

Viewpoint

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Looking Beyond Best Practice

Today's operational leaders must navigate unprecedented levels of ambiguity and complexity. Rising customer expectations, relentless cost competition, capital constraints and rapid technological change are redefining performance requirements and forcing managers to quickly adapt and identify new ways to innovate within the production environment.

Foresight is the foundation of competitive advantage. Winners and losers are often differentiated by the ability to anticipate trends and address emergent operational needs in advance of disruptive change, such as shifting workforce demographics, the introduction of new production or engineering standards or the launch of a breakthrough technology.

Widely regarded as best practice for continuous operational improvement, proven methodologies such as Lean or Six Sigma are well-suited for optimization of existing business processes through iterative analysis and change implementation. Likewise, promising "Big Data" technologies such as predictive analytics and prognostics are potential game-changers for improving manufacturing production and maintenance efficiency.

However, following best-practice processes or deploying the latest enabling technology alone rarely results in something truly unique. Real innovation requires a clear understanding of how the future can unfold, as well as the organizational discipline and fortitude to act in ways that positively influence that future.

No longer reserved for senior executives, business strategists or technical visionaries wearing black turtlenecks or hoodies, innovation is for everyone. Many leading companies have formal innovation programs designed to capture, analyze and implement new ideas for generating customer and shareholder value. These ideas come in the form of new products or services, new business models, new processes or new technologies and can range in potential business impact from the incremental to the breakthrough.

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If your company doesn't have an organized innovation program, you can apply a simple yet effective process across all levels and functions within an organization. It only takes a few steps to get started:

Turn on the "Forward Radar" . . . Effectively capture a diverse set of market-based inputs from a range of stakeholders inside (functional, technical) and outside (customers, analysts, suppliers) of the organization.

Identify Articulated or Unarticulated Needs . . . Use these inputs to anticipate future trends and identify emergent or unmet customer needs.

Develop a Value Hypothesis . . . Recognize how you could potentially serve these needs in ways that create value for customers and shareholders.

Execute . . . Harness the passion, conviction and courage necessary to implement the plan and turn an idea into a business reality.

One way to jump-start the innovation process is to assemble cross-functional "scout teams" to work directly with customers, suppliers and/or channel partners to discuss emerging trends and identify unmet or unarticulated needs. Focused, fast-paced and fun, the scout team sessions allow participants to shift the conversation from the day-to-day transactional to a more strategic discussion about the future. Starting with a specific trend or problem statement can help scope the exercise and keep the team focused.

Regardless of how you choose to initiate an innovation process within your organization, the underlying objective is to encourage individuals to reject the status quo, understand future possibilities and empower positive action to shape that future. By applying this mind-set and a few basic steps to improve the innovation process within the production environment, others may soon be following your "best practice." **MT**