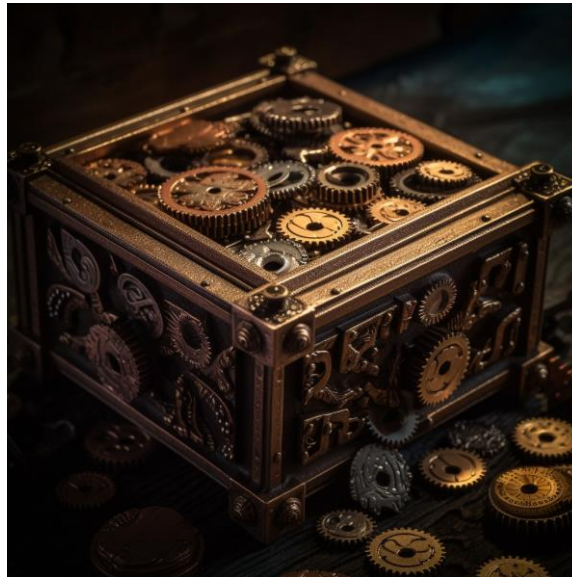
## HORIZON 1 IN THE BOX

- Goal: Work smarter
- Time bound: up to 1 year
- Improvement & optimization processes
- Incremental innovations
- Save money



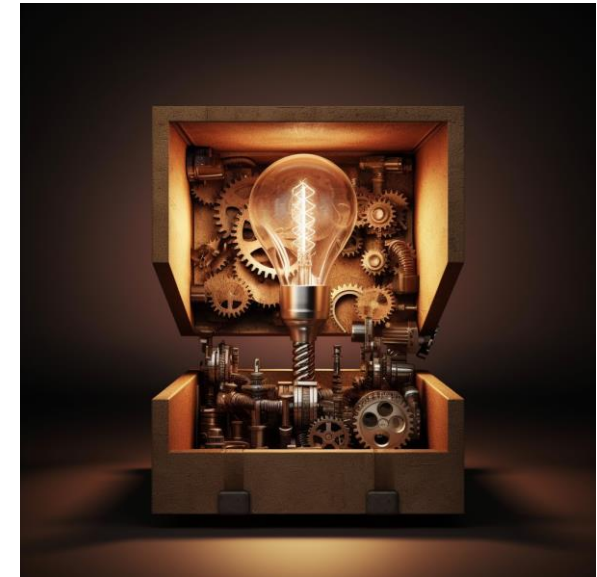
## HORIZON 2 EXPAND THE BOX

- Goal: Expand the business
- Time bound: 2-3 years
- New sources of income
- New innovations
- Bring more profit



## HORIZON 3 OUT OF THE BOX

- Goal: Be "future-proof" and diversify the business
- Time bound: 3-6 years
- Areas in which the company does not operate
- Disruptive innovations
- New business



\*The concept of the "Three Horizons of Innovation" was developed by McKinsey & Company

# RECOURCES ALLOCATIONS



\* Proportion depends on factors such as: the current business landscape, strategic priorities and the organization's long-term goals





**Is the innovation only  
about technology?**



IN WHAT AREAS OF ORGANIZATION INNOVATION  
CAN ARISE?

Innovation means far more than  
technology!



\* Innovation wheel introduced by Larry Keeley, Ryan Pikkell, Brian Quinn, and Helen Walters in their book titled "Ten Types of Innovation: The Discipline of Building Breakthroughs."





# THE SCOPE OF POTENTIALS – HOW DOES IT WORK?

## Configuration

### Profit Model

The New York Times pivoted from traditional driven media model to digital user subscriptions



### Network

Henry Ford was one of the industrialists to control his entire supply chain, a strategy later called vertical integration



### Structure

Google's '20%' which allow employees to on side project, led to the of Gmail and google news



### Process

McDonald's franchises were encouraged to develop and launch their own new food items, leading to wins such as the Egg McMuffin



## Offering

### Service

Amazon Prime e.g. free of charge delivery in 2h in some areas



### Channel

Nespresso Club provides a personalized and user-friendly platform for placing orders and managing preferences



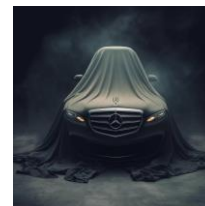
### Brand

Patagonia main message: reduce consumption, care for the environment



### Customer Engagement

Mercedes has launched an augmented reality owner's manual



## Experience

### Product Performance

Spotify created a seamless music streaming product



### Product System

Apple has built an extensive ecosystem of products that work together, creating additional value for user



\* Inspirator: Larry Keeley, Ryan Pikkell, Brian Quinn, and Helen Walters in their book titled "Ten Types of Innovation: The Discipline of Building Breakthroughs.", & <https://www.visualcapitalist.com/10-types-of-innovation-the-art-of-discovering-a-breakthrough-product/>



**How to get  
innovation?**





# MARKET OBSERVATION & TREND ANALYSIS

- Employee Innovation Programs
- Cross-functional, cross- departments collaboration
- Research and Development (R&D team)



# INTERNAL INNOVATION

- Research and Development (R&D team)
- Employee Innovation Programs:
- Cross-functional, cross- departments Collaboration





# OPEN INNOVATION

- External Collaboration - with universities, research institutions, or other companies
- Co-creation: Engaging with customers, suppliers, and partners
- Hackathons and Innovation Challenges



