

# WHITEPAPER: HOW ANY ORGANISATION CAN DRIVE CULTURE AND DESIGN SYSTEMS TO PURSUE PRACTICAL AND CONTINUOUS INNOVATION

## INTRODUCTION

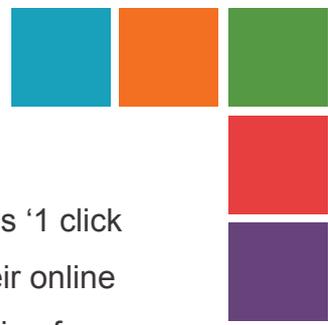
In board meetings, at trade shows and conferences, and across professional social networks: over the past few years the word ‘innovation’ has been a major topic on the managerial agenda.

But what exactly is innovation? And how can it benefit your business?

The easiest way of understanding innovation in a business context is with the following definition: “Staying competitive in existing markets or entering fresh markets by doing things (and thinking about things) in ways which are new to your organisation.”

A common misconception surrounding innovation is that for a company to be considered innovative, they have to create a sleek new product, with a trendy name and a disruptive business model. While trendy new inventions can certainly be considered innovative, this is a very impractical way of looking at innovation for most organisations.

If innovation can be considered the act of doing things or thinking about things in ways which are new to an organisation (to create value), then by that definition, one company’s innovation is another company’s ‘keeping on the lights’. No one company can do or achieve everything in this world (one of the reasons why collaboration is so important) and that’s perfectly fine. What that does mean however, is that certain companies have gained knowledge and have optimised ways of doing things that other companies aren’t at all familiar with.



For example, if a small flower store happens upon a technology solution such as ‘1 click ordering’ for the online portion of their store, thereby dramatically increasing their online orders, that can be considered not only a lucrative decision, but also an innovation for that company. The fact that Amazon has supported ‘1 click orders’ for years does not impact the fact that the flower store thought about a process (the customer ordering journey in this case) in a new way (“what readily available technologies can we use to improve our customer ordering journey?”), which resulted in a competitive outcome for the business.

Now, obviously all innovations aren’t quite that simple. Many businesses are operating with structural, procedural and managerial layers orders of magnitude more complex than in the flower shop example, and the larger the organisation the more difficult it can become to instigate meaningful innovations.

This whitepaper will provide an insight into the different elements of modern innovation fostering, including the various factors determining the capability of organisations to innovate internally; the differences between frontend and backend innovation; and a focus on the relatively new ‘open’ innovation methods (including the advantages of utilizing sandboxes in the frontend innovation process as well as collaborating with external bodies).

The focus of this paper will be on innovation fostering activities which primarily involve stakeholders who are already involved in an organisation’s activity sphere. While the contracting of innovation consultants and the acquisition of innovative startups remain viable strategies for companies looking to innovate, this paper examines how investing in internal culture and practices can lead to a more sustainable and continuous delivery of innovations, following the belief that the people best equipped to explore new innovations for your organisation, are those already engaged with your brand: your employees, partners and customers.

# FACTORS THAT DETERMINE AN ORGANISATION'S INTERNAL INNOVATION FOSTERING CAPABILITIES.

When assessing an organisation's capability to foster innovation internally, there are several factors to take into consideration, which can be split into six aspects, across two groupings: i) the easily-quantified structural-focused group (comprised of resources, processes, and measuring success) and the less quantifiable people-focused group (values, behavior, and climate). It is important to note that it is rare that any of the aspects will manifest in isolation. Instead, a degree of overlap exists between these six ingredients which lead to a successful innovation fostering culture.

**(A) RESOURCES:** Resources in this context can be defined as the capital required to foster innovation effectively inside an organisation. The three most important resources to consider are tools, budget, and people. Tools refers to the technology available to stakeholders which aid in the various processes of innovation processes. This includes, but is not limited to, research tools and collaboration tools. Budget refers to the monetary resources made available to projects taking place in the innovation fostering activity sphere. People are by far the most important resource when discussing innovation. It is extremely important to maximize buy-in from employees in all activities relating to innovation fostering. A popular strategy to facilitate this is the implementation of 'innovation champions', individuals who take extraordinary interest in the adaptation, implementation, and success of innovative projects. The 'entrepreneur in residence' (generally someone who has extensive experience with delivering innovative solutions, in the face of limited resource accessibility, for example through a startup or grassroots movement), can be a valuable hire for any organisation looking to strengthen innovation fostering efforts through the implementation of 'innovation champions'.

