Return on Ideas

A practical guide to making innovation pay

David Nichols

John Wiley & Sons, Ltd

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for Clare, Holly and Imogen

Contents

About the Author **xiii**

Acknowledgements **xv**

1. This is getting us nowhere **1**
What is the problem? The Funnel 1

2. How to navigate this book **5**
Segmenting users 7

PART I: The Case Study **11**

3. The Calippo Shots story **13**
Headlines 13
The Ice Cream scene 14
Starting with a clear vision 15
Generate lots of high quality ideas 16
Quickly getting down to the best ideas 18
Building the best ideas into winning mixes 19
After launch 20
Key takeouts 20
Handover 21

PART II: The Challenge **23**

4. Innovation isn't working **25**
Headlines 25
Innovation's the thing 25

Innovation isn't 28
Funnels Don't Work 29
Ten ways funnels stifle innovation 32
A dizzying conclusion 46
Key takeouts 53
Checklist: Is innovation being stifled by your funnel? 53
Handover 54

PART III: The Core Idea **55**

5. A new innovation paradigm: The Rocket Motor **57**
Headlines 57
Innovation is, in fact, Rocket science 58
Key takeouts 66
Handover 67

6. Rocketing: Destination **69**
Headlines 69
Being clear 69
Hamster-wheeling 73
Begin with the end in mind 74
Key takeouts 91
Checklist : Destination 91
Handover 92

7. Rocketing: Combustion **93**
Headlines 93
Not enough good ideas 93
7.1 Continuous Insight Fuel 95
From insight to fuel 95
360° Insight 96
360° Insight Sources 97
7.2 Multiple Ignition In Parallel 110
Igniting the insight fuel 110
Parallel processing 110

Lisa and Mac 114
Practical Ignition Tools 115
7.3 3 Bucket Principle 128
What it is 128
Grave-robbing 131
7.4 Coda: A whole year view of Innovation 134
The 15% rule 134
Your typical year 134
Key takeouts 136
Checklist: Combustion 137
Handover 137

8. Rocketing: Nozzle 139
Headlines 139
From Whittle to 'Wow' 139
Picking winners is a lottery 140
Show business: Theatre Rules 143
Poor external screening 150
Show business: Idea Power 150
Key takeouts 157
Checklist: Nozzle 157
Handover 158

9. Rocketing: Expander 159
Headlines 159
Keeping positive 159
Innovation Antibodies 160
Expand not evaluate 161
Be a builder not a knocker 162
Execution is everything 170
Get real feedback 170
Launch then tweak 176
Key Takeouts 177
Checklist: Combustion 177
Handover 178

PART IV: The Entertainment **179**

10. Ten innovations that make it look easy **181**
Innovation shortcuts 181
New brands are innovations too 182
The 10 Innovations 183

PART V: The Practicalities **205**

11. Doing it faster **207**
Headlines 207
It always takes longer than you want it to 208
Case Study: Project Blues for Unilever Foods 209
The Approach 209
Plan in decisions 210
Smaller teams 212
Parallel Ideation 214
Real-time insight 216
Fast agencies 217
Blues: The result 218
Key takeouts 218
Checklist: Doing it faster 218
Handover 219

12. Avoiding the pitfalls **221**
Headlines 221
Pitfalls and Pratfalls 222
Nine innovation pitfalls 223
No. 1: Oops, the product is useless 223
No. 2: 'Not invented here' syndrome 226
No. 3: The 'could it be. . . ?' killer 229
No. 4: Over-testing 231
No. 5: Killing by proxy 233
No. 6: The off-guard boss 235
No. 7: 'Yes, but. . .' 237
No. 8: Poor casting 238

No. 9: Giving up 240
Handover 242

Appendix: Rocketing toolkit **243**

Index **255**

About the Author

David Nichols is a marketing coach who "*makes us feel like we can achieve everything we want*" according to one of his global brand director clients. He teamed up with David Taylor in 2006 to become a Managing Partner of the brandgym, a consultancy that coaches teams to create a clear brand vision *and* the action plan to turn this into growth. He has led brand vision and innovation projects for many global companies and brands including Castrol, Vodafone, Unilever and Cadburys.

David is co-author of "*Brands & Gaming: The computer gaming phenomenon and its impact on brands and business*" published by Palgrave Macmillan in 2005, cataloguing the rise and rise of a new global cultural phenomenon that is going to change the marketing landscape forever.

