# Tech-Clarity Insight:

# Creating the Environment to Innovate

*How Industry Leaders Put*
*People, Processes, and Technology*
*in Place to Drive Innovation*

## Table of Contents

**\*This summary is an abbreviated version of the report and does not contain the full content.  A link to download the full report is available on the Tech-Clarity website, www.tech-clarity.com.**

**If you have difficulty obtaining a copy of the report, please contact the author at jim.brown@tech-clarity.com.**

## Executive Overview

Companies want to raise the bar on innovation from incremental improvement to the kind of innovation that shows up in the annual report. Breakthrough innovation is visible to customers, the market, and investors. As Lana Kington, Director of Global R&D Innovation Management for Mead Johnson Nutrition points out, "*Whenever our management speaks to investors, they consistently highlight our innovation performance because of its importance to our consumers, our business and our reputation.*" Others agree, including Sindy Wilson, Director of Product Portfolio Analytics & Insights for Manheim Auction, "*We are the industry leader and we drive innovation, it's very visible and a very high priority.*"

---

*Although innovation is important and gets a lot of attention, too few companies have a realistic plan in in place to improve innovation performance.*

---

Although innovation is important and gets a lot of attention, too few companies have a realistic plan in place to improve innovation performance. Companies don't have an environment that fosters innovation and allows them to innovate and commercialize effectively to capitalize on their ideas. We spoke with several leading companies about how they create an environment that fosters innovation. As Manheim's Wilson states, "*You have to be fast to market to be relevant.*" Companies need a plan to operationalize innovation to be more predictable, repeatable, and reduce risk. The plan must address three critical elements necessary to foster innovation – people, processes, and technology.

---

*People are always concerned that an innovation process is simply bureaucracy and that it will slow them down; but that's not the case.*
*Lana Kington, Director Global R&D Innovation Management, Mead Johnson Nutrition*

---

Some may scoff at the simplicity of the "people, processes, technology" message. It probably gets as much lip service as innovation itself. But each element is critically important and there are some special considerations for each related to innovation. For example, some feel processes for innovation can slow them down. "*People are always concerned that an innovation process is simply bureaucracy – and that it will slow them down; but that's not the case,*" explains Lana Kington of Mead Johnson. While that may be true, done right innovation processes help guide and streamline innovation execution. "We can have discipline and the flexibility to innovate."

Technology plays a special role in enabling innovation. "*Inevitably software will speed up innovation, you gain back efficiencies tenfold by automating,*" explains Immucor's Erik Greenfield in Tech-Clarity's Top 5 Misconceptions about Innovation Management Software. Technology helps support standard processes and metrics and provides transparency to consistent information. Good processes and technology also enable facts-

based decision-making to move companies away from emotion and gut instinct to a more mature, sustainable approach. While processes and technology are crucial, the research also shows the importance of a strong innovation culture and that processes and technology must be lightweight and flexible to enable but not burden innovators, particularly in early innovation phases.

## Conclusion

Innovation is at the top of today's corporate agenda. As Mead Johnson's Lana Kington says, "*Driving innovation is important – it's one of the elements of our strategic plan.*" Too many companies, however, talk about innovation without putting a realistic, actionable strategy in place to improve innovation performance. To drive innovation, companies must put strategies in place to improve the way that people, processes, and technology enable and contribute to innovation. Each is important and requires a plan to improve innovation. As stated by the manager of a medical device company quoted in Tech-Clarity's Improving Portfolio Decision Making, "*Merging the tool, process, and organization so they work together we feel like we are making better decisions.*"

---

***To drive innovation, companies must put strategies in place to improve the way that people, processes, and tools enable and contribute to innovation.***

---

The research indicates that people and culture are the first priority for most, with processes and technology as supporting elements. Companies should get their organization and culture right and then develop enough processes to guide innovation efforts and provide information for facts-based decisions. They should adopt technology to enable transparency and consistency. According to Mead Johnson's Kington , "*Put people at the top of the list as being important. Process is second – it will help people understand how things are supposed to work together and frees them up to do their part. Technology is there for ease of visibility.*" Finally, companies should adopt a continuous improvement approach where processes and technology remain flexible and evolve over time. They should put enough processes and technology in place to get started and then build on that foundation as the organization learns and matures.

## Recommendations

Based on industry experience and research for this report, Tech-Clarity offers the following recommendations:

- Focus on culture and people for innovation first
- Develop right-sized processes to guide innovators
- Make processes more rigorous later in the innovation lifecycle
- Start small with processes and metrics and improve over time
- Put in place lightweight, flexible software to enable processes without burdening innovators
- Iterate and improve processes and technology over time as the organization learns

## About the Author

Jim Brown is the President of Tech-Clarity, an independent research and consulting firm that specializes in analyzing the business value of software technology and services. Jim has over 20 years of experience in software for the manufacturing industries. He has a broad background including roles in industry, management consulting, the software industry, and research. His experience spans enterprise applications including PLM, PPM, ERP, quality management, service lifecycle management, manufacturing, supply chain management, and more. Jim is passionate about improving product innovation, product development, and engineering performance through the use of software technology.

Jim is an experienced researcher, author, and public speaker and enjoys the opportunity to speak at conferences or anywhere he can engage with people with a passion to improve business performance through software technology.

Jim can be reached at jim.brown@tech-clarity.com. You can read additional research, watch Tech-Clarity TV, or join the Clarity on PLM blog at www.tech-clarity.com. You can also follow Jim on Twitter at @jim_techclarity, or find Tech-Clarity on Facebook as TechClarity.inc.