E-book:
Turbocharging Corporate Innovation

Based on Real-Life Examples
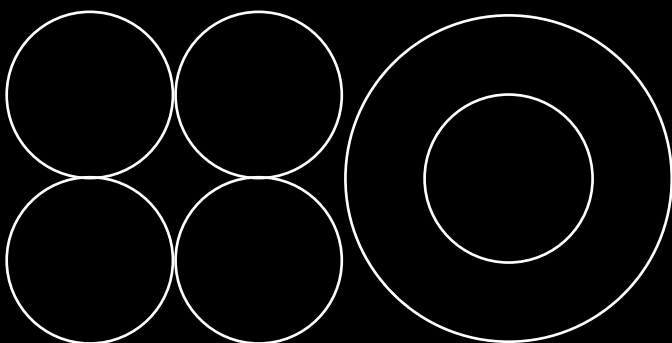
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Author

Author

Maciej Rohleder is a builder, strategist, investor, and public speaker.

Throughout his career spanning over 20 years in IT and management, with a decade dedicated specifically to FinTech and RegTech, Maciej has consistently led and delivered numerous successful cases with strategic partners like Fenergo, crafting state-of-the-art solutions and best practices for some of the world's most prominent banks, including HSBC, BNPP, Standard Chartered Bank, Westpac, ANZ, and more.

His ability to build, manage and innovate, positions him as an important force within CSHARK, a versatile IT consultancy and services provider he co-founded in Poland back in 2014. Since 2017, Maciej has been living in Singapore, and as a Board Member of CSHARK and the Managing Director of CSHARK Singapore, he has played a pivotal role in crafting the strategy that propelled the company's expansion into South-East Asia.

Beyond his company's growth, Maciej's focus lies in promoting the CSHARK brand and showcasing the potential of Polish IT on the global stage. Leveraging his network and cultivating valuable partnerships with esteemed organizations like the Polish Investment and Trade Agency (PAIH), government agencies, and the Central-Eastern European Chamber of Commerce[1], where he holds a position on the Board, Maciej has created a thriving ecosystem that benefits everyone involved.

[1] Visit: https://ceec.org.sg/

Introduction

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Introduction

I'm handing you a guide dedicated to all those who want to open up their organization to smooth, efficient and systemic innovation, which is essential for company growth and survival in an ever-changing environment and with constantly evolving technology.

From the publication, you will learn:

→   what corporate innovation is,

→   what the corporate innovation process should look like,

→   how to enable a culture of innovation within an organization,

→   how to empower your employees to pursue out-of-the-box ideas.

You will also find real-life examples (both success and failure stories) and, finally, our proprietary tool – the Corporate Innovation Readiness Assessment. You can use it to discover valuable insights into your organization's maturity and to identify its strengths, weaknesses, and areas for improvement on the corporate innovation journey.

What is corporate innovation?

Corporate Innovation

Corporate innovation is a process of exploration and implementation of novel concepts to create value for both the company and its stakeholders, leading to improved customer experiences, increased market share, enhanced operational efficiency, and, ultimately, sustainable business success.

Process
Innovation

Business Model
Innovation

Product
Innovation
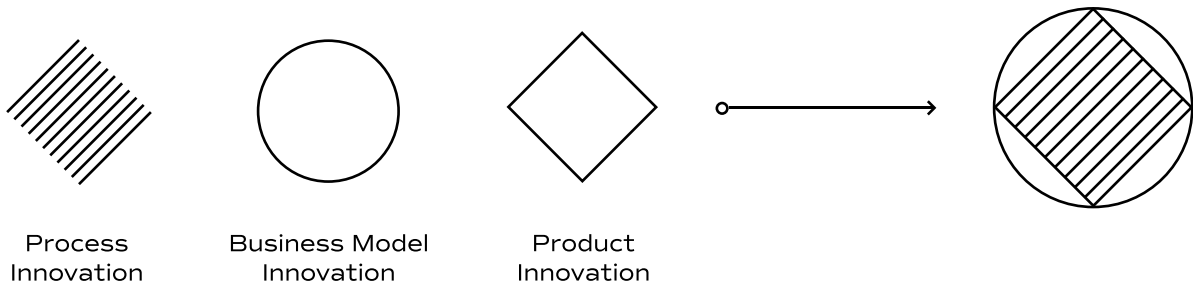
→ In the last 15 years **52%** of the Fortune 500 have become extinct.

→ In the **past 50 years**, the average business **model life span has fallen from ~15 years to less than 5** (BCG, 2020).

Why is innovation a be-or-not for companies?

Because the staggering majority of companies that don't innovate become stagnant and eventually extinct.

Innovation allows organizations to grow, adapt, and distinguish themselves from competition, increasing chances of survivability. However, it's not only about surviving; it's also about thriving – based on historical data, companies that focused on innovation during crisis[1] outperform peers in recovery, with ~30% ROI.

FACT

Half of Fortune 500 companies in the last 15 years have simply ceased to exist[2].

