

QUICK

PROGRESS
TO THE

PROTOTYPE

The innovation process relies on effectively developing ideas into proposals that are successful on the market. The challenge is to select the right ideas from among the many that have been gathered, and quickly develop them so they can be tested at an early stage. Internally executed accelerator programs are the go-to tools for achieving this.

In this arrangement, the current or potential customer sets the starting point for innovation. His needs and pain points determine the direction for developing new products, services, or even entire business models. Anyone in search of successful innovation needs to always keep an eye trained on the market. "It's only when something new has a discernible impact there that we can speak of innovation," comments Marco Friedrich, innovation expert at Horváth & Partners.

Companies get their momentum for innovation from a variety of sources. Many ideas are proactively created as part of a controlled process, for example with the aid of defined areas of innovation, or by taking an active approach to startup screenings. Others occur by chance, for example during a trade fair visit. "Organizations generally have a huge pool of ideas. The major challenge is in assessing their potential early on, and quickly developing promising approaches further." On their path to creating an offering, most companies develop ideas either

within the framework of traditional innovation management, or in an agile "speedboat" such as an accelerator program.

TANKER SHIP OR SPEEDBOAT?

The basic framework for innovation management comes from the traditional stage-gate process. This divides all innovation activities into different phases, wherein at each transition a decision is made about the next steps. All ideas that exist in the company are collected and channeled using this one process. However, experience has shown that this linear process – rather like a tanker ship – is often too rigid and laborious in the fast-moving digital world; as such, an alternative approach to ideas can be useful. If an idea for expanding an existing product is associated with a high degree of potential and needs to be implemented as quickly as possible, it makes sense to develop it as part of a "speedboat process," which simultaneously ensures a high probability of success. On the other hand, ideas which represent a greater departure from a company's current

core business and are not yet clearly defined require very specific approaches. "These days, agile methods from the Design Thinking and Lean Startup approaches are essential for making quick and successful progress when it comes to ideas associated with greater uncertainty," comments Marco Friedrich.

HOTBEDS AND ACCELERATORS

There are various options available for quickly bringing new offerings to market, ranging from acquisition of a company or start-up with the right expertise, to open innovation that involves customers and other external stakeholders in the innovation process, to accelerators and incubators as forges for innovation.

Incubators promote creative ideas: they are hotbeds for innovations, offering ideal conditions for both internal teams and external startups. In contrast, accelerators speed processes up, enabling a timeline of just a few weeks from initial idea to prototype, to market-ready offering. Ideas are tested at an early stage, meaning that any that don't work can be quickly discarded. "Companies must be ready to take potential customers' feedback on board and, building on that feedback, adapt and further develop – or potentially abandon – their ideas on an ongoing basis," Marco Friedrich points out.

ACCELERATOR AS A SERVICE

The Horváth Accelerator Program offers precisely this kind of fast track for innovations. Designed with a modular structure, it offers an agile innovation process in which internal teams from various companies quickly develop their ideas further, with a focus on the customer. It also enables participants to design implementable concepts relating to innovative offerings, as well as autonomously developing innovations and quickly bringing them to market readiness.

Design Thinking and Lean Startup approaches are used to convert ideas into prototypes and test them on the market, on an iterative basis and with the continual involvement of target customer groups. The Horváth Accelerator Program enables companies to quickly achieve results by using their own employees and avoiding expenses for design and preparation. It makes the company's expertise available as a service – including procedures, methods and tools – that is quick to implement in companies from all industries.

EMPLOYEES AS INNOVATORS

As stated by Austrian economist Prof. Dr. Fredmund Malik some years ago, successfully positioning ideas in the market remains a challenge, despite new methods: "Every innovation is an expedition into new territory, like the first time climbing the Alps; but most of them are approached like a relaxed walk at Easter."

“**THE CRAFT OF INNOVATION IS LEARNABLE.**”

To ensure that the expedition successfully reaches its destination, all participants need to work together, pulling in the preferred direction. This requires a culture of innovation that shapes individuals' skills, mindset, and behavior.

Successful innovations require more than just extraordinarily creative and enterprising employees to be driven forward – motivation and entrepreneurial dynamism are also crucial. "The craft of innovation is learnable," comments Marco Friedrich. If companies can use managed innovation processes to leverage the knowledge and creativity that exist in their organization, employees can make a significant contribution to the products, services and business models of the future. ■

Overview of the elements of an innovation accelerator at: www.horvath-partners.com/accelerator

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Accelerator programs close the gap between the idea and its implementation, while also speeding up the development of innovative offers.