

A MODEL FOR MANAGING

INNOVATION



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Integration
Together, for the change you need

Executive introduction

Challenges and solutions for effectively managing innovation

The drive to innovate is top of mind for companies across virtually all industries. While organizations may have lots of creative energy floating around waiting to be channeled, business leaders are constantly seeking to find reliable, results-driven models to manage innovation effectively – taking raw ideas and transforming them into impactful products & services.

Having helped countless companies across the globe find and implement solutions for getting innovative ideas out the door, we keep finding ourselves arriving at very similar conclusions and frameworks addressing a recurrent set of pain points. This report presents a tried-and-tested model for managing innovation and shares practical insights that anyone involved in the innovation process can start applying.

THE CHALLENGE AT HAND

CMOs, CPOs, marketers and strategists often find themselves in uncharted terrain when dealing

with product and service innovation. This stems from a number of challenges: Consumers are increasingly driving the narrative, product/service creation and sharing are becoming more and more democratized, startups are pulverizing competition and calls for ESG and social advocacy are getting more vocal – just to name a few.

At the same time, companies have to deal with significant overlap with more conventional ways of doing business. This requires executives to account for traditional needs and real-life problems such as **1)** organizing and aligning massive internal structures and external ecosystems, **2)** managing many stakeholders, activities and interdependencies and **3)** dealing with pressure from margins, cash generation, product lifetimes and portfolio sizes.

This combination of new challenges and existing business demands leaves executives in an uncomfortable juggling act: from delivering results and balancing time-to-market to strengthening their brand image and innovating beyond the core business.



A MODEL SOLUTION

Effective innovation rests on a balance of raw creative energy that sprouts future products/ services and commercial prowess involving the skills and capabilities needed to ultimately

reach target consumers. Integration's Innovation Management Model comprises four elements that orient businesses in establishing a link between these two core elements.

I. Alignment with the business strategy:



Connecting innovation with your company's governance, business cycles and culture, ensuring innovation is guided by the local and regional needs of your customers through a model based on your overall approach to innovation.

III. Leadership & organization:



Setting clear roles & responsibilities within the process, knowing which skill-sets and abilities are required and establishing lines of approval & accountability.

II. The end-to-end process:



Consolidating disperse process flows into one to achieve greater efficiency and focus, treating projects differently based on their essence and setting the right priorities.

IV. The interaction model:



Setting a common thread throughout the innovation process, making sure discussions are happening when needed and with the right people and separating strategic, tactical and operational matters.

THE BENEFITS

Experience shows that the benefits of having these elements in place are indisputable. Applying an effective innovation management model has proven to:

1. reduce time to market,



2. insert greater agility in project execution,



3. boost your ability to translate ideas and strategy into an innovation pipeline,



4. improve coordination among the involved areas,



5. gain more clarity on roles & responsibilities and



6. effectively measure success.



We should also be clear on what the innovation management model presented in this report does not address: boosting creativity, grasping the necessities of your customers or learning to be incremental versus disruptive when innovating. While these may also be burning issues for many companies, the model we present here is specifically concerned with how to develop and take new products and services to market. It's meant to serve as a toolkit of steps for managing innovation – from initial ideas through to final product launch.



The view from the outside

Feeling the pain of marketeers, strategists and product managers

With so much passion and effort invested in creating the next great product or service, professionals involved in the innovation process can easily forget that their approach to innovating may periodically

call for reinvention as well. A few paradigmatic shifts emerging across the globe are adding extra imperative to this, leading CMOs, CPOs, marketeers and strategists into uncharted terrain:



CONSUMERS are increasingly driving the narrative: informed by significant changes related to the digital transformation



TECH DEVELOPMENTS are ushering in disruptions: with the metaverse, non-fungible tokens and cryptocurrencies becoming more relevant and making the game ever more ethereal



CREATION AND SHARING are becoming democratized: creating, consuming and sharing content are more dispersed and decentralized than ever



ESG AND SOCIAL ADVOCACY are more in demand than before: being embraced by consumers and calling for responses from new innovations



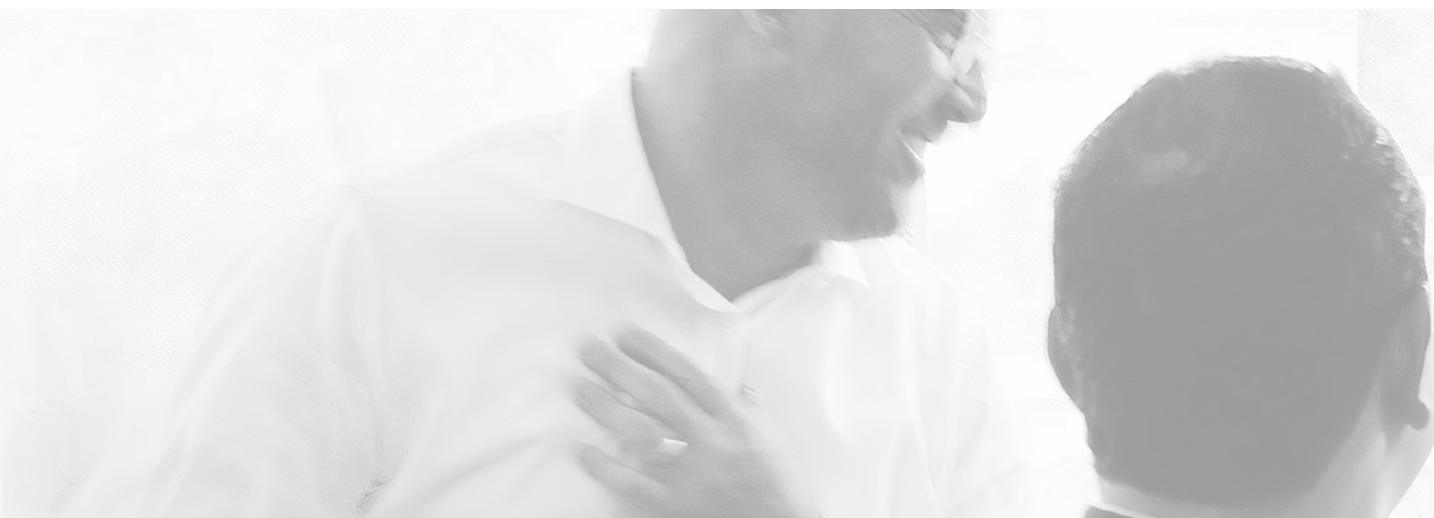
STARTUPS are intensifying competition and adding time pressure: backed by venture capital with huge sums of money, causing small and large companies to feel they are under siege, especially regarding time to market



FINANCIAL IMPERATIVES are becoming more acute: with pressure mounting for improved margins, cash generation, product lifetimes and portfolio sizes

At the same time, while the context has clearly shifted through a new world of demands and approaches to innovation, we continue to see

significant overlap with more conventional ways of doing business.



The view from the inside

Accepting and adjusting internal realities to leverage creativity

To arrive at winning solutions, business leaders need to find a balance two key internal factors when managing innovation: raw creative energy and commercial prowess. While the former allows for good ideas to be created in the first place, the latter turns these ideas into concrete outcomes that actually go to market.