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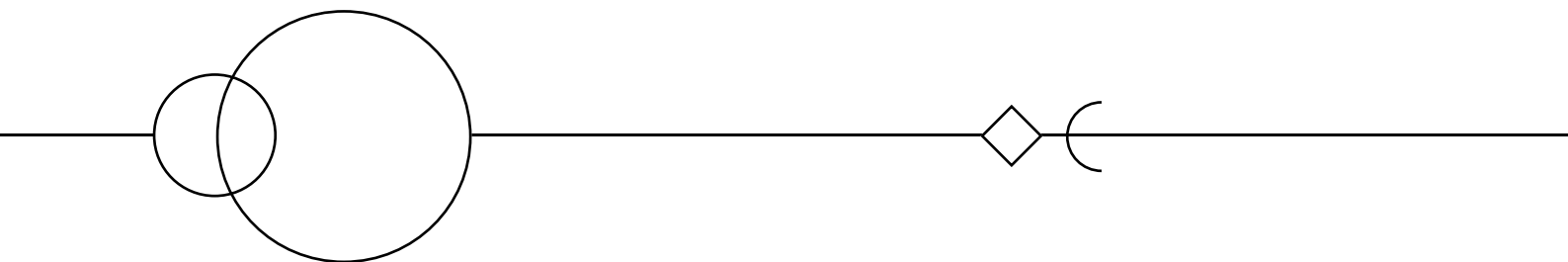
[1] Source: https://www.mckinsey.com/~/media/McKinsey/Business%20Functions/Strategy%20and%20Corporate%20Finance/Our%20Insights/Innovation%20in%20a%20crisis%20Why%20it%20is%20more%20critical%20than%20ever/Innovation-in-a-crisis-Why-it-is-more-critical-than-ever-vF.pdf

[2] Source: https://www.aei.org/carpe-diem/only-52-us-companies-have-been-on-the-fortune-500-since-1955-thanks-to-the-creative-destruction-that-fuels-economic-prosperity-2/

Three components of corporate Innovation

There're three main components of corporate innovation, and, usually, all three are involved in successful innovation; however, the intensity might differ.

Product innovation

Involves creating new or improved products that offer unique features or benefits to customers. This means changes in design, functionality, or even the introduction of entirely new products.

Process innovation

Focuses on improving the methods and processes by which products or services are created or delivered. It aims to enhance efficiency, reduce costs, and improve overall quality. It's a very much inward process.

Business Model Innovation

Involves rethinking how a company creates, delivers, and captures value. It's often about changing fundamental aspects of business operations and generating revenue.

Real-life examples of corporate innovations

O1   An insure-tech company from the UK

The mission of their product is to significantly reduce premiums when security smart-home devices are present in owner's properties. The decision to pivot from a retail insurance provider to becoming a partner for corporate insurance agencies and providing product capabilities as a service is an excellent example of both **Business Model Innovation** and **Product Innovation**.

O2   An Irish Reg-Tech unicorn

After more than 10 years of developing state-of-the-art Client Lifecycle Management solutions for top-tier financial institutions around the world, the company decided to move from its traditional licensing model with on-premises software infrastructure to SaaS (Software as a Service) licensing model and cloud-based infrastructure. This led to increased control of new features roadmap and making their product more accessible to mid-tier clients. It's another example where **Business Model Innovation** and **Product Innovation** paved the road to success. In this case, also internal processes have undergone a transformation. In addition to software production, roadmap feature mapping, and technology, the core sales and marketing strategy have also changed, adding the third corporate innovation component to the list - Process Innovation.

