

Index

A

Accelerating business: Analog Devices' migration as, 140*fig*–141; breakthrough innovation uplift for, 147–148, 200; envisioned market entry versus actual entry applications for, 145*t*; growth in sales and inquiries of, 144–146; helping them to gain critical mass, 131; impact on strategic intent, 149; location options and trade-offs available to, 135*t*–136*t*; managing relationship with mainstream organization, 129–131; perceived value of, 149; reduced traceability of, 146–147; spillover to other platforms, 147; structures and processes of, 133–141. *See also* Kodak's System Concept Center (SCC); NBD (new business development)

Acceleration: description of, 20, 117–118; IBM's challenges with, 118–120; importance of, 120–123; Kodak's Systems Concept Center (SCC) application of, 123–128; management systems for, 21*fig*–22; questions for you on, 150. *See also* DNA (discovery, incubation, and acceleration)

Acceleration management system: elements of, 128*fig*; leadership and

governance of, 142–144; mandate and responsibilities of, 129–132; metrics and reward systems of, 144–149; resources and skills of, 141–142; structures and processes of, 133–141

Air Products: A-380 airliner of, 122–123; breakthrough innovation capability development at, 1–3; conference attendance by employees of, 59; developing incubator staff at, 105; Growth Board of, 177; internal and external interfaces for BI at, 268; mandates established at, 70; mirrored model approach used by, 173*fig*–174; opportunity articulation at, 63–64; project transitions at, 155

Albany International, 32, 166

Aligned breakthrough innovation (BI), 68–69

Analog Devices, 4, 62, 138–141, 247

Armagnac, D., 144

Austgen, D., 187

B

“Bench of opportunities,” 110

Biever, A., 131, 157

Bingham, D., 82–83

Biomax (DuPont), 132

Blaustein, M., 83

Boeing, 32

Breakthrough innovation (BI):
aligned, 68–69; categories of, 12t; company focus on, 1; confusing diversification with, 78; culture and leadership that values, 271–273; definitions of, 10–12; distinguishing between R&D and, 259; keys to getting started with, 244–245; looking toward a system for, 260–261; mismatches between senior management expectations and, 198t; motivating the need for, 222–223; open innovation at extreme form of, 162–163*fig*; organizational function of, 202–203; phases of developing capacity for, 217–228; setting up the infrastructure to support, 236–239; struggle to bring to market, 1–6. *See also* Innovation management system; Management systems; Opportunities; Organizational capacity

Breakthrough innovation (BI)
infrastructure: activities and programs supporting, 237–238; importance of setting up the, 236–237; location and reporting structure as part of, 238–239

Breakthrough innovation (BI)
management system: elements of sustainable function of, 266*fig*; governance at different levels of, 270–271; identifiable organization structure of, 266–267; powerful networks of, 269; rich internal and external interfaces in, 267–269; skills and talent of, 269–270. *See also* DNA (discovery, incubation, and acceleration)

Breakthrough innovation (BI)
phases: 1: setting the stage, 218–222; 2: activities associated with setting the stage, 222–227; 3: moving on from the groundwork laid, 228

Breakthrough innovation portfolio:
churn rate of, 167–168; cross-portfolio management of, 169–170; diversification of, 165–167; governance at level of, 270–271; incubation, 98–110; managing the health of the, 164–170; pacing the, 169; “portfolio-within-a-portfolio” approach to, 108–109; size of, 164–165

Breakthrough innovation project
teams: announcing existence of, 241–242; brokering relationships within, 103; developing incubator staff and, 104–107; exploring resource models to support, 242–244; finding the right people for, 232–236; as incubation talent, 114; maturing breakthrough innovation capability of, 245–257; nurturing of, 103–104; strategic coaching of, 100–102. *See also* Incubation staff; Innovators

Breakthrough innovation projects:
alignment of, 68–69; discovery competency for, 18, 20, 21*fig*–22, 57–79; governance at the level of, 270–271; handling transitions of, 154–156; incubation at the portfolio level, 98–110; incubation of, 20, 21*fig*–22, 82–116; knowing when to kill, 256–257; learning plan used for, 88–96; pacing the, 156–157; support function of, 202

