A three part series on new digital technologies impact on innovation

The Arrival of the Digital Monsoon for Innovation

Three posts on the digital effect on innovation

Written in November 2014

	The Arrival of the Digital Monsoon for Innovation
Unbundling the new smart, connected prize Visual is from the new book "**Value Proposition Design**" published by Wiley and designed by Osterwalder, Pigneur, Bernarda and Smith, view www.strategyzer.com/vpd.	**Smart, Connected Products Will Radically Alter the Value Proposition.**
	The proliferation of transitory moments are ahead
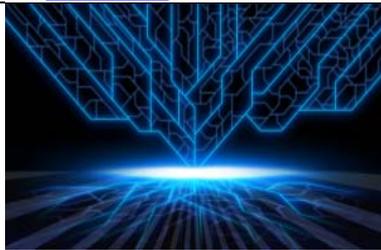
The Arrival of the Digital Monsoon for Innovation

If you ever have lived in the tropics you know of the arrival of the monsoons.

Skies darken, clouds gather, often thunder and lightning combine, the wind picks up and the rain 'announces' its arrival in sheer torrents of heavy, drenching, wave-upon-wave of unrelenting force.

It is hard to stand upright or know what to do. Everything around you transforms. Dry, often parched land quickly turns to rivers of water, seeking out everything to shift and move along and eventually going everywhere to transform the landscape.

We are presently being told we are at the beginnings of a digital revolution; it has been likened to a tsunami in its eventual (devastating) effect on our organizations and by inference, the impact it will have on each of our lives.

I certainly agree, through technology our innovation activities will be potentially transformed, but as we often see technology is running ahead of our organizing to receive it, understand what it can provide, both in its real value to translate these 'insights' into powerful new business models, products and services.

Of course the 'hype' is running ahead, just like the initial water flooding in, it is often just passing over the land and not being fully absorbed. Absorption takes time, it begins to sink in and its effect begins to 'reveal' themselves at different 'rates of exchange' for each of us.

Struggling with the effects of the digital economy
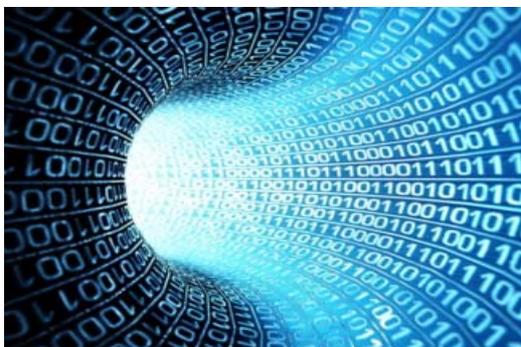
Digital matters, in its raw power and potential impact, I think it will be transformational. The real opening questions all centre around our mind-set, preparation and willingness to make the changes. Or will we be sucked up in the void, choked by data?

If it is likened as a "digital tsunami" then 'all within its path' can be potentially swept away or altered forever.

The human organizing aspects need to catch up. Will they build defences to warn of future 'waves' or take the opportunity to tear down much that has been left standing and rebuild, to take advantage and equip themselves in new ways?

The unique combining of the cloud, big data, social streaming, the internet of things, mobility, the industrial internet, are all making this *the* time for new growth opportunities through this digital economy and the radical overhaul of the activities to realize the benefits.

Believe me, this is not going to be easy or a quick and painless change, it is going to radically alter much within our entities to receive, translate and transform this digital knowledge into impactful outcomes.

Three prospects that will come from transforming for digital.

1. The new prospects in Customer Experience

The immediate areas of new growth prospects and different engagement lie in changing the 'Customer Experience'. Growing digital knowledge will enable greater customer understanding. We can begin to build new analytic-based market and customer segmentation; we can become more involved and informed about socially- influencing knowledge.

These can lead to a new top-line growth, more targeted marketing and the potential for streamlining or altering the customer engagement process. We can expand the 'touch-points' in new services, cross-channel experiences and coherence and in providing greater self-service and 'empowerment' for our customers.