O3   Our own internal Master Process

To manage our client's engagements and requirements, validate our approach, and deliver in a predictable way is a great example of where Process Innovation happens from within the organization's need to increase efficiency and quality control.
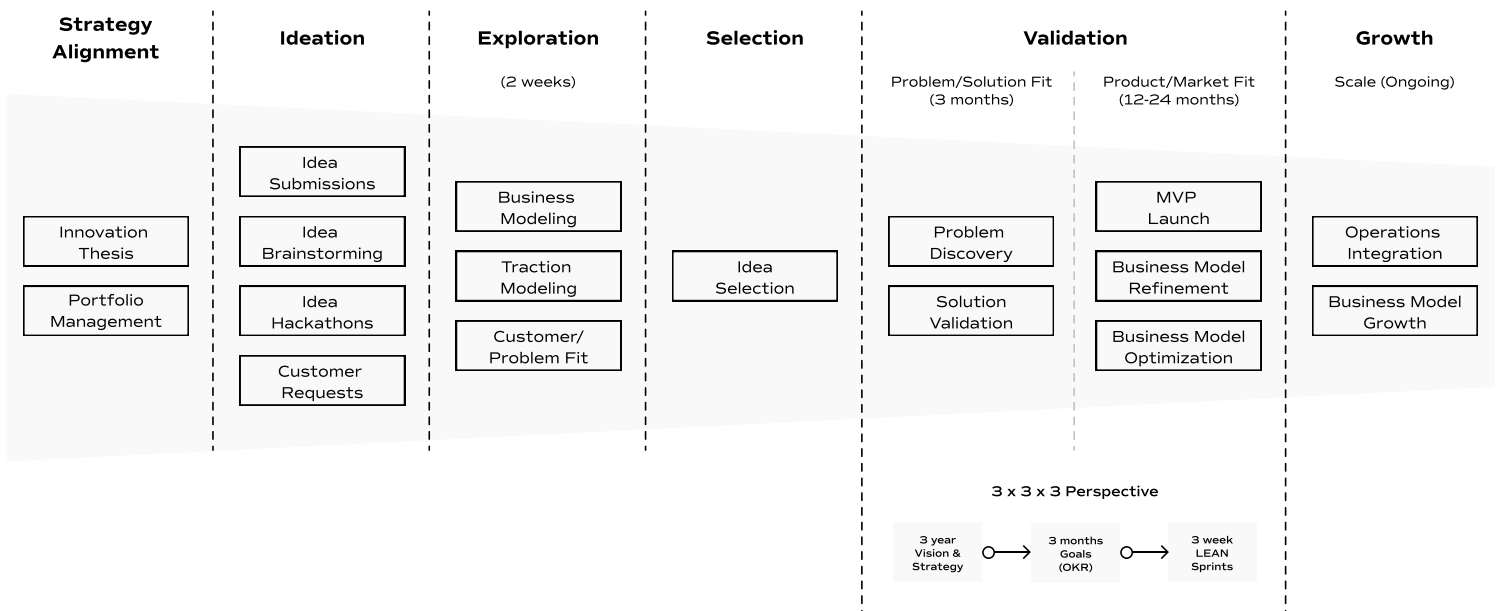
The process of corporate innovation

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The process of corporate innovation

Walking through the Idea Funnel from leanstack.com[1]
is a very good way to understand the order of things
that need to happen in the corporate innovation process
and the value each step provides.

Strategy Alignment	Ideation	Exploration	Selection	Validation		Growth
		(2 weeks)		Problem/Solution Fit (3 months)	Product/Market Fit (12-24 months)	Scale (Ongoing)
	Idea Submissions					
Innovation Thesis	Idea Brainstorming	Business Modeling			MVP Launch	Operations Integration
		Traction Modeling	Idea Selection	Problem Discovery	Business Model Refinement	
Portfolio Management	Idea Hackathons			Solution Validation		Business Model Growth
	Customer Requests	Customer/ Problem Fit			Business Model Optimization	

3 x 3 x 3 Perspective

3 year Vision & Strategy → 3 months Goals (OKR) → 3 week LEAN Sprints

[1] Source: https://blog.leanstack.com/the-idea-funnel/

01   Strategic Alignment

Align innovation efforts with the company's overall goals and vision.
This step ensures that innovation initiatives are relevant and contribute directly to the organization's growth strategy, preventing wasted resources on unrelated pursuits.

02   Ideation

Generate a wide range of creative ideas from diverse sources.
This step fuels innovation by bringing forth various potential solutions and opportunities, fostering a culture of brainstorming and out-of-the-box thinking.

03   Exploration

Thoroughly analyze and refine the generated ideas.
This step involves assessing the feasibility, potential impact, and risks associated with each idea, helping to narrow down the options and focus resources on the most promising concepts.

04   Selection

Choose the most viable ideas based on predefined criteria.
This step ensures that resources are allocated to ideas with the highest potential for success, minimizing the risk of pursuing projects that may not align with the company's goals or capabilities.

05   Validation

Test the selected ideas through prototypes, pilots, or experiments.
This step validates the real-world viability of the concepts, providing tangible evidence of their potential value and allowing for adjustments before full-scale implementation.

06   Growth

Scale up and implement the validated ideas into the company's operations.
This step captures the value generated from the innovation process, translating promising concepts into actual products, services, or processes that contribute to the company's competitiveness and growth.

However, the simplified version of this funnel has
only 3 important elements we need to focus
on from the 15,000 ft:

01   Strategic Alignment

Strategic Alignment is vital in corporate innovation as it ensures that innovation initiatives are directly linked to the company's overarching goals and priorities. This alignment prevents resources from being wasted on ideas that don't contribute to the company's growth strategy, focusing efforts on innovations that have the highest potential impact.

02   Innovation Process

Innovation Process (middle section) is where you will work on the idea, explore and test the hypothesis and finally select and validate the most promising innovation candidates.

