

Meyer's Management Models

22. Innovation Box

From where can I get my innovative ideas?

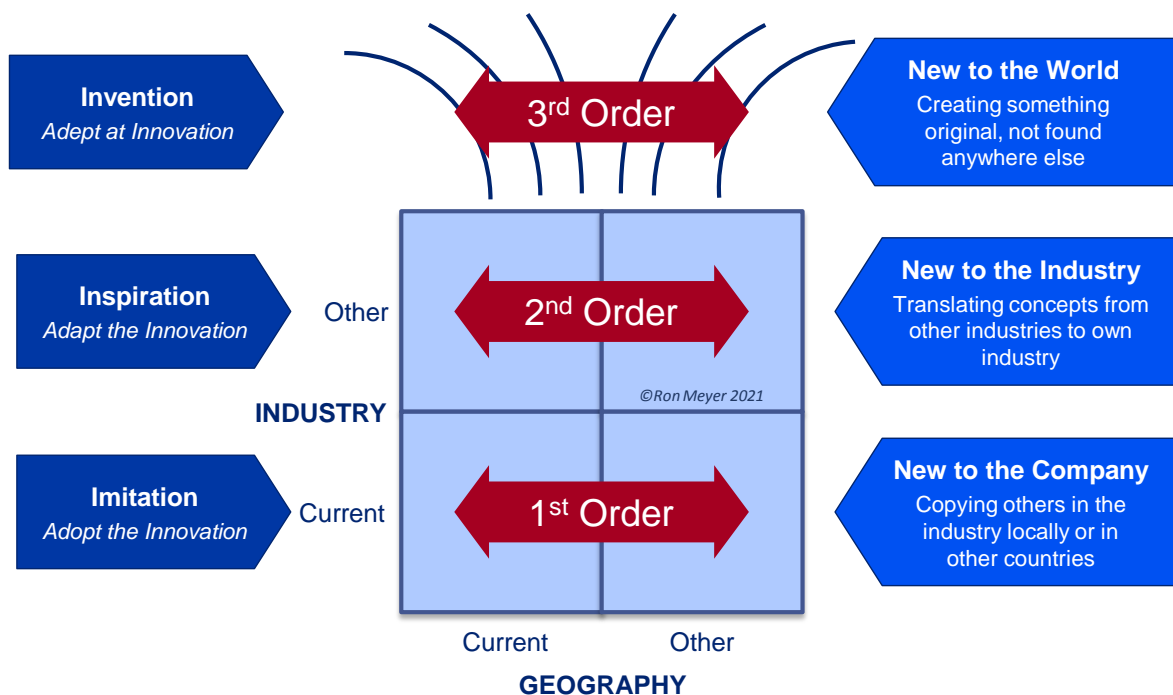
Key Definitions

Innovation is the act of doing something new and distinctive. Individuals and organizations can do things in a novel way, which is called *process innovation*, or create something out of the ordinary, which is called *product innovation*. Actually, everything can be innovated, from the technologies used, to distribution channels, organizational forms and business models.

Being innovative is essential for achieving differentiation and gaining a competitive advantage. The challenge for both individuals and organizations is to find ways of coming up with innovative ideas, as people easily get stuck in what they already know and are used to.

Conceptual Model

The *Innovation Box* is based on the premise that it is easier to find innovations 'in the box' than by using 'out of the box' thinking. Most people are biased towards the belief that innovations always need to be entirely original and 'new to the world', requiring creative thinkers to generate ideas from scratch. Yet such *invention* is difficult, slow, energy-consuming, and risky. The Innovation Box suggests that creative thinkers should first start by leveraging proven concepts within their own industry and secondly scout other industries for inspiring ideas and models that could potentially be translated to their own situation. Only once these 1st and 2nd order innovations have been harvested, should attention be turned to 3rd order innovations.



Key Elements

The three levels of innovativeness are the following:

1. **1st Order Innovation: New to the Company.** When something is still relatively new and distinctive to an industry, it is innovative, even if another person or company was the first

mover. From the market's perspective, it doesn't matter who originated the concept, it only matters who acts upon it most decisively, so being a quick second or third mover with better implementation is a smart approach. Innovative ideas in the industry can be found in:

- a. *Current geography.* What are your current competitors developing and are there start-ups entering the market that you could imitate?
 - b. *Other regions.* What are the global innovation hubs in your industry and which developments there could you copy to your part of the world?
2. **2nd Order Innovation: New to the Industry.** Besides *adopting innovations* from within the industry ('stealing with pride'), you can focus on *adapting innovations* from other industries ('plagiarizing with pride'). You need to look 'underneath' the tangible product, process, or business to recognize the underlying model and consider whether it could work as a template with which to redraw your own activities. Again, there are two sources of ideas:
- a. *Current geography.* Which neighboring industries with similar characteristics have seen innovative concepts that could potentially be translated to your industry?
 - b. *Other regions.* Where are state-of-the-art developments happening, even in seemingly distant industries, that could inspire you to come up with something similar?
3. **3rd Order Innovation: New to the World.** Creating something truly original, never seen before anywhere else, is an amazing feat that is rightfully highly regarded. Individuals and organizations who pull off such a little miracle are understandably placed on a pedestal, revered as innovation icons, and held up as examples for others to follow. But in all this hero worship it is often forgotten how difficult and risky this extreme form of innovativeness is and how challenging it is to build the capabilities needed to be adept at continuous 3rd order innovations. Therefore, the golden rule is "first have the discipline to think in the box, before thinking out of the box".

