

yet2 Insights: Innovation Fatigue



Even before the popularization of the term “Open Innovation” (OI) in 2003, companies have been striving to build the best framework for harnessing external innovation; but *yet2* is seeing a second phenomenon: Innovation Fatigue. Innovation Fatigue can be defined broadly as a negative impression of OI caused by the overuse of the term, poorly-executed initiatives, internal misalignment and innovation for the sake of innovation. As Innovation Fatigue spreads through a company, the excitement that should accompany step-change opportunities ebbs under the pressure of overcoming unnecessary hurdles. *yet2* proposes a proper foundation for new OI initiatives that can prevent the slide into Innovation Fatigue, and fortunately, a well-run, productive OI initiative can breathe new life into a tired OI effort.

Across companies of all sizes, a successful OI effort must be supported by an engaged project team and budget. Also necessary are strong business case building, iteration, interaction with the outside opportunity owner, validation, and IP evaluation. Unfortunately, generating a list of external opportunities is often the easiest part. It is often much simpler to engage internal stakeholders for a project kickoff than for the follow-up required to execute a deal. Add in repeated exposure to innovation initiatives that are not driven by company purpose, lack of demonstrable successes, and busy schedules, and Innovation Fatigue inevitably sets in.

Since 1999, *yet2* has worked with companies at every stage of their OI journey, from those with a mature, sophisticated framework to those just beginning their efforts. *yet2* understands that companies need both top management support and individual support for any OI effort to succeed. The best way to rout Innovation Fatigue is to arm OI project teams with the data, prioritization, and justification they need to bring colleagues, marketing, and budget along on the OI journey. *yet2* also recognizes the importance of engaging internal technical and commercial communities to encourage collaborative fostering of innovation opportunities. A technically and commercially astute *yet2* project team bridges the divide between R&D and business development by understanding and satisfying the needs of both sets of stakeholders.

Fatigue Routing: Mid-Sized Company

Situation:

An industrial manufacturing company had a novice OI function. The team was skeptical of finding solutions and displayed classic Innovation Fatigue behaviors such as dismissing opportunities prematurely and failing to prioritize the required specifications.

Solution:

yet2 worked with the client to assess the limitations of existing technologies and simplify the landscape of opportunities to the top five most promising for each technology challenge. To enable informed decision-making, *yet2* anonymously sourced samples, negotiated pricing, and obtained proposals.

Results:

yet2 moved the client from Innovation Fatigue to testing 4 samples for a move to deal, all in less than 6 months.

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Comparative Value Proposition

The comparative value proposition (CVP) is a powerful tool for preventing or addressing Innovation Fatigue. yet2 defines a CVP as good, quantitative data showing significant cost and/or performance advantage versus a specific incumbent and other new technologies in a specific application. A CVP requires an understanding of the technology landscape, familiarity with incumbents and an in-depth understanding of the challenges or product/process horizons for a particular industry. Strong CVPs allow an OI team and business unit team to focus on the most valuable opportunities with a clear rationale for the benefit of implementation. The CVP combats Innovation Fatigue by eliminating distraction from unsubstantiated or unworthy opportunities and focusing effort on initiatives that will produce results.

Innovation Fatigue is a serious impediment to productive Open Innovation programs, but it need not be a permanent condition. Companies suffering from Innovation Fatigue can make great strides by aligning OI missions with company goals to ensure impactful projects and solutions are advanced and by providing meaningful OI metrics to motivate employees. yet2 can also help by streamlining the parts of the innovation process that pose the greatest hurdles and demotivate most: providing a vetted list of opportunities with clear CVPs, prioritizing opportunities, building business cases and facilitating interactions between OI teams and external solution providers. By combining these two approaches, companies can avoid the loss of productivity associated with Innovation Fatigue.

Fatigue Routing: Large Company

Situation:

A consumer goods company had a mature, cross-category OI group. However, individual category leads were not responding to requests, OI efforts were not coordinated across categories, and OI leads struggled to build business cases for the adoption of one opportunity over another.

Solution:

The client retained yet2 across a number of service offerings and projects. Across projects, yet2 was able to create a community of stakeholders and a sense of urgency and empowerment by delivering a flow of high-quality opportunities with strong CVPs. yet2 quickly determined the highest value opportunities, avoided flashy but insubstantial technologies, and engaged the category stakeholders. yet2 also built in a series of rapid-fire, direct engagement meetings that accelerated the internal effort through CDA and sample evaluation.

Results:

The new approach provided an average of 4 additional deals per year, with increased stakeholder engagement within the first 3 months.

yet2 operates at the hub of the global technology market. Since 1999, we have been an Open Innovation services company working for an international corporate client base. We leverage our global network of affiliates, the 140,000+ users of our online technology marketplace, a proprietary database of several million datapoints, and our offices in North America, Europe and Asia to scout cutting-edge companies and technology beyond the reach of most clients. yet2 provides hands-on technology transfer services in the areas of targeted technology scouting, strategic dealflow, Open Innovation portal management, innovation tours and anonymous deals - bringing our Open Innovation clients hundreds of millions of dollars in value.