He started his career at OC&C Strategy consultants, moving on to the marketing consultancy Added Value where he spent 11 years rising to be Managing Director of the UK, including stints in Paris and as MD in Australia.

David has written and produced three full scale musicals and managed a professional improv troupe, *The Impro Musical*, working with Tony Slattery, Eddie Izzard and Greg Proops.

He has a first class degree in Aerospace Engineering from Bristol University and in his spare time is an aerobatic pilot.

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This is getting us nowhere

CHAPTER 1

> "All the armies in the world cannot resist an idea whose time has come."
>
> *Victor Hugo*

I'll say it again.

This is getting us nowhere.

Time and time again marketers push off into yet another innovation project and come to grief on the same rocks. From financial services to fine wines, soft drinks to soap detergents and there is an alarming consistency in all of them; innovation isn't working. That's not to say no innovations happen or get launched, of course they do. But it's just so damned hard. More and more corporate resources are being funnelled into the quest for tomorrow's big innovation and it just isn't happening. It is costing more and more to develop each innovation and they are being no more successful.

Our chairmen are always talking up innovation as a core competence and how it will solve so many of the issues facing both the top and bottom line. It will transform low-margin, low-growth 'dog' categories and products into cash-generating superstars. With mounting competition from small nimble new entrants, the big players are finding themselves in a tighter and tighter corner. 'Innovate or die' is the mantra, but actually it should read: 'Innovate (faster and with fewer resources) or die.'

Investment in R&D is being focused on key areas, innovation teams are well staffed and research budgets are bigger than ever. But the innovation task still seems to be getting harder. Resources are being chewed up by the bucket load including, most importantly, internal energy and inspiration. But the final results are less than sparkling most of the time.

What is the problem? The Funnel

The key innovation process in major businesses today is the Innovation Funnel; the process of developing ideas in stages at the end of which is an evaluation that whittles the ideas down to a smaller number so that resources can be focused on fewer 'winners' in the next stage. It isn't working. In fact it seems to be inspiring low-quality ideas, making the whole process longer and more resource intensive and, ultimately, producing poor-quality output. If corporations want to grow both top and bottom lines consistently, then they need to fix it. Fast.

The alternative to the formal, admin-intensive Innovation Funnel that is held up as the way to break out of the innovation doldrums is to be a rebel; break all the rules and spearhead a drive to put yourself out of business before your competitors do by innovating entirely new markets. This is good, but not enough, and it can divert attention away from the core challenge which is to create growth in core markets with current brands. This is the real challenge for innovators, and it is more difficult to do than radical innovation because innovating the core has all the constraints of an existing business model heaped upon it.

There must a better way than either of these two approaches to deliver innovation in these hyper-competitive, over-saturated markets with marketing savvy cynical consumers.

There is. It's called Rocketing. It is formally introduced in Chapter 5 and explained in detail, step by step, in Chapters 6 to 9. Instead of focusing all efforts and resources on whittling down many ideas to a 'winner', Rocketing takes the analogy of a rocket motor and focuses on building ideas up to maximum impact at launch. Rocket motors are very simple, but very powerful, and make a good model for an innovation process that has to work within a major corporation. Rocketing is not intended as a total replacement for the Funnel, but as a reallocation of resources and an upgrading of the principles and methods used within it. There are fours stages to Rocketing:

- *Destination* – Being crystal clear on your goal is the first and crucial step in successful innovation.
- *Combustion* – Generating a larger number of high-quality ideas through continuous insight, multiple ideas generation and efficient ideas management.
- *Nozzle* – A swift prioritization of ideas, relying on experience and instinct together with powerful evaluation criteria, releases time and resource into the rest of the process.
- *Expander* – Building ideas into prototypes and 360° mixes earlier by focusing effort and energy on building ideas, not spotting problems.

With the tools and process laid out in these chapters you can turn your next innovation project into a quicker, more efficient process that will give you a greater chance of success as the end result.

The final chapters discuss the practicalities of Rocketing in the real world, such as the approaches to take if you really want to innovate quickly – not just cutting a chunk off the standard 18-month timeline, but doing the whole thing from start to finish in a few months. It's also necessary to avoid the pitfalls that inevitably crop up in every large organization – from getting past the "yes, but. . ." people in every meeting to avoiding ideas being stymied at birth 'by proxy' because someone doesn't think the boss will like them.