RAW CREATIVE ENERGY refers to all initial input flowing into the company to generate innovative ideas. In today's market, this is primarily driven by:

- a deep understanding of consumer and shopper needs
- future-oriented thinking and creativity
- design thinking

This energy represents the creative seeds for future products and services. When left unharnessed, however, little will come to fruition: creative energy needs to be systematically channeled into tangible outcomes.

COMMERCIAL PROWESS, on the other hand, encompasses the skills and capabilities needed to ultimately reach your target consumer, including all the classic elements of your business' commercial strategy:

- marketing initiatives
- the go-to-market strategy
- execution at the point of sale

As we've seen, establishing a link between these two factors is often the toughest part of getting innovation to market. It involves effectively guiding all relevant areas of the company through the steps of idea creation, planning, execution, implementation and measurement. Additionally, organizations must balance this with company-specific realities:

- Massive internal structures and external ecosystems that require organization and alignment during product innovation, development and activation – from point-of-sale and distributor considerations to trade marketing, time-to-market and more
- An immense number of stakeholders, activities and interdependencies have to be managed and accelerated

The innovation management model acts as an enabler that channels raw energy entering the innovation processes into desired outcomes – rather than dissipating into lost opportunities.



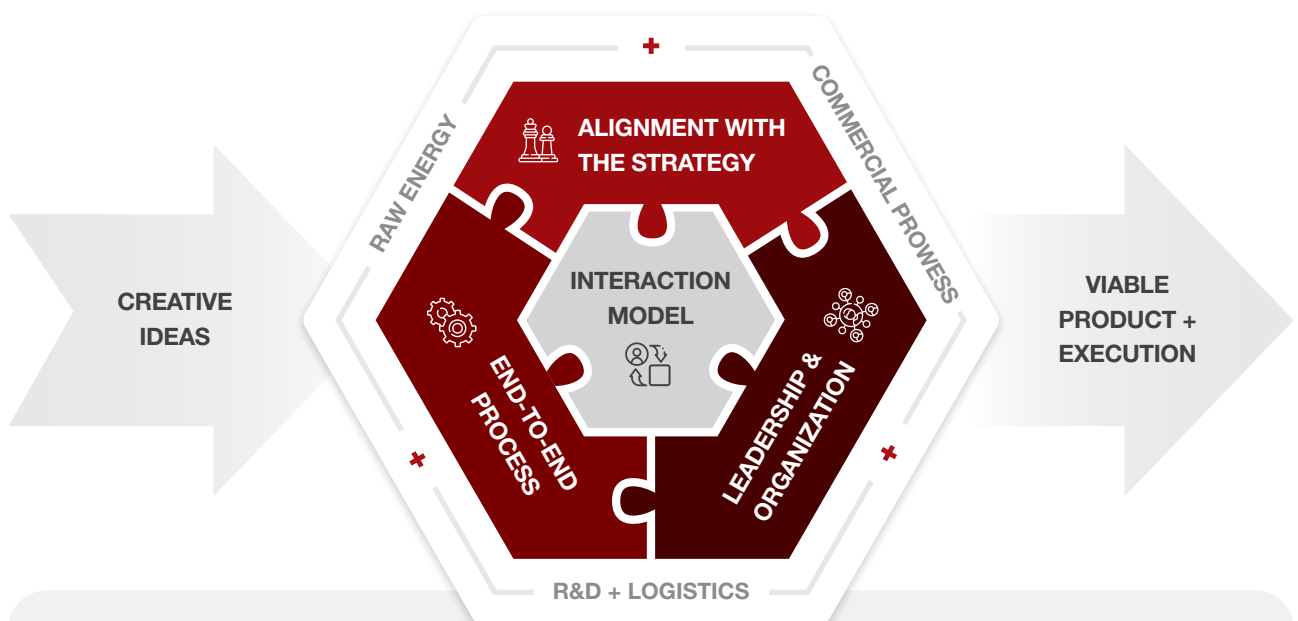
The innovation management model

Understanding, diagnosing, troubleshooting and deploying innovation

Building on years of experience, the Innovation Management Model addresses many of the pitfalls we've seen businesses struggle with in the past. Though they may seem quite intuitive, **the reality of putting the fundamentals of innovation management into practice has proven to be anything but straightforward.** Effectively implementing its four elements has allowed companies to avoid common stumbling blocks along the innovation journey – from misalignment and insufficient communication to a lack of strong links across the involved stakeholders.

Beyond merely prescribing a robust end-to-end process, the Innovation Management Model recognizes that:

1. effective interaction across areas paired with supporting governance rituals is just as critical as any well-defined E2E solution and
2. while the application of this (or any) model will need to be adapted from project to project and context to context, having the essence of its four elements in place will lay a strong foundation for achieving success down the road.



ALIGNMENT WITH THE STRATEGY

Ensuring that outcomes are in line with the overall strategy

- Translate regional/global strategies into local contexts
- Set up and align objectives



END-TO-END PROCESS

Establishing a clear process that achieves alignment among all involved areas

- Create processes with approval gates
- Segment projects
- Set KPIs / SLAs



LEADERSHIP & ORGANIZATION

Guaranteeing clarity regarding roles & responsibilities

- Define the right organizational structure
- Set the corresponding roles & responsibilities



THE INTERACTION MODEL

Setting a common thread to ensure strategic objectives are met

- Define routines
- Implement support tools

The benefits

Investing now to reap rewards moving forward



REDUCE TIME TO MARKET

Business leaders today are always looking to get to market quicker – especially in the face of disruptive digital-born companies that seem to do this effortlessly. This means that, instead of having to invest 18 months to get from an initial idea to product launch, companies are targeting product cycles as nimble as 2-3 months.



MEASURE SUCCESS EFFECTIVELY

Measuring success also means learning from mistakes and adopting a constant-improvement mindset, e.g. via post-mortem reviews. This step is crucial for determining how long an innovation took, what was achieved and if targets were reached so that the process can be adjusted and constantly improved for greater speed and efficiency.



PROVIDE CLARITY ON ROLES & RESPONSIBILITIES

With numerous areas involved in an innovation cycle – marketeers, strategic leaders, R&D, procurement, manufacturing, sales, HR and more – ensuring ownership and accountability is critical. Innovation is the most multi-functional topic at any company, touching on nearly everything across the organization, from the tactical to the strategic.



GAIN AGILITY IN PROJECT EXECUTION

If you aim to shorten the time for everything, you won't shorten the time for anything. This model allows projects to be segmented and differentiated based on their essence. This provides a basis for focusing energy and prioritizing efforts to gain agility – without undermining the existing process in place or losing depth in relevant projects.



IMPROVE COORDINATION AMONG AREAS

Pressure to achieve zero-based time-to-market with innovation can easily generate unsustainable levels of stress among your professionals. By clearly demarcating the chains of cooperation and promoting a truly collaborative mindset across the organization, the innovation management model helps to set clear and well-aligned SLAs.



TRANSLATE IDEAS/STRATEGY INTO A PIPELINE

While dozens of good ideas may be circulating, without a clear process with the right people filtering and prioritizing these into a pipeline, nothing will move forward. The model sets criteria for identifying the stakeholders to be involved as well as knowing how to effectively select projects for a realistic pipeline that lead to concrete, fast-paced results.

