

A REVELX PUBLICATION

# INNOVATION STRATEGY PLAYBOOK

Defining your innovation strategy to safeguard long term relevance and success for your organization. The methods, tools, canvasses, and definitions any innovator needs to succeed.

Version 2.0

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# CONTENTS

PS: Click on any chapter to access it directly

1. [INTRODUCTION](#)
2. [DEFINING INNOVATION STRATEGY](#)
3. [INNOVATION STRATEGY CANVAS INTRO](#)
4. [DRIVERS FOR DISRUPTION](#)
5. [INNOVATION READINESS](#)
6. [INNOVATION AMBITION AND THEMES](#)
7. [INNOVATION ROADMAP](#)
8. [INNOVATION ENABLERS](#)
9. [SUCCESS LESSONS](#)
10. [GET GOING](#)

# 01

## INTRODUCTION



# WE ARE REVELX

We specialize in identifying and capitalizing on growth prospects. Our strengths lie in disruptive creativity, rigorous analysis, and disciplined execution. By integrating strategic thinking and exceptional execution capabilities into your team, we drive tangible innovative growth for your organization.

We are growth entrepreneurs—a dynamic group of inquisitive thinkers and individuals with diverse backgrounds. Headquartered in Amsterdam, we take great pride in serving clients worldwide with a dedicated team of talented and enthusiastic innovation professionals.

We forge strong partnerships with our clients, fostering a sense of pride in our collaborative endeavors.



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SPIE

randstad

IMC

STORK  
Aflac Company

BILFINGER

## WHY WE MADE THIS



Defining a good innovation strategy is hard. We created this playbook to help you succeed in defining a good innovation strategy. By providing you a set of proven methods, frameworks, and tools you can deploy within your organization today.

Let's grow!

## WHAT WE WILL COVER



We introduce you to innovation strategy and why it matters. We explore the Innovation Strategy Canvas by diving into the six building blocks which are key to creating a good innovation strategy. As a bonus, we give you some references to interesting webinars and canvasses if you want to learn more about a specific topic.

## HOW YOU CAN READ IT



The playbook is structured around the Innovation Strategy Canvas. You don't have to read it from beginning to end, as you can jump straight to those topics which have your interest. But hey... If you wish to cover everything, you're more than welcome to read it like a book.

# 02

## DEFINING INNOVATION STRATEGY

“

**INNOVATION:**

The process & activities to transform ideas and hypotheses into solutions that add value from a customer, business and societal perspective

“

**INNOVATION STRATEGY:**

Innovation strategy defines what and how innovation contributes to the long-term relevance and success of your organization. It defines how your business will be shaped and how it generates value. In addition, your innovation strategy should clearly define how to realize future success.



# WHY SHOULD YOU HAVE AN INNOVATION STRATEGY?

A strong innovation strategy serves as the bedrock for achieving success in innovation. It enables you to:

- » Concentrate on forthcoming disruptions and opportunities
- » Construct an organization that is resilient to disruptions, safeguarding it from being negatively affected by future trends
- » Ensure a comprehensive focus of innovation throughout your entire business model, extending beyond mere features and products, including incremental innovations improvements
- » Communicate the importance of innovation to the organization, overcoming the perception of it being separate or merely “nice to have”, and avoiding conflicting priorities
- » Provide guidance throughout the process of ideation, validation and, scale-up of innovations
- » Manage your portfolio of innovation projects effectively

# THE IMPORTANCE OF STRONG INNOVATION STRATEGY

Based on our extensive research of over 500 companies spanning diverse sizes and industries, it is evident that numerous organizations continue to face challenges in defining a robust innovation strategy. Within the innovation domain, we have identified several entrenched barriers to strategic thinking, including:

1. Short term thinking
2. Lack of vision
3. Tunnel vision
4. Operational focus
5. Lack of ownership

Only 44% of companies have a well-defined innovation strategy

RevelX IRB research shows that only 48% of the companies does not have a clear understanding of future innovations that can disrupt their industry. 51% of the participants think their organization does not sufficiently invest in projects with long-term horizon. On top of that, 56% does not have a well-defined innovation strategy.

18%

of the low performers\* have a well-defined innovation strategy



48%

of the average performers\* have a well-defined innovation strategy



72%

of the high performers\* have a well-defined innovation strategy



\* Being a low, average, or high innovation performer in our benchmark depends on how companies rate themselves on the criteria for innovation performance in our research

# THE DIFFERENCE BETWEEN BUSINESS STRATEGY AND INNOVATION STRATEGY?

It is essential to avoid conflating innovation strategy with business strategy. The chart on the right provides an overview of significant elements in both strategies and highlights points of divergence.

## BUSINESS STRATEGY

Defines the overarching strategic ambition

Has a 3-year horizon

Focus on growth targets in turnover and profitability

Focus on growth engines: the propositions delivering short term growth

Translated into commercial and organizational plans for the next strategic cycle

versus

## INNOVATION STRATEGY

Is supportive and so a part of your overall business strategy

Should look further in the future

Focus on the business model transformation and agility

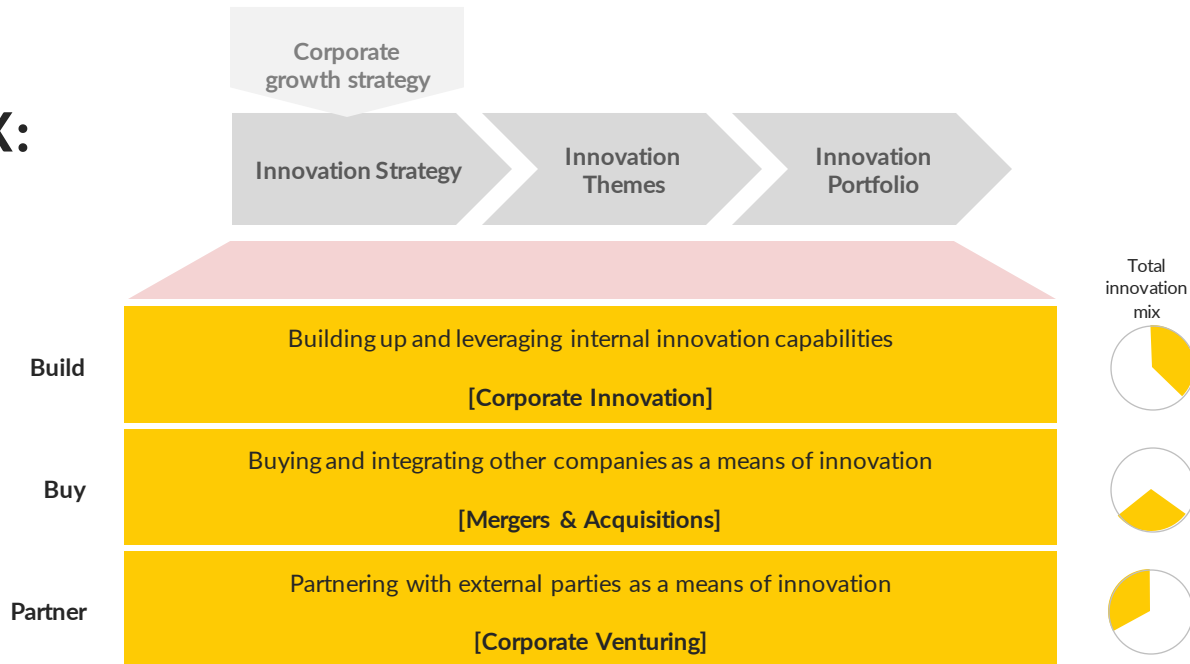
Focuses on the propositions and enablers that deliver future growth

