

7 And A Half Sources of Innovation

based on Principles of Entrepreneurship And Innovation by Peter Drucker

insider point of view of industry

The Unexpected

UNEX. SUCCESS

Success in a Market with customers which were not expected (e.g. pharmaceutical drugs for humans requested by veterinarians)

Serve that market!

analyse that success

don't overlook the success

UNEX. FAILURE

Failure in a project where everything was well planned, but surprisingly no success.

Careful! Most failures are damn mistakes.

go out and listen to people, do Customer Development

just more analysis is not enough.

Go out, look around and listen!

UNEX. OUTSIDE EVENT

Success in a Market with customers which were not expected (e.g. pharmaceutical drugs for humans requested by veterinarians)

watch for events outside your industry that could affect you

especially if you are a big business

BTW. ECONOMIC REALITIES

If there more demand for a product, it's performance should also improve. (e.g. healthcare, cost explosion were higher than demand.

typically this is true for a whole industry.

Incongruities

BTW. REALITY AND ASSUMPTIONS ABOUT IT

sign of false focus

solution should be as simple as possible

BTW. CUSTOMER VALUES AND SUPPLIER

irrational customer who is not willing to pay for quality

BTW. RHYTHM OF A PROCESS

ask: what is the missing link what your customers need to do a certain task

Process Need

A job needs to be done, but can't be done right now! (e.g. robotics, because of labour shortage)

Prerequisites:

- self contained process
- weak or missing link
- a clear definition of the problem
- solution must be clearly definable
- high receptivity, there must be a better way

Change Of Market Or Industry

industries are often unstable

a opportunity to outsiders

a threat to insiders

e.g. Nokia vs. Apple

4 indicators:

- rapid growth of an industry
- if an industry doubled it's size, it should be ripe for change
- convergence of technologies (e.g. computers and telecommunication)
- the way of doing business is changing rapidly

Innovation must be as simple as possible to the customer

less

risk

more

Demographics

clearly predictable, but often not exploited

certain lead times

look at population figures

look especially at age distribution

look for the fastest growing and biggest age distribution

make products for that age group

but statistics are only a starting point: go out, talk to people and listen

Change in Perception

based on the feeling of people

e.g. women should stay at home (50s), women should work (today)

timing is crucial to get the moment of change in perception

again go out, talk to people and listen

Knowledge based Innovation

superstar of Entrepreneurship

knowledge based innovation can be scientific or social

usually based on conversion of different kinds of knowledge

Long lead times:

- Emergence of knowledge
- knowledge must be applicable to technology
- develop a product

usually time works against you

much more competition => less chance of survival

receptivity is not clear => build a product to a problem that exists, look at the other sources of innovation

1. analyse if all necessary factors are given
2. have a clear focus
3. practice strict management

Flash Of Genius

outnumbers Innovations of all other categories

most risky form of innovation

more a kind of a gamble