Innovation is the life-blood of branded business and today it is not delivering enough oxygen to the corporate heart. It's being stifled by too much admin, too many processes and too many corporate antibodies and it's got to stop. Your ideas deserve better.

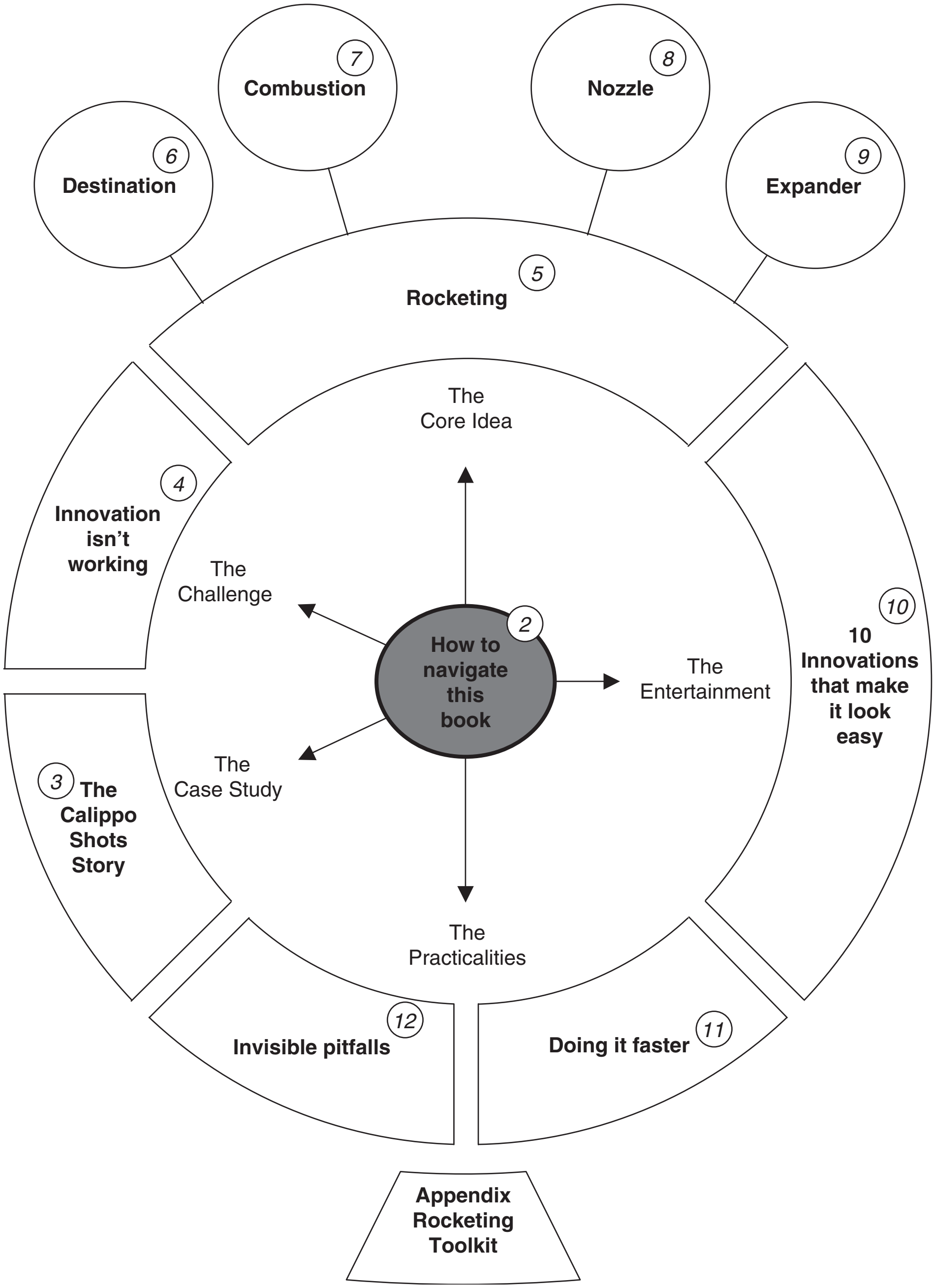
There is a way of doing innovation that fits today's corporate cultures *and* produces successful ideas. This book is dedicated to laying out how you can get more for all the resource you put into innovation. In short, it tells you how to get a better return on your ideas.

How to navigate this book

CHAPTER 2

Start at the beginning and read to the end.