2. The transformation of Operational Processes

The second one is Operational Processes. Digitization will radically alter the design of the processes and especially the flow of data, to information, to knowledge, to move informed opportunity. Will it improve processes or collide with already outdated systems, tightly integrated and create a build-up and eventual crash?

Unbundling the integrated systems and replacing these with more of distributed application environments is going to be a major challenge. Completely new features, new approaches and ways to draw down the 'appropriate' application needed, will require the use of the cloud, of modular systems, plenty of apps but still locked away in a secure environment of approved applications to be used.

Just stop and think Apple's app store, then apply this impact on our lives to business, drawing down from the same conceptual (business model) approach. There are going to be massively changed winners and losers for the race to unbundle, to one that will offer a more distributed environment where the user decided on what they need to use, to get the job done.

This will give a significant workforce enablement that wants to work anywhere and at different more flexible times, expecting high levels of response in what they use, to do the job on hand and enable them to build and communicate into ever changing and evolving knowledge sharing communities.

Knowing what, where and how, will be distributed down to the individual. These changes will be far more data-driven in insights and decision-making techniques, many unknown but necessary to allow performance to be timely, relevant and transparent.

3. The third area is the era of the new Business Model.

We have been 'grappling' with the concept of business model designing for some time. To a large degree the economic situations in Europe and America has held this back to be fully embraced in large organizations. They focused on 'risk containment', extracting the final juices out of effectiveness and efficiencies but that 'well' of opportunity is finally running dry and extracted.

Business needs to grow, it needs to stop hankering down, it needs to come out and explore the rapidly changing landscape in new and different ways.

Facing a digitally modified business landscape will need very different business models. The shift of resources, the transitioning and blending of the physical with the digital, the way digital will shape the structures, provide the 'driving forces and insights,' all will demand changing the business model.

We will see multiple business models that combine and blend product and service in very different ways, more tailored to new customer understanding and their demand and need.

What digital products will move alongside physical product, different services and how will that set of radical organization redesigns alter existing organization boundaries or established turf?

Agility and adaptability will be essential

The enterprise integration will need to be constantly evolving, adapting and become highly agile, it will totally redistributed, decision authority will move more rapidly towards evolving business models and distributive decision-making, to seize breaking opportunities quickly.

Those that quickly go through piloting, pivoting through digital and physical learning into scalable models to capitalize on rapidly shifting trends, disrupting the existing.

Business models will not stand alone, they will interlock in intelligent ways, to benefit from scale that essential need of a greater appreciation of sharing services, that will open up different partnerships, opportunities for shared cost of new channel developments, separate value propositions driven through common back office services and increasing platform management, to manage this

The key to unlock this new promise of growth is digital capabilities.

This is the 'rub'. The human mediation of 'going for it' or 'giving it lip service' will determine a new class of winners and losers. Those that get it, embrace all of what it means and then choose to make radical changes and those at the other end of the spectrum, trying to keep it at bay, perhaps in denial. Those who will be playing with selected parts and not recognizing the eventual strategic decay that slowly trickles in, that undermines performance and shift customer perception away, into that different landscape of 'digital engagement.'

We need to unlock our minds. The analytical capabilities are going to be the human roadblock. Algorithms are promising to partially unlock this and help us absorb this 'torrent' of data to make them 'meaningful' and 'insightful'.

Then we have the difficult choice of solution delivery, of new integration of IT and the business of where authority will lie as well as that real need of 'simply' letting go, does need to be worked through will lead to some uncomfortable times.

The whole attempt to unify data, processes, reconciling both business and customer needs and delivering the process capabilities to enable the translation of date into insights, into business outcomes that have real growth potential will be a wicked challenge.

The immediate 'getting organized' challenge

The engagement within this needs real top management attention. Digital has the potential to destroy or change your organization. The existing landscape of business will change forever as this digital deluge or tsunami will alter our structures significantly.