Translated into a roadmap of strategic innovation projects over different horizons

# INNOVATION EXECUTION MIX: BUILD, BUY, OR PARTNER

While building and buying have long been established approaches, partnering, particularly through corporate venturing, is increasingly recognized as a powerful driver of innovation. According to a 2020 MIT research study, startups are valued as the primary source of innovation, surpassing internal R&D and the core business. Startups accounted for 44% of innovation, compared to 29% from internal R&D and 10% from the core.

In today's rapidly evolving landscape of autocatalytic change, it is evident that no company, big or small, can thrive in isolation. Partnerships are crucial in navigating and leveraging innovation opportunities



# 03

## INNOVATION STRATEGY CANVAS INTRO

# THE INNOVATION STRATEGY CANVAS

The Innovation Strategy Canvas serves as a practical tool for designing your innovation strategy. Developed to provide guidance, this canvas aids in setting direction and maintaining focus by addressing the essential elements of a robust innovation strategy. The Innovation Strategy Canvas triggers you to:

- » Reflect on the main **drivers for disruption**
- » Assess your **innovation readiness**
- » Define your **innovation North Star and targets**
- » Assign your **innovation themes** that result from your innovation ambition
- » Understand your **innovation enablers** you need to develop your innovation power
- » Create an **innovation roadmap** which fuels the innovation agenda

DOWNLOAD THE INNOVATION  
STRATEGY CANVAS

[CLICK HERE](#)

# INNOVATION STRATEGY CANVAS **BUILDING BLOCKS**

The Innovation Strategy Canvas supports your organization in developing a good innovation strategy with six key building blocks



**DRIVERS FOR  
DISRUPTION**



**INNOVATION  
NORTH STAR  
AND TARGETS**



**INNOVATION  
ENABLERS**



**INNOVATION  
READINESS**



**INNOVATION  
THEMES AND  
AMBITION**



**INNOVATION  
ROADMAP**





# 04

## DRIVERS FOR DISRUPTION



# UNDERSTANDING DRIVERS OF DISRUPTION

The Innovation Strategy Canvas starts with a reflection on the main **disruptive drivers** impacting the organization and its industry. Our IRB data shows that more than 50% of the organizations surveyed, do not have a good understanding of the future innovation that can disrupt their industry. So, there is work to do!

<50%

of companies have a good  
view of what can disrupt  
them in the future



>60%

of the ignorant  
companies think  
disruption is inevitable  
in the near future



Out of these  
→

\* Need help with understanding drivers of disruption? We have a dedicated webinar on disruption and disruptive innovation. [Click here](#) to go to the webinar.

# HOW TO ANTICIPATE TO DISRUPTIVE DRIVERS?

To formulate an effective innovation strategy, it is crucial to comprehend the disruptive drivers that could impact your organization.
















We provide four perspectives to help you anticipate disruption within your organization and industry.

Perspective	Key action	Question(s) to answer
Market	1 Respond proactively to mega trends that reshape the industry	Which disruptive trends can reshape our industry and how can we respond proactively with disruptive innovations and become a trend shaper instead of a follower?
Business	2 Exploit the 8 forces for industry disruption	What drivers for disruption can impact? How should we act on those drivers?
Customer	3 Satisfying unaddressed customer needs	What are (future) customer needs that are currently not addressed by one of the existing players and how can we anticipate with own innovations?
Internal	4 Challenge dominant myth and beliefs	What are the dominant beliefs within the organization and which disruptive paths will open if we decide to abandon them?

# 1

## RESPOND TO SOCIETAL AND TECHNOLOGICAL MEGATRENDS

Companies can be quite heavily impacted by a combination of disruptive megatrends. You should consider the following societal and technological megatrends

	<b>Demographics</b>	Growth of world population, aging western world, women participation, blue collar shortages in western world		<b>Finance 2.0</b>	New financial institutions, currencies and regulations		<b>Servitization</b>	Physical becomes service, new business models beyond transactions (new business models beyond transactions)
	<b>Global power shifts</b>	Global (financial) market with multiple economic powers. Rise of the global middle class		<b>Quantum computing</b>	New sort of computer in which the processor uses the principles of quantum mechanics		<b>Platformization</b>	Networks of sellers and buyers are based on efficiency, standardization, personalization, domain integration and servitization
	<b>Urbanization</b>	70% of world population live in near shore mega cities in 2050. New and high demand for infrastructure, housing and farming.		<b>Technology</b>	Technology (AI, VR, AR, robotics, blockchain, optometry, etc.) versus machine		<b>Connectivity &amp; data</b>	From reactive to predictive and prevention
	<b>Climate change and circularity</b>	Climate change and resource scarcity. Importance of circular economies; recycling, renewables and sharing		<b>Customer centricity</b>	Customer-centric approach which is a number one starting point for every innovation		<b>Production on demand</b>	3D printing, smart logistics reduce the complexity of the value chain, long transportation cycles an inventory
	<b>Digital economy</b>	Data and digital economy brings higher degree of privacy, security (versus personalization)		<b>From ownership to usage</b>	Shift from ownership to usage (underutilization and scarcity of resources and sharing more accepted)		<b>B2B customers become more B2C</b>	B2B customers become more B2C customers (time, right now, connected, convenience, authenticity and transparency)

# 2

## EXPLOIT THE EIGHT FORCES OF INDUSTRY DISRUPTION

### 1. Commoditizing assets

When your company assets are becoming commodities, disruptors will be around the corner. They will use your assets and build their business on top of it. Without the burden of having their own expensive assets, they will be far more profitable in no time.

### 2. Assets are under utilized

Do you have assets which are idling most of the time? In comes the disruptors to use those and make their fortune. Asset heavy industries are a sitting duck to disruptors.