The following pages provide detail on each of the **elements of the Innovation Management Model**, touching on **1)** the overall objective, **2)** key success factors for effective implementation and **3)** frameworks to support companies construct a winning innovation process.



I. Alignment with the business strategy

Innovation is there to serve the strategy, not to be an end in itself



The objective

Connect innovation to the long-term business strategy, aligning key stakeholders (regional and local) as well as targets when moving forward



The key success factors

Three elements need to be considered when seeking to align innovation with the overall strategy as well as existing business cycles:

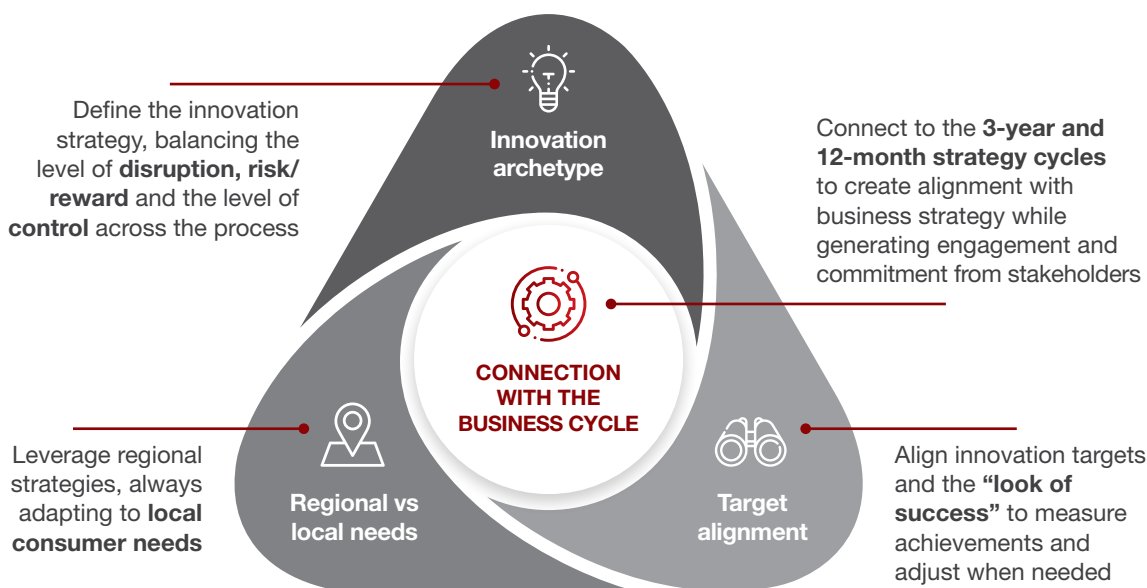
- **Understand the innovation archetype:**

Innovation can mean different things for different companies. Having an understanding of the overall strategy in mind and the associated goals is essential for effective innovation. The company's focus can vary from disruptive consumer innovations with greater risks and higher reward versus a more conservative approach with less risk. The innovation management model should be adapted according to each company's archetype.

- **Balance regional strategy versus local needs:** Follow regional innovation strategy as a guideline to leverage the strength of the company while always adapting to local consumer needs.

- **Connect with the business cycle:** Place innovation on the agenda at strategic long-term meetings (at least every 3-years) – not only in annual planning. The strategy cycle is key for setting an overall direction while also engaging the right stakeholders for buy-in and commitment throughout the process (i.e. marketing, commercial, innovation, production, planning and procurement).

Alignment with the business strategy





Case study

1. CONTEXT & CHALLENGE

A market leader in the **area of civil construction chemicals** needed to restructure its strategy and implementation plan for launching new categories in the market. The leadership wanted to increase overall market share to 5% by repositioning the brand within the category – in a very competitive landscape.

Many technical challenges needed to be taken into consideration in terms of pricing and product differentiation: a pulverized market, higher market commoditization, competitor aggressiveness in price and a multi-channel reality. At the same time, there were even greater non-technical challenges of generating engagement among different areas and tearing down internal silos.

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2. APPROACH

A scan of market dynamics, competitor behavior, price positioning and consumer understanding along with a definition of the optimal entry strategy for the company – which segment to attack based on clear market and financial parameters

Designing the overall implementation strategy considering multiple workfronts: trade marketing, GTM, pricing, commercial, marketing, supply and sourcing etc.

3. RESULTS

A **clear and integrated launching path for the new category**, comprising multiple workfronts through the whole company

A **positive** legacy in terms of **ways of working for future** innovation projects

Better integration among areas, more awareness of roles & responsibilities and greater overall engagement



II. The end-to-end process

A clear process, from generating initial ideas to post-mortem review



The objective

Define and implement a single end-to-end process that is aligned across all areas involved in innovation, allowing the business to balance agility and control in accordance with the project portfolio segmentation



