

**SO, WHAT DOES YOUR 2010
INNOVATION PROGRAMME LOOK LIKE?**



IS IT TIME TO PLAN YOUR 2010 INNOVATION PROGRAMME?

The world has changed significantly in recent years - capital investment is less abundant and risks much more top of mind. One these risks, perversely, could be a lack of new plans and propositions to sustain medium term profit growth.

Medium term profit growth planning and innovation should therefore feature more prominently on business agendas for many this year, but, it will be within a context of greater scrutiny and caution.

For those businesses and brands with growth on the agenda the case for implementing a robust **centralised** innovation programme is likely to be a compelling one.

Aggregating and centralising your approach (rather than conducting a number of independent initiatives) will facilitate a contribution from a diverse cross-section of your business and enable the exploration of opportunities beyond and across existing market definitions. Significantly it also supports the building and evaluation of ideas within the same timetable – allowing a much more objective and effective prioritisation of competing investment candidates. With clearer prioritisation of opportunities resources can be allocated more confidently and quickly.

No business or brief will be the same which means the steps to an effective innovation programme will vary significantly. Some core or generic principles, however, exist and provide a starting point for tailoring to a specific objective.

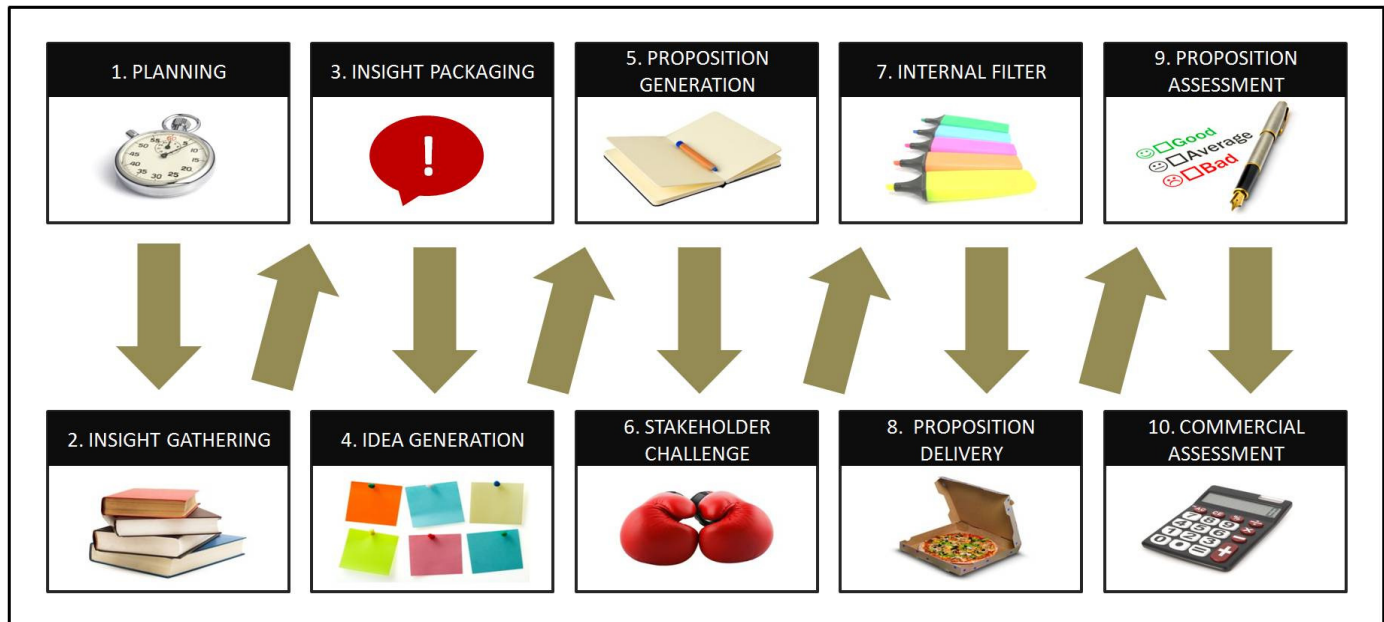
The diagram opposite shows a generic approach, based on ten key steps that should shorten the odds on delivering a compelling range of new propositions and credible business cases. These stages are explained in a little more detail in subsequent pages.

The aim is provides some digestible stimulus for your 2010 medium term thinking. Inevitably, this is a relatively superficial starting point for the detailed planning required to tackle the issues and opportunities your organisation face. If you think you could benefit from some help in planning or delivery don't hesitate to get in touch at www.branduniverse.co.uk.

Generating opportunities for growth will require a spectrum of insight. To ensure medium term opportunities are effectively explored it is advisable to consider broader societal and economic trends that could impact on market and prospective customers. The post-it note collection below gives an indication of areas of insights – once gathered consider compiling these into a 'book of insights' for sharing.