Industry and Social competitive landscapes will be redefined, in many ways unknown today but all around us we have those 'weak signals' that require us to manage this transformation along the three horizon methodology I often espouse.

There are four opening steps within the digital challenge. We each within our organizations need to: 1) frame the digital challenge, 2) mobilize the organization, 3) focus investments and 4) sustain the digital transformation in multiple ways.

None is easy; all are hard as much is still in the unknown and this is a real-time of leadership to be stepping up to the plate and showing its potential for making the winning hits or striking out.

There are so many roadblocks

Today organizations lack critical technology, tools and required skills, many existing systems still lack any form of real integration to allow data to flow across the organization, the business practices will mostly have to be rapidly relearn, senior leadership has the real, urgent need to get on the 'same page' and finally, this (radical) change will require reliance on managers that might lack the transforming skills, schooled in 'containing and risk reduction' and lacking real risk assessment and decision-making capabilities.

The pursuit of this digitization will 'suck up' an awful lot of funding, much of it constantly being thrown away as organizations transition from the existing to the preferred for it to be accelerated in being written off as part of the transition, alongside all those legacy systems sitting on today's balance sheets. Are the 'healthy' financials for this in place in many of our organizations?

Organizations will scrabble to employ integration specialists, digital business architects, risk professionals and those critical analytical scientists. By 2018 Gartner predicts "digital business will require 50% less business process workers and 500% more digital business jobs. Attracting the right talent is the key to digital leadership".

Finally, this is not going to be easy in presenting a business case that has 'hard' return on investments; it will be made up of what is known and can be quantified with a real leap of faith, a steady hand and real belief that transformation does actually mean that, a total transformation. I'm not sure there are going to be many 'half-way houses' on this digital journey. It is promising to be a real evolution.

Some compelling numbers that "speak of a massive change

Let me raise a few arguments of this change hurtling towards us. Gartner offer some compelling numbers, "consider this, since 2013, 650 million new physical objects have come on-line; 3D printers became a billion dollar market; 10% of automobiles became connected, the number of Chief Data Officers and Chief Digital Officer positions have doubled".

Yet fasten your seat belts, *in 2015 alone*, Gartner predicts these things will double again! Digital seems to have a certain compelling power to climb on board, fast.

Gartner also reckon the meshing of digital and physical and the rise of the Internet of Things, enterprise in 2014 will spend $40 billion designing, implementing and operating IoT.

The whole of IT is projected to pass $3.9 trillion in 2015 and all the spending will be driven by the digital economy needs.

Just a few more predicted facts

So are you beginning to build that compelling case for change? By 2015, more than half of traditional consumer products will have native digital extensions and by 2017, 50% of consumer product investments will be directed to customer experience innovations, as the key to lasting brand loyalty.

The dark side of Gartner predictions lie in this "by year-end 2016, 50% of digital transformation activities will be unmanageable due to a lack of portfolio management skills, with high levels of operational risk and the whole discipline of risk management will simply not be able to keep up.

Then Accenture believes big data analytics, seen as essential for competitive growth that are needed for the Industrial Internet are projecting this will be worth $500 billion in worldwide spending by 2020, taking into account hardware, software and service sales.

Already certain early leaders in this industrial internet race are placing 20% of their overall technology budgets into Big Data analytics. Just take a few minutes to look at the really big bet that

GE are making on the [industrial internet](link) and the power of big data, investing already a billion dollars and still significantly investing. They plan to lead.

Going for the big prize being dangled in front of us.

The big prize that digitization offers is gaining market share on those that do not quickly follow, many unable to ever catch up or recover if they leave it too late and then one of the consequences is that the talent will move to those that 'get it' leaving those competitors that don't even more vulnerable.

Over time investors begin to alter their investment portfolio, attempting to predict the winners and putting space between them and who they see as eventual losers.