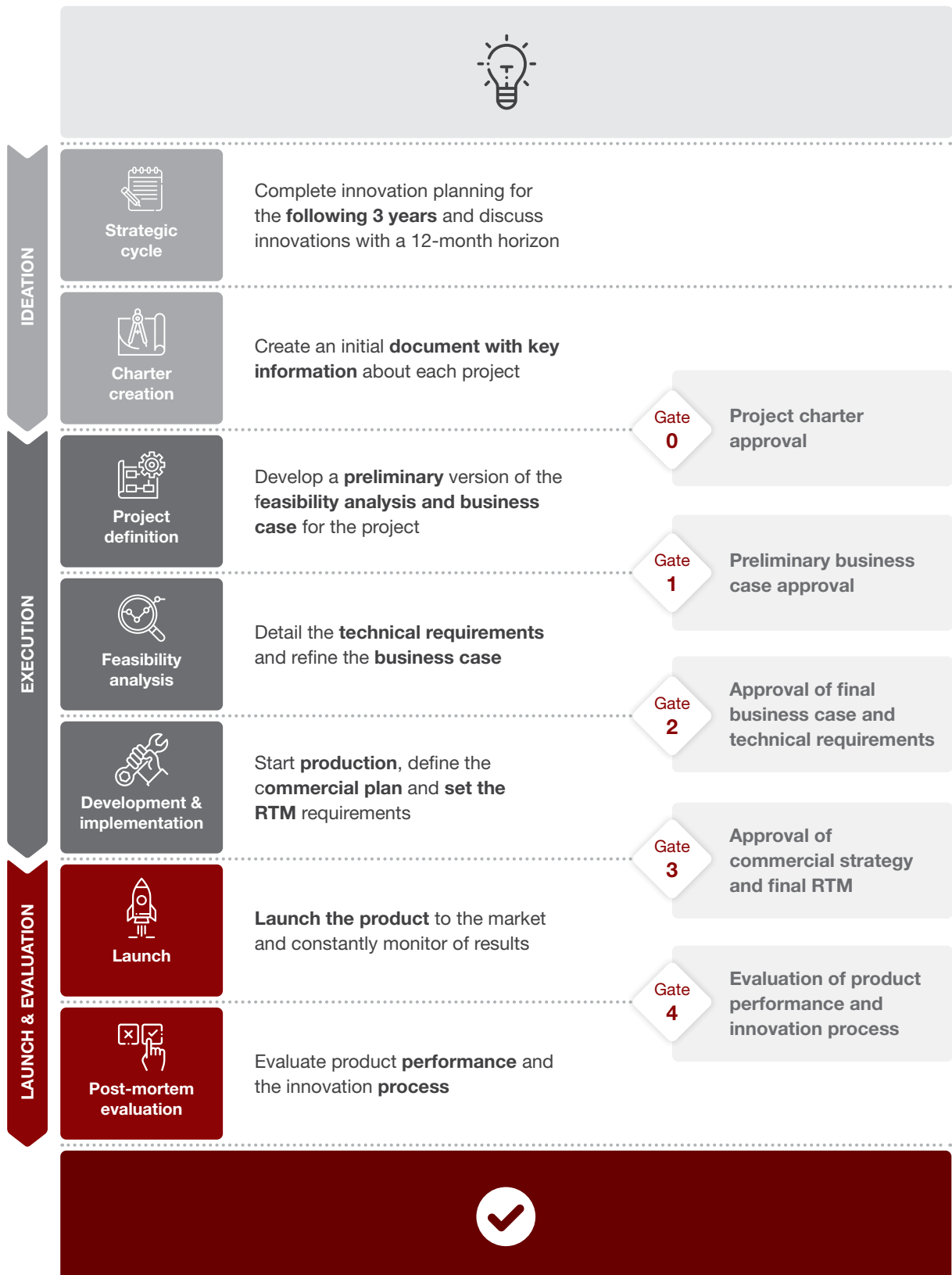
The key success factors

- **Unity:** Install a single end-to-end process for everyone, orienting all areas involved in line with the same process – from idea generation to post-mortem review – and set clear approval gates. The key areas to involve in this include marketing, sales, trade marketing, R&D, procurement, planning and production.
- **Measurement and transparency:** Set pertinent KPIs and SLAs and maintain service-level agreements among areas to keep timelines aligned for achieving the desired time-to-market. The main KPIs can include planning accuracy, planning OTIF, execution OTIF and product performance (ROI, distribution, incremental revenue).
- **Segmentation:** Define a clear segmentation approach for prioritizing and differentiating the innovation process according to strategic objectives for each segment (i.e. differentiate between tactical and strategic projects). Four variables can be adapted according to the project segment: **1)** length of the process, **2)** governance model and approval gates, **3)** marketing investment and **4)** go-to-market priority.
- **Commercial team engagement:** Engage the commercial team from the planning phase and business case to incorporate their market vision, connecting innovation the go-to-market strategy and generating a sense of ownership for the innovation launch.





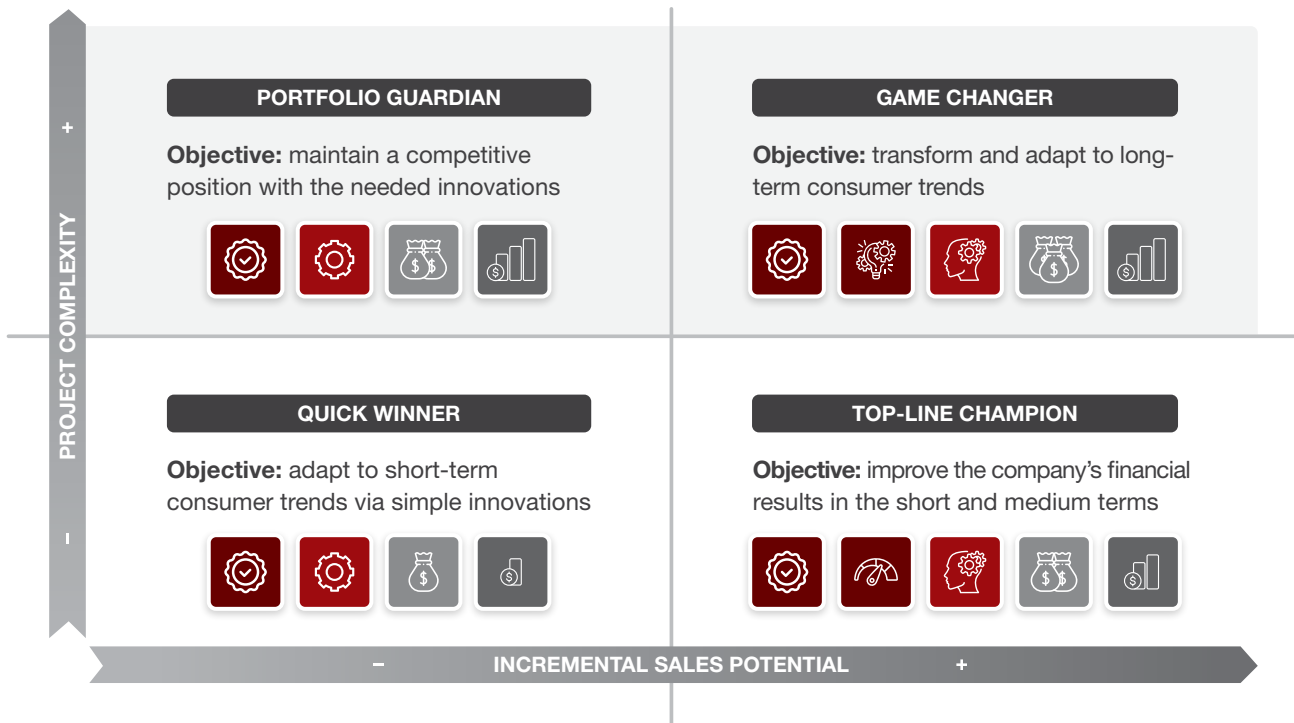
Overview of the end-to-end process across the three stages of ideation, execution and launch/evaluation:



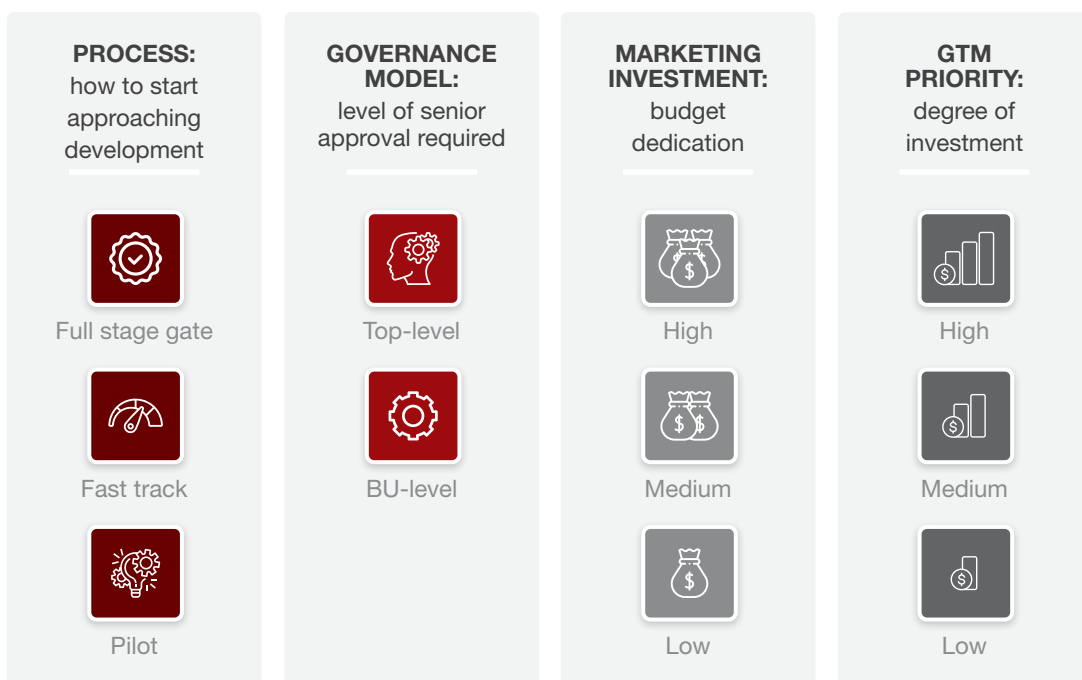


The project segmentation matrix

Different projects will need to be treated distinctly in the innovation process. The project segmentation matrix maps the 4 project types, categorizing each in terms of **complexity to execute versus potential for generating revenue**:



