HYPE

Service companies can innovate too!

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Introduction: Colin Nelson

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Director of Enterprise Innovation at HYPE Innovation

- 10 years supporting organizations and communities with enterprise collaboration

- 7 years in information management & consulting

My day job:

- I run a small multinational consulting team
- I help with adoption of enterprise & inter-enterprise collaboration programmes
- Typically focused on Innovation & Efficiency
- I write and talk about enterprise innovation

Who Are HYPE?

HYPE Innovation

- **Founded 2001: Daimler spin-off**
- **Specialized in Innovation Management**
- **Headquartered in Bonn, Germany**
- **Additional offices in Brunswick, Berlin, Boston, Southampton, Lyon and Abu-Dhabi**
- **80 employees**

Product & Services

- **Supports Full Lifecycle of Innovation**
- **Results Driven Approach**
- **Software Developed to Solve the Innovation Manager's Pain Points (Jobs-to-be-Done)**
- **Highly Configurable: A Platform that Evolves with You**
- **Cloud or On-Premise**

Selected HYPE Clients Across Industries

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Automotive

VOLKSWAGEN
PORSCHE
DAIMLER
CLAAS
CNH
Continental
MAHLE — Driven by performance
BORBET LEICHTMETALLRÄDER
brose — Technik für Automobile
Huf
HARLEY-DAVIDSON MOTOR COMPANY

Technology

FUJITSU
NOKIA
ROHDE & SCHWARZ
BOSCH — Technik fürs Leben
hager Group
FESTO

Manufacturing

SIEMENS
LIEBHERR
wilo
WITZENMANN — managing flexibility
Ball
ANDRITZ
ZEISS
AL WATANIA FOR INDUSTRIES
knauf
autoneum

Energy & Utilities

ErDF — L'ÉLECTRICITÉ EN RÉSEAU
Saudi Aramco
RWE
WorleyParsons — resources & energy
GASCO — Abu Dhabi Gas Industries Ltd.
PETRONAS

Pharma / Chemical

Roche
Afton — Passion for Solutions
GRÜNENTHAL
Sipchem
Otsuka
BASF — The Chemical Company
MERCK
WACKER

Transportation / Logistics

swisslog
Deutsche Post DHL
AIRBUS — AN EADS COMPANY
DB BAHN
KNORR-BREMSE
CARGOTEC
AÉROPORTS de LYON
BOMBARDIER — the evolution of mobility

Consumer Goods

HEAD
DANONE
MATTEL
adidas GROUP
CENTURION — THE AUTOMATIC CHOICE
Grupo Familia
Kimberly-Clark
Nike
CLOROX
ECKES granini GROUP

Medical

OLYMPUS
straumann
Constantia INDUSTRIES AG
Abbott — A Promise for Life
YPSOMED — SELFCARE SOLUTIONS
BAYER
Johnson & Johnson

Finance & Insurance

Raiffeisenlandesbank Niederösterreich-Wien
aveo — MONÉTIQUE & SERVICES
TK — Techniker Krankenkasse
IT ERGO
Swiss Re
Caja Los Andes
BAC CREDOMATIC
Al Rajhi Bank
Die Mobiliar — Versicherungen & Vorsorge

