

*Key Concepts in Innovation to achieve SME
Success: A Case Study*

A webinar for the Innovation Academy
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Session Objectives

- In this session we will study the transformation, during 2005-2012, of a US based SME competing in the fragmented, **Tradeshow Displays & Portable Exhibit Services Industry**.
- Utilizing Key Concepts in Innovation, we will gain understanding of how the SME's leaders implemented specific actions to become catalysts for industry change.
- Participants can apply knowledge gained from this session in their own organizations to achieve improved innovation performance.

Key Concepts in Innovation

AVAILABLE @ AMAZON.COM



“A fundamental reference book for both novice and experienced professionals in the field of innovation. It should be on everyone's book shelf.” --
Professor Peter Koen, Stevens Institute of Technology, USA”

“The book is suitable for students, practitioners and even the policy makers, as a valuable desk reference for innovation management.” --
Professor Xiaobo WU, Zhejiang University, China”

Publisher: Palgrave Macmillan Publisher, London, New York (2011)

SMEs have Life Cycles

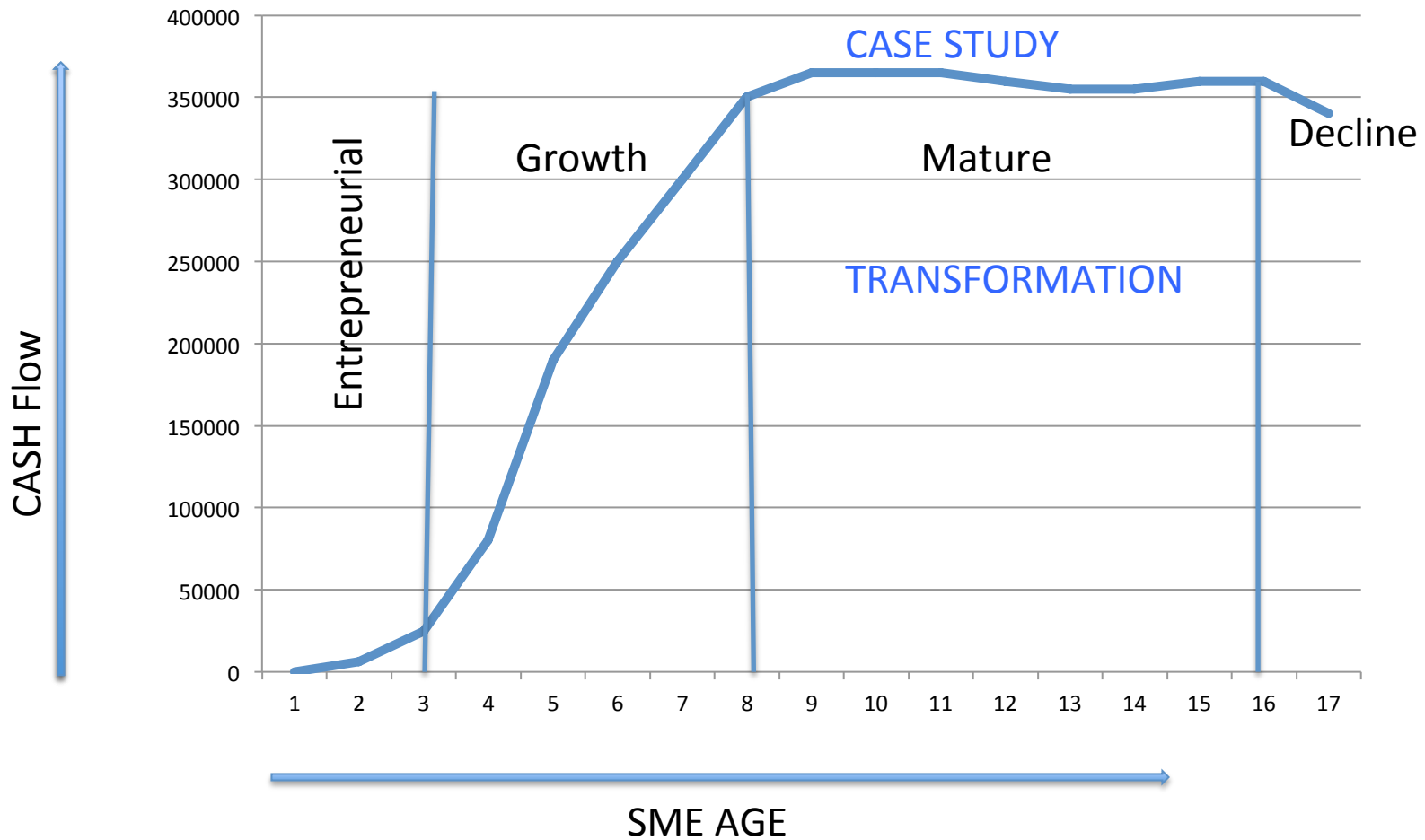
Life Cycle has Four Phases

Key Concept

Four Phases of a SME Life Cycle

1. Entrepreneurial Phase
2. Growth Phase
3. Maturity Phase
4. Decline Phase

Cash Flow in the SME Life Cycle



Governing Values in SME Life Cycle

Key Concept

PHASE	VALUES-FOCUS
Entrepreneurial	Creativity, Risk Taking
Growth	Innovation
Mature	Productivity Improvements
Decline	Increase Volume Decrease Cost

INSIGHT: Mature SMEs must learn to focus on **BOTH INNOVATION** and **PRODUCTIVITY IMPROVEMENT PROJECTS**.

Structured Innovation Approach in Growth and Mature Phases

You Can Generate Cash Flow with New/Improved:

Key Concept

**1. Products 3. Technologies 5. Strategies
2. Services 4. Processes 6. Business Models**

WITH:

- ◆ **3 Categories of Innovation**
- ◆ **7 Types of Innovation Projects**

Case Study: SME utilized all 6 approaches and 3 categories of innovation in its transformation

Innovation PROFIT GOALS for SMEs

Key Concept

3-Categories

1. **Radical Innovations**
2. More Innovative Products
3. **Incremental Products**

1. **New-to-the World Products**
2. **Breakthrough Products**
3. New Product Lines to your SME
4. Additions/Major revisions to Existing Product Lines