I think the digital monsoon has arrived; you can watch in fascination, pick up and run for your lives, as the torrent of data rains down on you or attempt to prepare for all the uncertainty it brings. It will alter much in tough choices and challenges and a landscape that will be very different when this 'torrent' of change subsides.

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Smart, Connected Products Will Radically Alter the Value Proposition.

Unbundling the new smart, connected prize
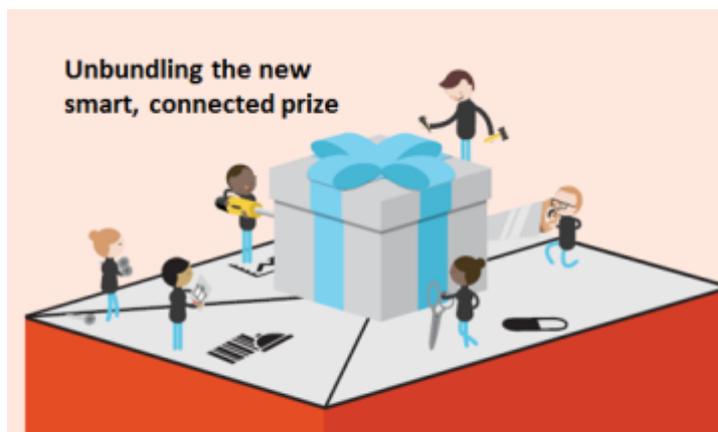
Visual is from the new book "**Value Proposition Design**" published by Wiley and designed by Osterwalder, Pigneur, Bernarda and Smith, view www.strategyzer.com/vpd.

Marketing has worked for years in framing the marketing mix on the classic 4P theory of product, price, promotion and place for finding its value proposition.

Then this was extended for the need to bring in the service aspect, by becoming the 7P, adding physical evidence, people and process onto the original 4p.

Then this was updated in the nineties to become people, process, programs and performance.

Great as this maybe in its 'progressive' evolution these are ***totally inadequate*** to 'serve' today's world of smart, connected products. Product design has become hyper, connected and needed to be well-designed. It is more to do with what is embedded or how it is connected and less on the product as the value generating proposition.

Getting a deeper understanding of the smart, connected world

I've been reading a terrific article by Michael Porter and James Heppelmann in the Harvard Business Review entitled "How Smart, Connected Products Are Transforming Competition," this is in the HBR November 2014 edition. The article is around 12,000 words long but I would argue is well-worth the read, it opens up much to consider as connected technology becomes this new competitive force.

The authors write about the third IT-driven wave. As technology is becoming or has become an integral part of the product itself. Embedded sensors, processors, software and connectivity within our product, coupled into the cloud to produce (tons of) data, that needs storing, analysing to drive dramatic changes in value, product functionality and performance. The "internet of things" changes everything but as it is pointed out it is more "the things" that are changing the competitive landscape.

Product marketing will be governed by IT and how it grapples with these changes, the Technology team become central to the fortunes or decline of our organizations in this connected world.

The connected products expand the potential for new functionality, greater reliability, higher product utilization and capabilities that will cut across and transcend traditional product boundaries.

We are in real need to ask the question "What business am I in, or simply want to stay in?"

The strategic choices is how are these significant changes going to change the competitive landscape for each of us, how will we be able to capture and create new value. The industry boundaries are suddenly expanding, becoming highly porous to new competitors, threatening existing and well-established organizations in multiple ways.

More-complex product design coupled with embedded technology and multiple layers of new IT infrastructure challenge the conventional product dramatically.

Jeff Imment, Chair and CEO of GE, recently stated "every industrial company will become a software company", I'd go further it is simply 'every company.'

Value propositions are radically altering as well as Business Models

Standalone discrete products that have worked for years suddenly seem outdated. We are receiving more product systems and will see increasing more systems within systems, where multiple products all connect to help in the home, the car, the hospital, connecting us within the city we live or as we travel, on our aeroplanes, in remote places.

The system that connects the products and offers new value propositions will become the core advantage place, not the product itself. Some of our organizations will end up being deliberately "productless" so as to provide these systems or be the master provider of the system of systems. Think Google here for example to begin to visualize this.