Well, that is one way to do it. It's perfectly valid, but a bit conventional. However, this book hasn't been written in a conventional, linear fashion, so you don't have to read it that way. It's only the constraints of analogue publishing that make it so singularly sequential. This book is written from the middle outwards (Figure 2.1), much in the way a workshop would be run on it; no long preamble or much of an introduction, just dive into the meat, get the principle of the idea explained, then go back and lay out the niceties of why the subject is important, what came before it, why it should be changed, etc. Chapters in a book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8
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2
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navigate
this
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The
Entertainment
10
10
Innovations
that make
it look
easy
The
Case Study
3
The
Calippo
Shots
Story
The
Practicalities
12
Invisible pitfalls
11
Doing it faster
Appendix
Rocketing
Toolkit

Figure 2.1: A map of this book.

don't seem to work very well like that. Instead, here is a short guide chapter on how you can get more out of the book by, perhaps, taking non-conventional routes into it.

Segmenting users

What people want from reading a business book very much depends on who they are and their situation. This is a phenomenon that most marketers should be very familiar with – it's called segmentation. Who you are, what mood you are in and how much time you have, all inform why you have picked up a business book and thus what you want from the experience of reading it. Like all good needs-based segmentations, this not about describing types you can pigeonhole people into, but an array of needs on specific occasions in which people can find themselves. If it's a good enough technique for targeting chocolate bars and mobile phones, then it's good enough for this book.

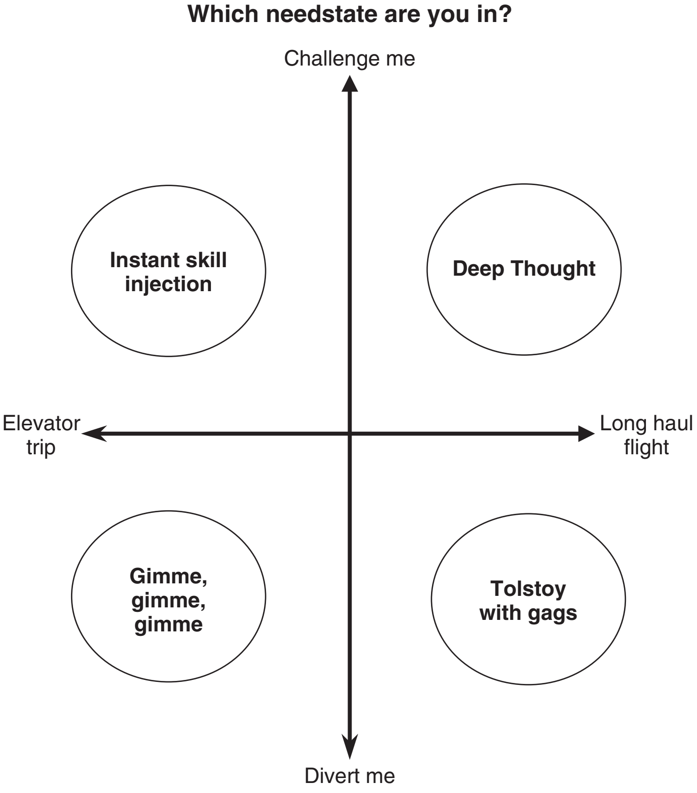

Which needstate are you in?
Challenge me
Instant skill injection
Deep Thought
Elevator trip
Long haul flight
Gimme, gimme, gimme
Tolstoy with gags
Divert me

Figure 2.2: Reader Segmentation.

There are many ways in which you could segment potential readers, i.e. you. The five axes of segmentation, as outlined in my colleague David Taylor's first book *The Brand Gym*, are an excellent method, but too much of a long haul for what we need here. Instead, like a good film star, it's best to be short. The two axes that seem most meaningful are the time you have available and the principle need you have in picking up this book. The extremes of ordinary reading situations inform these axes. They are:

X-axis: Time available to read a business book
Shortest: Going up a couple of floors in the elevator to see the boss/agency/view.
Longest: On a flight to Australia, you can't sleep and the in-flight movies are not working.

Y-axis: Need when reading a business book
One extreme: To be diverted, but still appear to be working.
The other: A genuine desire to learn and develop yourself, perhaps immediately after your mid-year review.

