

Private sector's innovation in an international level

Best Practices Driving SME Innovation Success, A
Case Study
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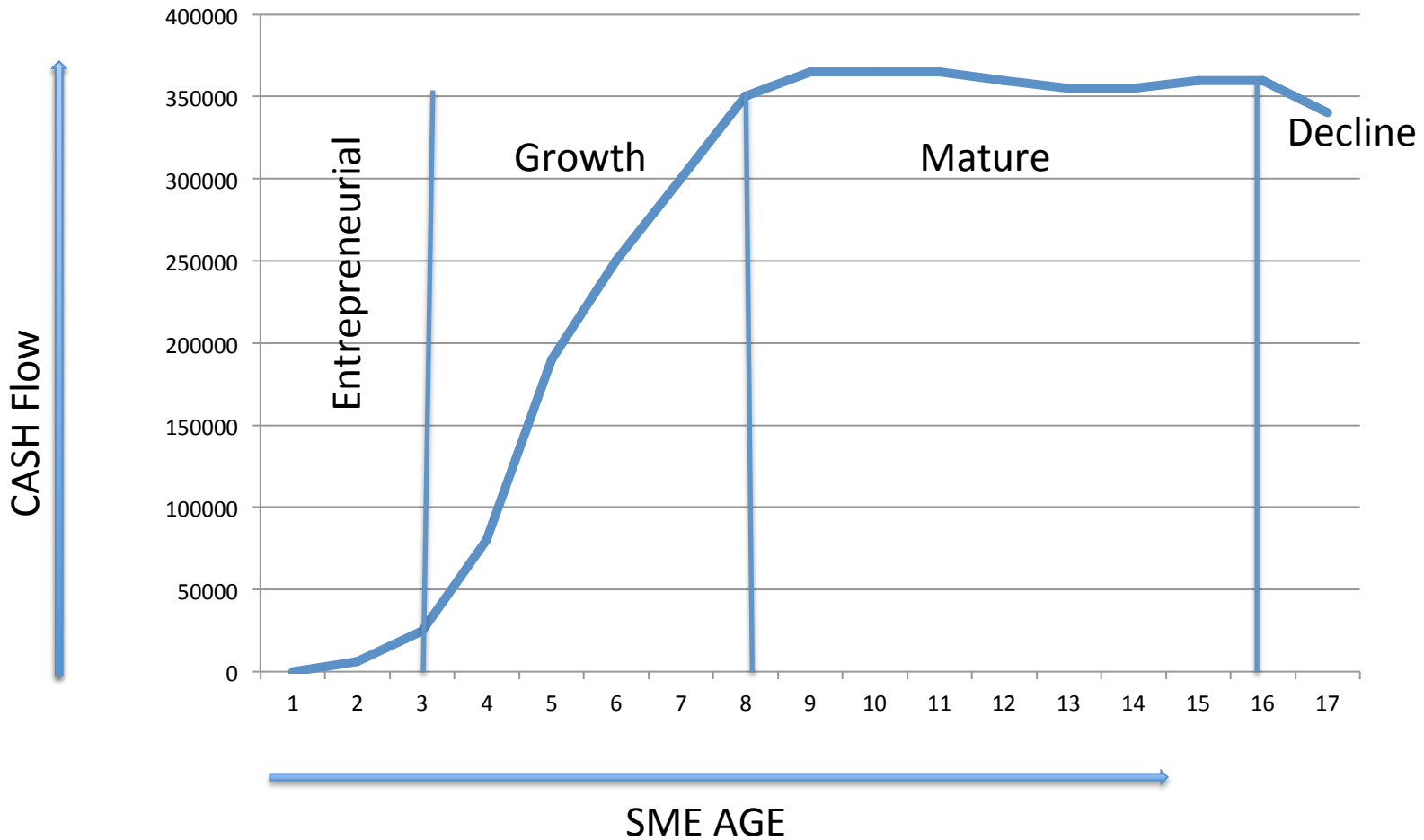
SMEs have Life Cycles

