

## **Strategic Tips in Measuring Innovation**

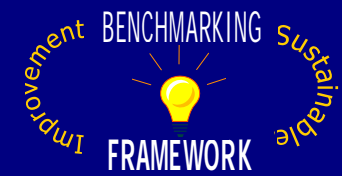
Innovation can be a loosely described term with good intent and even well embedded within continuous improvement programs where many organisation's are 'grasping columns of smoke' when trying to separate out Innovation metrics. So the purpose of this paper, is to assist organisations deal with a process within their own business to define Innovation, determine outcomes from Innovation that will determine the types of measures driving and enabling Innovation for your business!

With our research there are 3 key foundational steps I'd recommend before diving into measuring Innovation, they are:

1. Define the vision of Innovation and a definition of Innovation for your organisation. You may use business language to define Innovation, and this is OK, so long as you then describe what Innovation means in the language that connect and engages with people in your business and reinforces these messages for your business. The vision for Innovation is the desired picture of Innovation, use sensory language to engage the hearts and minds with your vision.
2. Ensure the definition and vision of Innovation aligns clearly and is meaningful in your organisations strategy plan and business unit plans. Innovation will have a limited life if this is handled as a separate project, so the trick is to embed Innovation into 'those things that matter most' ie the direction and overall planning statements for the business as well as the 'Values' of your organisation. If Innovation is not explicitly known as a separate value, then make sure you describe Innovation under the relevant values for your business that will drive the behaviour and cultural desire for your business to Innovate and grow!
3. Once you are clear on the vision of Innovation(point 1), and everyone can see the value of Innovation for the business(point 2), then we would recommend you 'Strategy Map' or do an 'Outcomes map' from your Innovation vision. The vision for Innovation leads to ask what are the key 'planks' or outcomes/deliverables of Innovation such that if any one of those planks were removed the Innovation vision would be severely hampered!(ie there is no way our vision could be achieved if X plank was not there). The idea is to then determine the lower order key planks that depend on each of the higher order key planks, and so an outcomes map or an Innovation strategy tree is drawn, that shows

# Benchmarking Partnerships

Connecting Best Practices, People & Ideas



all the interconnecting outcomes at levels going up the tree from inputs, processes, outputs and higher order outcomes right up to the vision. This map clearly shows the types of Innovation measures for Your business that matter most to establish and get in place.

Benchmarking Partnerships assist organisation's to facilitate and share their experience, imparting knowledge in the strategic alignment and the unique outcomes mapping process with your team.

The Strategy or Outcomes map template is attached here FYI.



The table below is an example from a recent Strategy or Outcomes mapping process for Innovation in a medium sized company. Specific organisational information is 'blinded out' to protect the privacy of this organisation.

In this table you will be able to see a variety of innovation measures from inputs, processes, outputs and then the big plank outcomes leading to the vision(not shown here to protect the organisation), that can guide the thinking in the right direction and facilitate development of appropriate measures of innovation.

# Benchmarking Partnerships

Connecting Best Practices, People & Ideas



Levels of 'Outcomes Mapping' Innovation Process from a strategy tree.	Example Innovation Measures
Inputs	<ul style="list-style-type: none"> <li>• Business case &amp; funding</li> <li>• Culture of risk taking</li> <li>• Rewards &amp; recognition</li> <li>• Tools</li> <li>• Research</li> <li>• Innovation management &amp; leadership climate for employees to take time to 'tinker'</li> </ul>
Processes and In-processes	<ul style="list-style-type: none"> <li>• Targets for innovation</li> <li>• Process of innovation</li> <li>• Extent of institutionalization</li> <li>• Idea management</li> <li>• Internal and external publications</li> <li>• Knowledge management</li> <li>• Internal and external collaboration</li> <li>• Recognition</li> <li>• New idea deployment</li> <li>• Extent of improvement or change</li> <li>• Degree of differentiation</li> <li>• Disruption or innovativeness</li> <li>• Time to innovate</li> </ul>
Outputs	<ul style="list-style-type: none"> <li>• Patents</li> <li>• New products, services or solutions</li> <li>• Sales growth</li> <li>• Market position or ranking</li> <li>• Customer perceptions</li> <li>• Rate of innovation</li> </ul>

# Benchmarking Partnerships

Connecting Best Practices, People & Ideas



	<ul style="list-style-type: none"><li>• Savings</li><li>• Opportunities</li></ul>
Outcomes	<ul style="list-style-type: none"><li>• Mgt recognition of new value created through Innovation</li><li>• New and positive customer experiences</li><li>• Channels of Innovation growing our knowledge capability</li><li>• Reduced costs, increased service delivery, reduced cycle times</li><li>• Repeat business and sales for new products and services</li><li>• Engagement and rate of employee ideas being converted into real and meaningful business benefits</li><li>• New business opportunities and reshaping the business</li></ul>

The real Strategy map for this organisation shows the connectiveness of each Outcome and measure to each other and also more detail on the specific measure how measured, when, process owner etc..

In a tree analogy the inputs( leaves), the processes(the twigs), outputs(branches), and outcomes (trunk and main branches) are all feeding from the vision(the base of the tree and its roots) and supplying food back ie photosynthesis back to the vision. Not a single leaf, twig, branch etc is disconnected, they all feed to provide healthy Innovation outcomes and measures for your organisation.

We hope this paper is a useful guide for your organisation when consider Innovation measures.

Anton J Benc (ph 0409 145033) & Bruce Searles (ph 0418 267794)  
Managing Partners, BENCHMARKING PARTNERSHIPS  
[www.benchmarkingpartnerships.com.au/](http://www.benchmarkingpartnerships.com.au/)