

INNOVATION REQUIRES A COMMON LANGUAGE

INNOVATION IS ABOUT COLLABORATION • INNOVATION IS

EVERYONE'S JOB • INNOVATION STRATEGIES COME IN MANY

SHAPES AND FORMS • THERE IS NO SILVER BULLET •

INNOVATION CAN BE TAUGHT • INNOVATION CAN BE MEASURED

INNOVATION IS AS A QUEST OF LIFELONG LEARNING

THE LEAN VENTURES INNOVATION MANIFESTO

INNOVATION IS ABOUT TURNING IDEAS INTO NEW CUSTOMER VALUE

INNOVATION STARTS WITH SEARCHING - NOT

EXECUTING • INNOVATION IS ABOUT FAILING AND

LEARNING • INNOVATION IS NOT RISKY WHEN COMPARED TO

THE ALTERNATIVES • INNOVATION DOES NOT HAVE TO

BE COSTLY • INNOVATION IS ABOUT QUESTIONING THE

STATUS QUO • INNOVATION REQUIRES AUTONOMY AND TOP

MANAGEMENT SPONSORSHIP • WE SUPPORT ETHICAL

INNOVATION • WE PROVIDE VALUE BEFORE BILLING

▶ **Innovation is about turning ideas into new customer value**

Innovation is not about how much you spend on R&D or the number of patents that you file or inventions you create. Innovation is about turning ideas into new customer value. To quote Steve Jobs: *"Innovation has nothing to do with how many R&D dollars you have. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. It's not about money. It's about the people you have, how you're led, and how much you get it."*

▶ **Innovation can be taught**

Although innovations cannot be predictably created, innovators can nevertheless be more reliably fostered. Peter Drucker wrote in his book "Innovation and entrepreneurship" that *"The practice of innovation is capable of being presented as a discipline, capable of being learned and capable of being practiced."* We can't help but to agree with Mr. Drucker.

▶ **Innovation can be measured**

Not only can innovation be measured, it must be measured, or it cannot be performed as a disciplined practice. Investments into innovation should proceed as a result of a series of data-driven experiments, as opposed to opinions and speculation alone.

▶ **The final outcome of innovation cannot be known in advance**

Although it's possible to measure each individual experiment, the final outcome of innovation cannot be known in advance. If it could, it wouldn't be innovation.

▶ **Innovation starts with searching - not executing**

When working with innovation we are constantly exploring unknown unknowns. Since we are 'searching' for a scalable and repeatable business model in an environment of high uncertainty, as opposed to 'executing' on a known business model, trying to meet hurdle rates in the form of ROI or IRR, often becomes pre-mature.

▶ **Innovation is about failing and learning**

We don't believe that innovation is something that happens in an 'eureka moment'. Innovation is a disciplined process of continuous experimenting, failing and learning. Innovation is about turning the riskiest assumptions into validated learnings as fast and cheap as possible. Without failing there is no learning, and without learning, no new customer value can be created. If you want to innovate, you need to get great at failing. Let's reward, instead of punish, failing.

▶ **Innovation is not risky when compared to the alternatives**

A far bigger risk than venturing into the unknown space of innovation is to continue along the path of "business as usual", and thus slowly drifting into obsolescence. Jack Welch, the former CEO of General Electric put it much more eloquently: *"If the rate of change outside your company is faster than the rate of change inside your company, the end is near."*

▶ **Innovation does not have to be costly**

Perhaps you have heard of the saying *"Think big, start small, but start now!"* We also like to add *"learn fast"* to describe how to get started with innovation in a large company. Have your grand vision, but grow the innovation team in line with results and learnings and don't wait until next year to start. If you want to take innovation seriously *"Think big, start small, learn fast, ...but start now!"*

▶ **Innovation is about questioning the status quo**

The innovator must try new things to innovate, even if it sometimes means to challenge existing rules and policies. The mindset of *"but we have always done it this way"*, *"that's not my area of responsibility"*, or the *"not invented here syndrome"* are detrimental to innovation. Since innovation is about curiosity and collaboration, if we truly want to innovate, such belief systems must be challenged.

- ▶ **Innovation requires autonomy and top management sponsorship**
By providing the innovators autonomy and access to resources that match the validated learnings stage that they are at, the entrepreneurial spirit can be kept alive.
- ▶ **Innovation requires a common language**
By defining the terminology that we use, e.g. "innovation", "entrepreneur", "innovator" and "inventor", we can avoid building a new Babel's tower.
- ▶ **Innovation is about collaboration**
It's impossible for any single company to generate all the best ideas. That's why we promote various aspects of open innovation as a pathway to collaboration and to help solve clearly defined challenges.
- ▶ **Innovation is everyone's job**
There is only one job, and that is to deliver customer value. To continue to deliver customer value in a highly competitive and ever changing world, it's only logical that innovation must become everyone's job.
- ▶ **Innovation strategies come in many shapes and forms**
Innovation can be driven by a desire to enter new markets or expand existing market share, to defend against increasing competitive pressure or build a more balanced risk diversified portfolio, or as a result of a crisis situation that puts demands on cost cutting and doing more with less. Whatever the case, innovation has its given place.
- ▶ **There is no silver bullet**
There are proven methods such as Lean Startup, Open Innovation, Design Thinking and Outcome Driven Innovation on the one hand and proven tools such as the Business Model Canvas, the Lean Canvas, Impact Mapping and Blue Ocean on the other hand. We don't believe in "silver bullets", because we work across several different innovation methodologies and apply the tools and methods that best fits the situation.
- ▶ **Innovation and technology**
When we talk about innovation, we must also discuss how we can leverage the latest technology to transform the way we deliver customer value, drive down costs, share information, coordinate work flows, reduce time-lags, and measure actionable data.
- ▶ **We support ethical innovation**
Let's innovate not for profits alone, but also for social and environmental sustainability. We strive hard to work with people who share our values, or to borrow a quote from The Foresight Group, "*We only do business with nice people.*"
- ▶ **We focus on providing customer value**
We are in the business of maximizing customer value, not billing the maximum no. of hours.
- ▶ **We commit to supporting our customers from idea to implementation and beyond**
No matter the challenge or scope of the innovation effort, Lean Ventures adds value all the way from ideation, planning and implementation to follow-up and learnings.
- ▶ **We see innovation as a quest of lifelong learning**
We have one foot in academia and one foot in the real world. Each team member of Lean Ventures are formally trained in innovation. As members of the global innovation community, we take part of the latest insights and research on innovation and entrepreneurship. We regularly experiment, create, discuss and share our learnings.

"Although we all have our own unique experiences from working on numerous innovation projects, everyone on our team subscribes to our innovation manifesto."

Andy Cars, Founder of Lean Ventures