

HANDOUT

Resolve Pain Points, Improve Outcomes



The ideation/early Discovery phases of the innovation process are undeniably fun: Ideas have been sourced, improved, validated, and prioritized, and the best ones have been identified for further action.

But as projects advance into the late-stage Discovery and Incubation phases, the work is harder and less predictable. Our research has revealed five pain points that innovation teams regularly encounter during the Incubation phase. Follow our recommendations to resolve these pain points and improve your innovation outcomes.

Pain point: Focusing on the most important issues

Recommended action: Check your innovation blind spots

- Invite stakeholders, both supporters and pessimists, to surface all of the issues that will influence success
- Determine your organization's level of ignorance for each issue – those that are speculative and likely to create surprise, and those that are routine and well-understood
- Next, assess the impact of each issue based on how much its resolution will improve confidence in the business case
- Use the resulting ignorance vs. impact Discovery Grid to focus your innovation resources on the issues that are both high impact and highly speculative

Pain point: Prioritizing innovation projects

Recommended action: Prioritize gathering the most valuable evidence

- When projects are uncertain, you cannot know which ones are best
- Instead, prioritize the actions or experiments that most resolve the uncertainties or demonstrate upside
- Quantify the range of uncertainty for each opportunity and map experiments to the specific factors influencing this range
- Create a Derisking Dashboard that shows financial value of each experiment across many projects as a means of prioritizing resources

Pain point: Dealing with late-stage surprises

Recommended action: Think future-back

- Avoid the temptation to simply define hypotheses based on what is in front of you
- Step back and critically think through the big vision you are pursuing
- Use critical thinking canvasses or a strategy table to identify the big issues from the point of view of this future vision.
- Define hypotheses based on these big issues in the vision, not based merely on the next steps.

Pain point: Building momentum for new ideas with business leaders

Recommended action: Deliver evidence, not just an action plan

- Most innovators focus on the execution plan – how to get the “it” done
- Instead, ask leaders what evidence would make them thrilled to increase their investment?
- Craft experiments that deliver the evidence inexpensively
- Align on a Learning Plan that sequences experiments to support potential pivot decisions

Pain point: Managing executives' expectations

Recommended action: Speak the language of finance

- Business cases go awry because nobody believes the assumptions, or the numbers turn into a commitment
- Instead of making assumptions, think through the upside and downside scenarios for key factors like market size or price
- Use a Tornado Diagram to show how these different scenarios lead to different results
- Keep expectations in check by focusing on reducing uncertainty and driving upside, rather than achieving a specific result



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