Each project type will differ across 4 variables: process, governance, marketing investment and go-to-market priority:





Case study

1. CONTEXT & CHALLENGE

For a market leader in **fashion & apparel**, size had become a liability to innovative competition. While an HQ-led innovation process using 3-year launch timeframes had delivered steady results, more agile competitors were nipping at their heels. Also, the sheer size of the organization and high number of BUs had turned innovation increasingly chaotic – with missed deadlines and missed opportunities in an industry driven by key showcase events.

Effectively implementing an innovation management model would require tackling a few challenges:

- Keep creative energy flowing while introducing a structured approach that enabled concrete results
- Limit reliance on gut decisions, endless back-and-forth, outside agencies and decision pivots
- Orchestrate the involvement of various stakeholders, with clarity on roles & responsibilities as well as who gets a say in what
- Introduce agility and flexibility to enable last-minute decisions, react to competitors and be prepared for unexpected events

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2. APPROACH

Parallel approach to key innovations (“game-changers”) introduced, enhancing presentation and communication of innovations. Huge size of company required focusing on 1 BU to plant seeds of effective innovation moving forward

Introduced an innovation framework to provide clarity and structure

Implemented an end-to-end playbook detailing the innovation management process down to individual level, connected to existing governance and processes

To provide the needed level of structure, speed and orchestration without undermining creative energy, the model defined the in-between steps within the client's existing processes

Defined new ways of working, e.g. with hard deadlines for creativity and quick switch to development

Created an app-based project tracker to give leadership visibility to make quicker decisions, escalate and evaluate effectiveness

3. RESULTS

This project addressing one business unit also convinced the company that change is possible within a framework – breaking the innovation funnel into more granular steps while becoming more agile

On-time-in-full product deliveries improved, and the business unit went on to launch its most successful campaign in history using the new model

Made clear that a new innovation process is possible without tearing down or rebuilding the entire organization: effective transformation can start at a micro level and spread

The new model delivered much-needed control and visibility over the existing innovation process

Key stakeholders involved in new product/campaign development now rely on inflow of information and data to make objective instead of gut decisions



III. Leadership and Organization

People are what drive initiatives and bring strategies to life



The objective

Define the right profiles across the organization that will best support the innovation process and assign clear roles & responsibilities considering those responsible for execution and approval

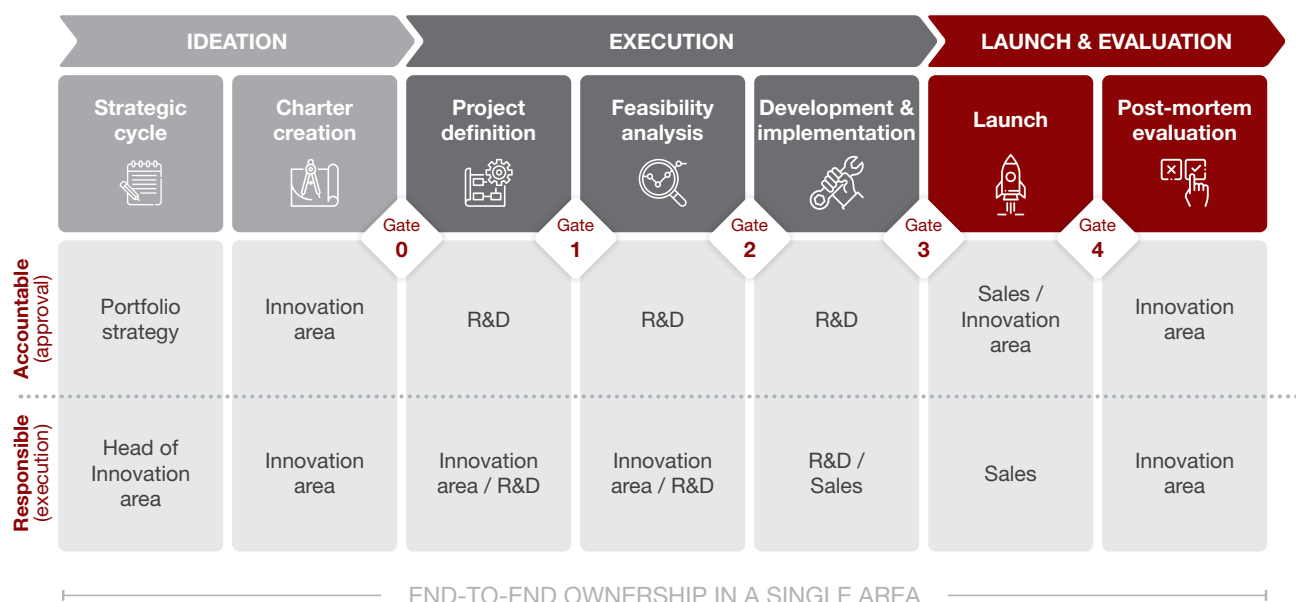


The key success factors

- **The right profiles:** Put the right professionals in place to cover the needs of the end-to-end process. Profiles will vary according to the area and step of the process (i.e. marketing vs. planning vs. project management)
- **Roles & responsibilities:** Define and align clear roles & responsibilities across the innovation ecosystem, providing clarity on who's responsible for execution and who's accountable for each step of the process.
- **End-to-end ownership:** As so many areas are involved in an innovation process, it's key to define one area that's responsible for the end-to-end process. This area can report to marketing or to R&D, and its roles can include keeping the pace, executing the governance model, monitoring innovation performance via post-mortem analyses, defining and updating project segmentation and measuring KPIs and SLAs.

Model of roles & responsibilities*

Across each stage of the innovation process, clarity is needed as to **who's responsible** to the overall innovation process as well as **who's accountable** for the outcomes:



* Illustrative Example: roles and responsibilities will vary according to each company's strategy, size and industry



Case study

1. CONTEXT & CHALLENGE

Aiming to break out of its doldrums and grow the business, **a major brand in the apparel sector** needed to build and foment a culture of innovation within the organization. Years of business as usual were hampering innovation due to a variety of factors: disproportionate focus on commercial considerations over brand-building, a habit of working just-in-time with little space for innovating, reliance on SMU

over truly innovative products, a lack of clarity on goals, targets and campaign success, and a poor understanding of ROI and brand health. While the organization did not lack creative ideas, a structured innovation process and accompanying culture were resulting in missed opportunities, especially for developing the brand.