New business models will proliferate to incorporate this smart, connected world as strategic position will be all about doing things very differently, across the organization and how you connect and engage outside, both in new partners and with your final customer.

Replacing the old 4P with a new set of escalating connected considerations that will drive your product offerings.

Porter and Heppelmann suggest it is the capabilities of smart, connected products that will need to be worked through by building from one into the next. Although each capability is valuable in its own right it allows the next one to build from it and the more of these four built into the final offer, the more the customer value and eventual competitive position will be determined by the finite choices within each.

Monitoring – connected products need a growing comprehensive monitoring of a products condition, operation and external environment. This provides how a product is being used, this helps design, market segmentation possibilities and improved after-sales service to achieve better utilization, or changing product capacity. An example is medical devices where monitoring is potentially key in its value creation or premium

Control – connected products will be increasingly controlled by remote commands or algorithms that can respond to specific changes or improved customization of the product and allow for higher personalization. An example is connecting the home, its lighting, heater, security etc.

Optimization – the flow of all the 'connected data' has the potential of improving output, utilization and efficiency, where more remote repair can take place, preventative maintenance. By operating with real –time' knowledge you can make smart connected repairs or when you send someone to repair something malfunctioning that technician can have already knowledge of the possible diagnosis of the problems, recommended repair processes ready to work through and have the potential parts all on hand.

Autonomy – Robots, like a vacuum cleaner can use their built-in sensors and software to scan and clean floors, it can over time learn about its environment, self-diagnose and adapt to user-preferences. I must admit (smiling) human interference might just get in 'it's' way to do the optimum job. The connected products can co-ordinate with other products and systems so you get your brew of coffee waiting for you, after the robot has done the hard work! It gets hard watching all the activity or monitoring performance.

So we will need to work through a more complex product offering beyond just simply the 'old four P' but the ability to deliver through these new capabilities is a massive undertaking.

The IT department will become more of the central innovating connecting hub. How it responds will be pivotal.

The IT department will massively change as this will become more the innovation hub of connectivity, evaluation and deployment. It will move from being at the 'back end' into one of leading the 'front end' of change. Innovation will radically alter its present role as it moves more towards technology based innovation or system innovation. Both will make IT the essential 'go to' place. IT does have a pivotal role to play in innovation activities.

The changes within IT will require a massive up-ramping of skills not presently found in most of our organizations, many of those got either downsized or handed over to others, outsourced, to perform. This will need to be rethought in the changes ahead.

These 'drawing in' skills will include software development, systems engineers, data analytics, and security expertise and new partners to compliment and assist. A new wave of providers will need to be competing with existing IT partners for the investments that will have to be made.

These will need to be on new product hardware, embedded tailored software, connectivity, in-house storage, remote servers and cloud, security tools, new gateways for external protocols and finally integrating into the enterprise business systems in really different ways

Just imagine the needs to go and build or connect into a new "technology stack" which requires the product in hardware and embedded software, a connectivity network, a growing product cloud of applications, analytic engines, application platforms and a data storage system.

Then you have to consider the higher level of protection for data security, application and protection that both the product and the user needs simply rises exponentially and all of those needs. This is a real inhibitor of fast adoption for many.

Working through all the threats and opportunities calls for significant strategic thinking and radical overhauls of product and connected design

The hurdles that will limit or accelerate this new competitive threat are tough challenges that each organization has got to work through. Firstly it has got to get its head around all of the changes taking place in connected technology and digitization.

There is a lot at stake, possibly the biggest change in redefining different industry boundaries and connecting increasingly into systems of systems. It will redefine competition and many existing organizations will undergo consolidation and takeover. The entrenched ways of competing will be the loser as the system that connects products will be the new core advantage, not the product alone.

The issue is how our organizations will incorporate smart, connected capabilities into its products to realize the potential of connecting technology, enabling a digital vision through different software, smart machines, the cloud, mobile device diversity and its management.