**SUCCESS STORY:** Over the past decade, starting in 2010, Procter & Gamble, the multinational consumer goods company, has doubled division (Tide – their largest fabric and household care division) revenue from \$12billion to almost 24\$billion, thanks to their commitment to fostering innovation, commencing at a time when market growth was slowing. A strong component of P&G's innovation strategy was the allocation of

substantial resources towards laying the foundations for a strong innovation fostering system. The company spends almost 2\$billion dollars annually on R&D (Research & Development), along with another 400\$million on foundational customer research (focused on uncovering opportunities for innovation). Financial resource allocation is only a part of the puzzle when analyzing P&G's success with its innovation fostering activities. In 2004, John Leikhim and David Goulait, who had been at the company for 30 years, were appointed as innovation champions, tasked with designing a new growth factory based on Clayton Christensen's 'disruptive innovation theory'. One of the major focuses of Leikhim and Goulait's activities was on shaking up established and embedded ways of thinking across the organisation, encouraging people to focus on creative problem solving and opportunity identification. Aside from workshops, seminars, process restructuring and the creation of business-guides, innovation stakeholders were provided tools which allowed for the tracking of an innovation project progression throughout its lifecycle. From 2000 – 2013, P&G increased the amount of innovations which met profit and revenue targets from 15% to over 50%. [1]

**(B) PROCESSES:** Processes are the routes which innovations follow as they are developed from the initial conception to the final deliverable, as well as the structures which dictate the types of innovation fostering activities which will take place in an organisation. In backend innovation, stage-gate or path style processes (generally aimed at specific innovation development teams) are currently regarded as the most efficient way of repeating innovative success across your organisation. However, in frontend innovation, more open democratized methods of generating and evaluating ideas are gaining traction. Sometimes referred to as sandboxes (we'll touch on this concept further in the paper), these open non-linear processes provide the opportunity for large amounts of users to collaborate on concepts and projects.

**SUCCESS STORY:** Portugal Telecom (PT), a company with a history of delivering innovative products and services (they offered the world's first pre-paid mobile phone service in 1995), launched the 'PT Open Programme' in 2009, an initiative which aimed to focus all innovation fostering activities in the company through structured processes. The leadership's goal was to tap into the collective knowledge of the company and harness that value by focusing efforts through a series of processes and tools. Firstly, PT broke their innovation fostering activities into three sections: i) exploratory innovations (long term projects with the highest associated risk, they would

often be focused on introducing structural reform in different areas of the company), ii) planned innovations (medium term projects, often focused on new services and business development), and iii) incremental innovations (smaller low-risk innovations focused on gradual improvements to existing solutions). The company also licensed technologies allowing employees to submit and vote on each other's ideas, creating what they called its 'idea marketplace'. As of 2013, Portugal Telecom has reported annual financial benefits, from its idea market alone, of approximately €30million. Aside from strictly financial benefits, a report in 2012, found that 84% of employees felt aligned with PT's strategy, primarily due to the engagement with innovation schemes across the company. [2]

**(C) MEASURING SUCCESS:** Measuring success when dealing with innovations can be a difficult undertaking. Traditional KPIs can fall short of highlighting the value generated from new innovations, often due to the long term perspective stakeholders are advised to take when dealing with innovations. However, it is still necessary to demonstrate both a return on investment as well as tracking and improving of best practices for specific projects and innovation campaigns as a whole. For backend innovation (including development and execution), a prudent strategy can be to break down the innovation process into two primary stages, which commence following the exit from the frontend process: i) short term deliverables and ii) near-term development. The advantages of adopting such a strategy are threefold:

- I. Motivation towards the projects is maintained due to an ongoing flow of near term successes
- II. When changes to the overall innovation strategy or processes are made, the overall cost and disruptive impact on on-going projects is minimized
- III. A shorter learning cycle is actualized, allowing improvements to processes and measurement techniques to be made on a more iterative, continuous basis.