Life Cycle has Four Phases

Four Phases of a SME Life Cycle

- 1. Entrepreneurial Phase**
- 2. Growth Phase**
- 3. Maturity Phase**
- 4. Decline Phase**

Cash Flow in the SME Life Cycle



Governing Values in SME Life Cycle

PHASE	VALUES-FOCUS
Entrepreneurial	Creativity, Risk Taking
Growth	Innovation
Mature	Productivity Improvements
Decline	Increase Volume Decrease Cost

INSIGHT: Mature SMEs must learn to focus on **BOTH INNOVATION** and **PRODUCTIVITY IMPROVEMENT PROJECTS**.

Structured Innovation Approach in Growth and Mature Phases

INSIGHT: INNOVATION IS ESSENTIAL FOR GENERATING NEW CASH FLOWS IN BOTH GROWTH AND MATURE PHASES

You Can Generate Cash Flow with New/Improved:

**1. Products 3. Technologies 5. Strategies
2. Services 4. Processes 6. Business Models**

WITH:

- ◆ **3 Categories of Innovation**
- ◆ **7 Types of Innovation Projects**

Innovation Choices for SMEs

3 Categories and 7 Projects

1. **Radical Innovations**
2. **More Innovative Products**
3. **Incremental Products**

1. **New-to-the World Products**
2. **Breakthrough Products**
3. **New Product Lines to your SME**
4. **Additions/Major revisions to Existing Product Lines**
5. **Incremental Improvements**
6. **Repositioning existing products**
7. **Cost Reductions**

$\frac{1}{4}$

$\frac{3}{4}$

Balanced Innovation Project Portfolio for SMEs

From PDMA 2012 NPD Best Practices Research:

% Contribution to Profits

Innovation Project Portfolio	Best NPD Performing Companies	The Rest
Radical	21.7%	18.7%
More innovative	37.9%	32.3%
Incremental	40.4%	49%

CASE STUDY: SKYLINE EXHIBITS, PDMA OCI AWARD WINNER



Established in 1990, Skyline offers trade show and event exhibits products ranging from tabletop and portable exhibits to modular inline exhibits and large-scale island exhibits.



Tradeshow Displays & Portable Exhibit Services Industry (Construction, Installation, Dismantling)

Industry Characteristics

1. Considered not an innovative industry.
2. Hit by commoditization and
3. Low cost foreign competition.

Skyline Strategy to breakout of Industry norms

- With new designs, technologies or materials,
 - **Develop most innovative products.**
 - **Be the first to market in the industry.**