How it incorporates mobile applications, new architecture, connecting personal clouds with hybrid clouds, the IoT of social, industrial and nearly everything that a sensor, processor, piece of software and our connected world seems to be presently throwing at us. It is creating an evolution challenge.

This is going to require lots of trade-offs deciding what to do, what is possible or not and then more importantly what to not do as you do not have the capabilities for product being enabled or smart embedding.

A challenging pathway lies ahead – it requires a new IT understanding and appreciation.

Charting this potential impact by just working through the four building blocks of what does the connected values found in monitoring, controlling, optimization and autonomy begins the realization we are in a new age of connecting technology. It will reshape everything, it will be transforming.

Do you have the skills and abilities to compete?

Have you the ability these connected technologies and the systems will required available to you? Take a read of that HBR article, I think you will find it invaluable in thinking a little more deeply at what is coming towards all of us.

The smart, connected world threatens much of the established order; it will shape the new order.

The proliferation of transitory moments are ahead
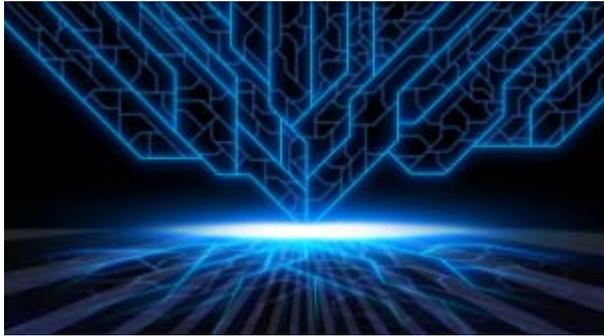
Recently I was reading that up to now, each digital technology change was a separate era but today we are facing something seemingly different, a collision, a whole mash-up of disparate technologies and systems, that seem to be heading for such an explosion of change, a post-digital transformation.

This merging of cloud, big data, social, and the internet of things is becoming the new system of discovery according to some. Others call it the crossroads where the post-digital reality of bringing together the cloud, mobile, interconnected devices, data analytics and embedded intelligence are pointing us to a hyper-connected world, less tomorrow, more speeding towards us in the here and now.

It is through people and things (IoT) we will get new innovation potential

It is through people and 'things' (machines and devices) that we will obtain increasing and more powerful insights, that have the real potential of being turned into new innovation potential through the connected businesses. This can generate new value and business propositions.

It is this "turning into new innovation" is where I have my current difficulties. The virtual world of digital is moving much faster than the physical 'enacted world,' of turning insights into actual innovation activities, through the innovation pipeline.

The whole discovery to final execution is for most organizations still, a very fragmented, often disconnected system, highly reliant on people to make decisions and organize the more tangible finished result. It is still through mainly a linear process of stage-gates and investigation /validation / move on or not. I can't see that working in a digital hyper world where insights flood into the innovation engine room, expecting the same 'hyper' response and delivery result.

The 'play' at present is how all this represents such significant business opportunities for both the large and start-ups alike and how they set about it. There is a real hype and force behind this but until we fix the total innovation value chain, the (new) front end for all these digital insights flowing in, otherwise it will just simply increase the log jam and the significant frustrations will grow even more that innovation is not matching its potential.

Something will have to give or change and needs fixing to be better equipped for this digital transformation of real-time insights and opportunities.

There is significant increased capital and funding going into these technology changes, not the innovation process

Recently IBM was reporting how the VC is funding much of the 'edge of embedded systems, different gateways of connectivity, messaging and the much-needed security all this means. Equally how the VC is investing heavily in the back-end of cloud services where data services, analytic services and (again) security need different solutions to meet these changing times.

Then we have the leaders in the shape of Amazon, Google, Salesforce and a number of others all-seeing significant ramp ups in engagement. Also this is equally coming from the likes of industrial giants like GE, in their connected world and many, many others, all determined to shape their industry and change its boundaries, through offering broader system products that pull together these technologies and shift the customer value proposition in radical ways.