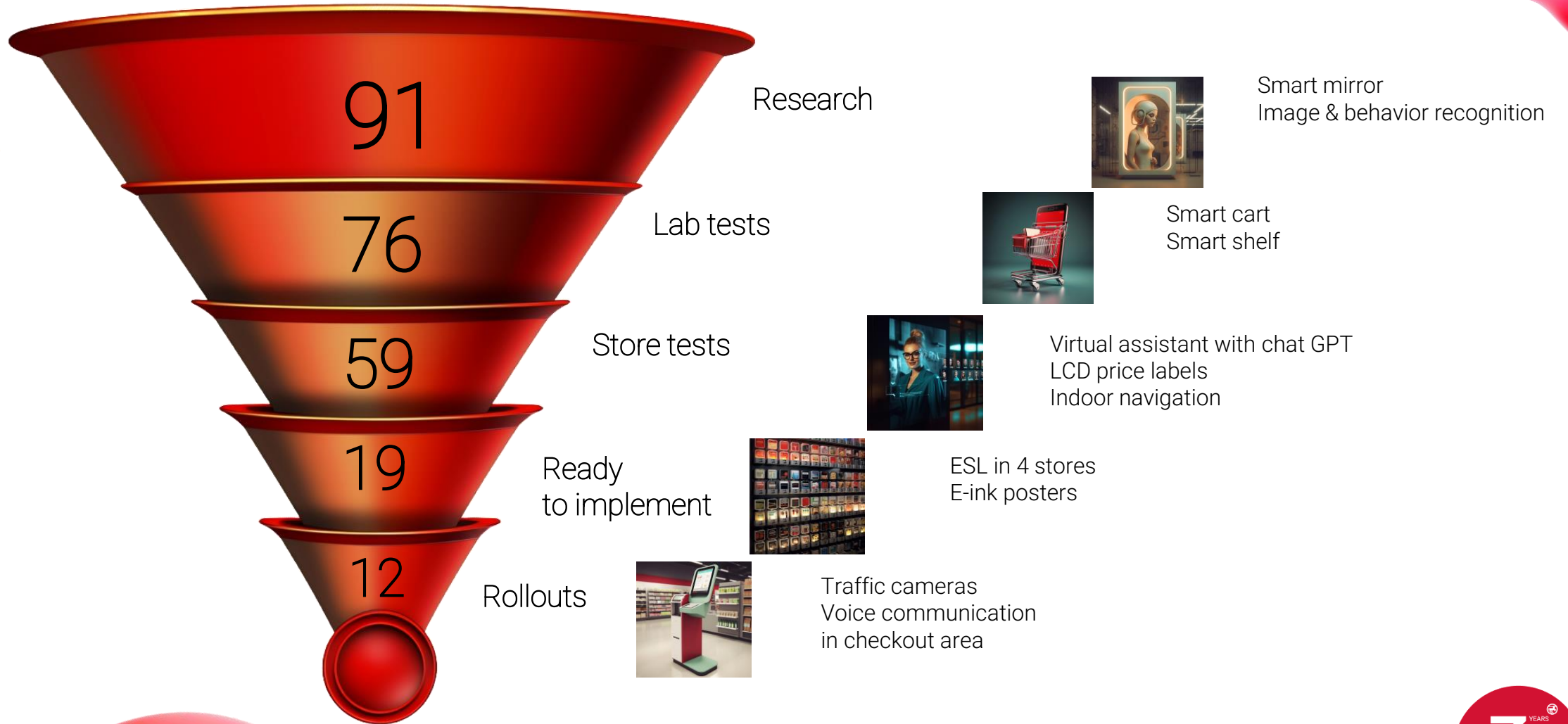
## EXTERNAL INNOVATION PLATFORMS

- Incubators
- Accelerators
- Innovation hubs





# INNOVATION FUNNEL - IT R&D



**Innovation needs  
to be measured**





# KPI's FOR INNOVATIONS

KPI	INDICATOR DESCRIPTION	COMPONENTS OF THE INDEX
<b>WISDOM</b>	<p>These are the metrics referring to the activities of the innovation area owner and the people involved in innovation process. Time of preparation organization and people – up to 12 months</p>	<ul style="list-style-type: none"> <li>• Number of processes of the organization reviewed and improved in terms of working with innovations</li> <li>• Number of processes developed to support work with innovations</li> <li>• Number of needs mapping sessions Number of tools developed for working with the organization</li> <li>• Number of innovation experts appointed</li> <li>• Number of people involved in working with innovations</li> <li>• Number of internal experts prepared to work with innovations (other than innovation experts) Number of people familiarized with the methodology for working with innovations</li> </ul>
<b>INNOVATION ACTIVITY</b>	<p>This is a group of metrics for monitoring the innovation activities After 1-2 years</p>	<ul style="list-style-type: none"> <li>• Number of needs/challenges selected to be addressed</li> <li>• Number of needs/challenges successfully addressed</li> <li>• Number of activities implemented by the company to acquire/create innovative solutions (scouting, accelerator programs, employee program, design processes - e.g. design sprints, etc.).</li> <li>• Number of solution ideas submitted by employees/store employees</li> <li>• Number of employee ideas developed (e.g., min. to testing phase)</li> <li>• Average duration of the innovation testing/implementation process</li> <li>• Number of solutions that has been implemented in the organization</li> </ul>
<b>RESULTS</b>	<p>These are metrics referring to the results of innovation After 2 years</p>	<ul style="list-style-type: none"> <li>• Number of new products/services/models of operation/improved processes</li> <li>• Benefits (financial/process/other) resulting from the implementation of solutions acquired from outside the organization</li> <li>• Benefits (financial/process/other) resulting from the implementation of solutions produced within the organization</li> <li>• Conversion of implemented activities into business results</li> <li>• Cost of learning during innovation processes, Image benefits associated with implemented innovation activities</li> </ul>

**KEEP CALM  
&  
STAY INNOVATE**

**THANK YOU!**