Breakthrough innovations capability (BIC): assessing your

- organization's capacity for, 23–50;
building, 6–10; building blocks
of, 20*fig*; defining, 12, 18, 20–22;
model of, 19*fig*
- C**
- “Can't get heard” frustration,
159–160*fig*
- Capacity influencers: external, 26,
28, 29*t*–30, 40*t*; internal, 28–29*t*,
30–33, 40*t*; source and dynamism
of, 29
- Carp, D., 125
- CEOs: answering to agenda of the,
195–196; orchestrating linkages to
senior management and, 196–197.
See also Leadership and gover-
nance; Senior management
- Churn rate, 167–168
- Coaches/coaching: innovation
managers as, 105–107; required
throughout incubation period,
113, 114; strategic, 100–102
- CommQuest, 5
- Communicating innovative
objectives, 227
- Concannon, M., 118, 119
- Connelly, L., 146
- Corning Inc.: balancing resources
and capability development at,
158; breakthrough innovation
capability of, 7–8, 26; commit-
ment to DNA by, 206; discovery
competency at, 56–57; EMTG
(Exploratory Markets and Tech-
nologies Group) at, 56–57;
Growth and Strategy Council of,
108, 143–144, 155; innovation
model used at, 244; internally
based, highly dynamic influencers
at, 30; Technology Council of,
155; three R&D spending buckets
of, 191
- Cotterman, R., 97, 187
- Coyne, M., 125
- Cryovac, 30
- Culture. *See* Organizational culture
- Cunningham, P., 118–119
- D**
- Degree of alignment, 67
- Dell, M., 78
- DeLoso, D., 55
- Differential financial incentives,
178, 181
- Discovery competency: activities
that comprise, 57–58; “can't get
heard” frustration and, 159–160*fig*;
challenging in building, 77–79;
Corning's application of, 56–57;
description of, 18, 20, 52–54;
foundational knowledge of, 58–60;
IBM's application of, 54–56;
objective of, 65–66; opportunity
articulation of, 62–65; potential
business opportunities for, 60–62;
questions for you on, 79. *See also*
DNA (discovery, incubation, and
acceleration)
- Discovery management system:
alignment of objectives with
elements of, 67–71, 72*t*; descrip-
tion of, 21*fig*–22; elements of the
innovative, 66*fig*–77; leadership
and governance of, 72*t*, 74–76;
mandate and responsibilities of,
67–71, 72*t*; metrics and reward sys-
tems of, 72*t*, 76–77; resources and
skills of, 72*t*, 73–74; structure
and processes of, 71, 73
- Diversification: as breakthrough
innovation capability issue,
219–220; breakthrough innova-
tion compared to, 78; industries
case study on, 40–47; NBD (new
business development) focus on,
85–86; portfolio, 165–167

- DNA (discovery, incubation, and acceleration): avoiding the “can’t get heard” frustration, 159–160*fig*; courage to continue with, 159, 160*fig*; emotional roller-coaster of working with, 209–212; executing big ideas, 160–162*fig*; introduction to, 18, 20–22, 48; managing balance of resources and capability development across, 158–164; managing the health of breakthrough innovation portfolio using, 164–170; managing the links and interfaces of, 154–157; orchestrating and incorporating the, 185–213; overview of BI system of, 262*t*–265*t*; questions for you on, 183; relationship of organizational capacity to level of, 204*t*–207; system-level activities of, 151–154. *See also* Acceleration; Breakthrough innovation (BI) management system; Discovery competency; Incubation
- DNA management system for innovation: elements of, 170–171; leadership and governance of, 177; mandate and responsibilities of, 171; measuring health of your, 179*e*–181*e*; metrics and reward systems of, 178, 181–182; resources and skills of, 175–177; structure and processes of, 171–175
- Donnelly, S., 36, 37, 40, 154, 166
- Dow Corning, 52
- DuPont: APEX review board of, 108, 177, 249–250; bench inventory of projects practice at, 256; Biomax product innovation of, 132; controlling mandate creep at, 249–250; exploratory marketing groups formed by, 61, 82–83; Growth Board of, 177; project transitions at, 155; Surlyn product innovation at, 138, 188–190
- DuPont Ventures, 83
- E**
- Eastman Kodak. *See* Kodak
- Edison, T. A., 35
- Einhaus, G., 32, 74, 123–124, 127–128, 169, 200, 233
- External capacity influencers: description and sources of, 26, 28, 29*t*; General Electric (GE), 40*t*; highly dynamic, 29–30, 47*t*; low dynamism, 30, 47*t*
- Extreme Blue (IBM), 63
- F**
- Food and Drug Administration, 87
- “Forced adoption model,” 113
- Foundational knowledge activities, 58–60
- G**
- GameChangers (Shell Chemicals), 11, 60, 152–153, 165, 243
- G.D. Searle, 87
- GE Corporate Research, 36–37
- GE (General Electric): acceleration resources and skills at, 141–142; ATPs (advanced technology programs) of, 99, 106, 141, 154–155, 165, 166, 174, 176; cross-portfolio management approach at, 170; digital X-ray team initiatives at, 138, 170; influencers of, 30, 40*t*; innovation managers of, 106; legitimizing incubation at portfolio level at, 99–100; mirrored model approach used by, 173*fig*–174; rich breakthrough innovation capacity of, 34–40