03   Growth / Operationalisation

Growth, or Operationalisation, is crucial in corporate innovation as it transforms innovative ideas into practical, scalable solutions that a company can effectively integrate into existing business operations, delivering tangible results and generating value.
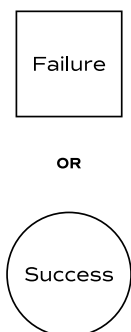
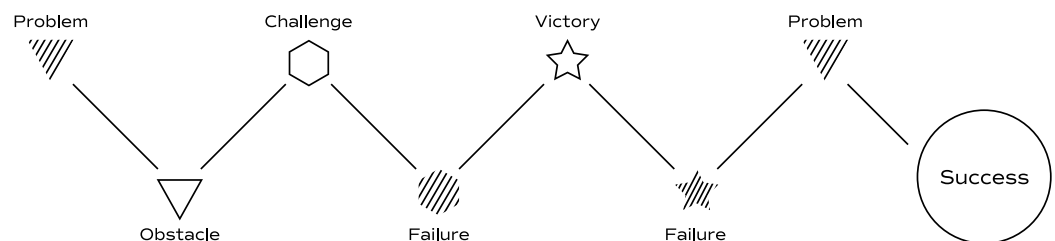# Finding
problems early

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Finding problems early

We tend to internalize the issues we face assuming that
we are uniquely the only ones to face them alone. Once we
can get past that psychological barrier and seek out help
externally – either through reliable partners, experts, or even
other companies in our field, relying on the experience
of others can significantly reduce the impact of issues
we would be facing in corporate innovation.

Dychotomy view   **Journey view**

However, to find problems early in the corporate
innovation process:

→   conduct customer interviews, surveys,
and research,

→   monitor industry trends,

→   run competitive analysis and internal
brainstorming sessions.

Team-building
for innovation

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Team-building for innovation

Looking at Tuckman's model of the team-building process,
we can see how each stage will impact the efficiency
of your team.

Team Effectiveness (y-axis)

Forming

Storming

Norming

Performing

Team Performance (x-axis)
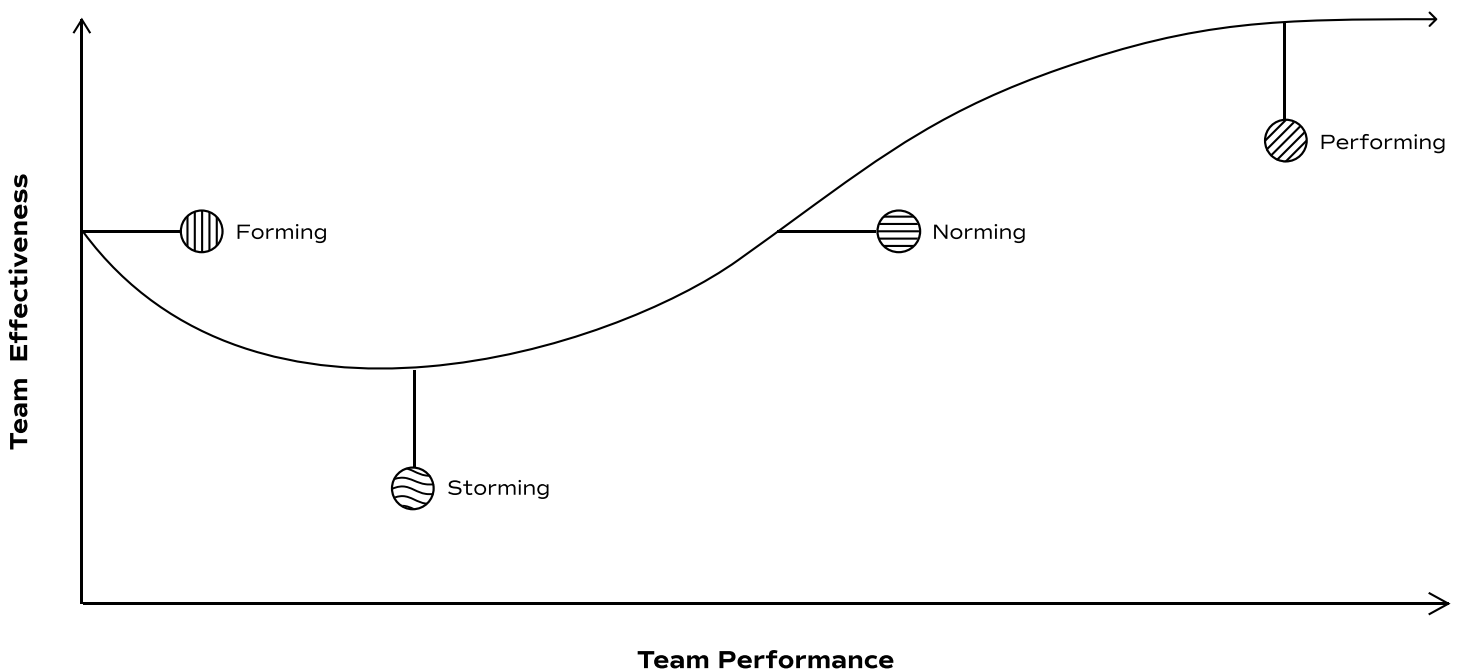
→ **Remember:** this model is not a rigid recipe
for team development but a framework
that helps anticipate and understand
common challenges teams face when
coming together.

01   Forming

Team members come together, initially focusing on getting
to know each other and establishing their roles. There's
a sense of politeness and caution as everyone tries
to understand the group dynamics.

02   Storming

Conflicts and disagreements arise as individuals assert their
opinions and vie for influence within the team. This stage can
be challenging as team members grapple with differences
in viewpoints and approaches.

