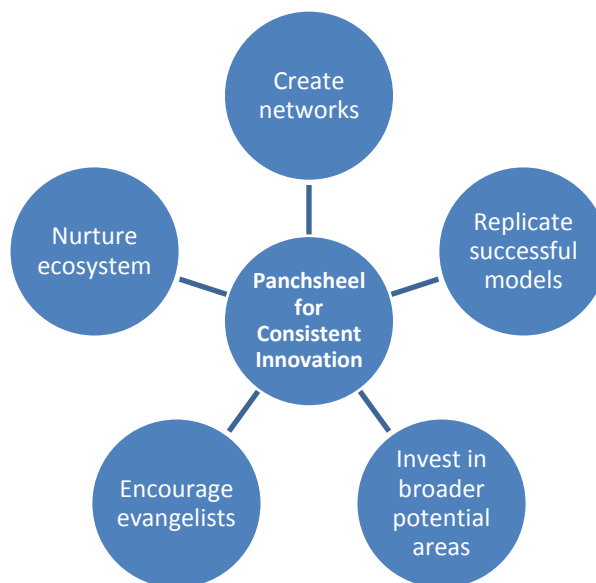


## Panchsheel (5-ways) for Consistent Innovation

*Companies have to organize the product development process so as to offer new products consistently*

Companies appoint innovative teams to innovate consistently to sustain in the market. Innovative teams face two challenges such as scalability and funding. Many innovations cannot be scaled-up in a linear fashion and companies hesitate to fund innovative initiatives due to uncertain results. How can companies go for consistent innovation within the limitations of resources such as people and funds? Booz & Company suggests five ways to overcome limitations and encourage consistent innovation to offer new and better products.



**The Product Development Process** is organized to develop new products or services for the market in a systematic way. This type of development is considered the preliminary step in product or service development and involves a number of steps that must be completed before the product can be introduced to the market. Companies organize their product development process with the help of product managers, product committees, product departments and product venture teams.

- **Replicate successful models:** Companies can scale-up through replication but only successful models can be scaled-up better. Before replicating an initiative, define a model based on core principles so that there cannot be any confusion. Ensure leadership and mentorship for successful replication.

For example, TED Conference is replicated by launching TEDx, a licensing platform that offers individuals and companies to access the TED brand, methodology, and global community. TED does not interfere with TEDx events, but the TED maintains the basic standards for all TEDx licensing.

- **Invest in broader potential areas:** Leaders should invest money to develop new capabilities for the company to be applied in future even if they fail in present ventures.

For example, IBM invested in emerging business opportunities (EBO) initiative to define and build new businesses which would be leveraged as IBM business units later.

- **Encourage evangelists:** Evangelists can be insiders or outsiders of a company who are part of innovative initiatives to promote new products.

For example, Kraft Foods has started the Global Technology Council (GTC) with evangelists to identify and invest in technologies with the potential to bring out new products within four years. The GTC members as evangelists got selected from various product categories and geographies based on their acumen and interest for innovation.

- **Nurture ecosystem:** Innovation gets sprouted only under right ecosystem that requires resources, people and organizations.

For example, GE selected six teams to tackle innovative opportunities for GE business by providing ecosystem with coaches and advisory panel. The coaches and panelists have no authority but they challenge GE assumptions and offer innovative teams an entrepreneurial ecosystem.

- **Create networks:** Networks provide an opportunity for diverse knowledge and capabilities that enhance opportunities for solutions

For example, Kellogg Innovation Network (KIN) has evolved into an invitation-only group of leaders from business, academia, government, NGO, and arts. The KIN’s diversity connects people they don’t meet, offers new perspectives, insights, and opportunities.

The above five ways can enhance scale and reach of innovative initiatives of companies which are under the constraints of men and money.

Topic	Course
Organizing the product development process: New product development: Unit 13.4	Marketing Management

**Source:**

- Rober C. Wolcott and Jom Bang Anderson (2014), *Scale Your Innovation Initiatives*, *Strategy+ Business*, February 11, 2014.
- [\\*http://www.businessdictionary.com/definition/new-product-development.html#ixzz30uFACQLd](http://www.businessdictionary.com/definition/new-product-development.html#ixzz30uFACQLd)