Gerstner, L., 4, 221
 Giersch, M., 55, 175, 187, 242, 251
 Global Technology Center (New York) [GE], 35–36
 Google, 32–33, 84
 Governance. *See* Leadership and governance
 Gustin, C., 125

H

Harreld, B., 8, 9, 165
 Henderson, L., 125–126, 128, 130
 Hewlett Packard, 127
 Hickey, B., 8, 200
 Holistic sequential structure, 171–172*fig*
 Horn, P., 4, 5
 Houghton, J., 30, 206
 Hughes Electronics, 4

I

IBM: advisory teams set up by, 109; breakthrough innovation capability of, 3–6; breakthrough opportunities at, 8; challenges with developing the silicon germanium business, 118–120; discovery competency at, 54–56; Extreme Blue program at, 63; innovation embedded into culture of, 221; multialigned opportunities designated at, 71; 1 (H1) business label used by, 8; self-similar model used at, 172–173*fig*; strategic coaching used at, 101; 3 (H3) business label used by, 8, 55
 IBM's EBOs (emerging business opportunities) program: announcements introducing, 242; controlling the process at, 251; discovery competency at, 54–56; incubation in, 83–84; incubator

staff development at, 104; new service opportunities launched by, 247; portfolio growth of, 165; process of declaring new, 269; strategic coaching at, 101; structure and processes of, 112; traceability at, 146–147
 Immelt, J. R., 30, 35, 36, 38, 176, 242
 Incubation: comparing new product marketing activities to, 86*t*–87*t*; definition of, 83–87; individual opportunities for, 87–97; introduction to, 20, 82–83; management systems for, 21*fig*–22; at the portfolio level, 98–110; questions for you on, 116. *See also* DNA (discovery, incubation, and acceleration)
 Incubation management systems: elements of, 111*fig*; leadership and governance of, 114–115; mandate and responsibilities of, 111; metrics and reward systems of, 115–116; resources and skills for, 113–114; structure and processes of, 112–113
 Incubation portfolio: described, 98; developing staff for, 104–107; legitimizing, 98–100; monitoring, 107–110; providing project team support at, 100–104
 Incubation staff: development of, 104–107; incubation talent of, 114. *See also* Breakthrough innovation project teams
 Incubation talent: recognizing and hiring, 104–107; two levels of, 114
 Infrastructure: activities and programs supporting, 237–238; importance of setting up the, 236–237; location and reporting structure as part of, 238–239

Innovation function: appropriate metrics and rewards supporting, 271; BI processes and tools supporting, 270; BI skills and talent supporting, 269–270; culture and leadership valuing BI and, 271–273; DNA management system for, 171–182; governance supporting, 270–271; identifiable organization structure required for, 266–267; management system supporting sustainable, 260–261, 266*fig*; powerful networks supporting, 269; rich internal and external interfaces supporting, 267–269

Innovation management system: importance of creating a, 215–217; phases of developing capacity for, 217–228. *See also* Breakthrough innovation (BI); Management systems

“Innovation principles,” 127–128

Innovators: demanding personalities of, 232–234; as innovation process facilitators, 201–202; lack of career path available to, 235; organizational role of, 251–252; process anxiety by, 250–252; undertraining available to, 235–236. *See also* Breakthrough innovation project teams; Orchestrators

Intel, 130, 131, 157

Internal capacity influencers: description and sources of, 28–29*t*; General Electric (GE), 30, 40*t*; highly dynamic, 30–31, 47*t*; low dynamism, 31–33, 47*t*

ISO 9000, 14

J

James, P., 44–45

John F. Welch Technology Center (India) [GE], 36

Johnson & Johnson Consumer Products, 100, 165–166, 205, 242

Junkins, J., 28, 33

K

Kodak: advisory teams set up by, 109; aligned breakthroughs at, 67–68; business accelerator approach of, 123–128; holistic and sequential structure of, 171–172*fig*; mandates followed at, 70–71; NEXT team of, 125, 126, 143

Kodak’s System Concept Center (SCC): as business accelerator, 123–128; continued innovation function started by, 200; as innovation hub, 8–9, 70–71; monitoring mandate creep at, 192; opportunity generation by, 60; project-level skills and resources allocated to, 96–97; structure and team members of, 108, 233–234. *See also* Accelerating business