Other

Alcatel·Lucent
LIBERTY GLOBAL
DLR
NASA
storaenso — rethink
Edenred
impress — THE DECOR COMPANY
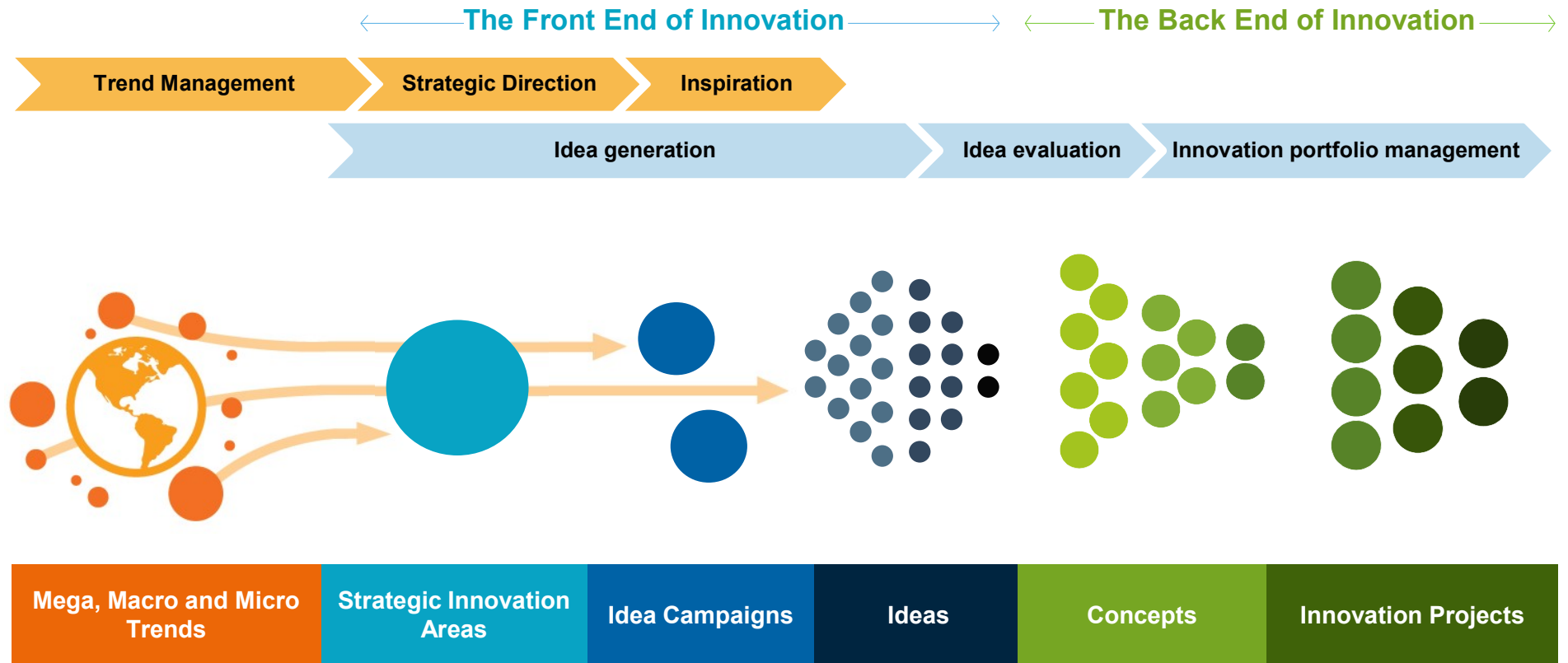BUNDES DRUCKEREI
SUPREME COMMITTEE FOR DELIVERY & LEGACY

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Once organizations have reached a **certain size**, there is a significant distance between **those who have ideas and insights** and those who have the power and resources to act upon them.

HYPE Innovation provides **technology** and **processes** that bring idea contributors and decision makers **closer together**, helping organizations to generate **additional revenue**, to **become more efficient**, and to **empower people**.

HYPE Full lifecycle process

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Trend Management	Strategic Direction	Inspiration

Idea generation	Idea evaluation	Innovation portfolio management

Mega, Macro and Micro Trends	Strategic Innovation Areas	Idea Campaigns	Ideas	Concepts	Innovation Projects

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- Setting the scene

- Why is innovation different if you're a services company?

- Examples

- Starting points for service companies

- What type of companies traditionally invested in new innovation techniques?

- What was it about those companies that made online, enterprise innovation attractive?

- What was their 'innovation environment'?

What type of companies were first to enterprise innovation?

- Consumer Goods

- Food & Beverage

- Heavy Engineering

- Chemicals

- Pharmaceuticals

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Why was online innovation helpful to these companies?

- Thousands of employees in locations around the world

- Experience in sustained product innovation

- Established innovation processes

- Expensive product development cycles often due to regulation

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- A need for differentiation in the face of competition

- Heavy regulation

- Phase-gate processes

- Continuous improvement programs

- Experienced in sharing ideas and solutions

- Acquisition's were often a key part of the growth strategy

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- Large, complex, multinationals saw the benefits of harnessing the collective insight of their employees without taking them away from the day job.