### 3. Lack of transparency

When your industry is clouded by intransparency, be on the lookout for companies who are looking to lift the veil. To outsiders, intransparent business models are suspect of hidden value.

### 4. Low or no added value

When your industry includes players who add low or no value, disruptors are keen to rationalize the value chain and make their money from cutting away some fat. Many brands have gone 'direct to consumer' and cut out the middleman. It is a gutsy move but done well can bring a lot of value.

### 5. Platformization

When your industry is turning into a platform business either through bundling of offerings or servitization be weary of new entrants. The big platforms will monitor your sales and then decide whether to launch their version of your products under their own brand.

### 6. Serious use pains

If customers in your market experience serious pains in using your products or services, someone will come in and simplify the job for them. Smart digital tools make complex jobs easy.

### 7. Focus on products & features

Incumbent companies are often too focused on products and features for the most demanding customers. If you find yourself in that trap, an entrant will be happy to pick up the crumbs from the business you have left behind.

### 8. Attention from venture capitalists

When you see venture capital entering your market, you can be sure disruption is around the corner. It is a sign money is to be made in your industry.

There are several triggers for disruption. We have listed eight tell-tale signs of imminent disruption in any industry. Which ones apply to yours?

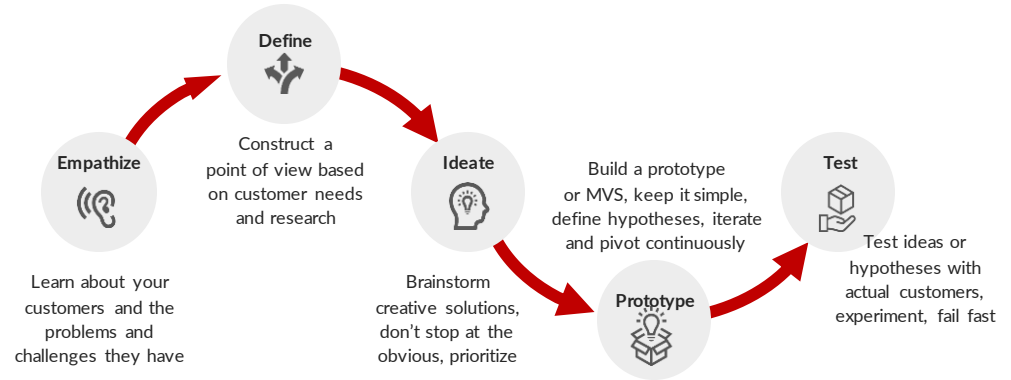
# 3 SATISFY UNADDRESSED CUSTOMER NEEDS

One of the key questions you must answer in your innovation strategy is how the disruptive forces will define the future needs of your customers. Design thinking is all about understanding real customer problems and designing or building prototype solutions to those problems.

## DESIGNING YOUR SOLUTIONS BASED ON PROFOUND CUSTOMER INSIGHTS

### Jobs to be done:

1. Make sure you have a good understanding of the customer you want to target
2. Think beyond the direct 'jobs to be done'; often this is defined at a higher level (e.g., providing a comfortable climate instead of installing an air conditioner)
3. Use the pains and gains to design unique products and services creating value for your customer



### 6 Design Thinking principles:

1. It is **people centered**, focused on user's experiences, specifically emotional ones
2. It is **holistic**, creates a model that examines complex problems, benefits from system thinking
3. Find **problems worth solving**, the ones that inspire and need critical creative thinking
4. It **tolerates failure** and is optimistic
5. It is **contextual** talk with customers and other people involved in the context of the problem
6. **Tangibility rules**, visual facilitation and storytelling are great ways to make the abstract concrete

# 4 CHALLENGE DOMINANT MYTHS AND BELIEFS

In many organizations, innovation is an area that is impacted by governing myths and beliefs. The expression “Only creative geniuses can innovate” is still heard in many organizations. What happens to disruptive innovation if your organization decides to abandon those beliefs? So, challenge your prevailing myths and beliefs which may hold back your innovation ideas. When making decisions about innovation, make sure you recognize the common cognitive biases and address them in your organization.

- 5 BIGGEST MYTHS ABOUT INNOVATION**
- » “Strongly defiant ideas are needed to innovate”
  - » “Only creative geniuses can innovate”
  - » “Our customers (don’t) know what they need”
  - » “Our innovation team or R&D department is responsible for innovation”
  - » “Innovation is all about improving things”

## COMMON COGNITIVE BIASES

<b>Ambiguity</b>	The tendency to avoid options for which missing information makes the probability seem unknown	<b>Optimism</b>	The tendency to be over optimistic. Also known as wishful thinking or planning fallacy
<b>Anchoring</b>	The tendency to rely too heavily on one piece of information. Often rooted in company myths and beliefs.	<b>Selection</b>	The tendency to notice something more when someone or something causes us to be more aware of it
<b>Group think</b>	The tendency to believe things because many other people do or believe the same way	<b>Sunk cost/loss aversion</b>	The disutility of giving up an object is greater than the utility associated with acquiring it
<b>Confirmation</b>	The tendency to search for and interpret information and data in the way that confirms one's preconceptions	<b>Semmelweis reflex</b>	The tendency to reject new evidence that contradicts a set paradigm
<b>Framing</b>	Drawing different conclusions from the same information depending on how or by whom the information is presented		

# 05

## INNOVATION READINESS





# HOW TO INCREASE YOUR INNOVATION POWER?

The second part of the Innovation Strategy Canvas revolves around **innovation readiness**. Our Innovation Readiness Benchmark will help you assess your innovation strength and weaknesses. There are seven innovation best-practice areas against which to test your innovation readiness. Furthermore, the benchmark enables you to rate your innovation performance on five distinct KPIs.

Measuring your innovation readiness with our benchmark will give you direct insights in how to improve your innovation power and performance.



