



innovation

the **La Salle** way

“The message is clear, move with the times or risk being overtaken by competitors with new business models, new products and new services. The pace of life and business is accelerating and indeed, the life expectancy of most businesses today is less than ten years, compared with 65 years in the 1920’s. Just look around and try and observe the businesses that have disappeared or are today threatened by technology and new ways of transacting.”



That’s the message from Roger la Salle, a former engineer turned business innovation guru who now spends his time advising companies around the world as to how to maintain their agility in the market by constantly innovating to stay ahead of the competition. Our Telstra reporter caught up with Roger who is known for his “La Salle Matrix Thinking®”, a simple thinking methodology that he believes underpins successful business building.

Making sense of innovation

In the eyes of Roger la Salle, innovation is a simple concept - ‘change that adds value’ is the message. He believes that you can innovate in absolutely anything you do, be that in people, processes or product as long as it adds value to the business. “Failure to innovate is the reason why most businesses fail”, says Roger. “They start with an inspiring idea, but over time the business becomes too self-absorbed and can lack focus and direction, losing sight of why it came about in the first place. As such it slowly deteriorates and disappears.”



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Another misconception is that to be innovative, you need to be creative - something that Roger highlights are two separate things, “With innovation, I believe that you have to have structure and process. Whereas creativity tends to be less structured and disciplined, it’s more about an artistic concept. Both practices have a time and place in business, but it’s important to distinguish between the two.”

Whose responsibility is it anyway?

Innovation can fall on anyone’s shoulders, from the CEO right down to the front-line staff, perhaps some of the most important people to consider in the process. “The company is born from the idea of one individual who tends to be the owner or founder. As a result, the ownership for innovation tends to lie solely with that individual. Over time their priorities change, and innovation tends to fall by the wayside or doesn’t encompass the right people,” says Roger.

“Whilst attending an event at a stadium recently, I had to drive around four times before I found the car parking entrance. I asked the parking attendant why there was no sign directing people to the entrance. ‘We’ve told the management, but no-one listens to us’ was the response. This is a classic example of where a company has failed to embrace innovation from its people. Innovation is not necessarily about bringing something new to the market, it is change that adds value.

“On the flipside, an airline company I know of encouraged its staff to look for ways in which the company could make savings across the business. One staff member noticed that very few people would eat the olive on their salad on flights. The suggestion was made to remove the olive and provide a jar on board just in case anyone wanted one. The net result was that the airline saved half a million dollars a year, simply by removing an olive.”

Whilst innovation can be mapped around a structured process, it is not confined to the realms of engineers and senior executives, businesses simply need to set-up forums to channel ideas. Roger explains:

“Like the Japanese quality circles, I came up with the notion of ‘innovation circles’, a simple process for companies to bring forward ideas to help the organisation innovate. The key is to have someone responsible within the organisation who has a KPI for innovation. Imagine if you were to give a busy factory production manager the innovation portfolio as a nice to do, but non-critical task? You can be sure that it would not take long for that busy person to soon realise that the real job is managing production; this is the one the annual salary and performance review will depend on. Once that realisation is made you can be sure that the innovation initiative will soon disappear. Thus, if innovation is a serious company initiative, then for at least one senior manager, having a measure of innovation activity as a job function with a corresponding KPI is essential.”

The seeds of change – how to be an innovative company

The “La Salle Thinking Matrices”, which can be used across the business, includes products and services (the way you do business), processes (how the business operates) and finding opportunities.

Roger believes that the innovation of products can benefit from four fundamentals, which he calls “Seeds”, underpinning any product:

- Change or add value to your product in some way – No product is immune from change for the better.
- Add accessories to your products – Many companies today exist just by selling accessories. Just look at the plethora of chains of shops selling auto accessories, to cite just one example.

- Add complementary products – When somebody is about to make a purchase, you should take advantage of the mindset they have at the time by offering them complementary items, such as a drink or fries with a hamburger.
- Enhance the sales channel – The existing channel or the access you have to your customer, is a valuable asset that can be enhanced further. This is like the petrol station being certain that you will come into their shop to pay the fuel bill, so they also offer extremely high priced commodities once they have you figuratively, “captured”.

Once you realise the business building opportunities afforded by embracing these seeds, the next thing to do is find ways to stimulate your mind in developing ideas based on the seeds. Catalysts are the fuel for this thinking and some of the key catalysts include:

- Tracking - If you follow your product through its life you will find a multitude of opportunities. For example, putting honey into squeeze containers as a result of observing the frustration of users with messy jars.
- I Wish - Like making a wish about your product, such as a glass that never gets empty and solving this with a pressure sensor and miniature radio transmitter that signals a drink waiter to refill your drink.
- Frustration – this may well be the biggest source of all business opportunities. Listen for somebody cursing a product and you will have an instant opportunity for innovation.