- Improving the 'fuzzy front-end' of innovation was attractive to help the companies differentiate and continue to grow.

- Organic growth used to complement acquisitions.

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- Setting the scene

- Why is innovation different if you're a services company?

- Examples

- Starting points for service companies

So what's so different about a services company?

- Main resource is people not products

- More dynamic in terms of new capability creation

- No history of systematic, new capability creation as a method of staying alive

- Continuous Improvement is not as widely adopted

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- Financial Services
- IT Services
- Construction
- Government
- Healthcare
- Business services
- Logistics

So what's changed?

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- Collective insight has wider benefits than product innovation

- Geographically distributed companies have collaboration problems

- The pace of change is increasing, meaning companies of all types need to develop 'dynamic capability' *

* For more on 'dynamic capability', see John Bessant, Exeter University

- Creation of new capabilities

- Sharing best practices

- Cost reduction

- Process improvement

- Problem solving

- ....

- Services companies spend more time innovating the business than the product, but they are doing both

- They have a much wider range of use-cases meaning that efficiency is just as important as product innovation

Is there real value beyond product innovation?

Where innovation efforts are applied...

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Strategy		Process		Offering			Delivery		
Business model	Network	Enabling structure	Core process	Product performance	Product system	Service	Channel	Brand	Customer engagement

High

Low
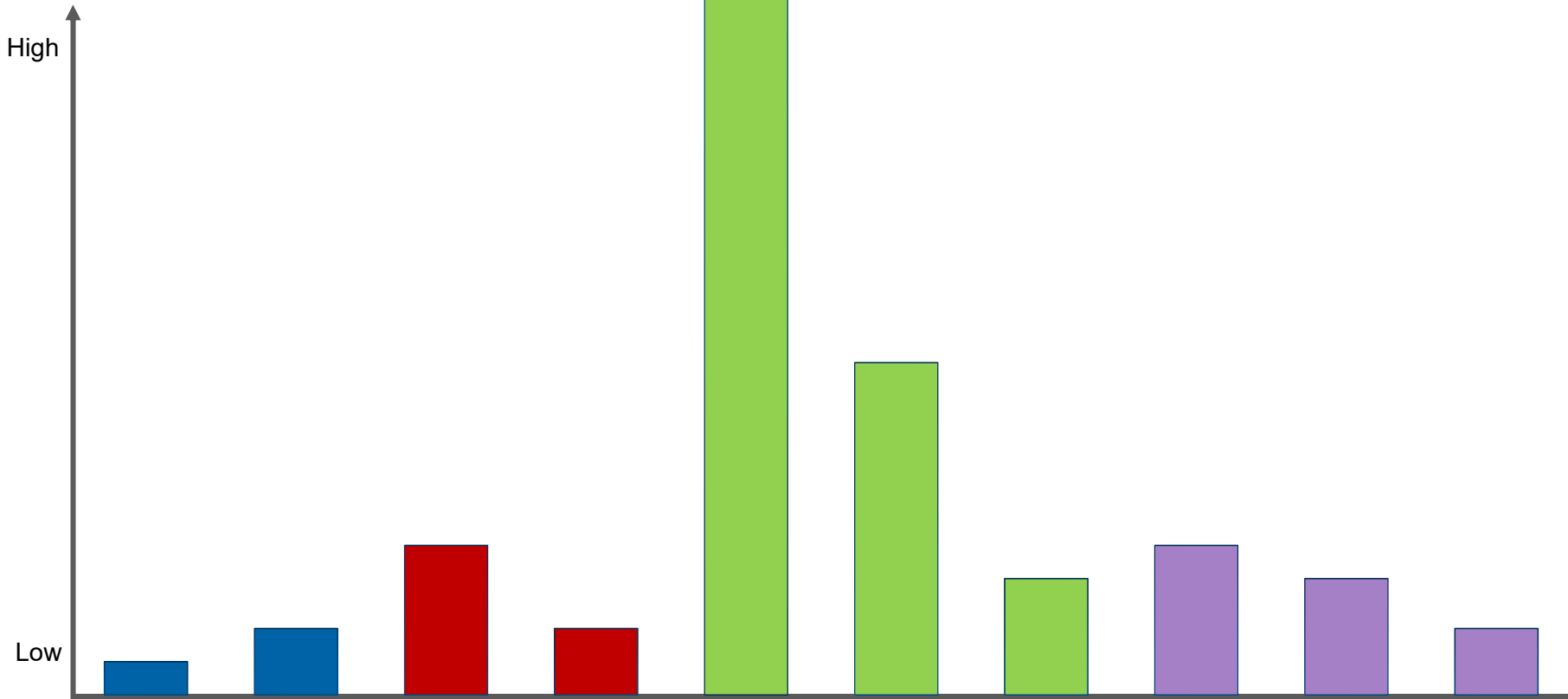
Source: Doblin, Inc. (Deloitte) analysis