**SUCCESS STORY:** Due to huge advances in communication methods due to the advent of the internet (and along with it email and instant messaging applications), in the early 90s, Royal Mail became aware of the need for real innovation. Traditional postal communication methods (specifically letters) were under threat of being substituted and displaced in the coming years,

and so from 1994 onwards, Royal Mail began experimenting with various methods of introducing innovation fostering in their organisation, including an 'innovation and futures' team whose job it was to challenge the status quo in the company, as well as an Innovation Lab, based out of Rugby, England. These initiatives laid the foundations for future innovation strategies and provided the organisation with valuable learning experiences. During the first 18 months of operations, the Innovation Lab brought in over 8,000 visitors (4 times the target) and generated over 1.25 million ideas. However, there were some issues. Although Royal Mail has allocated a 3 million pound innovation fund to help with the development of ideas, leadership recognized a misalignment between the current metrics system (ideas generated and innovation lab visits) and business objectives. Following the launch of a new innovation lab as well as an innovation audit (an internal examination of the company's innovation culture), Royal Mail shifted their measurement focus from the amount of ideas generated to value focused metrics - specifically the amount of success stories and new products/services delivered from innovation practices. Although the company's [and indeed the global understanding of] innovation metrics has evolved in the years since then, the company has continued with their 'innovation audits' on a yearly basis, which coupled with modern innovation metrics systems has allowed Royal Mail to develop an 'Innovation Index', providing senior decision makers with a holistic view of the company's innovation efforts, and the value that is being generated. [3]

**(D) VALUES:** The importance of an organisation's values when assessing their innovation fostering capabilities can be not be overstated. Of the three aspects of the people-focused group (values, behaviors, and climate), the behaviors and climate can be viewed as direct results of the organization's values. While measurement of success is necessary to figure out what innovations and processes are working, without the right values creating buy-in and engagement with innovation practices from stakeholders is likely to be an uphill battle. Instilling a spirit of intrapreneurship, promoting creativity, and encouraging continuous learning should be priority one for any organisation looking to fostering innovation internally.

**SUCCESS STORY:** Following a series of missteps in 2003, including a strategy of building as large a product catalogue as possible rather than a more focused approach on highly

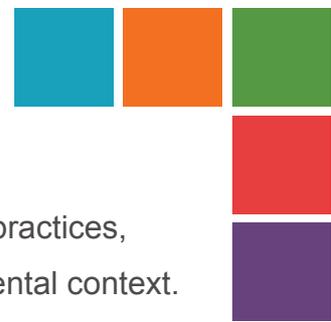
profitable products, Lego was close to insolvency. They had seen success in the past from innovation efforts, including the move in 1946 from wooden blocks to plastic (via injection-molding machines) and again in the 60s and 70s, when their product line was expanded from bricks to include the iconic yellow-figurines known as 'minifigs'. From 1978 to 1993, revenue grew from \$142million to \$1.2billion, largely thanks to their innovation efforts. However, by 2003, with the company in dire straits, Lego realized that there was some major problems with their innovation fostering and management. A large part of this was due to cultural values – there was a large cultural gap between the primarily white males in isolated Billund, Denmark and their target market. To rectify this problem, Lego began to promote specific cultural values, with the goal of energizing creativity and turning innovation into a more open, organic process. The four core values which Lego instilled across its organization were all focused around diversity: diversity through hiring; diversity in technical expertise; diversity in community engagement; and diversity in customer relations. The evangelism of these new values has completely transformed Lego in recent years, leading to innovations such as 'Master Builders', the the 'Lego Ideas' crowdsourcing platform, the introduction of highly-profitable product lines such as Lego Friends, and success in the digital realm with game such as 'Life of George' and 'Lego Star Wars'. In 2013, Lego's revenue was reported at \$4.7billion. [4] [5]

**(E) BEHAVIORS:** Behaviors, in this context, are the way people act when involved in any activities relating to innovation, and are a direct result of an organisation's innovation values. To cultivate a successful innovation culture, ideal behaviors include, but are not limited to the following:

