



Innovation (Internal Driver)

To develop a sustainable competitive advantage, you must have a strong deliberate innovation culture and processes. To create an ongoing competitive edge, you'll need a solid approach for generating and capturing new ideas at all levels of the organization.



How receptive is your company to new ideas?

Product or service innovation comes from a company's ability to meet customer needs and desires. In order to do this, you need to have a good understanding of what your customers want. This can be done through market research, surveys, etc.

Differentiation through innovation is another important aspect. In order to stand out from the competition, you need to offer something unique that they don't have. This can be a new feature, a better design, an add-on service, etc. Here are 4 indicators that you're well on your way:

- **Culture and Rewards:** Your company's culture encourages and rewards innovation at all levels of the organization.
- **Process:** Your company has a well-defined process to encourage, capture, and protect innovation among your employees.
- **Collaboration:** Your company has tapped multiple constituents in its professional network to keep abreast of new innovations and test your own innovations.
- **Metrics:** Your company can quantify the benefits of innovations through various means such as patents, copyrights, revenue growth, workflow efficiencies, and financial improvements.



GOAL: *So what does it take to be an innovative company? It starts with having the right mindset. You have to be open to new ideas and change. If you're not, then you're not going to be able to take advantage of new opportunities. Once you have the right mindset in place, you need to have proven and systematic processes for driving and capturing innovation. This can take many different forms, including using collaboration and leveraging data to drive product development.*