# ASSESS YOUR INNOVATION READINESS

Join the > 500 companies that have already participated in our innovation readiness benchmark and see how you measure up against them



- » Measure the innovation power of your organization against 35 innovation best practices
- » Gain insight in new forces that can potentially disrupt your industry
- » Compare your organization with the high performers in our benchmark
- » Understand which areas drive innovation performance
- » Receive a personal report including customized recommendations

[CLICK HERE](#)

Participating is free and you will receive a personal report of your innovation power

## Innovation readiness dashboard with 35 best practices

Innovation Readiness Dashboard	Score of Your Business	Delta with average of participants	Delta with high performers in benchmark
<b>Innovation Strategy</b>			
Our innovation strategy and roadmap is clearly defined and documented	1	1.1	0.1
We have well defined and ambitious innovation targets	2	1.1	0.1
We have a clear understanding of future innovations that can disrupt our industry	3	1.1	0.1
Innovation is not only focused on new products but on our entire business model	3	1.1	0.1
Our organization invests sufficiently in projects with a long term horizon	3	1.1	0.1
<b>Customer Centricity</b>			
We actively explore the customer's future needs as starting point for our innovation	4	1.1	0.1
We invite customers to discuss new ideas for propositions and business models	3	1.1	0.1
We test our hypotheses or prototypes for new innovations with our customers	3	1.1	0.1
We measure customer satisfaction and use that to drive our innovation	3	1.1	0.1
The voice of the customer is leading in our decision making on innovation	4	1.1	0.1
<b>Organizational Agility</b>			
We have implemented agile as leading principle in our way of working in innovation projects	4	1.1	0.1
Our innovation process is well defined and can be tailored to the needs of a specific project	3	1.1	0.1
We understand and apply the principles of rapid prototyping and low-cost experimentation	3	1.1	0.1
Our innovation projects are carried out by multi-disciplinary teams	4	1.1	0.1
Our innovation process allows for short lead times and fast learning	3	1.1	0.1

## Comparison of your innovation readiness with the > 500 companies in our database



## Comparison between team members (only available in the in-company version)



# 06

## INNOVATION AMBITION AND THEMES



# INNOVATION AMBITION LEVEL

After identifying the disruptive trends and assessing your organization's readiness for innovation, the next step is to establish your **innovation ambition**. This step is pivotal in the creation of an innovation strategy. Setting your innovation ambition level involves determining how your organization will become future-ready and where your innovation endeavors will concentrate. It should entail an audacious and aspirational statement that outlines how innovation will drive transformation within your business.

The following three components are key:

- » Innovation BHAG
- » Innovation North Star
- » Innovation themes

\* Need help with building your organization's growth strategy? Let us know! We are experts in crafting actionable growth strategies. [Check out](#) our website for resources, blog posts and customer cases.

# FORMULATING YOUR INNOVATION BHAG

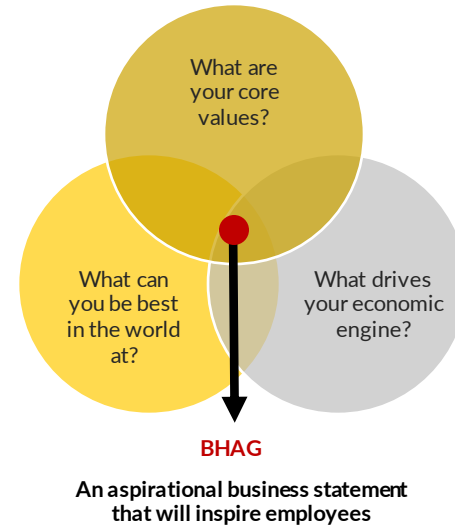
By formulating your innovation BHAG you will stretch the thinking of the organization and challenge the status quo.

## What is a BHAG?

A Big Hairy Audacious Goal (BHAG) is a visionary business goal that will inspire your employees.

## Why use a BHAG?

A BHAG has a clear end goal that is so big and inspiring that employees feel challenged to strive for it. It has a clear finish line, so the organization can know when it has achieved the goal.



## BHAG examples:

- » SpaceX's plan is to bring people to Mars
- » Microsoft's vision of around 1980 is that a computer would be on every desk and in every house
- » Dutch telco KPN wants to become the most customer-friendly company in The Netherlands

# DEFINING YOUR INNOVATION NORTH STAR AND TARGETS

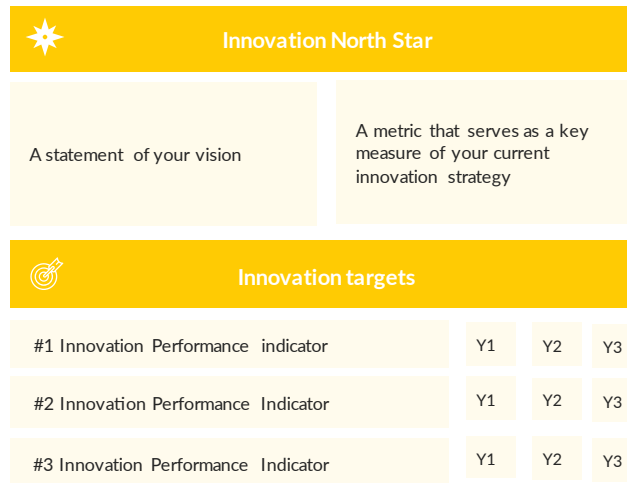
Defining your innovation North Star will help to achieve the company's BHAG.

## What is an Innovation North Star?

Single metric that best captures the core value that your innovation strategy delivers to the organization and is the key to driving sustainable growth.

## Why use an Innovation North Star?

- » Clarity and alignment on what the innovation strategy must deliver
- » Impact and progress which accelerates strategic initiatives
- » Holds the organization accountable to an outcome




## How to make your Innovation North Star actionable?


Once you know your Innovation North Star metric, Key Performance Indicators (KPIs) will help you make this metric grow. A KPI is an actionable metric that help you to answer the questions about the future of your business. KPIs should be formulated: specific, measurable, realistic, relevant and time-bounded (SMART).

# WHAT ARE THE INNOVATION THEMES IN YOUR INNOVATION STRATEGY?


A crucial step in developing your innovation strategy is defining the innovation themes. These themes define where you will focus your innovation efforts. Based on the insights on possible disruptions your organization faces, you should select themes that have the largest potential for ensuring sustainable growth for the organization.


Some examples of innovation themes


Sustainability



Develop innovative integrated solutions that enable our customers to improve the sustainability of their operations and comply to regulations


Digitalization





Surprise our customers with an omnichannel, real-time on demand interfacing and a superior customer experience during the entire lifecycle


Cyber security



Apply (new) technologies and processes to protect our systems, networks, programs, devices and data from cyber attacks


Robotics



Accelerate the man to machine transition to enable our organization to fundamentally improve the efficiency and effectiveness of our operations

Key innovation themes and ambitions		
	Innovation theme	Innovation ambition 3-to-5 years
1	Short description of the innovation theme with the largest potential. E.g., servitization, IoT, Robotics, AI, Cyber security	<ul style="list-style-type: none"> <li>» Set your point on the horizon that has been achieved 3-to-5-year from now</li> <li>» Define in SMART terms</li> <li>» Provide guidance for ideation &amp; portfolio management</li> </ul>
2	[...]	[...]
3	[...]	[...]