03   Norming

Team members begin to resolve conflicts, establish common
ground, and develop a sense of cohesion. Norms and protocols
for communication and decision-making start to emerge, fostering
a more collaborative environment.

04   Performing

The team reaches a level of efficiency and productivity where
they work together seamlessly, leveraging each member's
strengths and focusing on achieving common goals.

Leverage
a high-performing team

**Important to note is that to accelerate
corporate innovation, leveraging an already
efficient and high-performing team
is advantageous.**

Such teams are well-versed in innovation
challenges and deeply understand each
other's strengths and working styles,
allowing them to focus on generating
and implementing innovative ideas more
effectively. This is where you want
to consider outsourcing the innovation
team, as doing so, by design, will ensure
that the team is focused much more
on outcomes than on outputs.
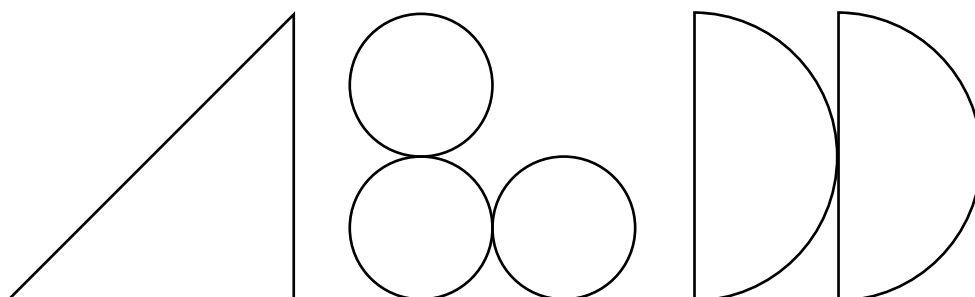
Operationalizing innovation

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Operationalizing innovation

Traditional product development (R&D)

→ slow

→ traditional

→ conservative

→ lagging not leading

Structured but Agile innovation

→ proactive

→ dedicated

→ measured

→ sustainable

Multi-faceted innovation framework

→ leading

→ scaleable

→ repeatable

→ standardized

Traditional Product Development (R&D)

This approach involves a slow, linear process of research and development focused on incremental improvements to existing products. Organizations tend to be conservative and lag behind market trends. Innovation is incidental rather than deliberate, with growth occurring organically. This approach maintains stability, but it requires more agility and the ability to stay at the forefront of rapidly changing markets.

Structured but Agile Innovation

Organizations proactively dedicate resources to innovation while maintaining a measured and sustainable pace. They become ambidextrous by balancing exploration of new opportunities with the exploitation of current successful business models. This encourages iterative development, allowing for rapid adaptation to changing market conditions. It aims for a dynamic equilibrium between innovation and stability, ensuring the organization evolves with a strategic balance between risk and reward.

Multi-Faceted Innovation Framework

This leading-edge approach involves a dedicated and scalable system for managing multiple streams of innovation. It focuses on speed, scalability, repeatability, and standardization. Various innovation initiatives are pursued simultaneously, using a standardized process to churn through ideas, validate hypotheses, and swiftly convert concepts into tangible, value-generating products. This allows for efficient testing and implementation, leading to the rapid operationalization of successful ideas and a higher potential for disruptive innovation.

The foundations
of successful innovation

In the design thinking landscape, three pivotal elements form the bedrock of successful innovation:
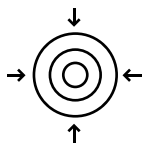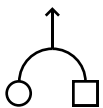
Desirability

is the first step, where understanding user needs and market trends drives profound connections.
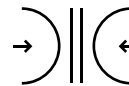
Viability

follows, bridging creativity and real-world practicality, aligning ideas with strategic objectives and value generation.

Feasibility

hinges on strategic organizational alignment, resource readiness, and adaptability. Feasibility should be easy if your organization is aligned and executing its strategy, and it helps rephrase the "Can we do this?" into "How can we do this?" question.

New innovation opportunities in just 8-week cycles

As an organization, CSHARK has been leading many projects that span across those three foundations of successful innovation. The one that stands out is building a continuous innovation pipeline for one of the **leading sustainable development companies**, where thanks to our team's expertise, we can quickly ideate, validate and iterate new innovation opportunities in 8-week cycles.

The discipline and process normalization allows for greater effectiveness because of the mature process and team operating at their peak efficiency. These evolving approaches reflect the increasing recognition of the need for strategic and intentional innovation efforts to remain competitive and adaptable in an ever-changing market environment.

Enabling
a culture
of innovation

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A culture of innovation

A culture of innovation is paramount for organizations
to thrive in dynamic environments. It promotes
an environment where creativity, experimentation,
and continuous improvement are collectively embraced.

