

# The 5 Misconceptions of Innovation

Dr. Yishai Ashlag, Senior Partner  
Goldratt Consulting

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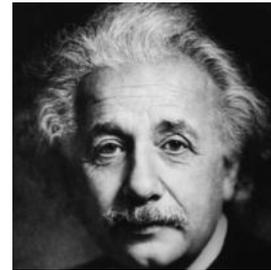
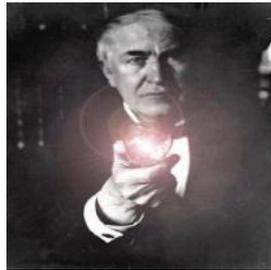


*PRESENT:* BUILDING ON SUCCESS 2017

**BREAKTHROUGH RESULTS FOR  
GOVERNMENT AND BUSINESS**

# First Misconception

Only a Genius can come up with Big Idea



Is there a process  
that can make us think  
like a genius ?

# Second Misconception

## More Innovation is Better

- We look to innovate everywhere
- Innovative:
  - Supply chain
  - HR practices
  - IT solution
  - Technology
  - Energy solutions

And the list goes on...

# Second Misconception

## More Innovation is Better

- Innovation is hard expensive and risky
- Why are we looking to innovate?
- We have to look for the minimum required innovation to Improve our business results

## Minimum Innovation

How do we know where to focus ?

Where do we need to innovate and where not ?

Unique and desired  
product/service offering



Improve our  
business results

## Definition of Value

*“Value is created by removing a significant limitation for the customer, in a way that was not possible before, and to the extent that no significant competitor can deliver.”*

*Dr. Eliyahu M. Goldratt*

# Second Misconception

**What limitation do the following companies remove for their customers?**

1. Omron blood pressure monitor \_\_\_\_\_



2. IKEA \_\_\_\_\_



3. Google \_\_\_\_\_



To focus our effort, we have to clearly define what is the limitation that we aim to remove for our customer.

# Third Misconception

## Innovation Culture

We assume that innovation culture breeds innovation:

- Fun & creative work place as a catalyzer for innovation
- Encouraging everyone to innovate
- Brainstorming



## Innovative Mindset

1. Focus – on the limitation the organization want to remove to its customer
2. Accepting failure (iterations) – Thinking like a scientist, failure as an opportunity to learn from
3. Guided process for out of the box thinking

## Guided Process for Out of The Box Thinking

# Third Misconception

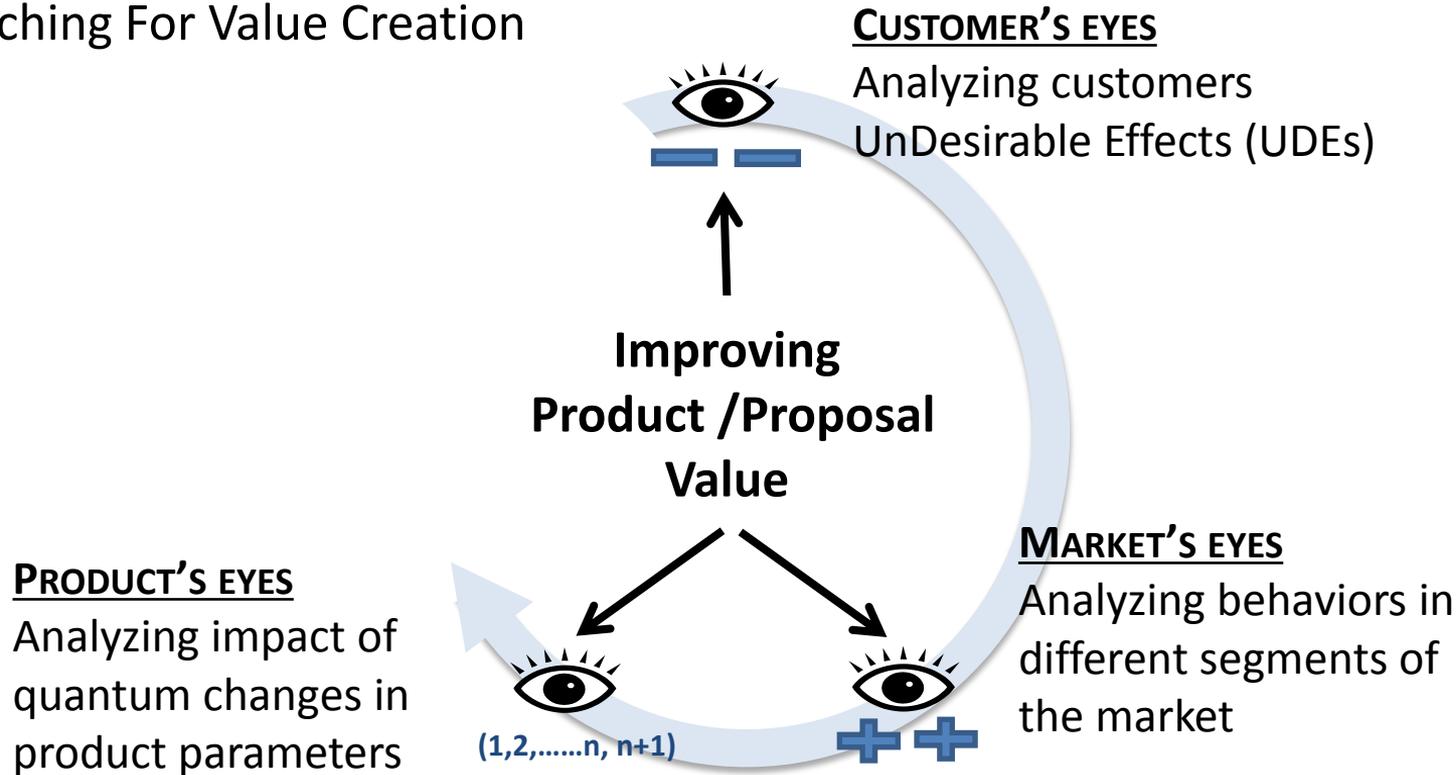
“The real voyage of discovery consists not in seeking new landscapes, but in having new eyes”

