Discipline of Innovation @ Rady

"Innovation does not have to be technical…nor does it have to be a thing. Systematic Innovation consists of the purposeful and organized search for changes, and in the systematic analysis of the opportunities such changes might offer for economic or social benefit…. " - Drucker

Operationalized through a Year long MBA core course sequence titled “Lab to Market”
Building the Innovation Capital

• The Year long core sequence “Lab to Market”
  • MBA’s must create as well as capture value
  • Premium rewards for firms with sustained innovative capability
• Course sequence offers the opportunity to learn and practice idea generation and validation techniques
  • Follows and overlaps the MBA core courses - customized to support lab to market.
  • Supported by electives on new product design, industry economics, new venture finance.

Lab to Market (L2M) Course Sequence

L2M Foundations  L2M Workshop I  L2M Workshop II

Opportunity ID & Analysis
Generate Ideas  Concept/Test  Opportunity  Team  Business Case  Pitch  Business Plan
L2M Course Goals & Objectives

• Develop the knowledge and skills to become an innovative and entrepreneurial manager.
  – Growth-oriented, Value creating!
• Objectives:
  – Practice generating and screening ideas
  – Discern an idea from an “opportunity”
  – Learn techniques for idea validation
  – Start learning about new business planning and creation
  – Become aware of approaches for risk mitigation
  – Learn the concept of business models
  – Begin integrating content learned from other core courses

What do we Mean By a Lab

• A lab need not be a scientific lab. In this course, we will use the term lab to mean a source of:
  – Technology, Knowledge
  – Unique Capabilities, Valuable Networks

• Lab should be a source of “unfair advantage”
  – Source of uniqueness and differentiation that is hard to replicate.
  – Examples: Company background, Educational background, Experience, Professional & social networks

  One of the most common unfair advantages is access to the Univ of California technologies and Intellectual Property!
  Investors/business plan competitions like ideas that solve practical problems by harnessing science and technology.
Idea Generation Methods

- *Scratching an Itch*
- *Spotting Anomalies and Incongruities*
  - Industry and market shifts
- *Process Needs*
- *Linkages and Product/Market Adjacencies*
- *Idea Generation Templates, Scenario Planning*

When Innovation is Impactful....

- Market Needs
- Opportunity
- Tech Seeds
Technology Commercialization Challenges

L2M Course Approach

- **Action Learning**
  - Idea Journal
  - Idea Evaluation and Evolution
  - Idea Pitch and Brief

- In-class exercises critiquing idea vignettes
  - External ideas from Salk Institute, Navy’s SPAWAR, Scripps and outside companies
L2M Class Project

• Identify Opportunity
  – Compare and contrast multiple ideas
  – Select a primary opportunity
  – Develop an executive summary of the opportunity
• Technology/market opportunities could come from various sources
  – UCSD, Salk, SPAWAR, Cal-IT2, von Liebig
  – Scripps and outside companies

L2M Career Objectives

• Prepare for careers in:
  – Product Management
  – General Management
  – New (corporate) ventures
  – Entrepreneurship
• Entrepreneurial managers, not necessarily entrepreneurs!
Climbing the Corporate Ladder!

Ability to Create Growth by turning Ideas into Profitable Products

Contributions through:
- Market/Technology Research
- Product Management
- Project Management
- New business creation
- en route to Senior Management!

Ideation templates

- Structured approach to ideation
- Identify and apply well-defined schemes to product attributes
  - derived from an historical analysis of product evolution
- Template = systematic change between an early configuration (i.e., current product version) and the one that follows it (i.e., the next version).
  - Simplification: Subtraction, Division
  - Enhancement: Multiplication, Task unification
  - Attribute dependency
  - Components control
Practicing Ideation Methods in Class

• Generate new offering ideas.
  – Observe prospective customers at various settings and identify needs/pains.
  – Consider products such as USB flash drives, digital frames, cell phones for application of templates.
  – Use scenario analysis and market linkages to create new offerings.
Innovation – A change hard to accept!

- "This 'telephone' has too many shortcomings to be seriously considered as a means of communication. The device is inherently of no value to us.” -- Western Union internal memo, 1876.
- "Who the hell wants to hear actors talk?” -- H.M. Warner, Warner Brothers, 1927.
- "640K ought to be enough for anybody.” -- Bill Gates, 1981?

- Innovation is messy and idiosyncratic!
- What we are offering is a framework and practice!

Helping to commit idea generation to muscle memory.