CASE STUDY: SKYLINE EXHIBITS

Best Practices Driving Innovation Success

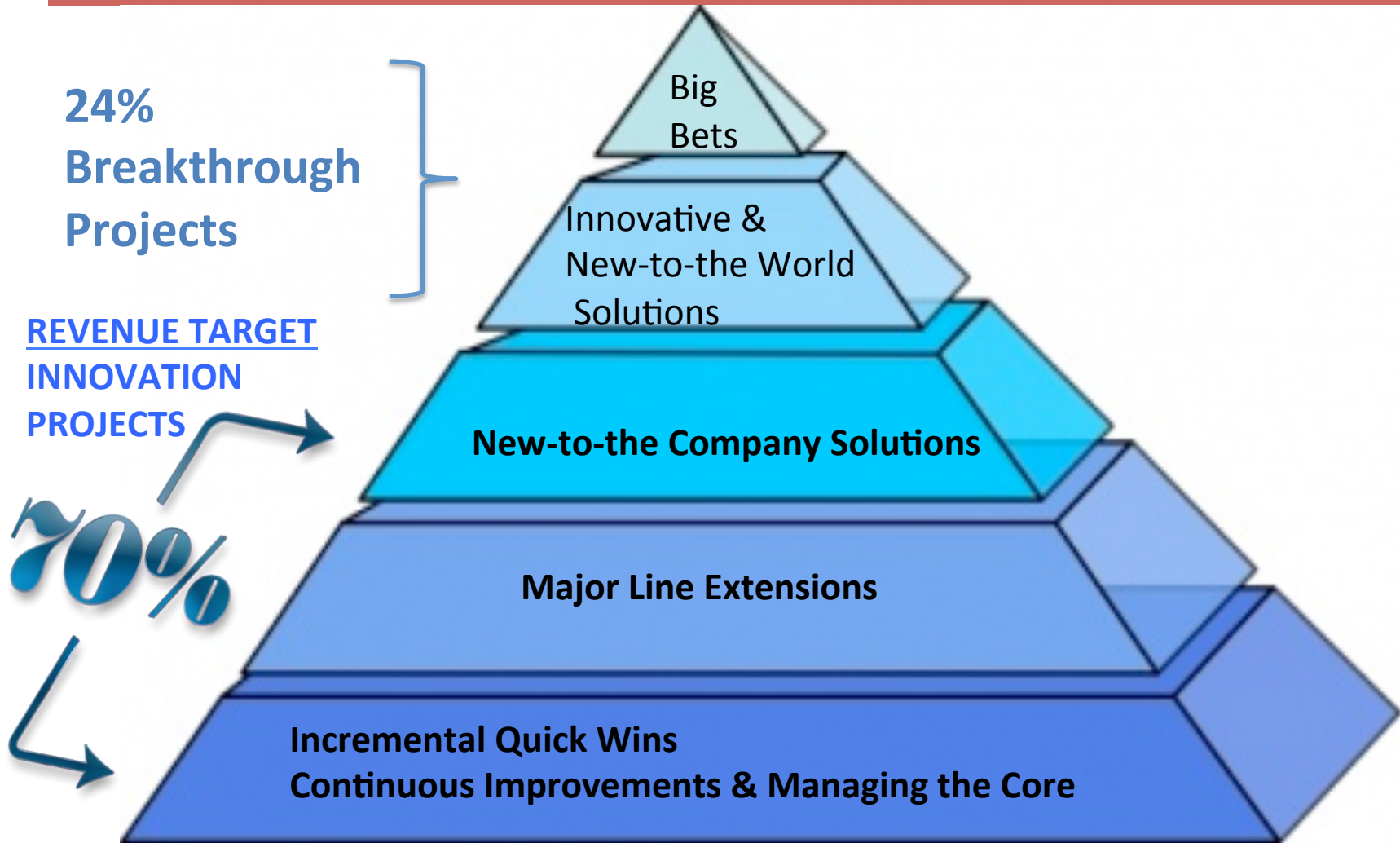
1. **PEOPLE Innovate-Well-Defined Strategy directs & integrates innovation**
2. **Formal PROCESS supports structured innovation**
3. **TOOLS/METHODS support IMPLEMENTATION**

- **Reinvent/Prepare for Future**
- **CUSTOMER FOCUS-Be Your Customer**
- **First to market/Fast follower/Cost leader Strategy**
- **People Use Innovation Process to Implement Strategy**
- **Design/Eng./Mkt. Res/Team support Tools-Implementation is Everything**

SKYLINE Goals: For Leadership in Industry

FROM	TO
❖ 6% of Revenue from New Products	❖ 24% from Breakthrough New Products
❖ Incremental Quick Hits	❖ Balanced project portfolio
❖ Internally Focused	❖ Voice of the Customer
❖ Lack of Front-End Planning	❖ Robust Front End
❖ People & Teams Challenges	❖ High-Performance People & Teams

Skyline Revenue Goals



PEOPLE FOR HIGH PERFORMANCE

During 2005-2007, Skyline Exhibits:

- Added segment managers
- Added program manager
- Clarified team member expectations
- Implemented peer review process