...where innovation value is created

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Strategy		Process		Offering			Delivery		
Business model	Network	Enabling structure	Core process	Product performance	Product system	Service	Channel	Brand	Customer engagement

Value is more often found beyond product innovations

High

Low

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- Setting the scene

- Why is innovation different if you're a services company?
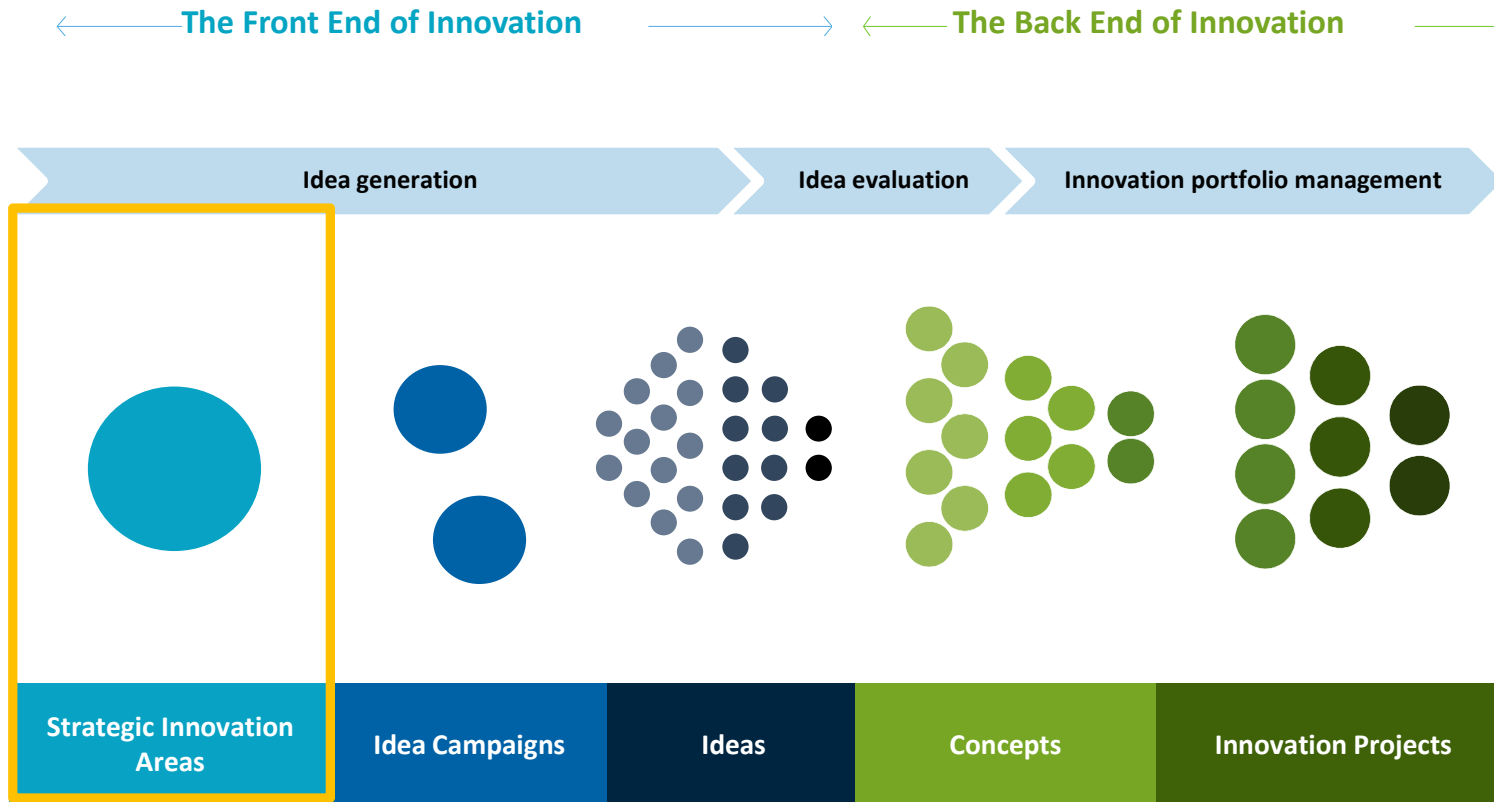
- Examples

