

Engineering Serendipitous Innovation through Knowledge Brokering



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Innovation Practitioner and Visiting Professor in Knowledge and Innovation Management, mentor to SILK, CIO Institute for Study of Zombie Organizations

Recent executive roles include Chief Innovation Officer @ Milamber Group, Co-Director of Innovoflow, Mind Fit Ltd, Shakesteer.com; Head of Innovation Strategy & Economics at The Technology Strategy Board, and Chief Learning Officer to Pfizer. Visiting Fellow to Cranfield University on the subject of Strategic Knowledge Management and Innovation. He works with several business schools.

Contributed to the Harvard Business Review, included in Harvard's "Fifty Lessons" interviews with 200 of the world's most respected business leaders, and featured in The Wall Street Journal. He is on the Advisory Boards of several organisations. He is the author of "Made to Measure Problem Solving" and his "Knowledge Activist's Handbook – Adventures in the Knowledge Trenches" from Capstone/ Wiley & Sons has been cited as *the "best (secret) management book within the last ten years"*.

Inventor of Emergent Knowledge Management techniques, including: Baton=Passing, Smart Failing, **Predator**, Helicopter Process Leadership, MOT, Behavioural Literacy and the Innovation Leadership Diagnostic.

Most recent book: "Power House: Strategic Knowledge Management – Insights, Practical Tools and Techniques" on Blurb.com (<http://www.blurb.com/bookstore/detail/2962123>)

Favourite TV shows: The Wire & Dexter

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Context



- You don't know what you know until you see a problem and a solution, or until someone asks you a question.
- You won't know the value of something you currently use until someone removes it or tries to buy it!
- Joint C4I3 and GRE visits to SMEs noticed advanced *secondary* practices (virtual knowledge products or capabilities with high-potential within alternative contexts – for solving other people's problems)
 - RSI reduction through robotic cell assembly (from drain-pipes to valves, to biomedical devices)
 - Warehouse inventory reduction (amazon customer analytics and BM)
 - On-line gaming scratchcards (fashion promotion/ social media)
 - Crowd analytics (from TFL to airports)

The Innovation Deficit



- The costs of not innovating
- Organizations are running a huge innovation deficit that has yet to be calculated.

THE
SAME
OLD
THINKING

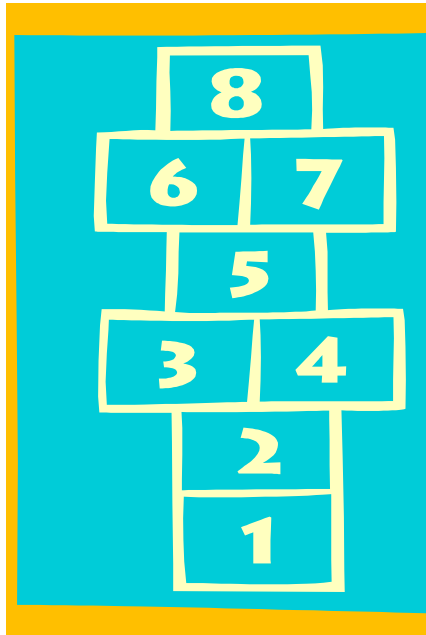
THE
SAME
OLD
RESULTS



The Hidden Cost

- The cost of not applying what is known and relevant to delivering new value is probably incalculable and includes
 - Bottleneck, prophylactic effect of legacy product development and business models,
 - Market-taking vs market-making focus,
 - Historically low levels of engagement in workforces,
 - Failure to engineer serendipitous innovation,
 - Limited utility of old methods in new context,
 - Permeability and receptivity to new ideas within existing organizations,
 - Lack of peripheral vision
 - And the use of partial, fragmented innovation techniques!

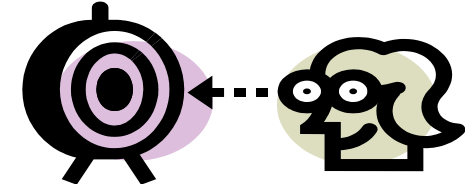
Exploring Serendipitous Innovation



Knowledge Product Relocation/ Connection to New Contexts

- Sildenafil Citrate (Viagra & Pharmamatrix alternative indications strategy)
- Ray Krock (multimix & McDonald's)
- Superglue (surgery)
- Radio wave reflection by birds (stealth aircraft)
- Error-reduction in cotton loom manufacturing (Toyota Production System)
- Philips MP3 (iTunes BM)
- Collaborative Value Architectures (young drivers' insurance)

Breakout Benchmarking (BoBM)



What are our *direct* competitors up to?
 Horizontal & vertical process comparisons within our own industry can reveal critical gaps and potential opportunities for new value based on studying how our competitors do the same thing, helping us to identify sources of new knowledge and novel capabilities

What are people *outside* our industry doing that's worth copying?
 Horizontal & vertical process comparisons outside our own industry can help us develop new insights into alternative ways of performing analogous activities, helping us to see new problems we didn't know we had!