1. The cutting of red tape by leaders to help potential innovations avoid falling victim to slow moving internal processes which were not developed with innovation in mind
2. Leaders allowing new products and processes to replace older ones at a faster rate
3. Listening to customers by all relevant stakeholders (introducing tools and platforms which allow even traditionally non customer-facing employees to engage with and listen customers and listen to customers is a useful strategy e.g. Intercom)
4. Frequent leadership sessions which provide employees with a holistic view of the organisation's vision for the future

**SUCCESS STORY:** In January 2011, Caterpillar Inc. (the world's leading manufacturer of construction and mining equipment) were working on a diesel-electric hybrid excavator, a product that the company's leadership had been pushing for some time. The project was nearing the point of no-return with production scaling set to begin within a period of a few months. However, when Ken Gray, who at the time was the company's Global Product Manager for large hydraulic excavators (now Caterpillar's Corporate Director of Innovation), began presenting the machine to potential customers (including a pivotal meeting with a group of hybrid excavator users in Akashi, Japan), he found that there was significant resistance and skepticism regarding the machine Caterpillar planned to bring to the market. Issues with machine included significant upfront costs (and therefore long payback periods) and perceived reliability/performance shortfalls due to the focus on sustainability. Ken knew that at this point in the development cycle, the company leadership's most likely course of action would be to push ahead with the launch of the machine, perhaps with some minor tweaks.

However, he didn't believe this was the best course of action, instead quietly authorizing the formation of a 'shadow team', who would work in secret on an old prototype machine (codenamed Medusa due to its appearance during development – various different components were strapped to the outside of the machine) in a workhouse by the Illinois river. While he couldn't source a budget for the project, due to its nature, the team were afforded several freedoms, including the ability to work outside of standard processes and without the red tape which is inherent in an organisation of Caterpillar's size. Ken's decision to champion this alternative machine's development and provide a team with his trust and the freedom to operate rapidly and iteratively without corporate oversight, led to massive success for the organization. The medusa consumed 25% less fuel and was 50%-75% more efficient than traditional diesel excavators, with no impact on performance. As development on the prototype continued and the machine began to be shown to various senior decision makers in the company, excitement for the project grew, without leadership eventually deciding to bring this solution to market instead of the previous machine. The hydraulic hybrid excavator, the result of this passionate teams innovative efforts, now amounts to nearly 1/3 of large excavators' sales and outperforms competitors by over 50%. [6] [7]



**(F) CLIMATE:** The climate can be seen as the sum total of a company's innovation practices, values and behaviors across the culture spectrum, manifested in an environmental context. A strong innovation climate (born from the other 5 building blocks of an innovative culture) resonates across an organisation, further encouraging innovative values and behaviors. The more this climate resonates with employees and other stakeholders, the more likely it is that things like independent thinking, cross-departmental collaboration, and iterative experimentation will actualize throughout the organisation.

**SUCCESS STORY:** Google is regarded as many as one of the most innovative companies in the world. Originally just an internet search engine, the multination tech company (whose parent company Alphabet is now the most valuable companies in the world), had ventured outside its comfort zone time and time again. Real-time collaboration tools, mobile operating systems and even self-driving cars are just some of the fantastic products and projects which Google has delivered in recent years. This is no accident. Since the conception of the company, leadership has put tremendous efforts towards fostering an innovative culture. Today the values and behaviors of the original founding team have permutated across the ~55,000 employees working for the tech giant. This has manifested into an industry leading innovation climate, as evident by such initiatives such as Google Cafes, direct emails to any of the company's leaders, and of course the Google 20% Projects (which allowed engineers to spend 20% of their time each week to work on any project they had interest in). This climate not only led to some of Google's most notable product and service innovations, but also stemmed internal procedural innovations such as those listed above, which in turn added further value to the innovation climate. An example of this is the development of Google Moderator (an internal innovation management tool) which was born of the Google 20% Project initiative. [8]

# FRONTEND INNOVATION VS BACKEND INNOVATION.

There are two universally accepted sides to the activity-sphere surrounding the fostering of innovation: 'Frontend Innovation' & 'Backend Innovation (BEI)'.