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2. APPROACH

The project team established a test-&-learn approach to promote foster innovation in line with the overall strategy

To address process & budget, the project set out two innovation categories:

- campaign driven (aligned with an E2E process)
- always on

To sustain these, each had a specific fund allocated in the overall budget for exploring and pursuing new ideas

Defined series of validation gates based on a new governance model to evaluate priority ideas and provide the needed push

To address mindset, the teams worked together to create structures that would foment a culture of innovation while also providing discipline and continuity

The project approached innovation via a customer and data-centered outlook – thinking about how to gather input from the market, analyze it and adjust initiatives

3. RESULTS

By dedicating a specific part of the marketing budget to innovation rather than only seasonal campaigns provided the client with a basis to start driving consumer-centric innovation, instead of simply seeking to satisfy wholesalers

New budgetary parameters along with end-to-end process guided by the innovation template to effectively channel ideas

The innovation management model allowed the client to start generating excitement and movement within the organization – from the senior down to the junior levels. The validation gates also strengthened clarity and ownership in the process.



IV. The interaction model

Bringing everything together and aligning the elements



The objective

Put the right governance model and rituals in place so that information will effectively flow throughout the process while facilitating agile decision-making and alignment across all areas involved

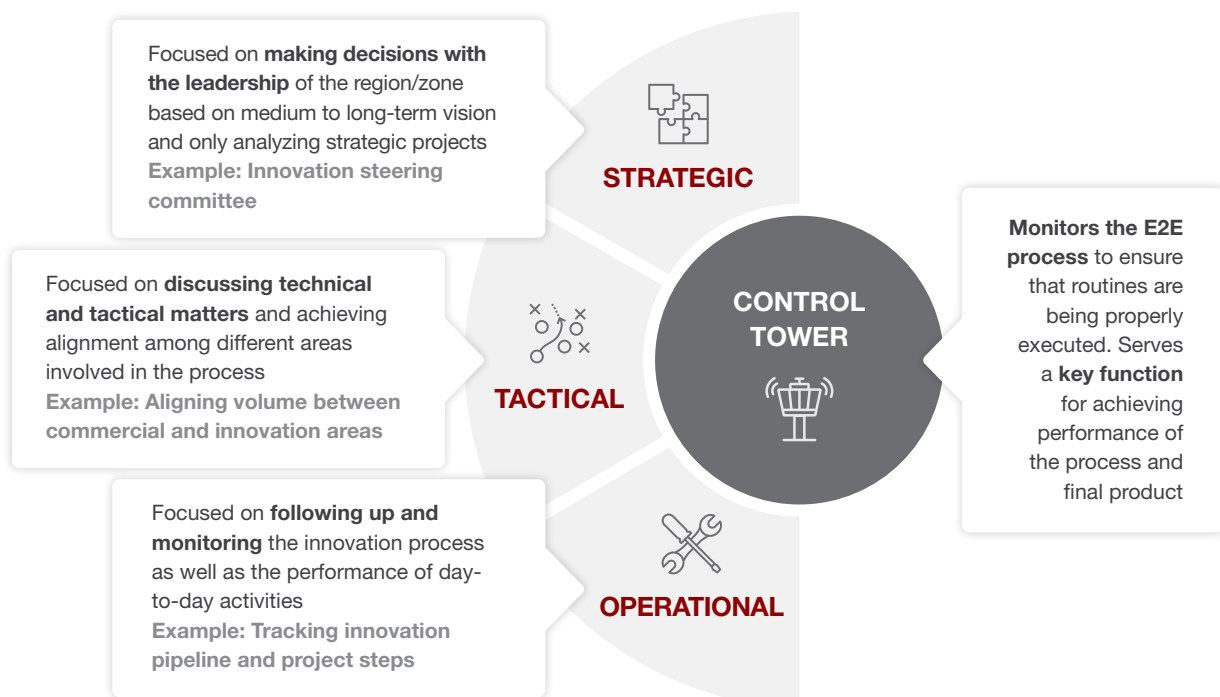


The key success factors

- **Differentiate tactical versus strategic routines:** Segment routines and governance instances among strategic, tactical and operational to boost efficiency and agility.
- **Get the right people in the room:** Always have a professional defined for overseeing execution and accountable for decision-making. Avoid having too many people at meetings merely to "be informed".
- **A control tower:** Implement a control tower with ownership over the end-to-end process for the purpose of tracking, visibility and continuous improvement across the innovation ecosystem.
- **Avoid bureaucracy:** Constantly evaluate the governance model and adjust if needed, prioritizing agility with the right controls and avoiding bureaucracy at all cost.

Innovation routines

Dividing up routines within the process across **3 dimensions to ensure agility, efficiency and alignment** – with a control tower guiding the involved stakeholders:





Case study

1. CONTEXT & CHALLENGE

A **market-leading beverage company** was facing existential pressure to define a new model for managing innovation and CAPEX for one of its global regions. The market context made the need to act critical: the beverage industry was in a moment demanding constant innovation to drive growth, with many brands launching new products on a monthly basis.

Though innovation represented a key strategic pillar to drive growth in the medium term, the process was heavily flawed: a lack of clarity proliferated in regard to roles & responsibilities and governance while many key areas worked with a silo mentality rather than through an integrated process. This resulted in significant issues with product launches and time-to-market and ultimately acted as an impediment to achieving growth and efficiency.

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2. APPROACH

Evaluation of global and regional innovation strategy and definition of clear guiding principles to connect local innovation with the wider picture

Diagnosis of the current innovation process in each BU, identifying differences and efficiency opportunities

War room with multifunctional Integration & client team (marketing, R&D, supply chain, engineering, procurement and sales) to build the future process together

Definition of segmentation matrix to prioritize projects and KPIs to track success

Evaluation of current structure and future structure proposal including new roles definition, and clarification of roles & responsibilities across areas

Evaluation of current routines and decision-making process within each BU

War room with multifunctional team from Integration and the client (marketing, R&D, supply chain, engineering, procurement and sales) to establish the future routines

Definition of new routines including objectives, participants, inputs, outcomes

3. RESULTS

Local **innovation connected to 3-year plan and annual plan** of the region

Significantly **reduced time-to-market** for new innovations, allowing client to compete with agile competitors

Implementation of a **unique E2E process for the region**, with the right balance of discipline and flexibility according to the project segmentation

Clarity on roles & responsibilities, promoting accountability and effective decision-making

Improved efficiency and management via an efficient governance model, reducing time spent in meetings as well as costly overlaps in roles & responsibilities

Implementation of **effective routines** (tactical, operational, strategic) with the right people in the room

Implementation of a truly integrated process across key areas to **overcome the silo mentality**

Setting up for deployment

Tips for getting implementation off on the right foot

Depending on the nature of the business and the context in which it operates, each company will need to approach innovation in its own distinct way. The

Innovation Management Model includes the most essential elements required for any company to craft a tailored approach suited to its business reality.

With the model in hand, there are a few rules of thumb that companies should bear in mind when it's time to implement.



THERE'S NO RIGHT OR WRONG

The important thing is to have a model that works for your organization, meaning that other models should not simply be copied but adjusted based on the needs at hand.



PRIORITIZE THE PROCESS OVER PROJECTS

An effective solution to promote this mindset is to create a war room, securing C-level sponsorship, empowerment and senior participation.