# 07

## INNOVATION ROADMAP





# SHAPING THE INNOVATION ROADMAP

Once you have selected the innovation themes, you can start shaping your **innovation roadmap**. Define which projects will be executed within each of the innovation themes to realize the ambition. Select the top 3 projects for your innovation strategy canvas. The others are included in the overall roadmap. The main objective is simply to identify the key projects needed to realize your ambition. This means you will have two challenges: **create focus** and **close the gaps**.

- » A logical first step is to get insights in all ongoing initiatives and assessing their contribution to your innovation ambitions. Most likely you will find projects that do not really fit with the ambition you have defined.
- » You will certainly find out that there are gaps or white spots in your current innovation funnel. This will often be a mix of themes that are not, or not sufficiently covered.
- » Another area to focus on is the spread over the innovation horizons; make sure there is a good representation of horizon 1, 2, and 3 initiatives.

# CREATE FOCUS IN YOUR INNOVATION ROADMAP

While creating focus may seem straightforward, it is often more challenging than anticipated. It requires accepting the reality that a once-promising project may not deliver the desired outcomes.

To navigate this, it is essential to define a clear set of criteria for evaluating the value-added by innovation projects. By establishing these criteria, not only can you create focus, but you can also effectively manage your innovation portfolio in the future.

However, it is important to acknowledge that tough choices will need to be made in order to prioritize and maintain focus.

**Only 33%  
of companies monitor  
their innovation  
projects against well-  
defined metrics**

Our IRB data shows that only 33% of the companies really monitor their innovation projects against metrics. 72% of them states they have a well-defined innovation strategy. Whereas 70% of the companies who do not monitor projects on well-defined metrics do not have a well-defined innovation strategy.

**33%**

of the companies really monitor their innovation projects on well-defined metrics



**72%**

of them states they have a well-defined innovation strategy



**70%**

of the companies who do not monitor projects on well-defined metrics do **not** have a well-defined innovation strategy



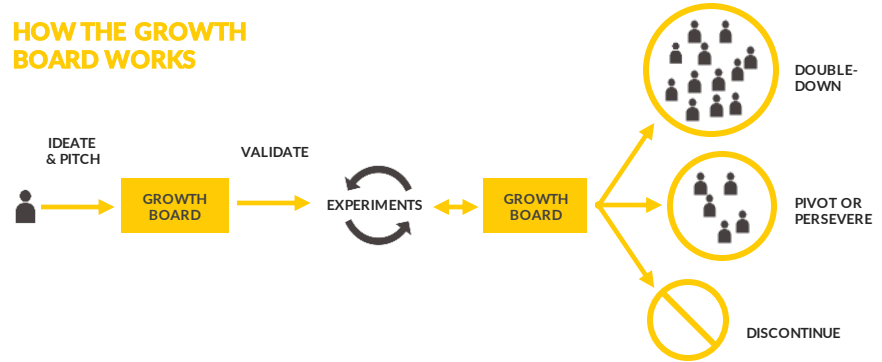
# CLOSE THE GAPS IN YOUR INNOVATION ROADMAP

The second challenge in shaping your roadmap is closing the gaps that exist. to close the gaps. The good news is that you already have identified these gaps, which is something many companies without an innovation strategy can not claim.

## How to close the gaps?

- » You can first organize several ideation sessions within the organization. Document your ideas and findings to support your ideas with the Innovation Opportunity Canvas and or use the Ideation and Scouting platform of Qmarkets, our leading tech partner
- » Merely conducting a single ideation session is insufficient. Truly innovative organizations implement a structured ideation process designed to generate a continuous influx of internal and external ideas into the innovation funnel. These (pre-selected) ideas should be assessed in an early stage by a growth or innovation board.

## HOW THE GROWTH BOARD WORKS



DOWNLOAD THE  
INNOVATION PLAYBOOK  
FOR SOME PRACTICAL  
IDEATION TOOLS

[CLICK HERE](#)

# 3 INNOVATION HORIZONS

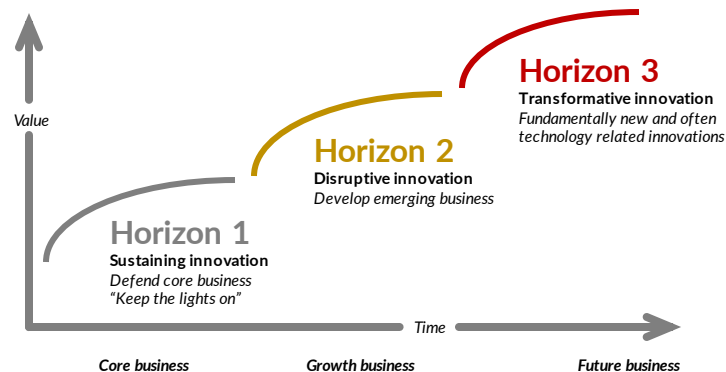
Always be aware that your innovation ideas and projects cover all 3 horizons, not just one or two. Typically, in a 70% (Horizon 1), 20% (Horizon 2) and 10% (Horizon 3) distribution. Obviously, this all depends on your current position in the market.

## Trigger questions:

- » Do we have a good understanding of the horizon 2 and 3 innovations that can potentially change our industry?
- » Which technology drivers are likely to drive horizon 2 and 3 innovation, and do we master these technologies?
- » Do we have enough innovation on each of the horizons?
- » Are we willing to place some horizon 3 bets?
- » What are our competitors and potential new entrants doing in each horizon?

**BALANCING  
SHORT AND  
LONG TERM  
PERSPECTIVES**

**EACH HORIZON  
REQUIRES  
SPECIFIC  
CAPABILITIES**



Horizon 1	Horizon 2	Horizon 3	
<b>Sustaining innovation</b> <i>Defend core business</i> <i>"Keep the lights on"</i>	<b>Disruptive innovation</b> <i>Develop emerging business</i>	<b>Transformative innovation</b> <i>Fundamentally new and technology related innovations</i>	
<ul style="list-style-type: none"> <li>Proven technology</li> <li>Known</li> <li>Short time-to-market</li> <li>Direct business impact</li> <li>Fast-track process</li> </ul>	<ul style="list-style-type: none"> <li>Existing technology</li> <li>New</li> <li>Mid time-to-market</li> <li>Disrupt business</li> <li>Validation needed</li> </ul>	<ul style="list-style-type: none"> <li>New unproven technology</li> <li>New to industry</li> <li>Long time-to-market</li> <li>Transform business</li> <li>Complex concepts</li> </ul>	<b>Characteristics</b>
<ul style="list-style-type: none"> <li>Clear vision</li> <li>Core focus</li> <li>Market insights</li> <li>Goal oriented leadership</li> </ul>	<ul style="list-style-type: none"> <li>Ideation</li> <li>Design thinking</li> <li>Prototyping</li> <li>Speed to market</li> </ul>	<ul style="list-style-type: none"> <li>Co creation</li> <li>Open innovation</li> <li>Exploring options</li> <li>Identify emerging opportunities</li> <li>Dealing with high uncertainty</li> </ul>	<b>Required capabilities for innovation</b>

# INNOVATION OPPORTUNITY CANVAS

Assess all your innovative ideas with the Innovation Opportunity Canvas. The canvas captures and evaluates related trends, innovation horizons, innovation themes, and innovation attractiveness and relevance (desirability, feasibility, viability).