## FRONTEND INNOVATION

Frontend Innovation (often referred to as the 'Fuzzy Frontend' due to the seemingly uncontrollable nature of which valuable innovations are born) refers to the starting point of any potential innovation, where opportunities are identified and concepts are cultivated prior to entering the formal development process. Technically speaking, the five key generic steps which take place in the frontend side of innovation fostering are non-sequential due to:

- I) Projects at this stage often feed through different steps multiple times as new information, perspectives and insights become available
- II) Depending on the type of project (problem solving vs capitalizing on an opportunity, product vs business model etc....) and the current resources available to an organization, the step which acts as a starting point may vary

These five steps are defined as follows:

- **PRELIMINARY ANALYSIS:** A broad surveying of high-level market, technology, and industry trends
- **DEMAND REFINEMENT:** Customer focused activities such as customer discovery (including customer interviews and collaborative efforts)
- **TRANSLATIONAL RESEARCH:** Activities relating to honing in broader concepts into more focused scenarios and demonstrating initial proofs of concept. This includes the continued research into relevant areas and the building of prototypes
- **TECHNICAL DISCOVERY + DEVELOPMENT:** A continuation (initial application) of 'Transitional Research'. This step includes locating potential early stage technologies + solutions, and the testing of MVPs.
- **PORTFOLIO ANALYSIS & TRIAGE:** An analysis of potential innovations. The goal is to both prioritize and increase stakeholder understanding [of] these concepts before they enter the formal development process (via the BEI).



## BACKEND INNOVATION

If the frontend side of innovation fostering is 'fuzzy', then the BEI can be referred to as the 'Messy Backend' (due to the fact that without an extremely well thought out pipeline, it can be difficult to ensure innovations are developed and delivered in a timely and cost-efficient manner) which deals with taking the best concepts, generated in the frontend, and executing on them, through a series of testing, development, and implementation processes.

The importance of a well-structured innovation frontend becomes evident at this stage, as no organisation has the resources required to trial all [or even all business aligned] concepts at a backend development level. The best frontend management platforms give decision makers access to an easily accessible holistic view of all potential innovations, and any supporting information. This presents these individuals with the necessary data and context to decide which innovations are worth pursuing into the BEI stage.

As mentioned in 'measuring success' (one of the six aspects which are analyzed to assess an organization's innovation fostering capabilities), these BEI processes should be focused around 'short term deliverables' and 'near term development', the benefits of which are touched on in that section of this paper. Depending on the type of innovation being executed upon, these processes can be designed based on principles (or indeed hybrids of multiple principles) stemming from a number of different methodologies, which include, but are not limited to:

- **PROJECT PORTFOLIO** (PMI, Prince2, Virtual Chain etc....)
- **SOFTWARE DEVELOPMENT** (Agile, SCRUM, XP, CoDev etc....)
- **PRODUCT DEVELOPMENT** (PDMA, NPD, PDM/PLM etc....)
- **LEAN MANUFACTURING & PROCESS IMPROVEMENT** (SixSigma, Lean, PDCA, Kanban etc....)

The common thread across these methodologies is the focus on short term deliverables and ease of measurement, with the goal of decreasing risk and ensuring innovation-market fit is as optimized as possible before launch.

# DEMOCRATIZED INNOVATION.

The need for involving larger numbers of stakeholders in innovation fostering activities has become abundantly clear in recent years as organisations have recognized the value of highly diversified input. This concept of 'democratized innovation', where individuals from all across an organisation's power (decision making) spectrum, and even those outside, can come to together to help shape future innovations, has many benefits over traditional controlled innovation focused activities.

In this paper, we will focusing on two main methodologies of democratic innovation fostering: 'Internal Innovation Crowdsourcing' and 'Open Innovation', as well as a brief analysis of the relatively new concept 'Innovation Sandboxes'.