Needstate	Recommended Chapters
Instant skill injection	Precis 7 Photocopy the Appendix
Deep thought	Paddle through 4 Dive into 5-9 Surf on 12 & the Appendix Dry off with 10 & 11 Jump back into 3
Gimme, gimme, gimme	Do some 5 Cut with 10
Tolstoy with gags	Munch on 4 Nibble at 3 Devour 5-9 Wash down with 10 & 11 Round off with 12 & the Appendix

Figure 2.3: How to navigate this book.

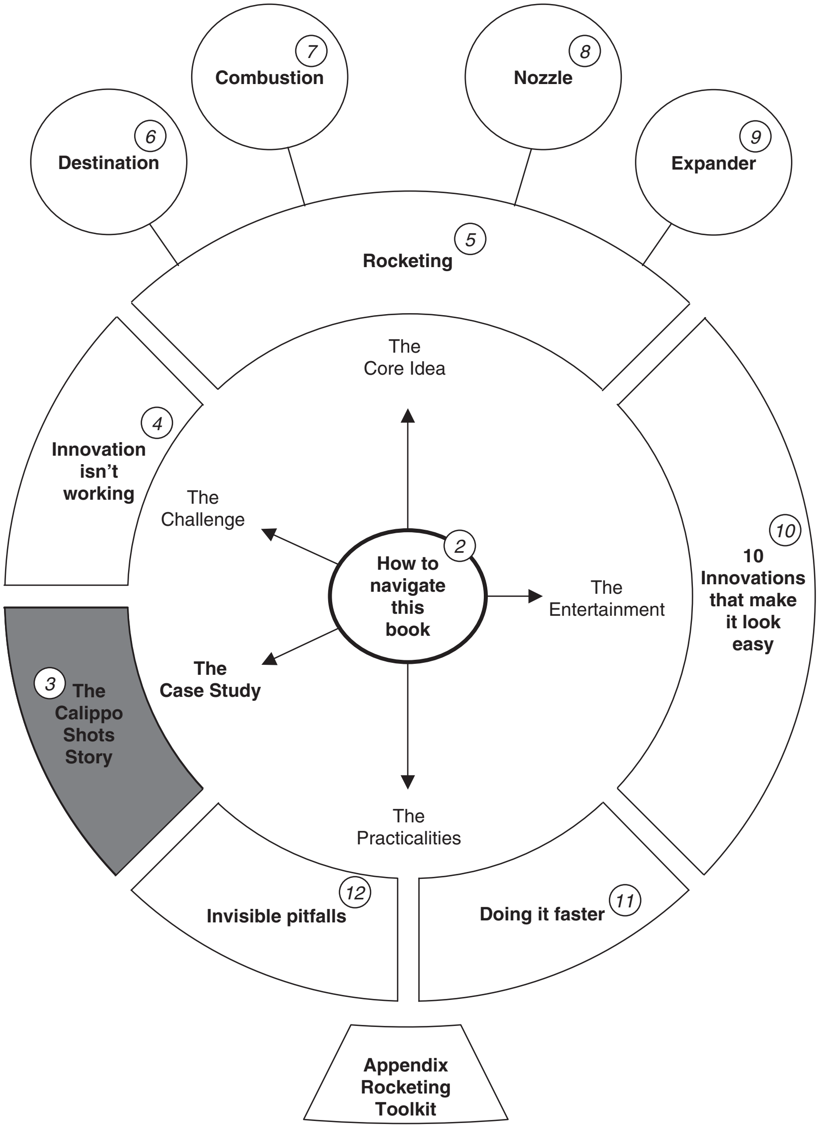
Plot these two against each other in the time-honoured fashion and behold, you have a simple segmentation that would make a trainee BCG consultant smile. Figure 2.2 lays out this segmentation and on it are plotted four reasonably plausible needstates that you might be finding yourself in now, as you read this book. For each, in Figure 2.3, there are suggestions on the route you might like to follow through this book.

But of course, as with all segmentations, a real person like you will simply ignore the carefully thought through strategic framework and read the book exactly as you please.

Be my guest.

The case study

PART I



7
Combustion
8
Nozzle
6
Destination
9
Expander
5
Rocketing
The
Core Idea
4
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isn't
working
The
Challenge
2
How to
navigate
this
book
The
Entertainment
10
10
Innovations
that make
it look
easy
3
The
Calippo
Shots
Story
The
Case Study
The
Practicalities
12
Invisible pitfalls
11
Doing it faster
Appendix
Rocketing
Toolkit