Skyline: Well Defined Strategy

- Compete in price-driven segment
- Avoid price competition in core segment
- Emphasize on CREATING differentiation & barriers
- Product Doctrine

exhibiting solutions

Skyline Banner Stand
With Graphic Exchange System



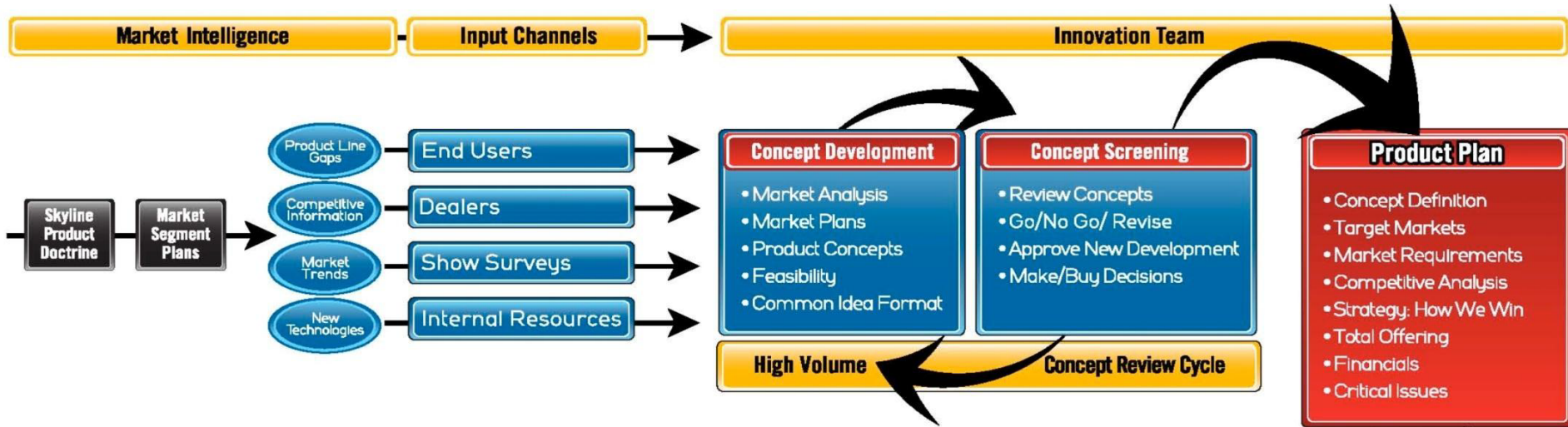
PRODUCT DOCTRINE-RAPID

- **Responsible:** fiscal, social & environmental
- **Arresting:** disruptive alternatives
- **Practical:** superior functionality
- **Innovative:** leading edge
- **Design:** Meet our customer's needs

Opportunity Screening Grid

Concept Name:	Criteria	Weight (%)	Points	Confidence (A-F)	Score (0-10)
Project Squirrel Monkey	Concept's Fit w/Skyline's Vision/Direction/ Product Doctrine/Core Competencies	20%	10	A	2
	Competitive Opportunity (Differentiation (breakthrough design), Innovativeness, lack of many strong competitors, barriers to competitive entry, fills a competitive "gap")	25%	7	B	1.75
	Market Share Growth Potential (next 5 years)	20%	3	B	0.6
	Minimum Resources/Investment Required	5%	6	B	0.3
	Lack of Risk	10%	9	A	0.9
	*** Financial Impact (revenue, profit, ROI)	20%	2	A	0.4
Total Points & Confidence Factor		100%			5.95