- Starting points for service companies

- Fujitsu – IT Services Company

- UC San Diego – Higher Education

- GfK – Market Research

- Munich Re – School bus safety

- IT Services Company

- Delivers long term outsourcing solutions and specific IT projects

- A need to better understand the customers real business needs

- Put in place the 'Activ8' program to harness the collective insight of customers and Fujitsu employees

- Creating tailored solutions

UC San Diego

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- Large University with over 30k students, one of the top 15 research universities worldwide

- New strategic goals looking at the future of the University and a desire to be student centered

- Crowdsourcing used to solve business challenges addressing growth, pace of change, efficiency and distributed workforce

- Campaigns run on reducing admin, improving the recruitment process & engaging students on local, campus wide issues

- 5th Largest market research company in the world

- Changing competitive landscape, digitalization, established business shape is under threat

- A transformation is underway from 'solely being data collectors to being mediators of data sources'

- Using idea campaigns to find new business ideas that are then pitched to senior management for seed funding

- One of the world's leading reinsurers

- A market where differentiation is hard

- A new innovation team focused on developing new capabilities

- Initial campaign focused on engaging diverse, external stakeholder groups to help reduce injuries and fatalities involving school buses

- Solutions involve combing expertise from a range of internal and external groups

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- Setting the scene

- Why is innovation different if you're a services company?

- Examples

- Starting points for service companies

How can we move the culture forward?

- Organizations without product innovation in their DNA will respond differently to the innovation challenge

- May need to focus on working differently first

- Consider putting 'innovation' to one side, consider:

  'Collective Insight with Purpose'

- **Creation of new and differentiated capabilities**

- **Improving the efficiency of the organization**

HYPE Full lifecycle process – Idea Campaigns

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The Front End of Innovation   The Back End of Innovation