The generic steps below are based on principle of customer insight and assessment driving the process. Heavy investment in commercial assessment and project delivery is only triggered when a proposition has strong customer appeal in absolute and relative terms.



TEN GENERIC STEPS TO WINNING CUSTOMER PROPOSITIONS



STEP ONE, PLANNING: The place to start is clearly with planning. Establishing and agreeing scope, key customer audiences and deliverables is essential. With a view to sustained support and involvement you will need a plan that identifies your dedicated team members, timetable, subject matter experts, resource requirements, senior management interventions, additional research/data that should be developed, sponsors, key stakeholders and resource controllers. The timetable needs to align with the planning processes of the business and establish a consensus on what success looks like. Preparing, implementing and responding to customer research will take longer than many think so factor this in and manage expectations.



STEP TWO, INSIGHT GATHERING: With a plan and expectations established insight gathering is the first active stage. That is, investing time in capturing customer, market, competitor and commercial insights that can stimulate consideration of solutions. Depending on the strength of existing research/data this may warrant the commissioning of additional research to ensure a deep understanding of your target customer or the influences within a purchase decision or perceptions of competitors.

A cursory checklist of areas for insight includes: competitive benchmarking, market intelligence, customer (segment) research, commercial insights (where is your money made?), brand perceptions, complaints, customer feedback, market/economic forecasts, societal trends, observations from other geographies. Stakeholder conversations internally or externally (intermediaries, consumers) will supplement published research.

Having gathered readily available information spend time considering gaps in understanding and alignment with business strategy. If intermediaries are driving growth – would some deeper ethnographic research be helpful? Do you understand what is happening in those outlets where your product is not being distributed? And so on...



STEP THREE, INSIGHT PACKAGING: It is not realistic to expect all those contributing ideas to absorb a lot of detail. It therefore makes sense to invest time reviewing, summarising and packaging the insights gathered in stage two so that they can be digested by stakeholders and those engaged in idea generation activity.

The challenge is to distil key observations into a sentence or two. Having seen successful employment in several companies consider developing a digestible ‘book of insights’ that can be retained, discussed and debated by all. Make sure the supporting evidence/data for these insights can be readily accessed.



STEP FOUR, (EXPANSIVE) IDEA GENERATION. As with most things in life, the key thing is preparation. Ensuring representation of areas right across business will be vital for both ideas and later buy-in. Expansive engagement will increase the breadth and quality of ideas (and risk of later rework). Alongside stakeholder discussions, cross functional workshops and customer focus groups, consider quizzing industry/product experts, co-creation (with customers) and partners/agencies.

Also invest, in helping those involved to think expansively, for example pre-workshop homework and employing brainstorming techniques (alongside packaged insights) such as exploiting competitive weaknesses, reviewing brand models, parallel markets, applying capabilities to other markets etc. Reviewing brand models (i.e. seeing how a range of different brands would

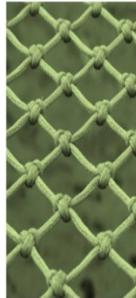
target and enhance the benefits in a particular product area is a very simple and engaging exercise.

Output for this stage should be fast and furious and not constrained by concerns on feasibility or commercial benefits – this comes later. Continually asking questions on who is the customer and what is the benefit will help later proposition development activity.



STEP FIVE, PROPOSITION GENERATION: Having developed an impressive list of ideas translation into draft proposition statements represents the next key task – that is, expressing ideas in customer terms with some additional detail. Elements to include in these draft proposition summaries include a specific target audience, indicative benefits, pricing and the hypothesis on how this proposition is better than existing alternatives and how it could potentially deliver adequate profit.

9 RETIREMENT SAFETY NET



OVERVIEW
Customers purchasing an annuity are offered the opportunity to establish a **FINANCIAL SAFETY NET** for the future. As part of the annuity application process they are given the option to be pre-approved for a lifetime mortgage (equity release) equating to 15% of their current property value. Customers then have the peace of mind of knowing that if they ever need to release any equity in their property, they can be 100% confident that they can do so (and quickly if required). Intermediaries will enjoy a slightly enhanced annuity commission reflecting their prospecting of lifetime mortgage customers.

WHY?! Leverage existing annuity transaction/contacts, creating a valuable prospect database and increased product consideration across target audience

An example, generated in a Financial Services project a year or two ago is captured above. Be aware, that translating a big number of ideas represents a significant piece of work. Given these propositions will be the vocal point for discussion and further development it is important to express these draft



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This paper was written by **Colin Woodcock** who provides marketing consultancy in the area of product and brand proposition development. The author has more than 20 years practical proposition development experience gained across a diversity of B2C and B2B markets. More information is available at www.branduniverse.co.uk