Marcel Proust



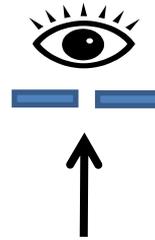
# Third Misconception

## Searching For Value Creation



# Third Misconception

Searching For Value Creation



## CUSTOMER'S EYES

Analyzing customers

UnDesirable Effects (UDEs) 



Improving  
Product /Proposal  
Value

## PRODUCT'S EYES

Analyzing impact of quantum changes in product parameters

Miracle® 360°



(1,2,...,n, n+1)



## MARKET'S EYES

Analyzing behaviors in different segments of the market



## Big Idea

We believe that innovation is about finding the big idea.



## Innovation Scope

1.Value

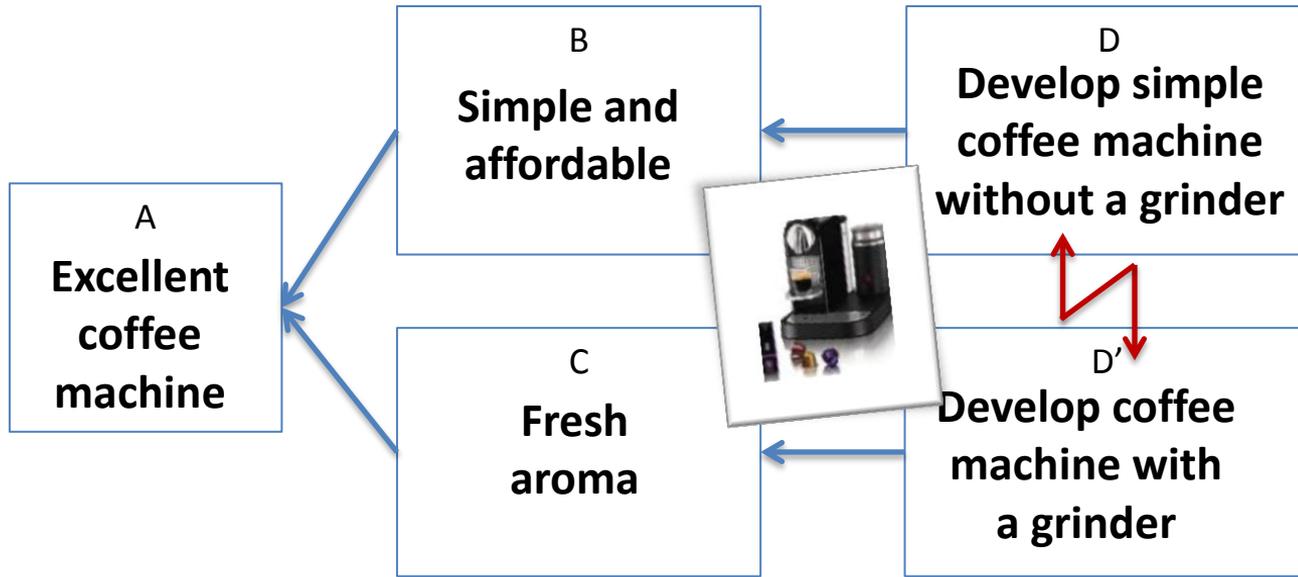
2.Concept

3.Educating the market

# Forth Misconception

## Innovative Concept Breaking the Conflict - Nespresso

Which conflict needs to be solved to deliver the exceptional value?



What are the directions for solutions?

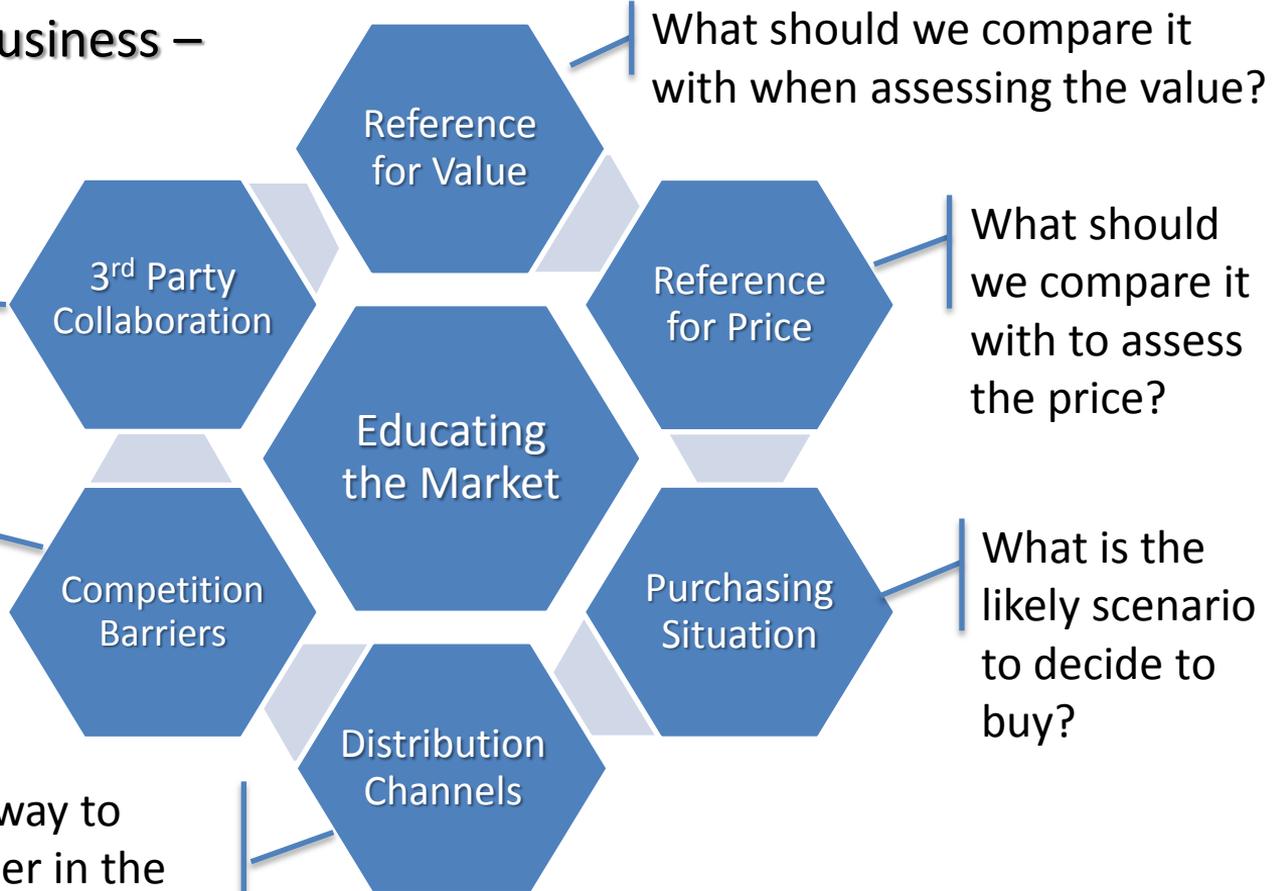
# Forth Misconception

## Constructing Successful Business – Educating the Market

Who can strengthen  
our ability on the key  
model dimensions?