DOWNLOAD  
OPPORTUNITY  
CANVAS

CLICK HERE

**INNOVATION OPPORTUNITY CANVAS** Opportunity name:

<b>The idea in a nutshell</b>		<b>Opportunity assessment</b>			
<input type="text"/>		<b>Innovation horizon</b>	1	2	3
<input type="text"/>		Innovation horizon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Target customers</b>		<b>Contribution to innovation themes</b>			
<input type="text"/>		Theme 1:	L	M	H
<input type="text"/>		Theme 2:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="text"/>		Theme 3:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="text"/>		Theme 4:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>The trends that we address with this innovation</b>		<b>Attractiveness</b>			
<input type="text"/>		Desirability (do customer want this)	L	M	H
<input type="text"/>		Feasibility (can we make it)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="text"/>		Viability (can we make money with it)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Other considerations</b>		<b>Innovation growth tactic that is applied</b>			
<input type="text"/>		Business model	Profit model	<input checked="" type="checkbox"/>	
<input type="text"/>		Products and services	Partners	<input type="checkbox"/>	
<input type="text"/>		Customer interface	Process	<input type="checkbox"/>	
<input type="text"/>			Function	<input type="checkbox"/>	
<input type="text"/>			Brand	<input type="checkbox"/>	
<input type="text"/>			Platform	<input type="checkbox"/>	
<input type="text"/>			Service	<input type="checkbox"/>	
<input type="text"/>			Distribution channel	<input type="checkbox"/>	
<input type="text"/>			Customer engagement	<input type="checkbox"/>	

A short description of what the innovation idea is about

The customer groups that can potentially be targeted with the innovation

The trends from the assessment that are addressed with the innovation

The innovation horizon: 1 being short term incremental and 3 being transformative

An assessment (in terms of low, medium, high) of how much the innovation contributes to the innovation themes

An assessment (in terms of low, medium, high) of the attractiveness, defined by desirability, feasibility and viability

The "growth tactic" that the innovation is based on. This defines the type of innovation



# DESIGN A WINNING INNOVATION STRATEGY AND OPERATING MODEL

Pon is a leading family-owned multinational headquartered in the Netherlands. They employ over 15,700 people, across six continents in 34 countries. Pon is active in the areas of Automotive, Bicycles, Equipment & Power Systems and Agriculture. Our work was with the equipment & power unit.

## The client

The client is a leading expert in earthmoving and infrastructure projects. Services range from supplying heavy-duty Cat machines, to delivering compact machines for gardening or road workers. The client also provides innovative electric power generating systems to land based- and oil and gas industries, as well as technical total drive and power solutions for the global maritime market.

## The solution

RevelX collected input from the innovation team and board members through the RevelX In-Company Innovation Readiness Assessment. Next, we ran a program with a series of workshops for the client's innovation team, their board members and business units. Using a working method based on co-creation, RevelX brought in their knowledge and expertise. They shared innovation best practices and customizable innovation modules, such as Innovation Strategy Design, Operating Model Blueprint, and the RevelX Idea and Portfolio Management Framework

## The challenge

The groundwork, in terms of innovation, had previously been completed by the client. They had already set up a skilled dedicated innovation department and secured senior leadership support.

To increase the impact of innovation within the organization, further development of the strategy and their innovation model was essential.

## The result

The project has resulted in a refined innovation strategy. Together we set ambitious goals and created a realistic and executable innovation portfolio.

Part of the program was an ideation process, which produced 24 new incremental innovations (horizon 1) and 34 disruptive innovation ideas (Horizon 2 and 3).

Parallel to that, we designed and implemented a new operating model (blueprint), which is also documented in a client-specific innovation playbook.

# 08

## INNOVATION ENABLERS



# DEVELOPING THE INNOVATION ENABLERS

The last building block of the Innovation Strategy Canvas pertains to the **innovation enablers**. Internal and external capabilities that need to be developed to strengthen your innovation power. We recognize the following four clusters of innovation enablers:

## INNOVATION ENABLERS

### PORTFOLIO MANAGEMENT

Portfolio management enables your organization to deliver your innovation strategy by developing, balancing, and successfully managing the roadmap of innovation projects.

### ORGANIZATION OF INNOVATION

Creating the structure and ownership of innovation in your organization. Which enables your organization to set right priorities and optimize the use of its scarce resources.

### INNOVATION PROCESS AND COMPETENCE

Innovation should be treated as core business process, supported by investing in proper innovation skills and competences. Innovation as a competitive advantage.

### CULTURE AND LEADERSHIP

Your organization creates sufficient opportunities for creative thinking and realization. Leadership and culture support and enable innovations.

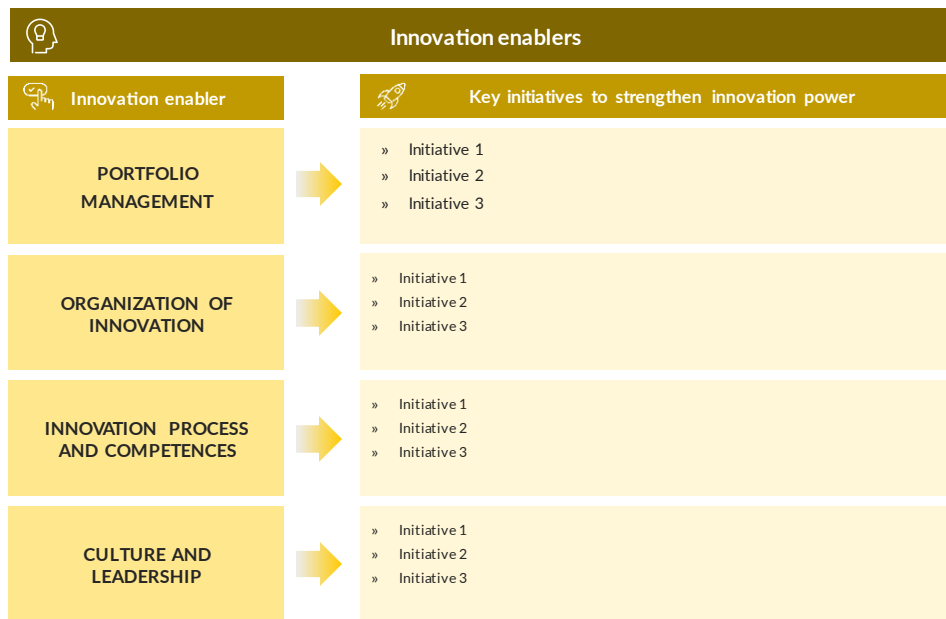


# DETERMINE THE KEY INITIATIVES TO STRENGTHEN YOUR INNOVATION POWER

To enhance the innovation capabilities of your organization, it is essential to identify and prioritize key initiatives related to innovation governance, processes, competences, portfolio management, culture and leadership. By focusing on these areas, you can effectively strengthen your organization's innovation power.