Catalysts	Future Gazing	I wish	Re Question	New Function	New Technology	IYIHYDIW	New Material	New Design	Tracking	Inversion	Transfer	Reduction
Seeds												
Change												
Accessories (Add On's)												
Complementary Products (Goes With)												
(Same Outlet)												
CONSEQUENTIAL CHANGE												

By arranging both seeds and catalysts Roger believes you produce a matrix of results for thinking. Each intersection of ‘Seed’ and ‘Catalyst’ creates a stimulus. Unlike other ways to stimulate thinking, Roger believes that matrix thinking is immediately and directly applicable to your products.

In the case of processes, services and service companies a similar innovation approach is employed; only in this case the seeds are a little different. With the knowledge of seeds and catalysts for each particular situation and their application to any business, breakthrough thinking can be developed as it applies directly to your products, processes and services.

Take for example the processes that might exist within your company for customers to contact you. Whilst you may have a telephone line that allows the incoming calls, its more than likely that at times, the line could become busy and ultimately frustrate customers because they can't get through to you

To overcome this, you don't necessarily need to install a completely new phone system, you can innovate in other ways to make sure that you can handle the volume of calls. You can add a call waiting system, voice answering, or even link your main line to your mobile if you're out and about around the office. Innovation doesn't have to be about brand new products and processes, simply by enhancing what you have and adding value can innovate your business.

Keeping the agility - first to market or perfect product?

“To innovate is about your ability to constantly change your product to meet the demands and needs of your customers, taking in their feedback along the way,” says Roger “Speed to market is important as we know that product lifecycles are getting shorter and shorter. Nowadays, when you bring a product to market, you have to have the next incarnation ready in 18 months time, and so on and so on.”



Roger believes that the most agile companies are the ones that deliberately leave things out of their products in the earlier stages so they can add value further down the line. They work in conjunction with their customers over time so that they build over the course of a number of years, the perfect product to maximise the profit lifecycle. “Car companies are very good at doing this”, says Roger. “They are great at moving customers up the value curve, so that they take their products and services to an ever better place over a period of time. Then when they can do no more, they release a different model of the car. Just look at how the Honda Accord has developed over the last 25 years. That's a great example of how to move a customer up the value chain so that they grow with your product.”

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The road to innovation – moving your business up the value curve

When asked about his three top tips for businesses looking to embark on the innovation trail, Roger sites:

- Make sure the CEO or general manager is 100% committed to the cause. If the message can't be cascaded from the top down, innovation will end up being stifled somewhere in the corner of the business.
- Secondly, give someone within the management team a KPI for innovation. If you can't measure against it, then no-one will do it. It will become a nice to have for a few weeks before someone brings it up at the company offsite a year later.
- Finally train your staff in the innovation circles methodology. Empower them to come up with the ideas that will help your business innovate. They're on the front line, they're seeing what customers want, so make sure it gets fed back."

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Machinery Automation extends the innovation arm

As a leading designer and manufacturer of complete industrial automation solutions, Machinery Automation & Robotics Pty Ltd (MAR) knows how important it is to ensure that innovation is constantly on the agenda. As a measure of their success, the company recently won the 2008 Telstra Australian Business of the Year.

Their products span many applications including materials handling, trimming and polishing, palletising and packing - address safety issues by reducing heavy and repetitive industry workplace requirements, and dramatically reduce clients' labour costs. Over the last twenty years, the company has gone from a one man band, to 49 employees across three sites in Australia. They also serve a niche international market, helping the paper industry in China, through to renewable energy industries in America.

Where does the driver for innovation come from?

"Much of it is driven by our customers and in turn, their customers," says Clyde Campbell, managing director. "People want things faster, quicker and in a different way, so what you produce today will be very different to what we produce in five years time.

"As we automate processes for businesses, there have been some really interesting projects that we've been involved in," says Clyde. "You've probably seen the band-saws many butchers use for cutting meat. One of the issues with using such machinery is the potential to lose a finger whilst preparing the lamb chops! We engineered modifications to the band-saw by adding new technology that could ultimately save the butcher's digits. The system we integrated can detect within one millisecond if skin comes into contact with the saw, and then in ten milliseconds, stop the motion of the blade. The end result being that the butcher will only be left with a tiny cut on the finger rather than a trip to the hospital!

Staying ahead

Connectivity in the business is crucial for Machinery Automation so as to not only maintain good relationships with their clients, but also to keep the team in contact with each other. The business currently uses fixed lines in all offices, mobiles for all the team, as well as Internet access via the 3G service on mobiles from Telstra, Clyde adds, "This is especially important for us, working in such an innovative area where change is so rapid. We need to be able to have quick access to images or short video on a customer site and then be able to send these back to the office. This ensures we can all see the site challenges and have team involvement in the solutions required. Additionally, other items such as programs for the robotics can be updated at the office and then downloaded to the site via the wireless service. In short we can move extremely rapidly when changes and challenges occur.

How do you keep innovation alive in your business?

To maintain the cutting edge, Clyde believes you have to give someone within the company the role of innovation, or at least the responsibility to look after it. "We have an innovation manager, that's how serious it is for us. If you standstill as far as innovation is concerned, your business will die. My advice would be to make innovation a priority within your business and always look for new ways of doing things. If you do that, your competitors will always be chasing after you."