5. **Incremental Improvements**
6. **Repositioning existing products**
7. **Cost Reductions**

$\frac{1}{4}$

$\frac{3}{4}$

7-Projects

Balanced Innovation Project Portfolio for SMEs

From PDMA 2012 NPD Best Practices Research:

% Contribution to Profits

Key Concept

Balanced Project Portfolio	Best NPD Performing Companies	The Rest
Radical	21.7%	18.7%
More innovative	37.9%	32.3%
Incremental	40.4%	49%

CASE STUDY: SKYLINE EXHIBITS, PDMA OCI AWARD WINNER



Established in 1990, Skyline offers trade show and event exhibits products ranging from tabletop and portable exhibits to modular inline exhibits and large-scale island exhibits.



Tradeshow Displays & Portable Exhibit Services Industry (Construction, Installation, Dismantling)

Industry Characteristics

1. Considered not an innovative industry.
2. Hit by commoditization, and
3. Low cost foreign competition.

Skyline Strategy to breakout of Industry norms

- With new designs, technologies or materials,
 - **Develop most innovative products.**
 - **Be the first to market in the industry.**

CASE STUDY: SKYLINE EXHIBITS

3 Principles Driving Innovation Success

Key Concept

1. **PEOPLE** Innovate-With Well-Defined Strategy. It directs & integrates innovation
2. **Formal PROCESSES** support people to innovate
3. **TOOLS/METHODS** support **IMPLEMENTATION**

Takeaways

- Reinvent/Prepare for Future
- **CUSTOMER FOCUS-Be Your Customer**
- **First to market/Fast follower/Cost leader Strategy**
- **People use Innovation Process to Implement Strategies**
- **Up to date Design/Eng./Mkt. Res/Team support Tools-Implementation is Everything**

SKYLINE: A Catalyst For Industry Change 2005-2012

FROM	TO
❖ 6% of Revenue from New Products	❖ 24% of Revenue from New Products
❖ Incremental Quick Hits	❖ Focus on Big Bets
❖ Internally Focused	❖ Voice of the Customer
❖ Lack of Front-End Planning	❖ Robust Front End
❖ People & Teams Challenges	❖ High-Performance: add People & Build Teams

Source: PDMA 2012 OCI presentation by Skyline Exhibits

PEOPLE FOR HIGH PERFORMANCE

Add People + Build Teams

During 2005-2007, Skyline Exhibits:

- Added segment managers
 - Added program manager
 - Clarified team member expectations
 - Implemented peer review process
- } **BUILD TRUST**

Skyline: Well Defined Strategy

- Compete in price-driven segment
- Avoid price competition in core segment
- Emphasize on differentiation & creating barriers
- Product Doctrine



