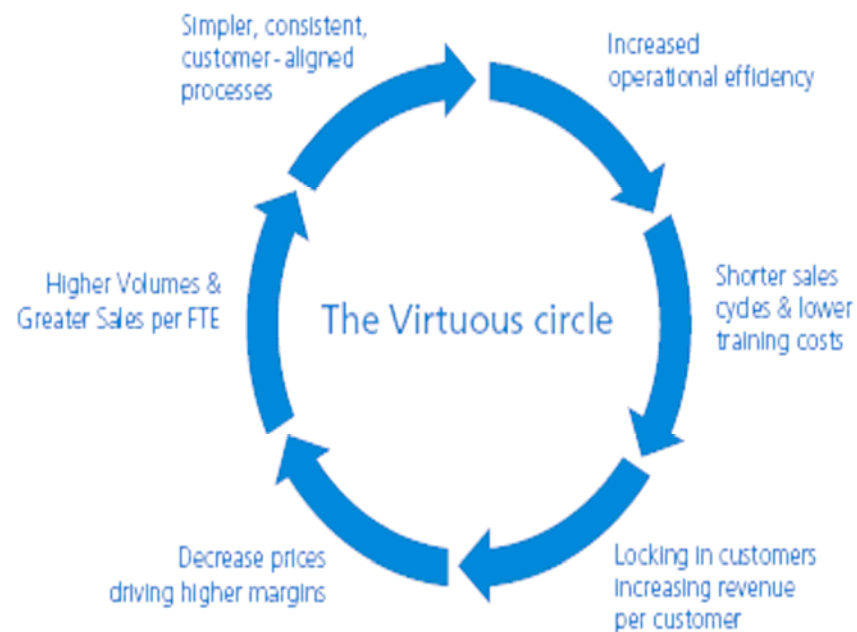
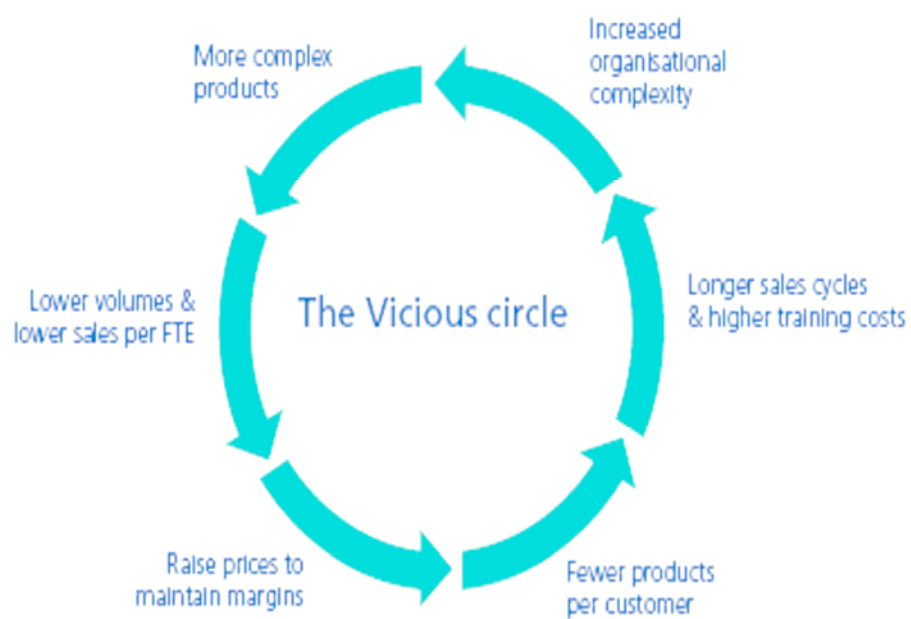


Connecting innovation to growth



Results oriented



The participants in the Reality of Innovation Unzipped study identified seven major insights into innovation in businesses Australia:

1. innovation energises business growth and creates value
2. innovation fosters imaginative business models
3. innovation needs partners
4. innovation must be disciplined to contribute to competitive outcomes
5. innovation motivates people
6. innovation is highly context specific: one size does not fit all
7. innovation is multi-faceted and complex, yet must be repeatable.

The conclusion of 'The Reality of Innovation Unzipped' was that Innovation must be disciplined to contribute to competitive outcomes.

It is about doing the hard yards.

To deliver sustainable advantage through innovation, a disciplined, structured and sustainable process is essential. Only then will it result in a demonstrable contribution to competitive outcomes.

Establishing Effective External Linkages

The purpose – to identify, resource and implement innovations in the global knowledge economy where 'open innovation' is now the dominant model

Learning from Markets

- How do the characteristics of an innovation constrain the options for development and marketing?
- In what way do the characteristics of potential users affect the development and adoption of innovations?
- Which commercialisation and diffusion processes are most effective?

Different Marketing for Different Products

- High novelty products – prototyping, market experimentation, industry experts
- Lower novelty products – partnering customers, trend extrapolation, segmentation

Technological and market maturity shape the marketing process

- Technological (new solutions to existing problems) – High Tech, Low Market Novelty
- Complex (technology and markets co-evolve) – High Tech & Market Novelty
- Differential (compete on quality and features) – Low Tech & Market Novelty
- Architectural (novel combinations of existing technologies) – Low Tech, High Market Novelty

Marketing Technological Products

- Buyer's perceptions of difference in technology affect buying behaviour
- Buyer's perceptions of the rate of change of the technology affect buying behaviour
- Company buyers may have a strong relationship with existing suppliers

Developer-adopter relationships

- Few applications and few users – *face-to-face*
- Few applications, many users – *market segmentation*
- Many applications, few users – *separate core technology functionality, develop custom interfaces for different users*
- Many applications, many users – *generic market*

Lead Users

- Recognise requirements early
- Expect high level of benefits
- Develop their own innovations and applications
- Perceived to be pioneering
- Risk-takers

Diffusion of Innovation - Key Factors

- Relative advantage
- Comparability
- Complexity
- 'Trialability'
- Observability