

COLLINGHAM BUSINESS CLUB

... supporting local business success ...



Innovation

This aide-memoire has been
kindly provided by Terry Nash
of the Gusto Group

INNOVATION

Why Innovate?

Your business cannot stand still; it can only progress or regress; by constantly innovating it will progress.

Purpose of Briefing Note

The purpose of this briefing note is to help the reader to:

- ⇒ Identify & introduce new ideas and methods into their business
- ⇒ Identify tools of marketing which will help these innovations to be successful

Definitions

By which we mean:

- ⇒ Innovations that are new to your business—not new inventions; and:
- ⇒ Make the business more profitable

Innovation Opportunities

There are opportunities to innovate in all three aspects of your business, namely:

- ⇒ What your business does (ie its products or services)
- ⇒ How it does it (ie its processes)
- ⇒ Who it does it for (ie its markets)

Anything new (to your business) you do in the above respects, is an innovation (so far as your business is concerned)

The ones to go for are the ones you think your customers will want!

Identifying Innovations

Can be done by looking at each aspect of your business in turn (products/services, business processes and markets), using the tools of marketing to assist; for example:

(see overleaf)

Market Segmentation

Detailed Segmentation

For example - % by Age who drink beer:

61%	58%	44%	25%
18-24	25-34	35-49	50+

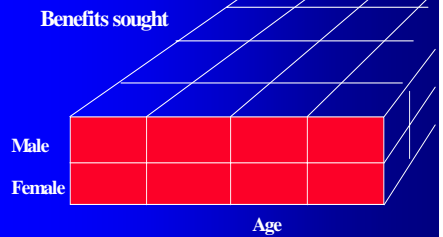
Even More Detailed Segmentation

For example - % by Gender & Age who drink beer:

Male		83%	
Female		17%	
	18-24	25-34	35-49

Even Even More Detailed!

% by Gender/Age & Benefits



So an innovation based on segmentation could be quite minor,, and aimed at one specific element of the market you serve.

Marketing Mix

Marketing Mix - Products



Marketing Mix - Services



Risk & Cost Analysis

Major Innovation Options

	Markets	
Products/ Services	Old	New
	New	New

Associated Costs & Risks

	Markets	
Products/ Services	Old/Low	New/Med
	New/Med	New/High

Generating Ideas

- ⇒ Brainstorm
- ⇒ Customer surveys
- ⇒ Customer focus groups
- ⇒ Staff surveys
- ⇒ Staff focus groups
- ⇒ Award schemes
- ⇒ Consultants

Top-10 Innovation Tips

- ⇒ Keep innovation high on the agenda—ie it's a daily topic
- ⇒ Innovate constantly—if only in small ways
- ⇒ Focus on what the customers would like (cost-saving measure are a different topic, and should not normally be considered innovative)
- ⇒ Be informed by constant market research (what do your customer want/ what are other businesses doing?)
- ⇒ Consider working in partnership(s)
- ⇒ Network & steal good ideas
- ⇒ Treat each innovation as a mini-project
- ⇒ Use the tools of marketing to help make the innovations successful (defined as improving the "bottom-line"!)
- ⇒ Establish effective monitoring controls (particularly financial)
- ⇒ Ensure any innovations are consistent with business strategy

Business Strategy

What's that? See the "Business Strategy" briefing note (in due course).