Key Insights

- ***Innovation is doing something new and distinctive.*** Innovation is about being novel in a way that helps you to differentiate yourself from competitors. It is about countering commoditization, by taking a new approach to any aspect of the business that will make the firm's value proposition stand out and appeal more to customers than that of rivals.
- ***Innovation is not the same as invention.*** Doing something new and distinctive doesn't mean that you need to be the one who invented the novelty. You just need to be one of the first to act on the novelty and distinguish yourself in the eyes of the customer. In other words, an innovation doesn't have to be new to the world, just new to the company, as a not-yet-used way to create superior value for customers.
- ***Innovation can be based on imitation.*** Copying the innovation of an earlier mover and then rolling it out better, is the easiest, quickest, and safest way to be innovative. Firms can imitate existing rivals, but more likely the innovative ideas will come from start-ups and leading firms in more advanced geographic regions. This is 1st order innovation.
- ***Innovation can be based on inspiration.*** Where directly copying an existing rival doesn't seem viable, firms can consider indirectly copying activities from other industries, as a form of inspiration. This 2nd order innovation is often easiest from similar industries but can also be from wildly different ones ('let's be the Amazon/Uber/Facebook of our industry').
- ***Innovation can be made easier and safer.*** Many people have a bias towards 3rd order, 'new to the world' innovations, often based on heroic preconceptions of innovation. Yet it makes more sense to explore 1st and 2nd order innovations before trying 3rd order ones.

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Insightful Tools to Kickstart Your Thinking

Publication Schedule

<i>July 2019</i>	<i>Mind the Gap Model</i>	<i>Change Management</i>
<i>August 2019</i>	<i>Digital Platform Map</i>	<i>Digital Strategy</i>
<i>September 2019</i>	<i>Interaction Pressure Gauge</i>	<i>Interpersonal Interaction</i>
<i>October 2019</i>	<i>Revenue Model Framework</i>	<i>Revenue Model Typology</i>
<i>November 2019</i>	<i>House of Engagement</i>	<i>Organizational Engagement</i>
<i>December 2019</i>	<i>Confidence Quotient</i>	<i>Trust Building</i>
<i>January 2020</i>	<i>Competition Tornado</i>	<i>Competitive Strategy</i>
<i>February 2020</i>	<i>11C Synergy Model</i>	<i>Corporate Synergy Management</i>
<i>March 2020</i>	<i>Leadership Fairness Model</i>	<i>Leader-Follower Interaction</i>
<i>April 2020</i>	<i>Strategic Agility Model</i>	<i>Strategy Process Approach</i>
<i>May 2020</i>	<i>Control Panel</i>	<i>Corporate Control Dimensions</i>
<i>June 2020</i>	<i>Rising Star Framework</i>	<i>Talent Management</i>
<i>July 2020</i>	<i>Strategy Development Cycle</i>	<i>Strategy Process Steps</i>
<i>August 2020</i>	<i>71 Roles of the Corporate Center</i>	<i>Corporate Organization</i>
<i>September 2020</i>	<i>Storytelling Scripts</i>	<i>Leadership Communication</i>
<i>October 2020</i>	<i>Strategic Bets Framework</i>	<i>Strategic Decision-Making</i>
<i>November 2020</i>	<i>Rebound Model of Resilience</i>	<i>Organizational Resilience</i>
<i>December 2020</i>	<i>4C Leadership Capabilities</i>	<i>Leadership Competences</i>
<i>January 2021</i>	<i>Digital Product Model Dial</i>	<i>Digital Strategy</i>
<i>February 2021</i>	<i>Digital Distribution Model Dial</i>	<i>Digital Strategy</i>
<i>March 2021</i>	<i>Empowerment Cycle</i>	<i>Employee Empowerment</i>
<i>April 2021</i>	<i>Innovation Box</i>	<i>Innovation Approaches</i>
<i>May 2021</i>	<i>Knowledge Sharing Bridges</i>	<i>Best Practice Sharing</i>
<i>June 2021</i>	<i>Followership Cycle</i>	<i>Leader-Follower Interaction</i>
<i>July 2021</i>	<i>Everest Model of Change</i>	<i>Change Management</i>
<i>August 2021</i>	<i>Fruits & Nuts Matrix</i>	<i>Priority-Setting</i>
<i>September 2021</i>	<i>Deft Dialogue Model</i>	<i>Interpersonal Communication</i>
<i>October 2021</i>	<i>Strategy Hourglass</i>	<i>Strategy Process Timing</i>
<i>November 2021</i>	<i>Powerhouse Model</i>	<i>People & Organization Strategy</i>
<i>December 2021</i>	<i>New Pyramid Principle</i>	<i>Presentation Approaches</i>
<i>January 2022</i>	<i>Corporate Value Creation Model</i>	<i>Corporate Level Strategy</i>
<i>February 2022</i>	<i>Team-Building Cycle</i>	<i>Team-Building Process</i>
<i>March 2022</i>	<i>Embedded Identity Model</i>	<i>Personal Awareness</i>
<i>April 2022</i>	<i>Customer-Centricity Circle</i>	<i>Organizational Design</i>
<i>May 2022</i>	<i>Partnership Distance Model</i>	<i>Interorganizational Relations</i>