LEARN MORE AND  
PARTICIPATE  
THE BENCHMARK

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# MANAGE YOUR INNOVATION PORTFOLIO

The first innovation enabler we recognize is **portfolio management**.

The value of innovation portfolio management performed well:

- » Alignment between strategy and your innovation pipeline
- » Balanced portfolio between horizon 1, 2 and 3
- » Focus scarce resources on priority projects to maximize value creation
- » Clarity for the innovation teams on what they need to do to bring the project to the next stage
- » Shorten the time to market by setting targets for stage gates
- » Less hobby horses and less dead horses in your portfolio

## 3 KEY ACTIVITIES FOR INNOVATION PORTFOLIO MANAGEMENT

**Project status and  
progress reporting**

Tracking the performance of innovation projects on predefined KPIs and targets

**Stage gate decision  
making**

Approving the transition to the next phase of innovation process, which can also lead to stopping or pivoting the projects

**Resource allocation  
to innovation  
projects**

Making sure your innovation projects have sufficient budget and the right people

# BUILD A BEST-IN-CLASS INNOVATION ORGANIZATION

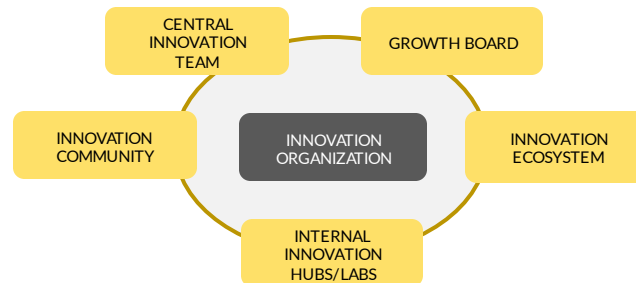
The second innovation enabler pertains to **the innovation organization**. But what is it about? Creating an organization structure for innovation in the organization signals the importance the organization places on innovation. When designing your innovation organization, please take notice of the following principles:

- » Bureaucracy kills innovation
- » Foster the spirit of experimentation
- » Innovation is cross-functional teamwork
- » Innovation needs to tap into the outside world
- » C-level needs to provide air and support for innovation function
- » Organizational structures are not forever

Consider setting up a separate central innovation function. This balance differs per organization depending on their industry, innovation strategy and organizational heritage

## BUILDING BLOCKS FOR AN INNOVATIVE ORGANIZATION

Pros of centralized innovation	Risks of centralized innovation
Creates focus	Can lead to isolation
Makes it easier to challenge the traditional myths and beliefs	Innovation becomes the responsibility of the innovation manager
Creates a safe place for new way of working and experimenting	Cultural clashes with the core business
Act as a center of excellence for innovation that captures and distributes learnings	The "not invented here" syndrome
Less obstruction and constraints from corporate bureaucracy	Drifting too far away from the current business



# MASTER INNOVATION PROCESS AND COMPETENCES



The third innovation enabler: **process and competence**. Becoming a best-in-class innovator requires mastering three main challenges. We recognize a structured innovation process that covers these three challenges.

1

## The Ideation Challenge

- » Spotting and creating innovation opportunities
- » Balancing the long- and short-term perspective
- » Selecting the most promising innovations

2

## The Validation Challenge

- » Assessing the true potential of new ideas
- » Avoiding unjustified investments in bad ideas or hobby horses
- » Beating the competition on time-to-market

3

## The Scale-Up Challenge

- » Turning on the right growth engines
- » Creating the right conditions for growth
- » Balancing management of core business and innovations

REVELX CORPORATE  
INNOVATION PLAYBOOK:  
Demystifying corporate innovation and its challenges. The methods, tools, canvasses and definitions any corporate innovator needs to succeed. Download the free playbook here.

DOWNLOAD  
HERE

# FOSTER AN INNOVATION CULTURE AND LEADERSHIP

The final innovation enabler is culture and leadership. Culture and leadership, often considered as the “softer” factors, are actually the most challenging aspects to develop or modify within an organization. We recognize four important building blocks on this topic:



“DARE: A mindset for innovators in the digital age provides a framework for calculated risk-taking.” You can order a copy via the growth warehouse on our site:

[ORDER HERE](#)

## 1. Role of leadership

Innovation leaders must shape the right conditions for innovations and take away as many obstacles on its path. They not only have a clear vision, but also bring it into practice. This not backing away from innovations with the first setback. Tough (fact based) decisions must be taken. Leaders should be capable of coaching, empowering and facilitating innovation teams.

## 2. DARE mindset

DARE stands for: Defiance, Adventure, Realism and Endurance. Defiance and Adventure represent the elements of creative destruction. Breaking down the status quo to let a new reality emerge. Realism and Endurance are more the left side of the brain: analytical and cognitive. It is about doing the things right.

## 3. Culture

Culture is the collective mindset of the organization. Which is often deeply rooted in the history of the organization. And unfortunately, often a roadblock for innovation. We aim for innovative values such as continuous learning, risk acceptance, constructive failure, root problem solving, assertiveness and passion

## 4. Innovation skills and competences

Invest in skills and competences of people working in the innovation trenches. Because in the end, they make it happen. You must make sure your people master the leading innovation methodologies (design thinking, lean start-up, and agile). And you must train them in innovation tooling and its use. But is it also learning by doing through working on innovation projects.

# PROFESSIONALIZE USING END-TO-END SOFTWARE SOLUTIONS

As innovation continues to evolve within companies, there is an increasing requirement for investment in end-to-end software solutions to professionalize the innovation process. This gives you several advantages:

1. Supports a *continuous* process
2. *Proactive* and *reactive* scouting and ideation in the crowd
3. Easy connect and integration with *unlimited sources*
4. Stimulates *collaboration* in all layers of the organization
5. Makes the process very *transparent* and *scalable*

RevelX partners with Qmarkets, one of the market leaders for end2end innovation software solutions. On the right you find some of their highly configurable, expandable and mobile responsive modules.