There are sizeable bets and large sums of new capital going into this front end of discovery.

We are transcending traditional industry and product boundaries

The transformation that is under-way is exciting, actually scary and highly challenging in significant ways. Like in any "wild west" environment advice comes from every quarter, stories feed of each other and magnify but heroes are born or in this case, are created, for this convergence of post digital evolution.

This is the time we are blurring or having so many things flashing before our eyes with the digital and physical worlds combining for this convergence of people, business and things.

The dizzy array of strategic choices will totally disrupt existing business models if they are right in their design. The whole world of communicating, transacting and designing all the different negotiations and products that meet the immediate needs of the customer makes this the "digital business era", where constant redesigning and orchestrating the parts will keep it at the forefront by a constant evolving set of combinations and leveraging a network of diverse capabilities.

It will be how and where a business or entities of business come together and see where 'people, things and their business offering' can come together for mutual value based on the unique combinations of the different technologies available.

There will be a constant evaluation of the assets both internal and externally that make up this digital world (people, the business and things) that will take this out beyond the control of one company, into a system within a larger system to make it work at a constantly evolving speed and gain adoption.

Who will master all the necessary interactions?

The decisions being made will define markets and push way beyond established industrial boundaries to seek out and attract, to acquire both data and sales and keep retaining customers, who will increasingly become more fickle, unless they 'see' the changes and the values being offered.

This is going to have a real velocity to it. In our homes, in our personal lives, in connected transport, in our cities, in a multitude of our industries and health care systems, in our shopping, in the way we can buy and engage with the source of our need. None of this will come overnight but it is going on all around us in improved response times, connections and choices.

As the organizations investing in this changing world learn about people, different business approaches and structures and what these 'things' are capable of it is the knowledge gained and translated represents a new world of possibility.

Much will become even more highly transitory

I was going back through Rita McGrath's book "**the end of competitive advantage**" and although this only came out in late 2013, I realize it does seem to be lacking in much of the change taking place through this new emerging digital era. Yet it does paint a changing world, it does offer many pointers to understand and filter a new thinking through.

Rita discusses "arenas" that are transcending current industry boundaries where organizations 'spot' opportunities and look at what needs to fill the space, by pooling and orchestrating different assets to go after that opportunity. A different game is opening up.

Yet digital thinking is transformative and does take us into a different business dimensions, one that can offer greater transparency, connectivity and the need to respond in dramatically different ways than our past business models were capable too. We look out in broader ways.

Those that seize this opportunity will look towards shrinking market cycles, delivering totally different value propositions, seizing vacant space where better job- can-be-done. These will be further exploited through combining technology, social and marketing solutions that explore different innovation offerings, ones that customers will decide (or not) do meet either their needs or unexpected needs.

Some innovations or value propositions will take them for a real surprise, as they were totally unaware of these, yet they seem to fit into their 'perceived' lifestyles and activities, captured more and more through these SMART devices, many of these will offer new premium value price points for business or customers.

The reality is fast becoming our 'advantage' will be highly transitory as competition will be seeking all possible ways to match your offer. Shorter cycle times, constant change and update will be the point to chase the value and keep the interest, otherwise others will nip in and steal the 'advantage'.

The reduced lag time of everything perhaps?

The lag time of everything will dramatically reduce. Be these traditional industry cycles, product development, and customer feedback as the battlefield will be staying constantly ahead of the competitors response through this constant investment and re-engineering of the different combinations of new transient competitive advantage.

A world of rapid testing, experimenting, test and learn cycles, the increasing use of 3D printing, exploring different configurations that resonate or not with customers, so they can be quickly scaled up and delivered as the advantage point.

Digital technologies in their different forms will establish new terms of customer and competition advantage, where the whole cycle spins faster, latency constantly gets destroyed and organizations seem to increase their velocity to simply stay ahead.