How to protect  
the business?

What is the best way to  
reach the customer in the  
right purchasing situations?



# Forth Misconception

## Constructing Successful Business – Educating the Market

**NESPRESSO**

High quality aromatic espresso coffee making machine with capsules, easy to operate for home use.



What are the main challenges in making a meaningful business for Nestle?

1. What is the reference for price?

Coffee is a commodity and there are only 5-6gm coffee in a capsule.

2. How to protect the business?

Others can make cheaper capsules if we charge too high.



# Forth Misconception

## Constructing Successful Business – Educating the Market

Nespresso used the reference of a premium cup of coffee. You get a premium espresso for half the price of a cup of coffee in a coffee shop.

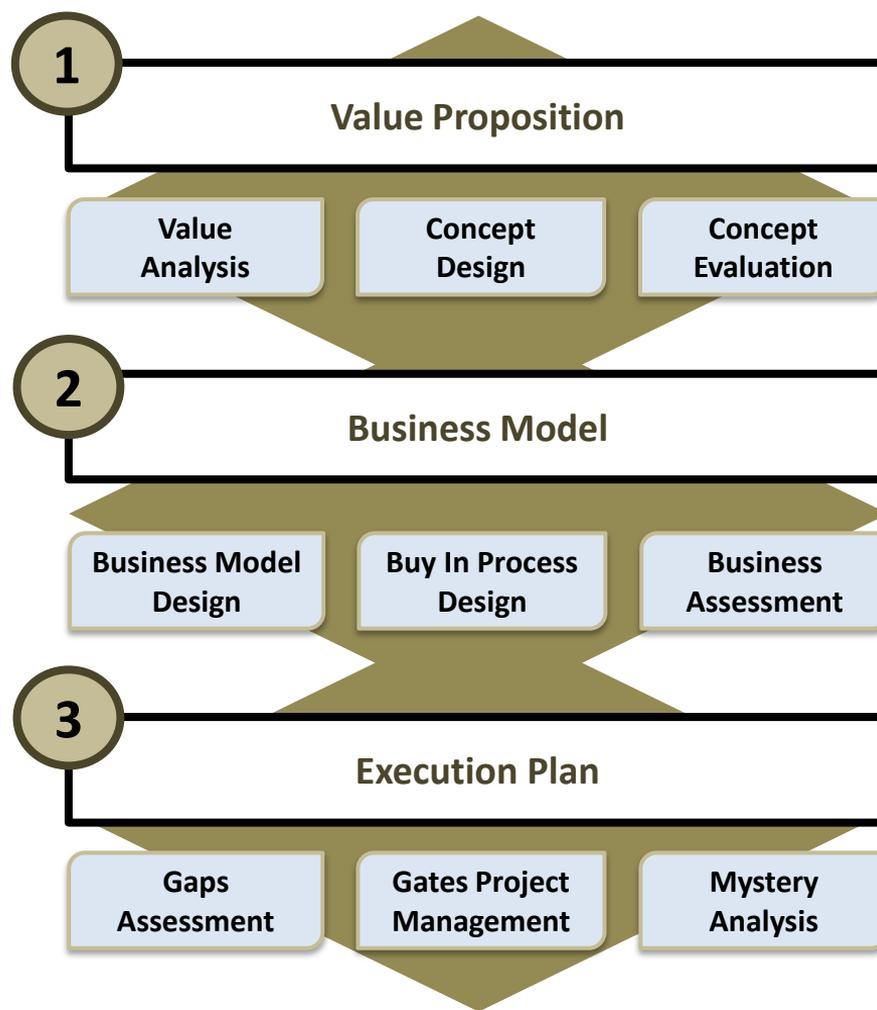


They build a brand image through direct marketing and own special stylish retail stores.



## No Innovation Without

- Wow Value
- Breaking Conflict
- Educating the Market



# Fifth Misconception

## New Idea

We have already tried that and it failed



# Fifth Misconception

We have already tried that and it failed



# The Five Misconceptions

1. Only a Genius can come up with Big Idea
2. More Innovation is Better
3. Innovation Culture
4. Big Idea
5. New Idea