



Customer Experience Ideation is not CX Innovation



Touch Points
SERVICE DESIGN PERSPECTIVES

WHAT IS IDEATION?

Let's clarify something right now: ideation is not Innovation.

My favourite advertisement of the last year was from IBM. You may have seen it. A guy opens a door at work to see about 30 colleagues lying on their back on the floor in the dark in a large meeting room. He asks them, "What are you guys doing?". One of them replies "Ideating." He replies, "ID what?". They tell him they are trying to innovate and when he asks how, respond that they haven't ideated that yet. He closes the door on them as he says "Good luck with that."

This sums up perfectly for me how many people feel about "ideation", the term we have more recently borrowed from America, to describe the process of generating ideas.

What is "ideation"? To quote from the Webster dictionary, ideation means: "The faculty or capacity of the mind for forming ideas; the exercise of this capacity; the act of the mind by which objects of sense are apprehended and retained as objects of thought."

I am not saying that the generation of ideas is a bad thing per se. Far from it. Some of the greatest achievements of man started with a simple but powerful idea. What I would argue is that the generation of ideas in isolation or without a structure is a misplaced use of a company's time and resources.



More recently, ideation has become confused with innovation in the minds of executives across corporate Australia. Why? I actually lay the blame at the foot of various types of agencies, from Creative to Brand Strategy, and even to some companies presenting themselves as Innovation experts. These companies offer to help their clients generate new ideas with the hope that new products, services and ways of doing things will develop out of this exercise.

Luke Williams, Creative Director of Frog Design in New York points out, “The most common failure of ideation sessions is not that they don’t generate ideas; it’s that they generate the wrong ideas.” And he is absolutely right.

THE WRONG WAY TO DO IT

Ideation is usually performed poorly by organisations, most sessions often employ “brainstorming” as a key technique. But brainstorming is a scatter-gun approach to ideation which, in most people’s experience, is rarely effective or productive. It was developed by the advertising industry over 70 years ago and is essentially still conducted the same way by individuals, teams, and organisations today.

You would hardly call that innovative – approaching problem solving the same way the advertising industry approached the generation of new ideas for advertising solutions back in the 1940’s. I know the Hills Hoist still holds a special and relevant place in a lot of Australians hearts and minds, but I’m not sure that are too many other ideas from that era that corporate Australia is still employing.

The generation of ideas across all aspects of business is a worthwhile and valuable process, but it is far more powerful and valuable as part of a systematic framework that is about creating and growing greater value for stakeholders.

INNOVATION AS INSIGHT + PRODUCTION

So if ideation is not innovation, what do we really mean by innovation? Well, there are many points of view and definitions, however the best I've found in my reading over the past few years was from Dan Sutch of Futurelab, when he defined innovation as "the successful exploitation of ideas generated at the intersection of invention and insight, which leads to the creation of social or economic value."

When I present this in public forums, the first thing it draws attention to is that Innovation is not a simple thing to define. In fact, as this definition highlights, a combination of elements need to be united to bring about the innovation (and success) that companies are looking for.

What I really like is the strong connection it makes between creating outcomes of social or economic value with the need for both insight and an ability to actually produce or invent something new. On their own, neither will get you anywhere.

As a true-life (and rather cautionary) example, let me take you back to early 2000 when I became interested in the success of Jamba Juice in the United States. Here was a good innovative product that had a great business model, great processes and a strong brand and culture, delivering at that time to over 100 Juice Bar outlets across America, and growing strongly.

The marketer in me instantly picked up on the point of difference they were offering with their wheatgrass shots or boosts and I was the first to apply to register "Boost Juice" in Australia. It was a no-brainer for me to become rich and successful. So why didn't I?

It was a great opportunity, there was no doubt. However I didn't have the experience at the time to combine a great idea and the right consumer and market insights, with a systematic process to develop the business successfully.

That credit goes solely to Janine Allis who picked up the name and went on to create a phenomenal success with Boost Juice all across Australia and internationally. She was the one with the right combination of invention and insight to create real social and economic value. (And given what I know of her, could have done it with just about any brand name she chose.)

ELEMENTS OF SUCCESS

So I speak with some real life experience that having a great idea does not equate to realising a great innovation. Which leads to the question “What are the right combination of assets to create real economic and social value?”

In our study of the world’s most innovative and successful companies we have found the following elements to be strongly represented and integrated into their very fibre:

- 👤 *Clear alignment of all innovation programs to corporate strategy.* As both a process and valuable management discipline, it’s clear that innovation has to be endorsed by the CEO and the senior leadership team. It may not always start with the CEO but to be truly embedded it must finish there.
- 👤 *A culture and environment that supports innovative thinking.* There are those like Apple who just have it in their DNA and ascribe to Steve Jobs’ view that “Innovation has nothing to do with how many R&D dollars you have. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. It’s not about money. It’s about the people you have, how you’re led, and how much you get it.”

Others prefer to follow the systematic approach of Whirlpool who instituted a company-wide training program to develop and distribute the mind-set and skills of innovation, and also appointed 600 part-time “innovation mentors” and 25 full-time “innovation consultants” to advise new project development teams globally.

- ④ *The ability to challenge the orthodox thinking that pervades most organisations.* Have you ever asked yourself where the greatest level of homogeneity resides in an organisation and then followed that up with the question where are most of the important decisions made? Is it any wonder that a lot of companies aren't coming up with breakthrough innovation? We agree with Allan Scott Page of the California Institute of Technology who says that, "Innovation depends as much on collective difference as on aggregate ability". *Viva la difference.* Importantly, it requires the confidence to use creativity to break down those orthodoxy's and reframe the opportunity areas to establish a much larger one than originally existed or was envisaged.
- ④ *Using co-creation to assist in the development of innovation.* One great example of this is Timex who, as part of its 150th Anniversary celebration conducted a global design competition to explore personal and portable timekeeping 150 years into the future. To demonstrate an ongoing commitment to design and innovation they sourced contributions from designers in more than 72 countries who submitted 640 entries.
- ④ *Using partnering and external innovation sourcing to complement internal resources.* After a challenge from their CEO in 2001 to source half their innovation from outside the company, Proctor & Gamble have expanded their internal R&D department from 7,500 people to a virtual R&D department that uses 1.5 million high quality people outside of P&G to work with and build their innovation pipeline.
- ④ *An ability to systematically capture ideas and then develop them using a project selection methodology.* Shell has implemented Game Changer, a process that solicits and funds breakthrough ideas from across its entire global enterprise. In Shell's case, once the idea is submitted, it completely bypasses the organisational hierarchy to a special purpose committee that determines within a week if they receive funding to further develop the idea.

- ④ *A defined process that uses rapid prototyping to speed up a rigorous approach.* Recognise that there are three important elements to any successful innovation process. First it must respect and nurture the open-ended nature of creativity. Second it also respects and leverages the practical nature of business analysis and lastly and equally importantly, it is a cycle. Innovation requires iteration.
- ④ *Giving innovation metrics an equal weighting to other key financial metrics.* BCG recently found that 63% of Executives had less than five innovation metrics as part of their KPIs. My guess is that the same result of 63% might well have been found by asking, “Do you have any innovation metrics as part of your KPIs?”

As you can see, the notion that ideation is the same thing as innovation couldn't be further from the truth. Innovation requires a systematic approach, using both the application of creativity and commercial rigour to create real value for organisations.

But if you still believe that ideation is the basis of growth for your organisation, then as the guy at the end of the IBM ad says: “Good luck with that!”





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