| Idea generation | Idea evaluation | Innovation portfolio management |

| Strategic Innovation Areas | Idea Campaigns | Ideas | Concepts | Innovation Projects |
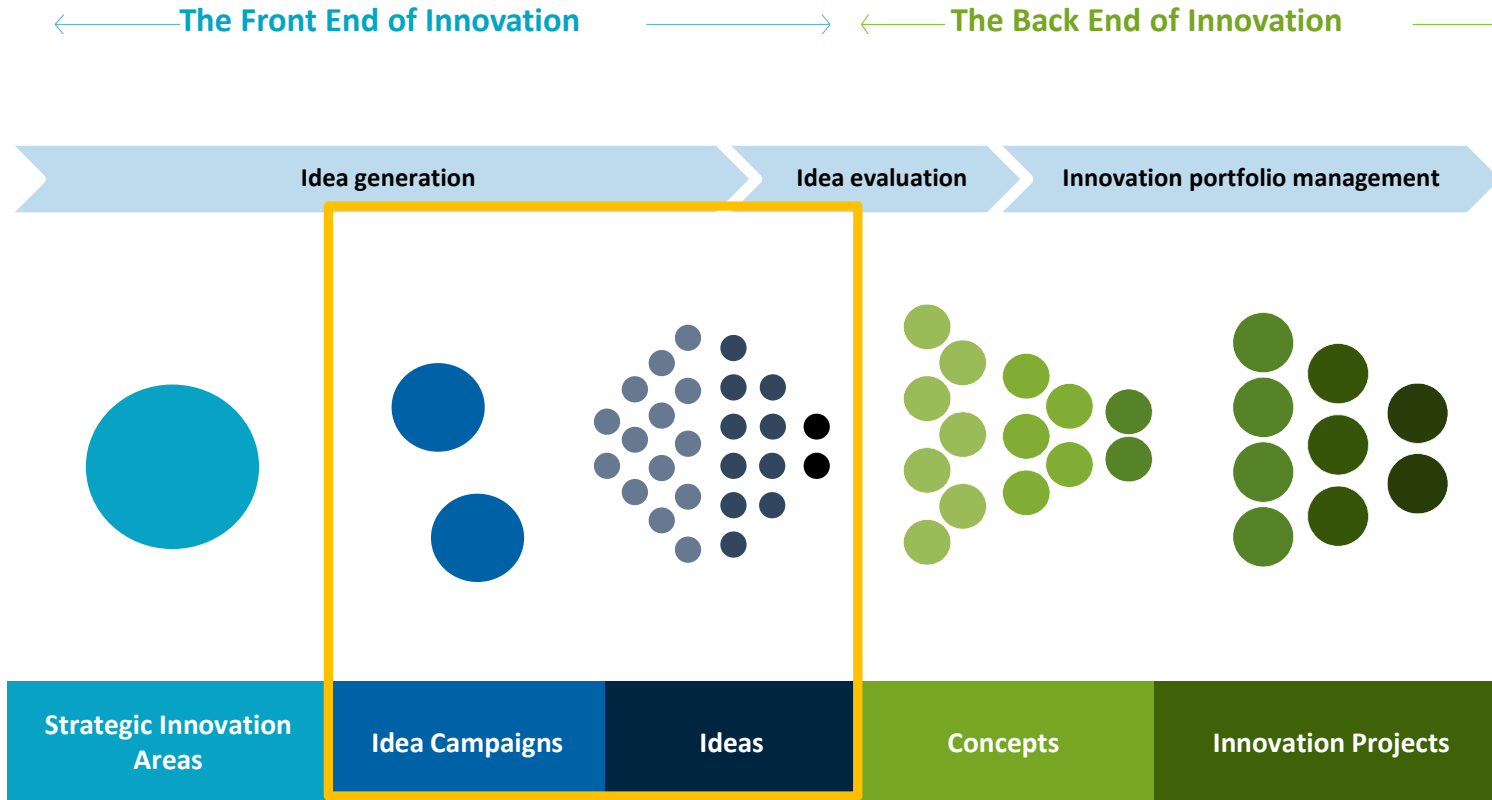
- May be used tactically to solve problems, increase efficiency or small improvements
- May be used strategically to generate new capabilities