CULTURE OVER INVESTMENT

It's critical to balance technical and non-technical aspects, especially as innovation rests on an existent culture of innovation. This means addressing stakeholder management, communication plans and empowerment.



TAKE A SUSTAINABLE APPROACH

This will engage professionals in the long run and promote an innovation culture, e.g. via a single cross-departmental innovation platform, digital user experience, onboarding material and KPI measurement.



ENGAGE THE SYSTEM OVER THE DEPARTMENT

This requires organizations to map their ecosystem and integrate governance through the interaction model.



TEST AND LEARN

Adjustments are part of the game so don't be afraid to pilot or learn in relation to the market. Have a professional in place who's responsible for evaluating what you're learning along with the rights and wrongs and incorporating this into the cycle.

Self-assessment diagnosis

Curing the 4 innovation health challenges

This self-assessment is meant to allow readers to easily understand and contextualize gaps they may discover across any of the 4 innovation management pillars. In the following, we provide **key takeaways** for your organization to consider along with some **practical considerations** to

start addressing areas where you may have room for improvement. To bring these results to life a bit more, we've taken some poetic license by relating innovation gaps to common human challenges that can be easily overcome with the right guidance.

STRATEGY

Is innovation treated as a priority at your company with its own annual calendar including meetings to set and align on key innovation objectives – e.g. defining launch dates, formalizing commitments, giving key account presentations and reviewing lessons learned?

- ☐ Agree
☐ Not sure
☐ Disagree

Do professionals involved in innovation at the company have clarity on the overall branding, financial and go-to-market objectives?

- ☐ Agree
☐ Not sure
☐ Disagree

Are different regions/BUs able to effectively take global guidelines and translate them into their specific local context?

- ☐ Agree
☐ Not sure
☐ Disagree

Does the company have structures and/or milestones in place to support local/regional teams in creating innovation strategies aligned with both the global brand plan as well as local consumer needs?

- ☐ Agree
☐ Not sure
☐ Disagree

E2E PROCESS

Does the company have a single end-to-end process in place for innovation that is understood as well as implemented in the same way by all the involved parts of the organization?

- ☐ Agree
☐ Not sure
☐ Disagree

Are clear approval gates in place that involve the relevant company leaders – e.g. marketing, sales, trade marketing, R&D, procurement, planning and production?

- ☐ Agree
☐ Not sure
☐ Disagree

Is innovation segmented according to the strategic objectives of each project – e.g. aimed at supporting the overall strategy, boosting net revenue, attracting investments or satisfying tactical matters such as legal requirements?

- ☐ Agree
☐ Not sure
☐ Disagree

Are the processes and routines of specific innovation projects adjusted based on the type of innovation being targeted – e.g. fast-track projects with simplified approval gates vs. long-term?

- ☐ Agree
☐ Not sure
☐ Disagree

Are the KPIs to track innovation success clear, both during the process of creating the innovation and after the innovation was launched? (i.e. net revenue target, distribution target, profitability target)?

- ☐ Agree
☐ Not sure
☐ Disagree

Are service-level agreements defined for each area involved so that steps along the innovation process are well aligned – e.g., timeframe for the initial business case, lead time for procurement, period for R&D, technical assessments etc.?

- ☐ Agree
☐ Not sure
☐ Disagree

LEADERSHIP AND ORGANIZATION

Does each area involved in the innovation process have the right organizational structure in terms of the number and seniority of staff, e.g. procurement, R&D, sales, supply and finance?

- ☐ Agree
☐ Not sure
☐ Disagree

Do you feel that the staff has clarity on roles & responsibilities within the innovation process, especially in terms of who provides input and who approves different steps?

- ☐ Agree
☐ Not sure
☐ Disagree

Is there an owner, team or control tower in place for innovation that oversees the end-to-end process – e.g. in terms of setting the pace, requesting needed adjustments, ensuring continuous improvement etc.?

- ☐ Agree
☐ Not sure
☐ Disagree

Is the innovation-related performance expected of each area – e.g. fulfilling service-level agreements, contributing to market share/revenue, giving timely responses to technical assessments etc. – harmonized and considered as a factor in employee recognition, evaluations and remuneration?

- ☐ Agree
☐ Not sure
☐ Disagree

THE INTERACTION MODEL

Does the company follow a clear set of routines for reviewing innovations, gathering input and approving critical milestones in the process?

- ☐ Agree
☐ Not sure
☐ Disagree

Are these routines differentiated between tactical, operational and strategic topics?

- ☐ Agree
☐ Not sure
☐ Disagree

Are innovation teams, routines and meetings well planned and efficient in terms of involving the relevant and right number of people?

- ☐ Agree
☐ Not sure
☐ Disagree

Does the company have an automated system to track the progress of innovation initiatives in terms of status and risks?

- ☐ Agree
☐ Not sure
☐ Disagree

Does the company review and adjust the innovation governance model on occasion based on lessons learned to ensure agility, the right controls, minimal bureaucracy and continuous improvement?

- ☐ Agree
☐ Not sure
☐ Disagree



The Identity Crisis

Based on the assessment, your company is facing an innovation identity crisis related to pillar 1: **Strategic alignment**. While you may feel that your teams are innovating, there's an opportunity

to efficiently channel this energy into initiatives that translate the company's strategic north into creative and innovative products/services.



Symptoms

- Professionals at the company are fuzzy on what the overall vision for innovating is – they simply create because it's part of their job, but without strategic guidance
- Regional, local and consumer-base specificities aren't sufficiently flowing into your innovation endeavors
- This may be felt in any part of the innovation funnel, with a lack of strategic guidance leading to distortions such as short-time priorities driving core offerings to market rather than innovating for value



Risks

This challenge won't necessarily restrict the flow of innovation, but it will undermine the company's ability to guide innovation endeavors towards a common goal as well as coherence between innovation and the overall business strategy.

The organization may easily churn out new ideas, products, SKUs, brands etc., but most lack a fundamental connection to the business, ending in lost efficiency and an inability to position your offerings under a common narrative or branding arch.



Prescription

Take the first step by making an appointment with your innovation psychologist – guiding you towards a global vision that can be translated into concrete innovation initiatives. Refer to the section **ALIGNMENT WITH THE STRATEGY** on pages 8-9.



Short sighted

Based on the assessment, your company's innovations are short sighted related to pillar 2: **The end-to-end process**. Without considering innovation from end to end, the company only

responds to immediate issues, missing out on reaching the next level of long-term value generation through a proactive view.



Symptoms

- Your organization is a knowledgeable and capable innovator when the demand is urgent and familiar but gets lost when things go beyond the scope of the here and now
- Your teams find it hard to connect the dots, generating a certain degree of confusion and disconnection across the innovation process
- Your company achieves localized efficiency; however, your innovation process only wins battles but falls short on delivering long-term value and vision



Risks

While your teams are good firefighters with the ability to act fast and locally, the way innovation is currently managed limits their ability to address the root causes for constant challenges and disruptions. This puts the organization in a perpetually defensive stance, capable of solving problems but incapable of foreseeing new ones on the horizon or learning from the bigger picture.

Without efforts directed to gaining a broader view, better results that are faster, bolder and forward-thinking will remain elusive.