## **I) INTERNAL INNOVATION CROWDSOURCING**

Traditionally, the term crowdsourcing has been referred to as the sourcing of knowledge, finance or other assets from a large crowd of individuals, mostly commonly from the general public. Platforms such as Kickstarter and Indiegogo have enabled smaller, less established teams to raise funds and validate their innovations with minimal prior interaction with institutional bodies. However, this term also holds context for larger organisations. By harnessing the power of crowdsourcing and focusing inwards, organisations are capable of extracting valuable ideas and insights from their entire employee base, gaining a greater level of understanding of a potential innovation and the context it exists in. Some examples of internal innovation crowdsourcing in practice are i) the running of internal hackathon style events, where employees are invited to participate in 24-72 hour long events in centralised locations, forming teams and working outside the rules of normal operations to build and pitch prototype concepts for potential new innovations, and ii) the use of idea-challenge software, where specific organizational challenges are posted, on a digital portal, which any employee can attempt to solve regardless of their position in the company.

**SUCCESS STORY:** Recognizing that no one employee in a large organization has all the answers to a particular problem, in 2007 Facebook began the first of its internal Hackathon events. Championed by Pedram Keyani, who was Facebook's Director of Engineering at the time, these events initially began with just 20 employees but today the average hackathon in the company involves hundreds of individuals. While these hackathons take an unstructured approach in terms of rules, participants are incentivized to work on projects not related to their day-to-day jobs, encouraging employees to think outside the box and further reinforcing the importance of taking a holistic approach to problem solving and innovation. At the end of each hackathon, teams are given a 2 minute 'elevator' style pitch where they can present their solution prototype to other participants and senior staff members from across the organisation. To date, some of Facebook's most notable features have originated from these hackathons, including the LIKE button, Facebook Chat, and the Timeline. [9]

While these methods have been successfully utilized by companies to drive innovation fostering efforts, there are several shortcomings in the formats. Hackathons require employees to give up long periods of time, outside of normal working hours, to take part in hackathons, increasing barriers to entry. Furthermore, because of the nature of these events, where physical presence is required to participate, the potential value which could be generated by individuals from other locations (particularly notable in the case of multinational organisations) is effectively lost. In the case of idea-challenge software, barriers to entry also remain high as individuals are tasked with solving entire problems by themselves, requiring a significant time investment. Furthermore, perspective and insight can be limited due to the lack of collaborative problem solving.

## **ID OPEN INNOVATION**

Open Innovation is a paradigm which suggests that organisations can and should use external ideas as well as internal ideas, and explore external paths to market as well as internal ones. In effect, it is the act of co-creating with external stakeholders (customers, community and partners) to help facilitate innovation fostering activities. There are several practices which fall under 'Open Innovation' which include but are not limited to:



- Crowdsourcing ideas from the public via idea competitions
- Working with startups who can provide novel and innovative technologies
- Leveraging research through collaborative efforts with academic institutions
- Involving the customer in the frontend side of the innovation cycle

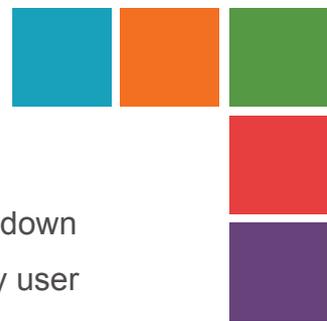
There are several strategic advantages to such activities including research cost reduction, risk reduction due to pre-validation with the customer, increased innovation-market fit, strengthened customer relations, PR benefits and community engagement, and the potential for access to readily available customers with whom pilot programs can be run.

**SUCCESS STORY:** In 2015, BankMobile, a division of Customers Bank, launched ‘BYOB – Build Your Own Bank’, an open innovation idea contest, aimed at utilizing fresh user-focused perspectives to help set the company’s course for the near, medium, and long-term future. Several high value ideas were generated, including the contest winner ‘Beyond Banking’ from contestant Stephanie Hallgarth, whose solution proposed that an individual’s personal schedule should be directly linked to the contents of their bank account. Aside from the collection of unique solutions for the bank, the company also benefited from a high level of customer insights which were generated as a result of the contest. [10]

### III) INNOVATION SANDBOXES

The ‘Innovation Sandbox’ is a relatively new principle, attempting to combine the best of both internal crowdsourcing and open innovation, add further value for organisations, and avoid some of the pitfalls associated with those methods.