HYPE Full lifecycle process - Concepts

The Front End of Innovation → ← The Back End of Innovation →

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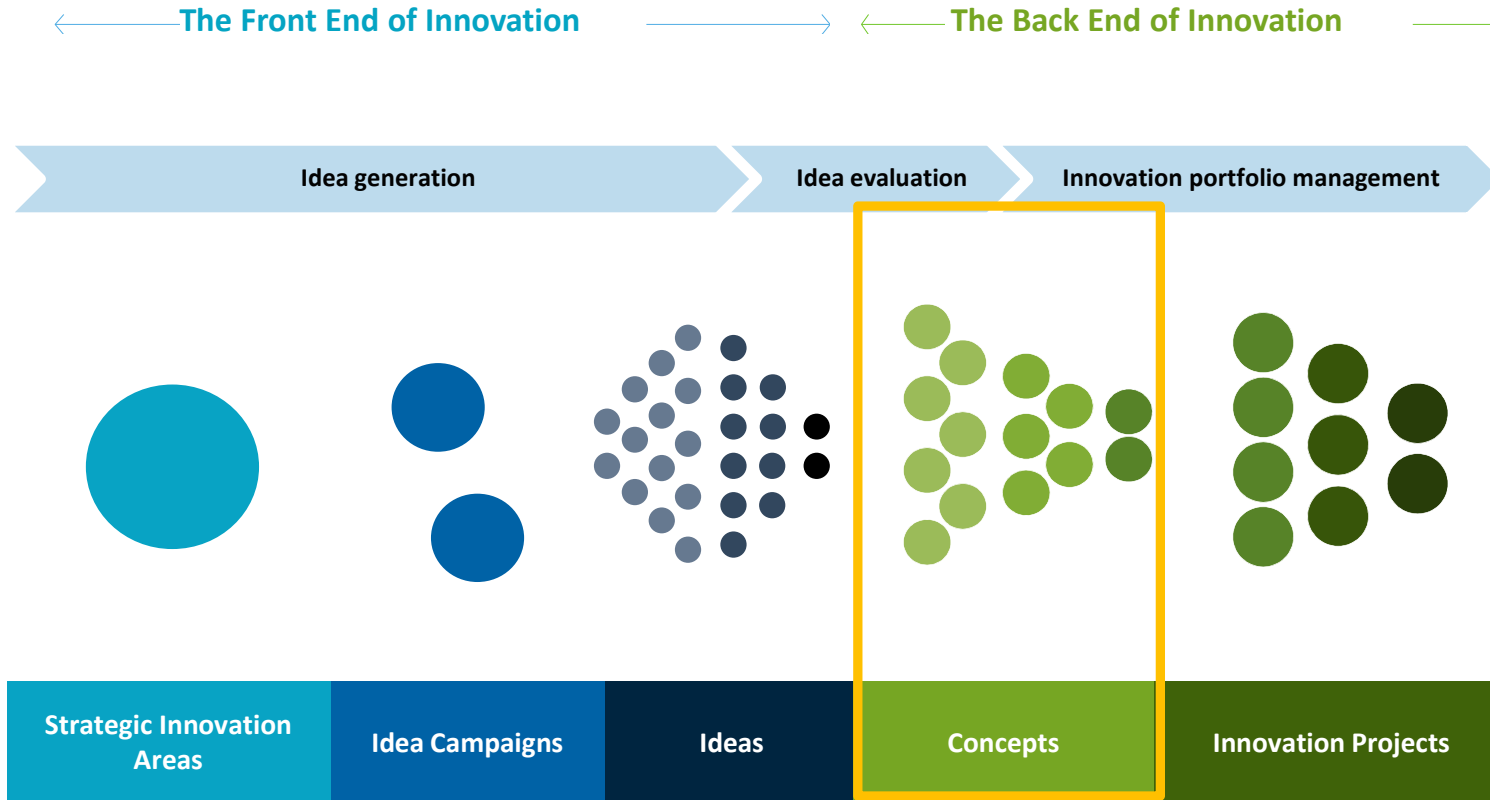
- Still useful if you need to build business cases, or justify investment
- The more options there are & the more resources and money is constrained, the more likely maintaining concepts in a system is useful

