

**Creating a  
League  
of  
*Innovation***

# Communicating the Business Value of Innovation



# Competitive Advantages in IT

- **“Our culture is our competitive advantage.”**
- **Ultralow back-office costs**
- **Effective IT/OT management to reduce risks**

**Diminishing returns on cost cutting will ensure no enterprise will achieve competitive advantage by cutting IT spending.**

# Tablet Devices – 1969



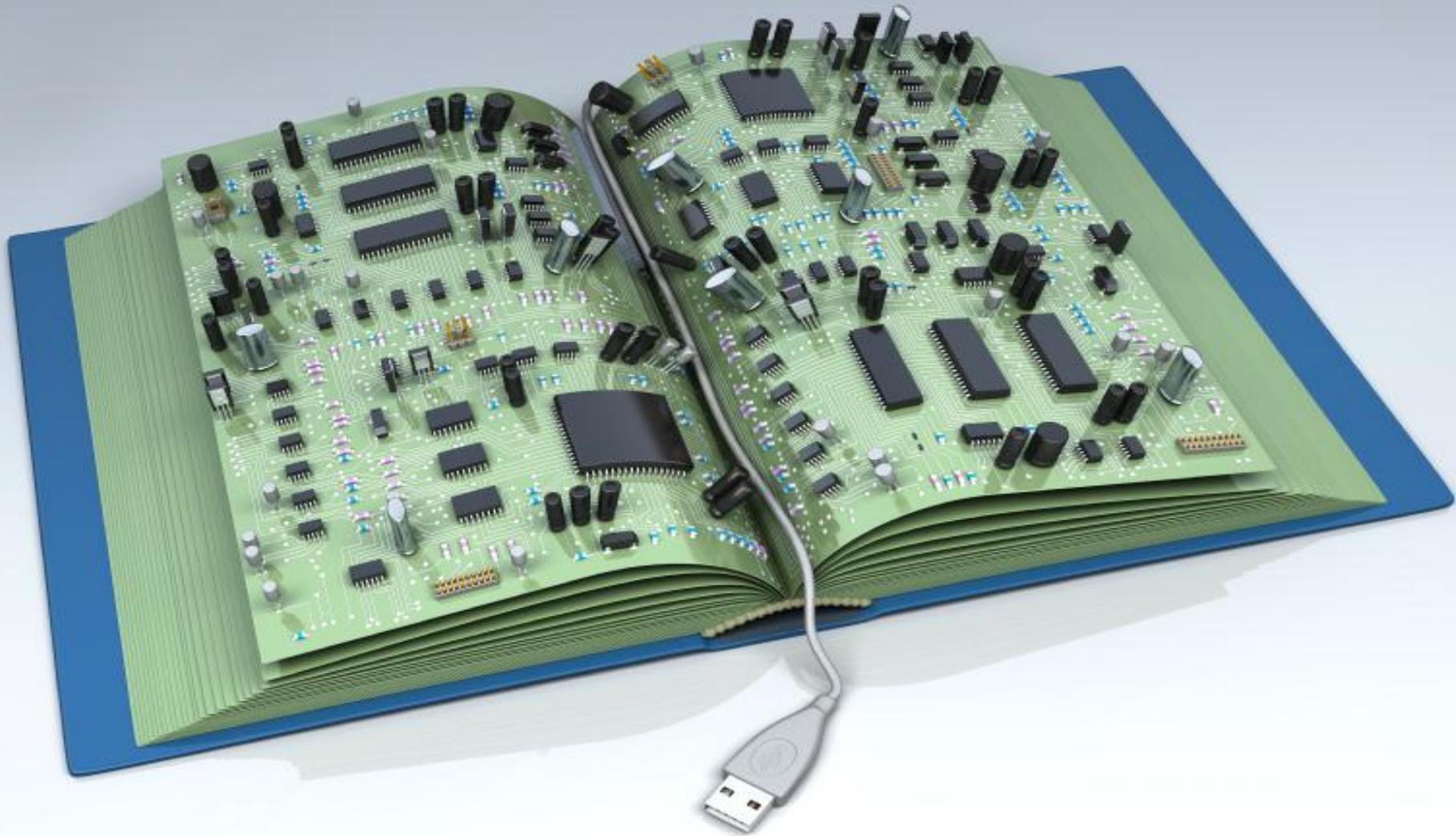
# Best Intentions



# Mobility



# Digitalization



# Information Management



# Information, Context, Location



**“The achievement of excellence can only occur if the organization promotes a culture of creative dissatisfaction.”**

**— Lawrence Miller**

# ***Audience Participation***

What Innovative Ideas are you thinking about?



# 7 Growth Levers

- Improve Operations
- Innovate Products
- Exploit Channels
- Target Customers and Markets
- Acquire Companies
- Connect the Ecosystem
- Create Blue Oceans

# Mastering the Four Paradoxes of Innovation

- The people with the best ideas are often those least able to promote their adoption (the **power** paradox).
- An excellent process can still result in suboptimal ideas (the **process** paradox).
- Give the right amount of time to consider new ideas (the **pressure** paradox).
- Being open to the talent that resides beyond the borders of the enterprise (the **property** paradox).

# Innovation Intimacy Meter

<i>Engagement Intimacy</i>	Engagement Model	Growth Strategy
 <p>High</p> <p>Low</p>	<b>Partnering</b>	Leverage Innovation
	<b>Contributing</b>	Expand Relationships
	<b>Personalized</b>	Target Users more effectively
	<b>Demographic</b>	Expand to new missions and programs
	<b>Transactional</b>	Improve Business Processes

# Industry Innovators are Shifting Mindsets

*Traditional enterprises gain stability by institutionalizing best practices and focusing on execution; to cope with the new nature of change, they bolt change management methods to an already strained structure.*

The traditional approach may lead an enterprise to a state of change saturation: projects fail, bottlenecks occur, escalations inundate management, the culture derails, business results deteriorate, employees stop cooperating, and the CIO can no longer deliver expected value from IT services.





TOKIO MARINE  
NICHIDO

## Business Simplification Creates Agility

***"We did not merely simplify IT or business processes. We redesigned the entire business and changed how we interact and communicate with our agencies and customers."***

*Tsukasa Makino, head of IT strategy and planning, Tokio Marine and Nichido Fire Insurance*



# Advancing the Enterprise by Advancing Technology Rather Than IT

***"We have to stop thinking of IT as an end in itself. Technology is the ability to amplify human ability. We cannot achieve that goal so long as we see technology only as IT."***

Christian Anschuetz, CIO, UL

- Implementing this strategy changed the nature of IT:
- Increased co-development with customers taking a 60/40 approach
  - Requires changing 30% of the IT organization



***"Customers live in the cloud."***

***If we go where they are, we  
can be more helpful to them."***

***Pepe Olalla, CIO***

# Business Process Transformation Moves IT From the Back Office to the Front Lines of Growth

***"Our transformation concentrated on consolidating operations and upgrading our business processes to position us for growth. We recognized that, without change readiness, new technology would not lead to new performance levels. This became a central part of our transformation program."***

*Garry Whatley, CIO, Corporate Express*



## Applying Technology to Drive Growth

*"The information generated by our shoppers and advertisers represents the pulse of commerce. Centering our strategies on that information and shopper behaviors has become a source of our competitiveness."*

Dick Burke, SVP, Administration and Corporate Development, Classified Ventures

# In Closing: Identify Economic and Adaptive Capabilities