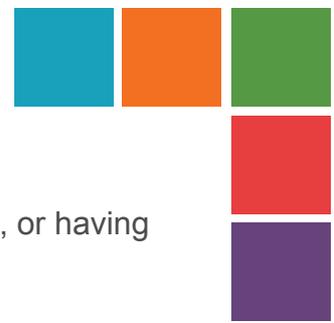
An Innovation Sandbox can be defined as ‘A digital environment and toolset which enables large groups of stakeholders to act autonomously and without hierarchy in the building of innovative concepts and solutions’. The main purpose of an innovation sandbox is to allow individuals to collaborate collectively in real time in the act of problem solving, opportunity identification and concept building without the communicative and logistical barriers which emerge in larger organisations, a result of structural considerations such as siloed departments,



lack of access to relevant decision makers, and the ability for individuals lower down the power spectrum to have their voice heard. Social mechanics and high quality user interfaces (such as those seen on public social networking platforms i.e. Facebook and Twitter) are deployed to increase participation rates and ensure that stakeholders are sufficiently engaged with the collaborative efforts.

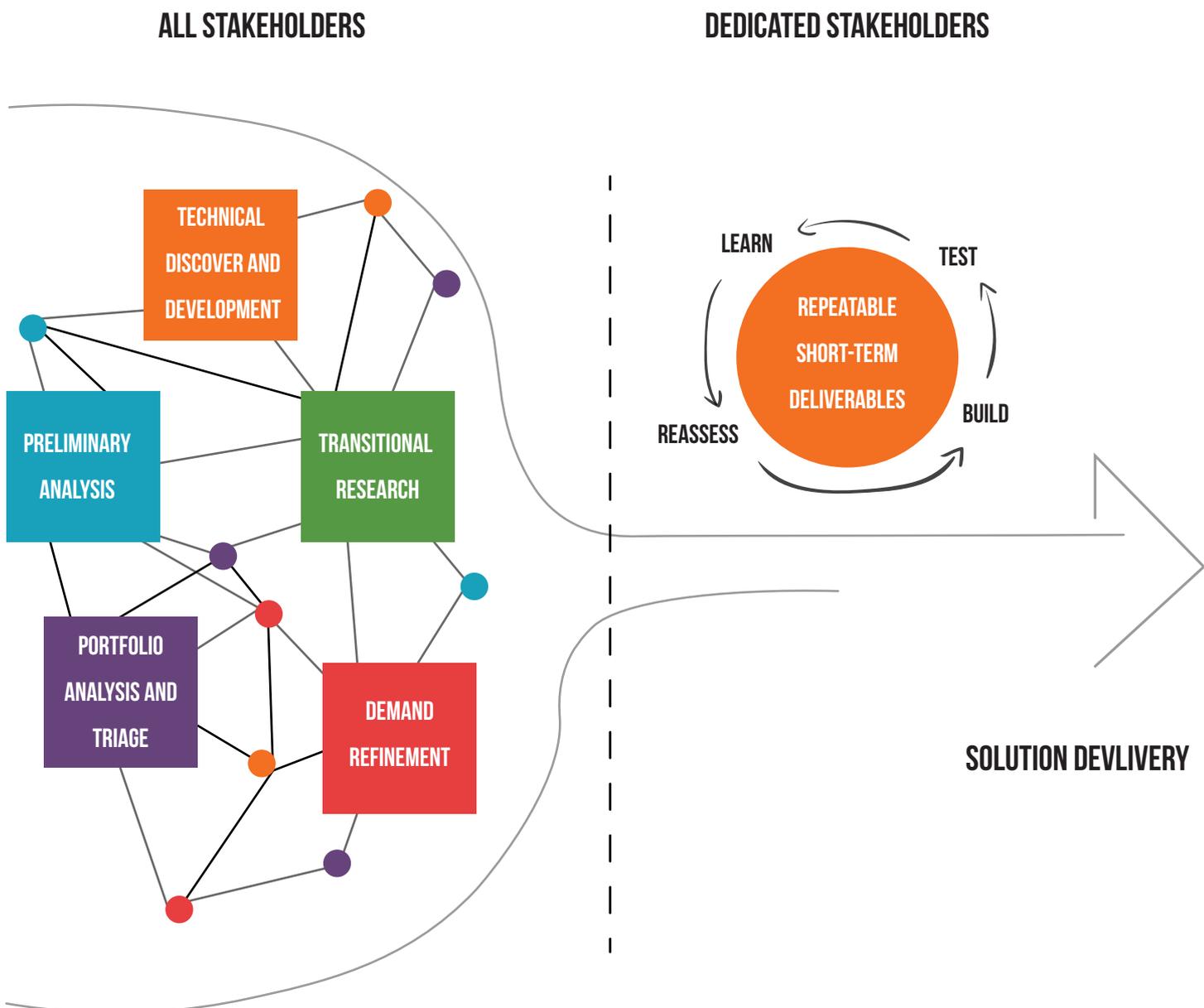
Some of the key components which can help facilitate social innovation fostering via these sandbox platforms include but are not limited to:

- **MICRO-CONTRIBUTIONS:** Unlike with traditional idea-challenge software, innovation sandboxes introduce the concept of 'micro-contributions' allowing users to submit ideas at a scale they are comfortable with. Removing the need for users to solve entire challenges by themselves barriers to entry are lowered, increasing participation and engagement rates
- **IDEA RECYCLING:** As mentioned previously in this paper, no idea exists in isolation. The value of a particular idea may not be in the original project or concept it was intended for. By introducing the concept of 'idea recycling' stakeholders can experiment with different combinations of ideas and solutions in different contexts, increasing the rate of potential successful innovations
- **AUTONOMOUS WORKFLOWS:** Innovation sandboxes are built to support the development of innovative concepts and solutions without the need for dedicated project managers or owners. Once a campaign has been set, with the help of backend algorithms users can develop concepts without constant interjection by managerial practices, decreasing developmental friction. This also decreases the resource cost needed to facilitate the frontend innovation processes.
- **BOTTOM UP INNOVATION:** Innovation Sandboxes enable bottom-up innovation, that is, the ability for concepts and solutions to form at level in the organisation. This provides senior decision makers with a holistic survey of innovative capabilities and knowledge across the company.
- **INTERNAL AND EXTERNAL:** Innovation Sandboxes can be deployed both internally and externally, either through a project-by-project basis or as a permanently linked ecosystem. An example of

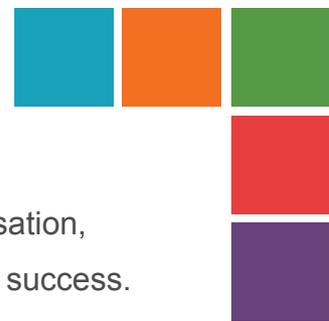


this could be an organisation opening up one particular campaign to the crowd, or having an on-going real-time collaborative link with a partner organisation

As with any well design frontend innovation system, the best innovation sandboxes are structured to feed the best concepts and solutions into the BEI side of the innovation cycle with minimum friction.



An example of an innovation sandbox designed to feed into a stage-gate BEI process



While an innovation sandbox can be an extremely powerful tool for any organisation, it is important to note that a tool in isolation will not ensure innovation fostering success. Instilling an innovation-focused culture across your organisation, by providing resources, building processes, measuring success, pushing strong values, encouraging the right behaviors and striving for a climate that reinforces innovation focused activities, are all imperative to transform your organisation into one that can persevere practical and continuous innovation for years to come.

**ABOUT THE AUTHOR:** This whitepaper was authored by Toby Farren. Toby Farren has been working in the innovation space for 4 years. He is currently CEO at PlayTank, a sandbox-style frontend innovation management platform, based out of Dublin, Ireland.

**ABOUT PLAYTANK:** PlayTank is a sandbox-style frontend innovation management platform which cuts across departments, allowing large groups of stakeholders to collaborate iteratively and in an experimental fashion on new concepts. It provides a framework where individuals can build on top of each other's ideas, providing a wide array of perspectives and inputs. Campaigns and projects can also be opened up to partners, customers, and startups allowing for pre-validation, further knowledge capture and optimized innovation-market fit. Finalized concepts are delivered via holistic design documents to key decision makers where they can be managed; prioritized, reported on and exported for ease of entry into the BEI side of the innovation cycle. To find out more about PlayTank and our solution, please contact the author directly at [tobyfarren@playtank.net](mailto:tobyfarren@playtank.net)

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