Value is
realized here ——————→ **Results**

Processes   ←—————— The work
                                                    changes here

Culture ——————→ Management Systems
changes here

Leadership Behaviour   ←—————— People
                                                    change here

Change & Learning
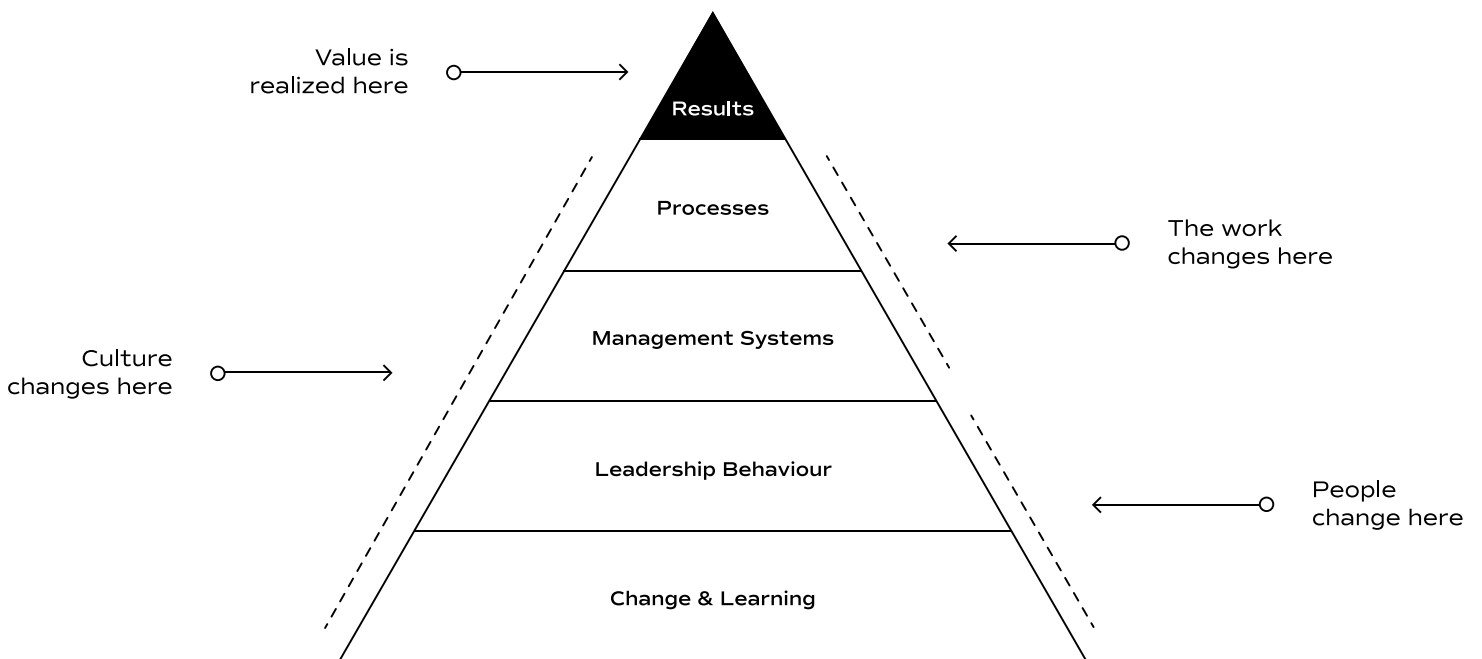
To foster a culture of innovation:
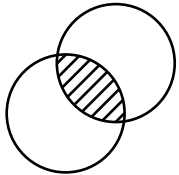
Encourage Risk-Taking
Create a space where employees feel comfortable taking calculated risks without fear of punitive consequences.
This encourages them to explore new approaches and solutions.
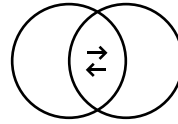
Open Communication
Establish channels for open communication and idea sharing across all levels of the organization.
This ensures that insights and perspectives from diverse sources are considered.
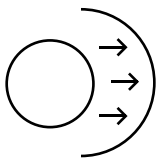
Empowerment
Give employees the autonomy to contribute their ideas and take ownership of their projects. When individuals feel empowered, they are more likely to innovate.
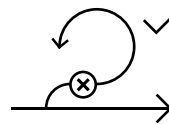
Safe Space for Mistakes
Embrace failures as opportunities for growth and learning. Encourage experimentation and view failures as stepping stones toward eventual success. Share mistakes openly, but never stigmatize your employees.
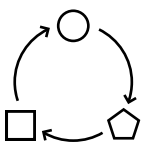
Collaboration
Foster cross-functional collaboration to harness the collective intelligence of different departments and skill sets.
Collaborative efforts often lead to more comprehensive and innovative solutions.

Appreciate Success
Celebrate and reward both small and big successes. Positive reinforcement boosts morale, motivates employees, and reinforces the idea that innovation is valued and appreciated. Put extra effort into recognizing both teams and individuals.
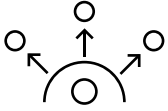
Leadership Role Modeling
Leaders should demonstrate
a willingness to embrace
change and experimentation.
Their behavior sets the tone
for the entire organization.

