



Fundamental business tips and tools

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Australian Businesswomen's Network



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Tim Kastle
Lecturer - Innovation Management,
UQ Business School - The
University of Queensland



Helen Crozier
businessproductivitygenius.com



David James
Brasserie Bread

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The Questions Pane

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NOT ON TWITTER?
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Three Key Ideas About Innovation

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Innovation: Definition

Executing a new idea to create value

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Why this...

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... not this?

(photo: Scott Martin Charbonneau Photography)
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1.

**Invention is not
innovation**

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Invented: 1823
Built: 1998
Sold: Never

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Invented: 1968
Built: 1974
Sold: 1981



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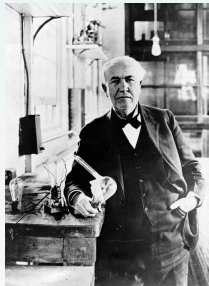
Invented: 23 times before Edison



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So why do we say that Edison invented the light bulb?



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2.

Innovation is More Than Just New Products

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Innovation is More than Just New Products

"(Economic) development in our sense is then defined by the carrying out of new combinations"

J.A. Schumpeter (1912)
The Theory of Economic Development

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Schumpeter's Forms of Innovation

1. The introduction of a new good, or a new quality of good (or service)
2. Introduction of a new method of production
3. The opening of a new market
4. Developing a new source of supply
5. Changing the structure of an industry

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Business Model Innovation – Critical but Overlooked

Technical Inputs:
e.g.,
feasibility,
performance

Business Model:
• market
• value proposition
• value chain
• cost and profit
• value network
• competitive strategy

Economic Outputs:
e.g.,
value,
price,
profit

Measured in technical domain Measured in economic domain

Figure 1 The business model mediates between the technical and economic domains.

Source: Open Innovation by Henry Chesbrough

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Exhibit 2. Business Model Innovators Outperform Traditional Innovators Over Time

| Period | Process and product innovators (median performance %) | Business model innovators (median performance %) | Difference in percentage points |
|-------------------|---|--|---------------------------------|
| Three-year period | 1.7 | 8.5 | 6.8 |
| Five-year period | 0.1 | 6.1 | 6.0 |
| Ten-year period | 1.7 | 2.7 | 1.0 |


Sources: BusinessModel IQ Innovation Survey 2016; BCG ValueScience analysis.
TSR premium is defined as the percentage by which the innovators' average total shareholder return exceeded that of their industry peers.

Source: Boston Consulting Group: Business Model Innovation: When the Game Gets Tough, Change the Game

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The Innovation Value Chain


| | IDEA GENERATION | | | CONVERSION | | DIFFUSION |
|----------------------------|---|--|--|---|--|--|
| | IN-HOUSE | CROSS-POLLINATION | EXTERNAL | SELECTION | DEVELOPMENT | SPREAD |
| | Creation within a unit | Collaboration across units | Collaboration with parties outside the firm | Screening and initial funding | Movement from idea to first result | Dissemination across the organization |
| KEY QUESTIONS | Do people in our unit create good ideas on their own? | Do we create good ideas by working across the company? | Do we source enough good ideas from outside the firm? | Are we good at screening and funding new ideas? | Are we good at turning ideas into viable products, businesses, and best practices? | Are we good at diffusing developed ideas across the company? |
| KEY PERFORMANCE INDICATORS | Number of high-quality ideas generated within a unit | Number of high-quality ideas generated across units | Number of high-quality ideas generated from outside the firm | Percentage of all ideas generated that end up being selected and funded | Percentage of funded ideas that lead to revenue; number of months to first sale | Percentage of generation in desired markets, channels, customer groups; number of months to full diffusion |

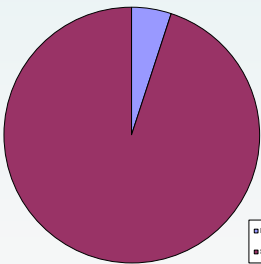
Source: Hanson & Brinkman: The Innovation Value Chain – Harvard Business Review

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Idea Poor

Selection & Diffusion Poor

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Summary

- Understand the difference between Invention and Innovation
- Innovation is not just new products – try to think of other forms of innovation (especially business model innovation)
- Manage Innovation as a process, not an event

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Commerce:
Express Websites

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Commerce:
Express e-Store

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Mobile Commerce Today:
mHITS

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Mobile Commerce Tomorrow:
Square

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Now available for iPhone, iPad and Android.

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Mobile Commerce Tomorrow:
Square

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Collaboration:
Three Business Productivity Essentials

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Communication Today: Video Conference Consultations



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Communication Tomorrow: Express e-learning



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Innovation Today: Augmented Reality Property Search



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Innovation:
Tissot Augmented Reality

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Innovation Tomorrow:
Augmented Reality Business Cards

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Innovation of an “Old World” industry


- Developed predictive algorithm to enable the “scaling” of the sourdough bread making process
- Developed company-wide intranet to systemise artisan baking business
- Worlds first online shopping service for artisan bread
- Integrated social media strategy

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Predictive Algorithm

- Sourdough Starter
- 3 days to make bread
- 14 days to build Starter
- 100 Customers 50 products
- Spreadsheet to database
- Ease of Use
- Reliability BEFORE Growth

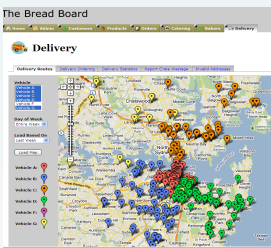


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Bread Board intranet

- Bakery Production
- Order Processing
- Packing & Labeling
- Delivery
- Financials
- CRM



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Public Website

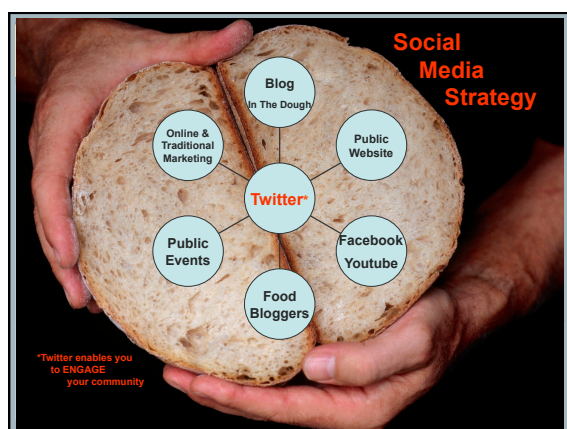
- Static info
- Products interface to BB
- Training interface to BB
- Social media

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Buy Online for In-store Pickup

- Leverage existing IT infrastructure
- Automatic "real" deadlines
- Leverage existing logistics
- Pay shop owners commission
- Drive foot-traffic & develop business partnership with shop owners
- Develop "RAVING" Fans



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Question Time

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The Wardrobe Store

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