## Q-need

Defines, collects and enriches the innovation use cases of your business; the problems to be solved

## Q-trend

Provides relevant insights and innovation and technology trends for your strategy and scouting

## Q-scout

Search and manage your (potential) partnerships and M&A portfolio for corporate venturing

## Q-ideate

Find and manage internal and external ideas throughout its lifecycle, from conception to implementation

## Q-optimize

Realize operational excellence and continuous improvement with more incremental innovations

## Q-impact

Manage progress and impact of all innovation projects in detail

# 09

## SUCCESS LESSONS

# KEY SUCCESS FACTORS

Our approach is based on eight key success factors. Adopting them will enable you to rapidly develop your innovation strategy and to avoid a lengthy process leading to a disappointing outcome.



Customer focus



Challenging dominant myths and beliefs



Outside perspective



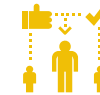
High impact working sessions



Involving the right people



Combining data and gut feel



External validation of riskiest assumptions



Actionable outcomes





# CREATING A FUTURE PROOF GROWTH STRATEGY

The PVG Group is an international trading group in climate products. Since 1983, PVG has offered a wide range of products that increase comfort at home: portable heaters, pellet stoves, mobile air conditioners, heat pumps, dehumidifiers, humidifiers and products to purify the air.

## The client

PVG has grown into the climate specialist in Europe and market leader in the field of portable heaters and mobile air conditioners. The entire process of purchasing, marketing, distribution and sales is handled from the head office in The Netherlands.

## The solution

RevelX has supported PVG's management team in defining and developing future growth options. The project started with a thorough business assessment, to understand PVG's current business, capabilities, and potential. This was followed by several ideation sessions to explore potential tracks for innovation and diversification.

## The challenge

One of PVG's plants in Belgium mainly produces fossil-based heating products. Although the business is still very profitable, eventually the business will have to be replaced by more sustainable alternatives. In addition, the products follow a heavy seasonal pattern. This leads to a large fluctuations in capacity utilization.

## The result

The project has resulted in a long list of potential innovations and new growth opportunities, which were further prioritized in a short list of 3 concrete new projects that will be further explored.

During the project, we took care of the embedding of the innovation management process within the organization. This enables PVG to continue to innovate in the future.



# 10

## GET GOING



## GET GOING

We are confident that this innovation strategy playbook has ignited your inspiration to embark on developing your innovation strategy and fortify your innovation capabilities. To kickstart your journey, we recommend assessing your own innovation power using our Innovation Readiness Benchmark, which will assist you in setting your priorities. Alternatively, you can dive right into shaping the key building blocks of your innovation strategy.

To further fuel your inspiration on innovation strategy and gain insights into becoming a best-in-class innovator, we invite you to explore our webinar and podcast series. Additionally, our team of innovation experts is available to engage in discussions about your unique innovation challenges. Their extensive experience in addressing these challenges across diverse industries can provide valuable inspiration and guidance.

To access the canvasses mentioned in this playbook and to explore more resources, kindly visit our website. We are dedicated to supporting your innovation endeavors and look forward to assisting you in unlocking your organization's full innovation potential.

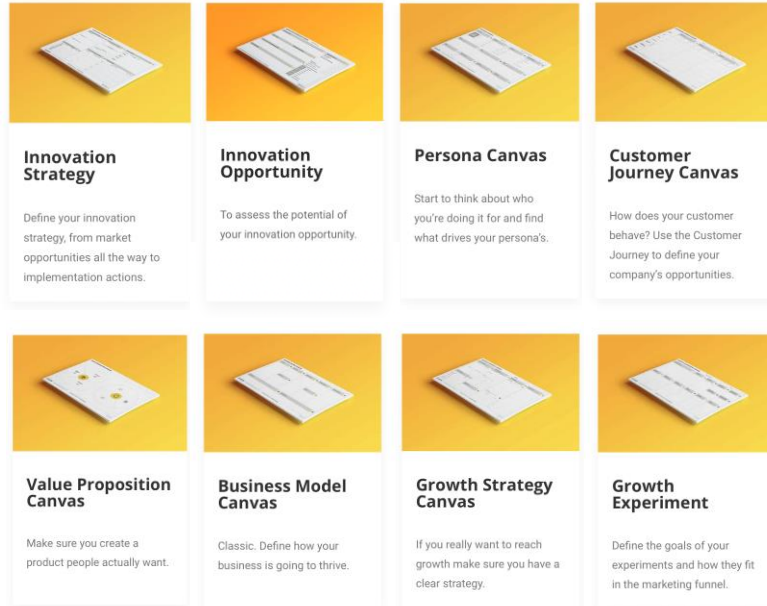
# INNOVATION CANVASES

We put together a library of our most used innovation canvases. We tailored a few of the standard issue canvases to our liking (meaning, we tested them rigorously and adapted them to be fully effective). We also created our own where we felt they were missing. Our canvases and templates are free to download from our website. Use them to your advantage! If you get stuck, please reach out for help.

Effective innovation is no rocket science if you know how to approach it!

**DOWNLOAD OUR FREE  
INNOVATION CANVASES**

**CLICK HERE**



## ON DEMAND WEBINARS

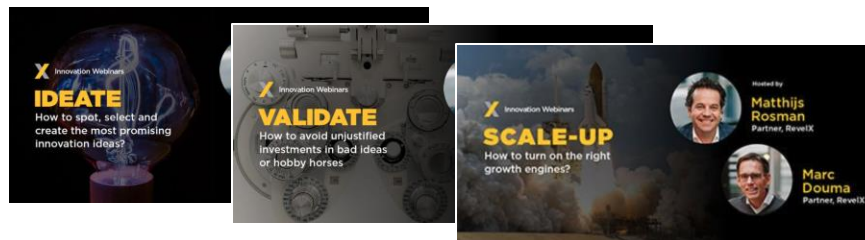
In our webinar series we cover a range of innovation challenges. You can watch these webinars on demand via our website.

If you want more inspiration on innovation strategy, including examples from real life cases, we recommend the Innovation Strategy and Roadmap webinar.

WATCH OUR WEBINARS  
ON INNOVATION

CLICK HERE

Webinar series on the three innovation challenges:



Webinar series on becoming a best-class-innovator:



# WANT TO DISCUSS YOUR INNOVATION CHALLENGES?

You're more than welcome to contact us for a  
FREE 30 minutes **Innovation Consult.**



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