Culture serves as a backup for processes
by providing a flexible and adaptive
foundation for innovation. Even the most
well-defined processes can't cover all
possible scenarios (and it shouldn't!),
but a culture that encourages problem-
solving and creativity can fill in the gaps.

When employees are empowered to think
innovatively, they can adapt processes
as needed to address new challenges
or seize emerging opportunities.

Unintended Consequences

A good example of bad culture
represented by incorrect goal-setting
and Key Performance Indicators (KPIs)
over broader objectives can often pave
the way for detrimental behaviors
and unintended consequences.
A phenomenon aptly encapsulated
by the "Cobra Effect." The Cobra Effect
is a historical anecdote that underscores
the unintended consequences
of misaligned incentives.

It tells the story of British colonial rule
in India. In an attempt to quell the rising
population of venomous cobras,
the authorities introduced a bounty
on dead cobras, expecting a decrease
in their numbers. However, this seemingly
straightforward solution backfired
dramatically. Rather than exterminating
the cobras, locals began breeding them
to collect the bounties, exacerbating
the very problem the policy aimed to solve.

Real-life examples of innovation culture

Real-life examples of innovation culture

Google's "20% Time" Policy

Google's "20% time" allowed employees to dedicate a portion of their workweek to pursuing personal passion projects, fostering a culture of innovation that led to the creation of products like Gmail and Google News.

PepsiCo revenue larger than Coca-Cola

In the "PepsiCo vs. Coca-Cola" rivalry, both companies engaged in corporate innovation through product diversification and marketing strategies. However, PepsiCo's expansion into snacks and non-carbonated beverages diversified its portfolio, allowing them to double its annual revenue as compared to Coca-Cola.

Kodak failed to innovate

Kodak's downfall stemmed from its inability to effectively adapt and innovate in the face of digital disruption. Despite actually inventing the digital camera technology in the 1970s, the company failed to capitalize on it due to concerns about cannibalizing its lucrative film business. This strategic hesitation and focus on maintaining existing revenue streams hindered Kodak from fully embracing the digital photography revolution.

Nokia's innovation lag

Nokia's situation can be attributed to its inability to innovate quickly in the face of changing market dynamics. While Nokia was once a dominant player in the mobile phone industry, its slow response to the rise of smartphones and touchscreen technology proved detrimental. The company clung to its traditional operating system and design approach, failing to anticipate and adapt to consumer preferences for more advanced features and user experiences.
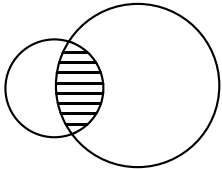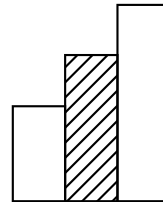
Key
takeways
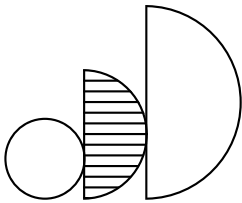
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Key Takeways

Strategic Clarity

We delved into the importance of aligning innovation initiatives with core business strategies. It's the synergy between these two forces that can truly drive transformational change.

Value Generation

Discovering how to channel innovation efforts towards generating tangible value. From ideation to implementation, each step contributes to creating impactful outcomes.

Fostering Innovation Culture

The heart of any successful innovation lies in the culture it thrives within. Together, we explored strategies to nurture an environment that encourages creativity, risk-taking, and continuous learning.

CSHARK Innovation Readiness Assessment

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CSHARK Innovation Readiness Assessment

CSHARK's Readiness Innovation Assessment is a tool that provides valuable insights into your organization's maturity by offering a comprehensive evaluation of its innovation ecosystem across six crucial dimensions:

01   Leadership Support

Understanding the level of leadership commitment to innovation helps identify whether top management provides the necessary resources, vision, and strategic alignment to foster a culture of innovation.

02   Organizational Design

Assessing the organization's structure and processes reveals how well they support innovation initiatives. It helps identify bottlenecks, communication gaps, and areas where structural changes might be needed for smoother innovation implementation.

03   Innovation Practice

Evaluating the methods and tools used for idea generation, prototyping, and experimentation provides insights into the effectiveness of the innovation process and whether it encourages creative thinking and experimentation.

04   Operationalization

Assessing the ability to turn innovative concepts into practical solutions highlights any challenges in transitioning from ideation to execution. This step is vital to ensure that promising ideas are not lost during implementation.

05   Value Generation

Measuring the tangible outcomes and impact of innovations help organizations gauge whether their efforts are translating into meaningful value, such as increased revenue, improved efficiency, or enhanced customer satisfaction.

06   Company Culture

Analysing the organizational culture's openness to change, risk-taking, and collaboration sheds light on whether the company environment encourages innovation and if employees are empowered to contribute their creative ideas.

By evaluating these six areas, the innovation assessment empowers your organization to identify its strengths, weaknesses, and areas for improvement. It provides you with a roadmap for devising targeted strategies and action plans to bridge gaps, optimize processes, and create a more conducive environment for successful innovation. Ultimately, the assessment enables you to make informed decisions, allocate resources effectively, and enhance your overall innovation capability to stay competitive and thrive in a rapidly evolving business landscape.