L

Leadership and governance: of acceleration management system, 142–144; of breakthrough innovation management system, 270–271; breakthrough innovation valued by, 271–273; of discovery management system, 72*t*, 74–76; of DNA management system, 177; of incubation management system, 114–115; incubation portfolio, 107–110; management system, 15; maturing BI capability and role of, 252–256; orchestrating linkages to company, 196–198*t*. *See also* CEOs; Senior management

Learning loop, 95, 110

Learning Plan Template: assumptions underlying, 94; steps and process of using, 90, 91*e*–92*e*, 93

Learning plans: effects of, 94–96;
 four uncertainties recognized by,
 88–89; learning loop approach to,
 95; template for, 90–94
 Legitimizing incubation, 98–100
 Leonardo da Vinci, 58
 Loose, J., 30
 Lucent, 125, 178

M

Madison, G., 40, 41–42,
 45–46, 47
 Management systems: acceleration,
 128*fig*–150; for breakthrough
 innovation, 261, 266*fig*–273;
 comparison of mainstream and
 innovation, 17*t*; counterbalanc-
 ing imbalances of, 163–164;
 definition and elements of,
 13*fig*; description of successful,
 16–18; discovery, 66*fig*–77; incu-
 bation, 111–116; leadership and
 governance element of, 15; man-
 date and responsibilities element
 of, 14; metrics and rewards sys-
 tems element of, 15–16; resources
 and skills element fueling, 15;
 structure and processes element
 of, 14. *See also* Breakthrough
 innovation (BI); Innovation
 management system
 Managing inward, 254–255
 Managing outward, 253–254
 Managing upward, 252
 Mandate and responsibilities: of
 acceleration management system,
 129–132; clarifying the innova-
 tion function, 223–225; of discov-
 ery management system, 67–71; of
 DNA management system, 171;
 of incubation management sys-
 tems, 111; management systems,
 14; monitoring mandate creep,
 191–193

Mandate creep: definition of, 70;
 maturing BI capability and,
 249–250; monitoring, 191–193
 Market uncertainties, 88–89
 Martino, M., 125
 Matheson, N., 205, 242
 Maturing BI capability: characteris-
 tics of, 247*fig*; idea generation and
 scope, 246–248; killing projects
 and, 256; leadership demands
 during process of, 252–256; levels
 of metrics for, 257, 258*t*; mandate
 creep and, 249–250; overview of,
 245–246; process anxiety and,
 250–252; system resource level,
 timing, and balance elements
 of, 256
 Mayer, M., 84
 McElhenny, T., 37
 MeadWestvaco, 60, 105, 131,
 144, 165
 Metrics and reward systems: of accel-
 eration management system,
 144–149; breakthrough innova-
 tion and levels of, 257, 258*t*;
 of breakthrough innovation
 management system, 271; of dis-
 covery management system, 72*t*,
 76–77; of DNA management
 system, 178, 181–182; of incuba-
 tion management system, 115–116;
 management system, 15–16
 Meyerson, B., 3–6, 118, 119
 Miller, J., 56
 Mir, J., 123–124, 128
 Mirrored model, 173*fig*–174
 Mitch's story, 235
Modern Plastics, 189
 Moghadam, O., 130
 Moonshots, 11
 Motivation: for initiating BI
 capability, 230*t*; need for break-
 through innovation (BI),
 222–223
 Motorola, 125

N

NBD (new business development):
 diversification focus of, 85–86;
 Kodak's use of, 125; shortage of
 skills in creating, 234–235.

See also Accelerating business

Nelson, M., 65

Newhouse, M., 57, 95, 187

Nintendo, 138

Nintendo Wii, 138–139

Nortel Networks, 109, 181

Northern Telecom, 4

Nurturing project teams, 103–104

NutraSweet, 87

O

Open innovation at extreme,
 162–163*fig*

Opportunities: “bench of opportuni-
 ties,” 110; discovery competency
 and potential, 60–62; discovery
 competency articulation of,
 62–65; “forced adoption model”
 for, 113; incubation and individ-
 ual, 87–97. *See also* Breakthrough
 innovation (BI)

Opportunity activities: discovery
 competency articulation, 62–65;
 discovery competency gen-
 eration, 60–62; project versus
 platform approach to generate,
 61–62

Orchestration activities: challenges
 of pioneering, 207–212; consid-
 ering capacity and DNA capacity
 levels simultaneously, 204*t*–207;
 definition of the, 186; developing
 an innovation strategy, 191*fig*;
 under munificent capacity, 203;
 orchestrator's agenda for, 187–201;
 questions for you on, 213; under
 stressed capacity, 201–203

Orchestration challenges: emotional
 roller-coaster of DNA system,
 209–212; working with innova-
 tors, 207–209