Prescription

Take the first step by making an appointment with your innovation optometrist – helping to expand your field of vision, consider the end-to-end picture and focus on the future as well the present. Refer to the section the **END-TO-END PROCESS** on pages 10-13.



Fatigue

Based on the assessment, your company is suffering from fatigue related to pillar 3: **Leadership and organization**. A lack of clarity on what each professional's contribution to

the innovation process should be results in lost opportunities in terms of more effective teamwork, problem-solving, space for creativity and overall satisfaction.



Symptoms

- The human impacts of an unclear innovation process are acutely felt across the mood of the organization
- Teams don't feel prepared or adequately trained for their duties, meaning that challenges that arise lead them to often reinvent the wheel
- Your talents, teams and individuals are under strain and they experience fatigue with the creative process
- Roles aren't clear, draining energy and leaving important details unresolved. Sometimes no one feels the need to be involved and at other times everyone gets involved, creating a sense of struggle – especially when working across areas
- The sensation of overwork and burnout is common



Risks

Shortcomings in terms of leadership and organization mean that staff are unable to effectively deal with conflicts that naturally arise when interacting with different areas, making it harder than necessary to resolve issues and draining energy.

This fatigue can place a bottleneck on the creative flow as energy is lost in organizational inefficiency rather than channeled into unlocking each individual's talent and skills.

There is a risk of creating a Tower of Babel in the organization, with different sub-cultures where innovation is being done according to each individual's objectives and points of view.

When professionals feel they are always in survival mode, this increases the likelihood of turnover.



Prescription

Take the first step by making an appointment with your innovation fitness coach – creating a clear game plan for each player, inserting discipline and getting the organization to move as one. Refer to the section the **LEADERSHIP AND ORGANIZATION** on pages 14-15.



Lack of rhythm

Based on the assessment, your company's innovations are being held back by a lack of rhythm related to pillar 4: **The interaction model**. Like a well-tuned orchestra, innovation happens

through discipline, rhythm and harmony. Beyond the theory, effectively innovating rests on the ability to execute and stay resilient with coordinated governance, rituals, roles and responsibilities.



Symptoms

- There is discord in your governance rituals, which is felt in terms of redundancy and unnecessary work
- Time and energy seem to be lost on inefficient collaboration, interactions and discussions
- Meetings are not being correctly executed, teams do not come prepared to take and discussions become drawn out due to a lack of clear objectives
- Some areas linked to innovation perform well while others lag behind, and performance fluctuates over the course of the year



Risks

Discord will persist as long as the organization applies a one-size-fits-all approach to all innovation projects. Initiatives will keep being treated unfairly, losing energy and momentum unless they are differentiated based on complexity and segmented.

Lost opportunities for creating value can arise by failing to stick to agendas for the innovation process, set consistent goals for meetings, establish formal approval gates, create a mindset of proactivity or focus on true game-changers.

Without a well-defined and well-harmonized governance model, even the best ideas, structures, processes and organizations will fail to deliver results effectively and on time.



Prescription

Take the first step by making an appointment with your innovation music instructor – helping to strike the right tone and keep the rhythm through structure, ritual and routine. Refer to the section **THE INTERACTION MODEL** on pages 16-17.

Conclusion

Regardless of whichever ailment may be afflicting your business, the good news is that these are all curable. With the right diagnosis and solid plan that integrates the individual company's culture, its strategic business cycles and the reality of

the respective sector, your organization can implement an innovation management model capable of smoothly channeling raw creative energy into innovative products and solutions.



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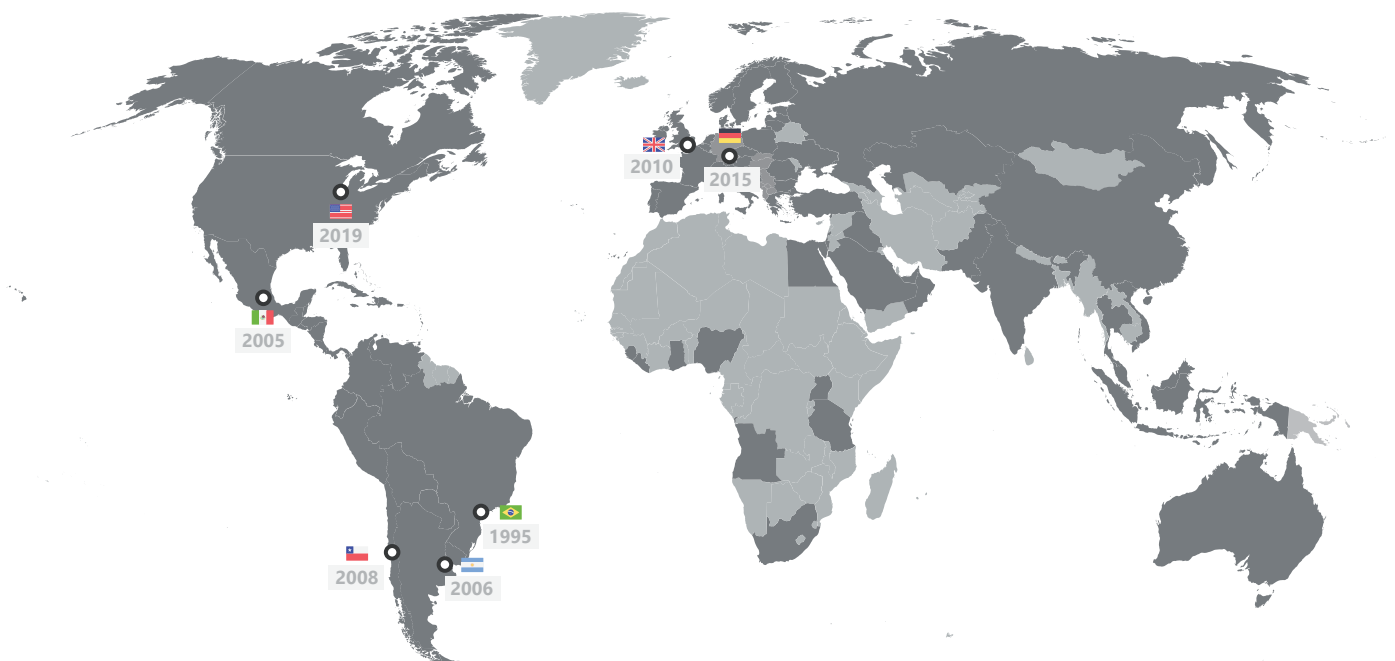
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Strategy & management consultancy

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We work side by side with our clients to create customized solutions that match their business needs for change across all levels of the organization – always integrating our expertise with the client’s reality. This is done by bringing together multi-functional and international teams of hands-on specialists that draw from our five areas of expertise called Practices: Marketing & Sales, Supply Chain, Finance & Management, Implementation, Leadership & Organization and Tech & Digital – always integrating strategy and implementation.

The result of this for our clients is a unifying movement across the organization that creates a positive legacy of tangible change – always integrating people and business.



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○ Our offices

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clients
900+

projects
3480+

projects in
85+
countries

offices
7

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Hands-on specialists that drive change at all levels of the business

The result

A unifying movement that creates a positive legacy of tangible change

What our clients say

“

Pragmatic wisdom **built on immersion and integration**”

“

Together with us in **the difficult and the joyful moments**”

“

Always bringing a human quality and honesty into our relationship”

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