If we do begin to believe all of this, the new channels will be digital where products, services and experiences will alter in ways it is hard to image today, although I'm sure they are being worked upon by the next wave of digital / business smart organizations searching to be the next Amazon, Google or GE.

Converting theory into reality that drives increased growth and revenue

The game is presently to convert the theory, the numerous ideas coming from all these digital insights and interactions, into concrete reality and we will have a real difficulty for most on this to convert these quickly enough. Many opportunities might be simply transitory but highly valuable to exploit.

It is not what is coming through our door, it is what we are able to get *out of the door at* the other end. Most of the innovation systems are designed from a very physical engagement, validation and execution perspective, operating not at any speed like or what we are wanting to get out of all the front end investments from the new digital era.

There will be systems and practices at real odds in speed, agility and decision-making. This will hold any evolution up, until the back end of product, service or business model are equally addressed. This does need the same commitment of funding and strategic thinking and organization engagement or this post-digital era will fail to deliver, due to these up-stream constraints and antiquated approaches to the innovation system.

Digital disruption is with us, it seems to be enormous in its potential transforming effects. It has an enormous potential to alter how a business conducts itself; in seeking out its different (and multiple) value propositions, the design of its new business models in the way it engages with people, things and its business. Yet I have to ask about the physical innovation value creating capacity – can it cope?

I've just got one enormous headache thinking about it.

Innovation will certainly not get any easier; it will be faster, more demanding and a heck of a lot more risky. The innovation systems we presently have will simply not cope, the log jam will not be the data flowing in,it will be the amount of innovation flowing out or more than likely just trickling out.

It does not matter what we rush to invest in digital capabilities something down the value chain will have to be radically altered to seize this digital era and turn 'seen' opportunity into reality and that is today based on people's innovation capabilities.

Innovation still totally relies on people not this digital tsunami or [digital monsoon](#) as I called it, that is altering the front end. I understand most working within our organizations are lacking engagement, will they welcome the digital age or it will become even more the whipping boy, being forced upon them of reluctant change? The digital front end is going to hit a real roadblock within organizations that needs addressing.

Innovation remains stuck in 20th century thinking

How will 'we' seize the opportunities and turn them into the innovations that is needed to be delivered to capitalize on the insights gained? I would think we need to invest in the innovation system and structures to enable this to happen and are we?

Today most innovation systems are broken or one paced, mostly fit for incremental innovation only and as latent as you can get, in reaction, inefficiencies and in delivering any concept to final product or service delivery in anything remotely close to real-time or incoming digital response.

The innovation life cycle is not fit for this digital purpose for most organizations. Is anyone thinking of this? This needs equal attention and fixing. As we assemble highly transformational road-maps we might pause and think about the inadequate one we have for the innovation life cycle.

Or am I missing something here?

About Paul Hobcraft

I simply enjoy innovation. I got 'hooked' ten years ago and have increasingly focused upon it until it is 100% of my business thinking and activities. I research across innovation, look to develop novel innovation solutions and frameworks that have real potential value to apply to different problems we all face in managing innovation. I provide these through a range of solutions that underpin my advisory, coaching and consulting work at www.agilityinnovation.com on supporting innovation for individuals, teams and organizations.

For me, innovation needs to enter the DNA of our organizations and our own individual make-ups. Here on this site, I try to work across different aspects to offer thoughts, ideas, advice and concepts to help each of us to understand innovation that little bit more.

My areas of focus

Through my business, **Agility Innovation Specialists**, we deliberately set out to help grow your body of knowledge on innovation. Having this 100% focus we believe does provide the necessary _additional_ intensity of focus needed for innovation success that someone who specialises can provide.

We research topics that relate to innovation for the future, applying what we learn to further develop organizations core innovation activity, offer appropriate advice on tools, techniques and frameworks

Web sites

www.agilityinnovation.com

www.innovationfitnessdynamics.com

www.hocaconsulting.com

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The organization is based in Switzerland for Europe & Singapore for Asia.