Orchestrators: agenda of, 187–201;
 challenges facing, 207–212;
 examples of, 187; questions for you
 on, 213; roles and influence of,
 186–187. *See also* Innovators

Orchestrator's agenda: managing
 the BI function's perceived role,
 188–191*fig*; monitoring mandate
 creep, 191–193; orchestrating
 linkages to company leadership,
 196–198*t*; orchestrating linkages
 to other corporate functions, 190;
 orchestrating to get things done,
 194–196; orchestrating transi-
 tions of project to operating units,
 193–194; orchestrating uplift of
 the innovation function, 200

Organizational capacity: assessing
 your company's, 48–50; conduct-
 ing an audit of the, 225–227; con-
 strained, 40–47*t*; definition of, 26;
 external influencers on, 26, 28,
 29*t*–30; internal factors of, 28–29*t*,
 30–33; lessons on, 47–48; matur-
 ing breakthrough innovation,
 245–257; model of breakthrough
 innovation, 27*fig*; munificent,
 34–40*t*; relationship of DNA level
 to, 204*t*–207; summarizing, 33–34;
 tracing example of birth and death
 of, 23–25. *See also* Breakthrough
 innovation (BI)

Organizational culture: affecting
 approaches to discovery, 74–75;
 breakthrough innovation valued
 by, 271–273; building an innova-
 tion, 229, 231–232; ideas stimu-
 lated by changes to, 79

Organizations: breakthrough innovation education of mainstream, 131–132; building capability for breakthrough innovations, 6–10; focus on breakthrough innovations by, 1; importance of acceleration capabilities to, 120–123; relationship between accelerating business and mainstream, 129–131; uncertainties faced by, 88–89, 122–123

P

Pierantozzi, R., 59, 70, 105, 155, 187
 Pingle, L., 60
 Portfolio. *See* Breakthrough innovation portfolio
 Processes. *See* Structure and processes
 Projects. *See* Breakthrough innovation projects

R

R&D (research & development), 259
 Radical innovations, 11
 RAM's "click test," 189
 Rees, R. W., 188–189
 Resource uncertainties, 89
 Resources and skills: for acceleration management system, 141–142; balancing development capability with, 158–163; for breakthrough innovation management system, 269–270; for discovery management system, 72*t*, 73–74; of DNA management system, 175–177; for incubation management system, 113–114; management system, 15
 Reward systems. *See* Metrics and reward systems
 Reward/punishment approach, 178, 181–182
 Royal Dutch Shell, 152, 153

S

SCC (System Concept Center). *See* Kodak's System Concept Center (SCC)
 Scope change innovations, 11
 Sealed Air Corporation: acceleration as defined by, 129; Business Innovation Board of, 177; continued innovation function at, 200; innovation opportunities nurtured at, 8; market participation approach taken by, 96; merger between Cryovac and, 30–31; opportunity generation at, 60–61; Technology Identification Process (TIP) team of, 97
 Self-similar model, 172–173*fig*
 Senior management: BI group leader's upward management toward, 252; mismatches between BI realities and expectations of, 198*t*; orchestrating linkages to senior management, 196–197. *See also* CEOs; Leadership and governance
 September 11, 2001, 26
 Shell Chemicals (GameChangers), 11, 60, 105, 152–153, 165, 243, 268
 Shell Exploration and Petroleum (Shell E&P), 152, 153
 Six Sigma approach, 112
 Skills. *See* Resources and skills
 Sony PlayStation, 138
 Sousa, N., 96–97, 124–125
 Spedden, R., 60, 187
 Staff. *See* Breakthrough innovation project teams
 Stoeffel, J., 125
 Strategic coaching, 100–102
 Structure and processes: of acceleration management system, 133–141; breakthrough

Structure and processes (*continued*):
innovation tools and, 270; of
discovery management system, 71,
73; of DNA management system,
171–175; of incubation manage-
ment system, 112–113;
management system, 14
Surlyn story (DuPont), 138,
188–190

T

Technical uncertainties, 88
Technology Center (China)
[GE], 36
Technology Center (Germany)
[GE], 36
Texas Instruments (TI), 28, 33
Thomas, L., 63–65, 70
3M, 61, 65, 75, 112, 200, 244
Time horizon issue, 166

U

Uncertainties: associated with accel-
eration, 122–123; learning plan
recognition of, 88–89; market,
88–89; organizational, 89;
resource, 89; technical, 88
Uplift: accelerating business,
147–148; orchestrating innova-
tion, 200
U.S. Food and Drug Administration, 87

V

Vanrose, J., 45

W

Welch, J., 30, 34, 35
Wolpert, J., 63

Z

Zank, G., 52