Innovation Process



Realization Process



Domination

Innovation Process

Market Intelligence

Input Channels

Skyline
Product
Doctrine

Market
Segment
Plans

Product Line
Gaps

Competitive
Information

Market
Trends

New
Technologies

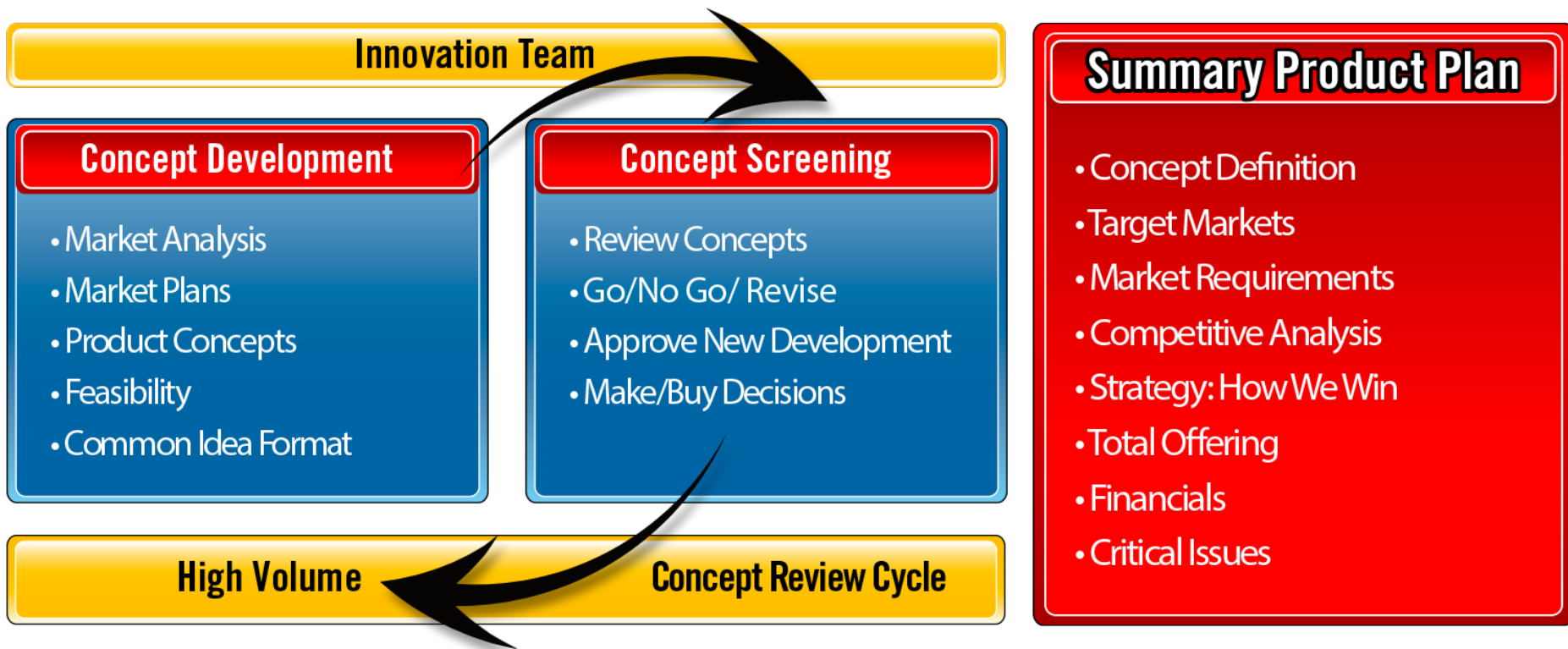
End Users

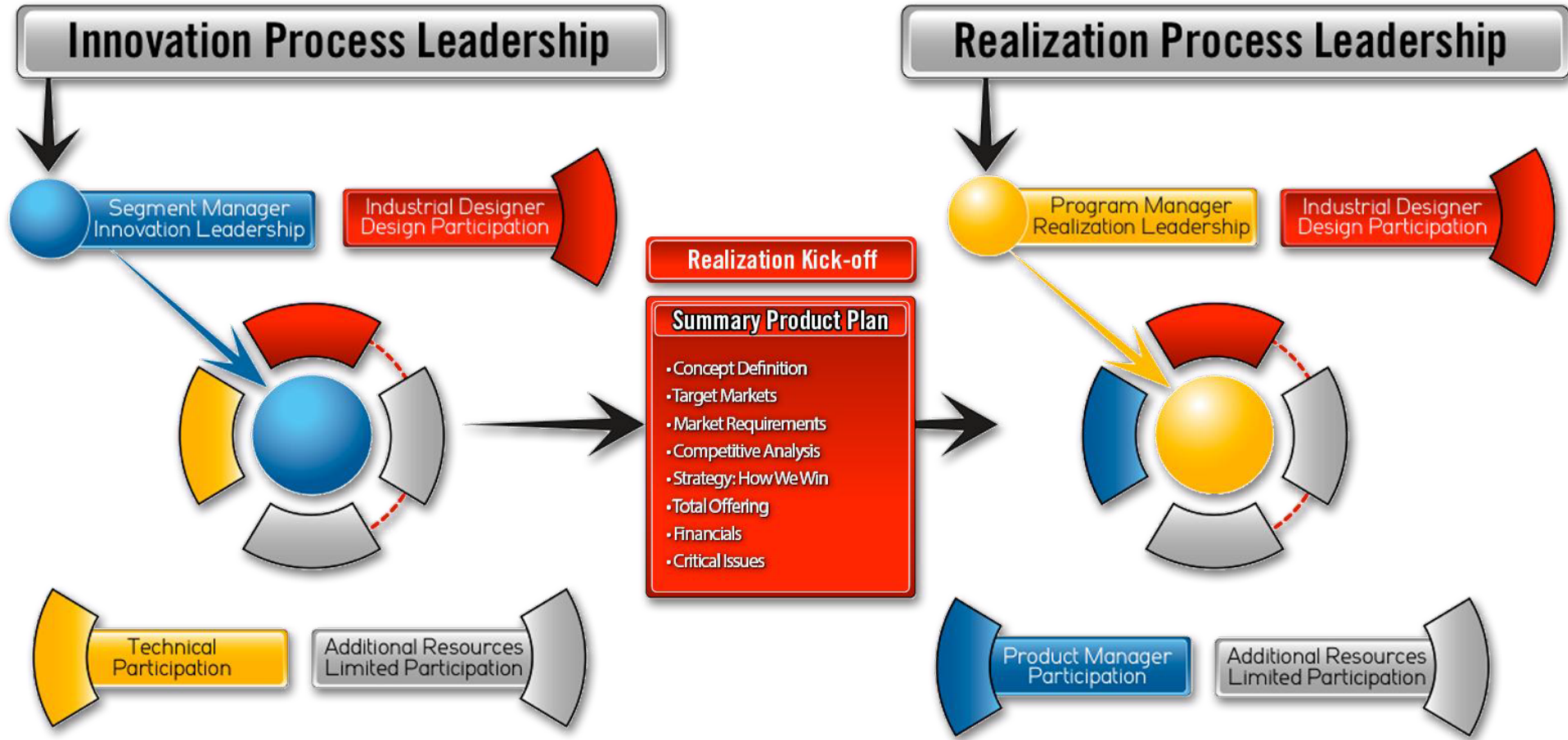
Dealers

Show Surveys

Internal Resources

Innovation Process





SUMMARY

Best Practices Driving Innovation Success

1. **PEOPLE** Innovate-Around Well-Defined Strategy
2. Formal **PROCESS** supports people to innovate
3. Use proper **TOOLS/METHODS** for **IMPLEMENTATION**

- ✓ Reinvent/Prepare for Future
 - ✓ **CUSTOMER FOCUS-Be Your Customer**
 - ✓ **Define Actionable Innovation Strategy**
 - ✓ **People Use Innovation Process to Implement Strategy**
 - ✓ **Proper Tools for Innovation-Realization is Everything**
- 
- Leadership

Q&A

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