HYPE Full lifecycle process – Innovation Projects

The Front End of Innovation ← → ← **The Back End of Innovation** →

| Idea generation | Idea evaluation | Innovation portfolio management |

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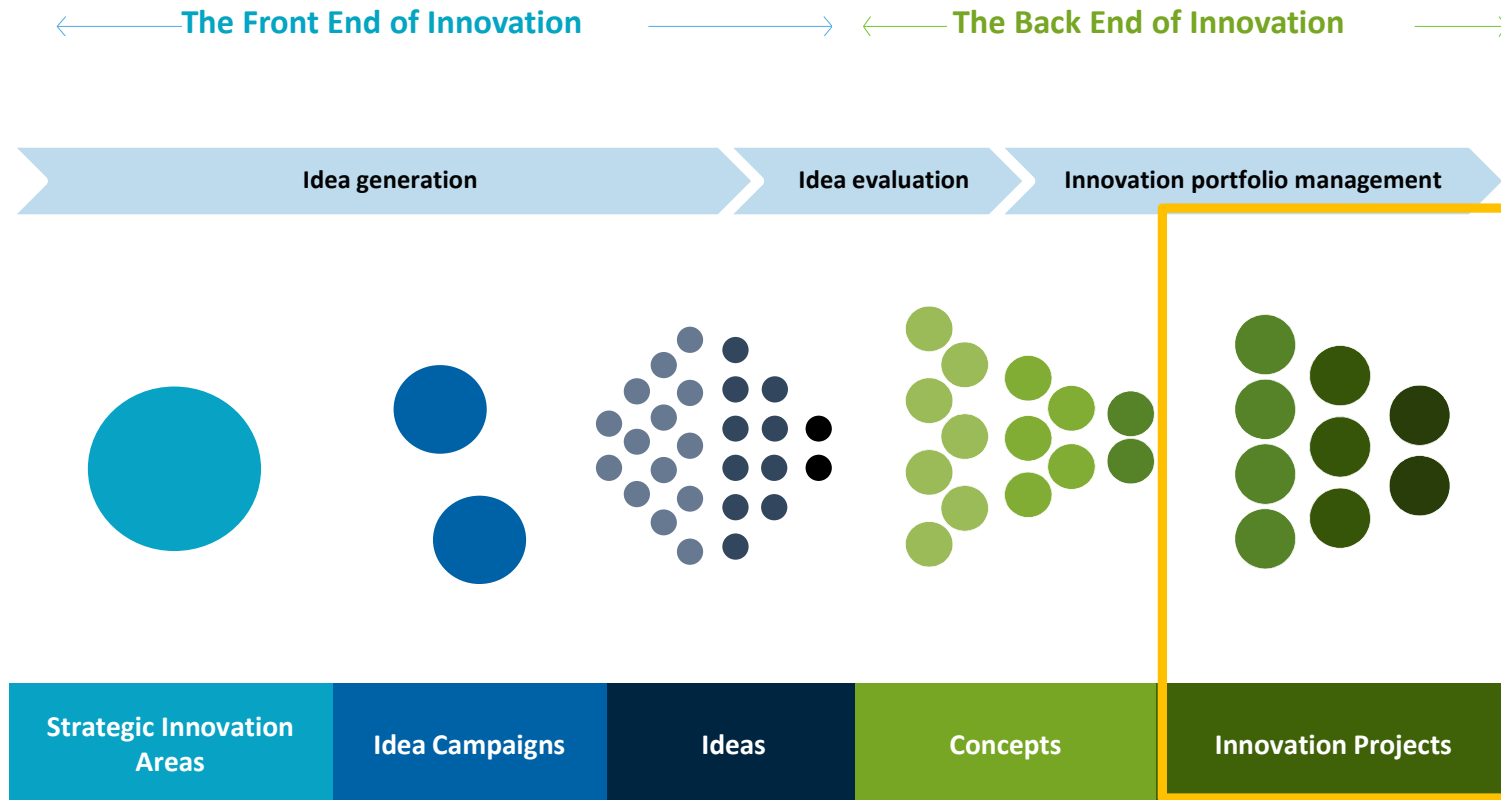
- Service companies also care about ROI, tracking implementation and benefits

Campaigns are the most commonly used process for Service Companies, lets consider the different campaign modes

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Creative	Diverse opinions collaborating to develop something that doesn't yet exist
Problem Solving	Using collective insight and diverse opinions to fix a known issue
Discovery	Finding hidden insights and expertise from the corners of our organization or 3rd parties
Testing	Testing a concept or idea with those likely to be impacted by its implementation
Feedback	Gather feedback on current activities, with the goal to refine and improve

Typical use case examples

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	Efficiency:	**Innovation:**
Creative	☑ Maximize profitability of a service or product ☑ ...	☑ New offerings and/or new markets ☑ ...
Problem Solving	☑ Cost saving ☑ ...	☑ Resolve blockers to new offerings ☑ ...
Discovery	☑ Best practice identification ☑ ...	☑ Find skills to develop something new ☑ ...
Testing	☑ Adoption of a new process ☑ ...	☑ Optimize offering before launch ☑ ...
Feedback	☑ Front-line worker insights ☑ ...	☑ Feedback on new capabilities ☑ ...

Full version of campaign mode examples available to HYPE clients on request

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- We need to get away from the concept that innovation = invention or the creation of things

- Innovation is just as important to a services company as a product company

- Pace of change is a big driver for doing things differently

- People are your greatest asset, they want to help make things better

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