H2 Unlock the hidden value in the Freelander 2 business?



Horizontal
 End-to-end process
Focus: Product Assembly



Vertical
 Strategic sub-process
Focus: Leasing & Finance Package



In-Sector BM
 Comparator: Toyota Landcruiser



• Freelander 2 vs. Toyota Landcruiser
A

• Freelander 2 vs. Toyota Landcruiser
B

Out-of-Sector BM
 Comparator: Airbus 340



• Freelander 2 vs. Airbus 340
C

• Freelander 2 vs. Airbus 340
D

horizontal In Sector

IPSEN
versus Allergan
Mid-Size Company
niche products

TIME FROM
CANDIDATE SELECTION
TO FIRST IN MAN

Behavioral learning
Allergan finds to do it
quicker
Task to explore it.
Try to establish some
indicators and test them
to get time

A

Vertical In Sector

ABILITY TO SELECT
EFFICIENTLY & SWIFTLY
=> to discard
and decide

Behavioral learning
finds to do it quicker
Task to explore it.
Try to establish some
indicators and test them
to get time

IPSEN
versus Allergan
Mid-Size Company
niche products

B

horizontal Sector

TIME FROM
CANDIDATE SELECTION
TO FIRST IN MAN

Learning:
Ability to see the next
and select appropriately
the niche product
Task: Know better
future niche healthcare
needs

C

Vertical Out of Sector

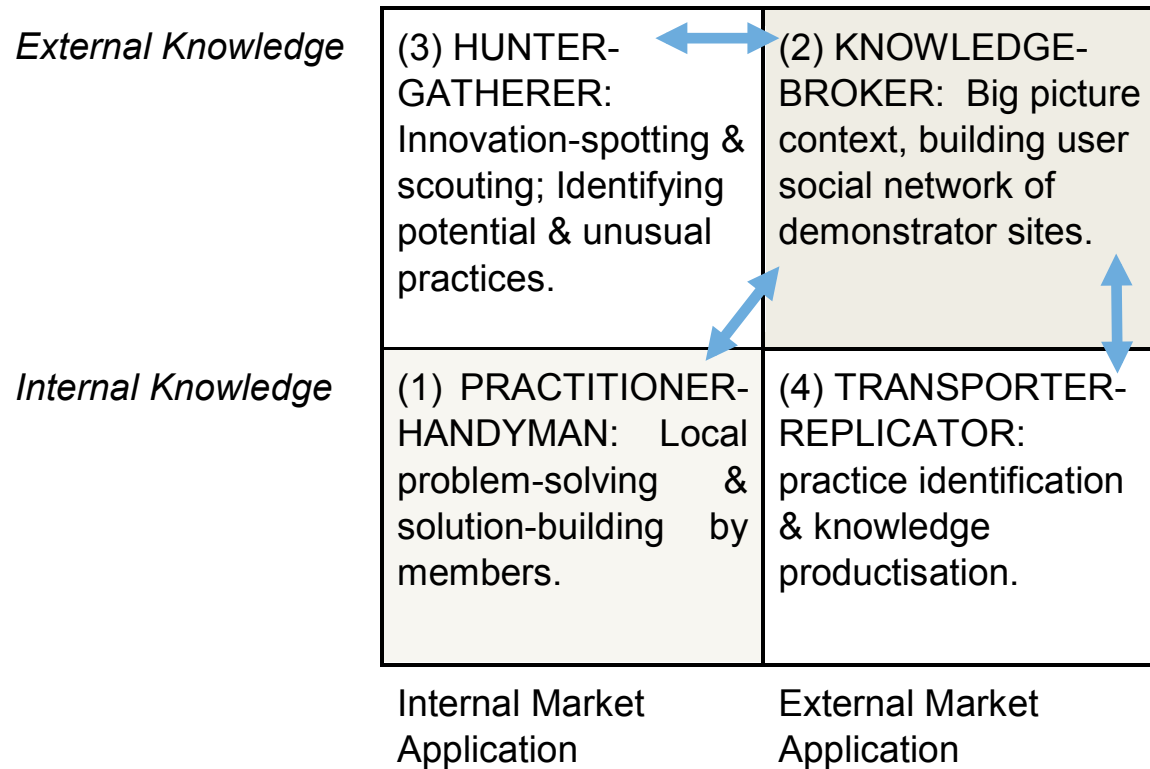
Automotive
Company
Electrical cars
RENAULT NISSAN

ABILITY TO SELECT
EFFICIENTLY & SWIFTLY
=> to discard
and decide

Learning
Could more innovative
treatments be tested
to select one appropriate
to the context
Task Try iterative testing

D

Innovation Knowledge Brokering



- Roll back the ID through Knowledge Brokering employing systemic serendipitous innovation techniques (like BoBM)
- Establish the prototype network (1 & 2) with demonstrator sites of KPs
- Identify gaps (3)
- Select KP capabilities to develop for dissemination (4)
- Promote open innovations across networks

Questions



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