Innovation Readiness

Questions 1/3

		1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
Leadership Support	**1** Our senior leadership actively champions and supports innovative initiatives.	○	○	○	○	○
	2 Leadership provides clear and consistent communication regarding the importance of innovation.	○	○	○	○	○
	3 Leaders are accessible and open to ideas from all levels of the organization (especially bottom-up).	○	○	○	○	○
	4 Leadership promotes a culture of experimentation and tolerates reasonable risks.	○	○	○	○	○
	5 Leadership encourages cross-functional collaboration to drive innovation.	○	○	○	○	○

Section score: ⬚ / 25

		1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
Organization Design	**1** Our organisational structure supports agile decision-making and flexible resource allocation.	○	○	○	○	○
	2 Teams have the autonomy to explore new ideas and make decisions without excessive bureaucracy.	○	○	○	○	○
	3 Roles and responsibilities are well-defined for innovation-related tasks.	○	○	○	○	○
	4 We have designated innovation champions in various departments or teams.	○	○	○	○	○
	5 The organization has mechanisms for sharing knowledge and best practices across teams.	○	○	○	○	○

Section score: ⬚ / 25

Innovation Readiness

Questions 2/3

	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree

Innovation Practice

1 We regularly engage in brainstorming sessions and dedicated idea generation activities.
○ ○ ○ ○ ○

2 Teams are encouraged to explore unconventional solutions to existing problems.
○ ○ ○ ○ ○

3 We conduct market research and gather customer insights to drive innovation.
○ ○ ○ ○ ○

4 Prototyping and rapid experimentation are common practices in our projects.
○ ○ ○ ○ ○

5 We actively seek out partnerships with external innovators, experienced consultancy partners, or research institutions.
○ ○ ○ ○ ○

Section score: [   ] / 25

	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree

Operationalisation

1 We have a structured process for evaluating and selecting innovative ideas.
○ ○ ○ ○ ○

2 The organization allocates dedicated resources (budget, time, personnel) for innovation projects.
○ ○ ○ ○ ○

3 Clear milestones and metrics are established to track the progress of innovation initiatives.
○ ○ ○ ○ ○

4 We have a well-defined process for transitioning successful innovation projects into full-scale implementation.
○ ○ ○ ○ ○

5 Lessons learned from failed innovation attempts are documented and openly shared within a collaborative, blame-free environment, fostering an atmosphere of continuous improvement.
○ ○ ○ ○ ○

Section score: [   ] / 25

Innovation Readiness

Questions 3/3

Value Generation

		1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1	Our innovation efforts are diligently aligned with customer needs and market trends, and these alignments are substantiated by concrete evidence.	◯	◯	◯	◯	◯
2	We track and measure the impact innovation projects on business growth and competitiveness.	◯	◯	◯	◯	◯
3	Successful innovation projects result in new revenue streams or cost savings.	◯	◯	◯	◯	◯
4	We actively seek feedback from customers and stakeholders to refine our innovative solutions.	◯	◯	◯	◯	◯
5	Our innovation initiatives have led to the development of unique products, services, or processes that differentiate us from competitors.	◯	◯	◯	◯	◯

Section score: [ ] / 25

Company Culture

		1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1	Employees are encouraged to take calculated risks and challenge the status quo.	◯	◯	◯	◯	◯
2	Continuous learning and skill development are valued and supported within the organization.	◯	◯	◯	◯	◯
3	Creativity is celebrated and recognised as a core competency of our company.	◯	◯	◯	◯	◯
4	Collaboration and knowledge sharing are encouraged across departments and teams.	◯	◯	◯	◯	◯
5	Diversity of thought and perspectives is actively promoted to fuel innovation and increase the "pool of meaning".	◯	◯	◯	◯	◯

Section score: [ ] / 25

Results

0-25   ## Novice

Your organization is at an early stage of embracing innovation.
There is significant room for improvement across all categories. Consider
focusing on building a culture of innovation and enhancing leadership support.

26-50   ## Emerging

Your organization recognises the importance of innovation, but there
are areas that need attention. Concentrate on strengthening organization
design and innovation practices to drive more effective outcomes.

51-75   ## Progressing

Your organization has made substantial strides in fostering innovation.
Continue refining operationalisation and value generation processes
to ensure sustainable growth from your innovative efforts.

76-125   ## Mature

Your organization demonstrates a strong commitment to innovation across
various aspects. To further excel, focus on continuously nurturing a robust
company culture that encourages and sustains innovation.

126-150   ## Innovative Leader

Congratulations! Your organization is a leader in innovation. Maintain your
efforts and continue to push boundaries to stay ahead of the curve and drive
ongoing success.

**If you received a score of less than 15
in any of the groups, it is crucial
to prioritise that specific area of focus
in order to enhance your organization's
ability to innovate effectively.**

→   **Remember:** this questionnaire
provides a general assessment
and should be used as a starting
point for self-evaluation
and improvement efforts.

Let's accelerate your innovation together

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