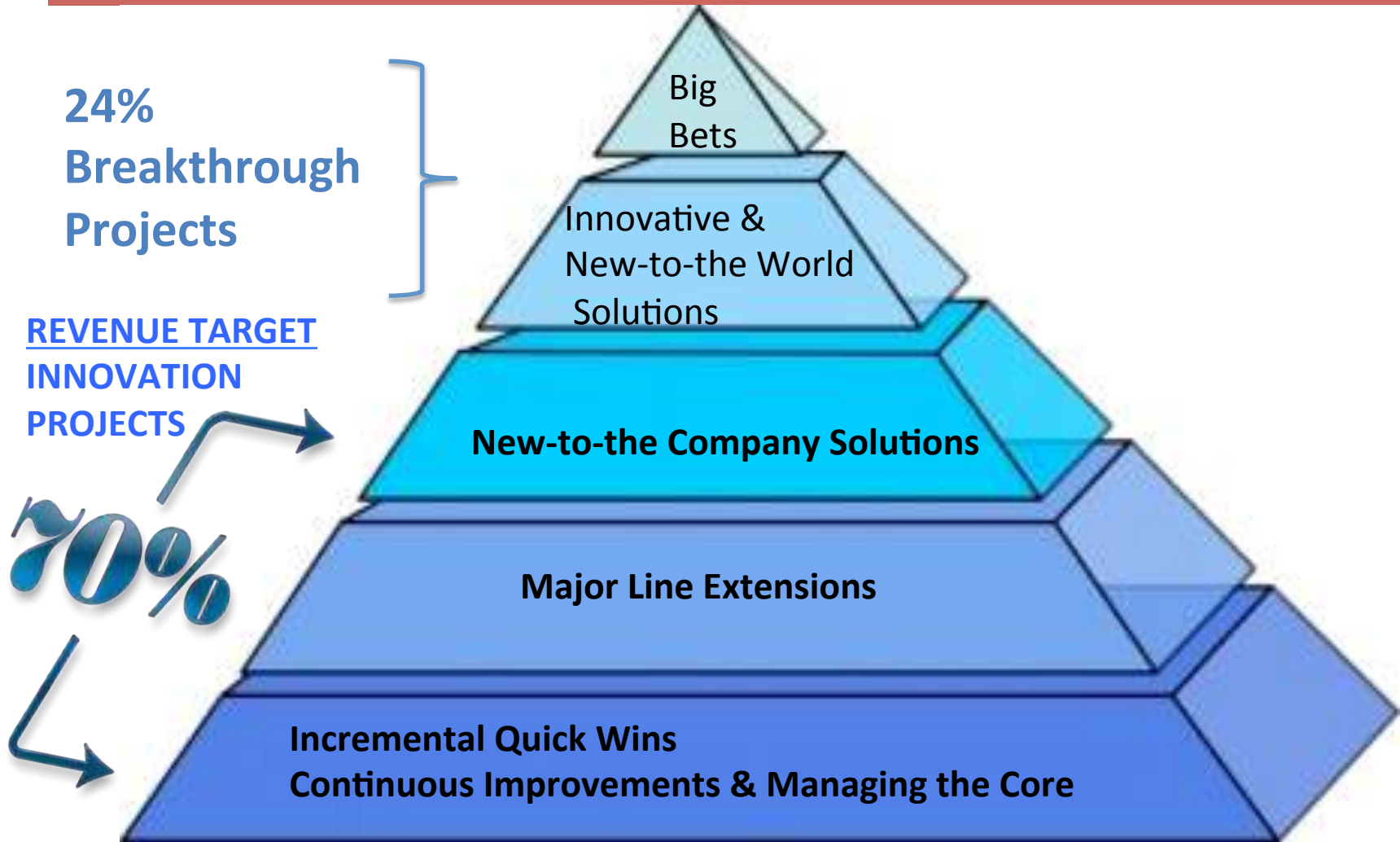
PRODUCT DOCTRINE-RAPID

- **Responsible:** fiscal, social & environmental
- **Arresting:** disruptive alternatives
- **Practical:** superior functionality
- **Innovative:** leading edge
- **Design:** Meet our customer's needs

KEY CONCEPT:

- ❖ **Product Innovation Charter (PIC).**
- ❖ **RAPID is an example of customized PIC.**

