



Capabilities to balance for better results

MANAGEMENT

STRATEGY

OPPORTUNITY SCANNING

MARKETING

OPERATIONS

ADMINISTRATION

Innovation capabilities to balance for outstanding results

LEADERSHIP of INNOVATION

STRATEGY for INNOVATION

OPPORTUNITY CREATION

CULTURE for INNOVATION

CORE INNOVATION PROCESSES

INNOVATION MEASUREMENT AND MAINTENCE

In practice all 12 capabilities overlap to various degrees. For example senior managers have both management and leadership tasks. The WAVE capability framework offers unrivalled x-ray intelligence for better business decisions, leadership, planning and growth.



The WAVE[®] Model

Enabling careful, smart investment and resource allocation decisions; and a path to better and much better performance.

FOUNDATION <i>Strategic management</i>	INNOVATION <i>Strategic innovation management</i>
MANAGEMENT	LEADERSHIP
STRATEGY	STRATEGY for INNOVATION Alignment, focus, portfolio
OPPORTUNITY SCANNING Trends, opportunities and threats	OPPORTUNITY CREATION Seeing differently
MARKETING	CULTURE Conducive to innovation Internal environment for innovation
OPERATIONS	CORE PROCESSES Create, Capture, Assess, Apply
ADMINISTRATION	MEASURE AND MAINTAIN



WAVE[®] CAPABILITY DEFINITIONS

The Foundation Capabilities
Management
Leaders and managers plan and control. They also organise, co-ordinate, communicate, monitor and report. Managers work through people whom they lead, energize and supervise. When they do this effectively, they go a long way towards providing the necessary “Foundation” for purposefully and profitably managed innovation.
Strategy
Strategy answers: “What business are we in?”, “How do we compete in that business?” and “Do we have the right competencies?” Business strategies and plans answer “Where are we going?” and “How do we get there?” and should also answer the other questions. The best strategies and plans are guides that give managers flexibility, rather than fixed “blueprints”.
Opportunity Scan
Some firms run SWOT analysis during occasional reviews and react belatedly when threats are on their doorsteps. Best practice involves regular formal and informal scanning and analysis of what your customer’s want, what competitors are doing and of other trends.
Marketing and sales
Marketing involves research (finding out what markets and customers want); positioning and pricing products and services; communicating the benefits (advertising, publicity); and choosing and setting up distribution channels. Selling is the task of getting orders!
Operations
Operations or production is the efficiency-focused order fulfilment process. It is the “centre of gravity” of most businesses and involves acquiring supplies and creating and/or making and delivering products and services. Most operational processes are repetitive and standardised and are covered by some degree of quality control.
Administration
More so than Management, Administration is concerned with maintenance and control. It covers accounting, record keeping, IT management, HR administration, office management, risk management and legal and secretarial functions.

WAVE uses a dynamic systems model. From a systems perspective, management and leadership are different from the other capabilities. They have broader reach and impact. Through their daily decision making, leaders and managers act as a “worm gear” dealing with natural tensions between the other capabilities and keeping them all working together.



The Innovation Capabilities

Leadership of Innovation

Whether formally a manager or a leader, leadership behaviour “shows the way”, at the organisational and project level. Leaders do more than set directions; their attention to innovation and their behaviours influence the extent to which the entire culture is conducive to innovation.

Strategy for Innovation

Faster growth comes from strategies and budgets that align innovation activities with broader company strategies. Strategies don't need to be complex; the best ones are often summed up in a few sentences. However the analysis leading to the strategy will deal with complexities. Strategies and budgets identify priority areas, set criteria for project selection and review and guide collaboration with external parties. Strategy may also cover R & D, posture (lead or follow), project portfolio and IP protection.

Opportunity Creation

Opportunity Grow differs from Opportunity Scanning because it is driven by a proactive, entrepreneurial, mindset. Innovative SMEs go beyond scanning. They study customers and markets intensively and think deeply about trends, including surprising and unexpected developments. They naturally or deliberately see things differently. They seek opportunities through external links and networks, and they seek to find or create the “un-obvious” opportunities that may give them a superior competitive advantage.

Culture

Marketing creates environments that encourage customers to buy. We can't demand creativity and innovation from employees but we can and leading companies do create cultures conducive to innovation, through structures, policies and also through their behaviour. This approach is like “Internal marketing”. The elements are: flat structures; high quality supervision, teamwork and project management; alignment with strategy; basic creative thinking and idea evaluation skills; and appropriate reward systems.

Core Innovation Processes

Core innovation processes can be likened to an innovation production factory - a “factory” for creating, capturing, assessing and applying knowledge and ideas. Firms with well-designed and documented innovation or stage-gate processes generate and manage a variety of ideas, concepts and business cases. The right mix of mindset, idea evaluation skills and resources for implementation deliver productivity growth through workforce innovation. Major projects require more sophisticated tools and skills and can span many years.

Measuring and Maintaining Innovation

Firms that sustain innovation have a few key measures (KPIs) across their ideas and innovation pipeline, learn from project reviews and track returns from major projects.