Skyline Revenue Goals



Source: PDMA 2012 OCI presentation by Skyline Exhibits

Opportunity Screening Grid

Concept Name:	Criteria	Weight (%)	Points	Confidence (A-F)	Score (0-10)
Project Squirrel Monkey	Concept's Fit w/Skyline's Vision/Direction/ Product Doctrine/Core Competencies	20%	10	A	2
	Competitive Opportunity (Differentiation (breakthrough design), Innovativeness, lack of many strong competitors, barriers to competitive entry, fills a competitive "gap")	25%	7	B	1.75
	Market Share Growth Potential (next 5 years)	20%	3	B	0.6
	Minimum Resources/Investment Required	5%	6	B	0.3
	Lack of Risk	10%	9	A	0.9
	*** Financial Impact (revenue, profit, ROI)	20%	2	A	0.4
Total Points & Confidence Factor		100%			5.95

Source: PDMA 2012 OCI presentation by Skyline Exhibits

Innovation Process

CUSTOMIZED FRONT END PROCESS



Realization Process

CUSTOMIZED NPD PROCESS- 2 GATES



Domination

Innovation Process

CUSTOMER/CONSUMER FOCUS

Market Intelligence

Input Channels

ROADMAPS

Product Line Gaps

End Users

Competitive Information

Dealers

Market Trends

Show Surveys

New Technologies

Internal Resources

Skyline Product Doctrine

Market Segment Plans

PIC ALIGNS
INNOVATION
PROJECTS

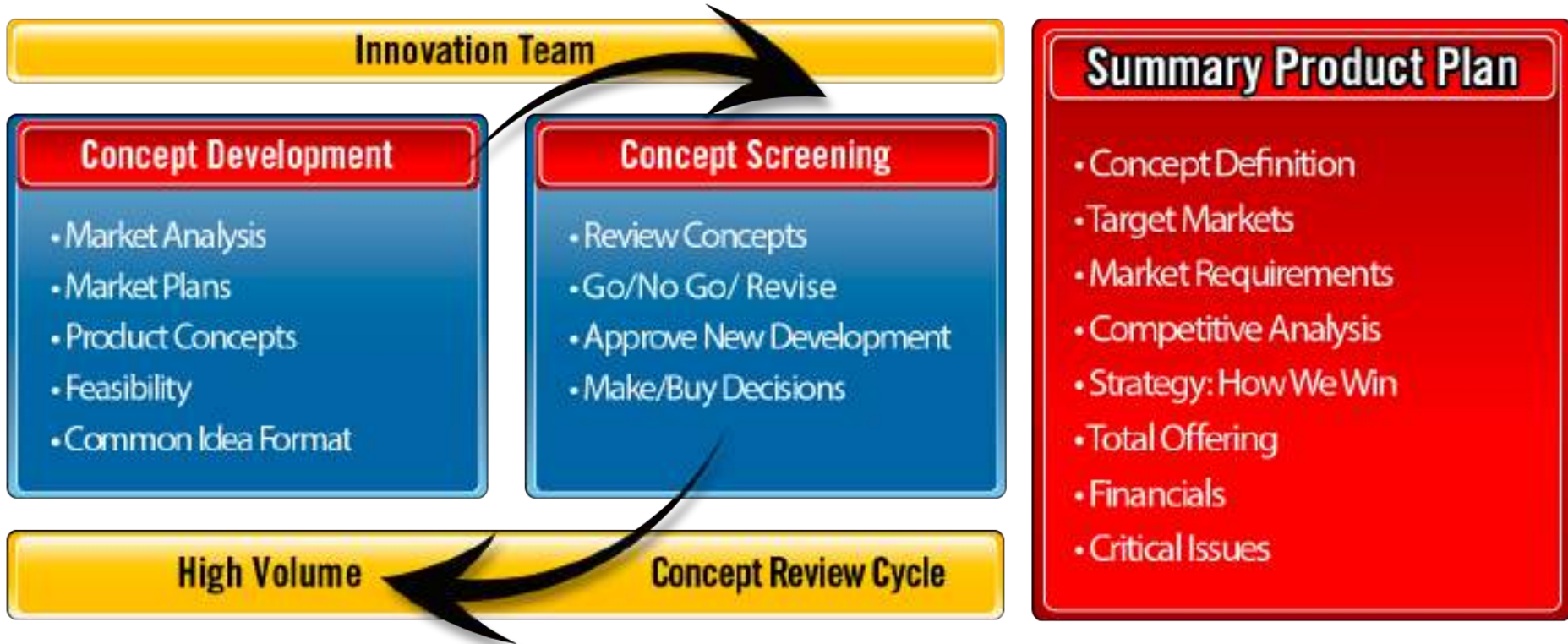
ROADMAPS

Innovation Process

CONCEPT REVIEW CYCLE

INNOVATION ENGINE

RIGOROUS IN IMPLEMENTATION





Source: PDMA 2012 OCI presentation by Skyline Exhibits

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Q&A

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