**Outline: Strengthening Your Case for Continued Investment**

This document was created by a former Director of Innovation at Embraer, the Brazilian aerospace company, with input from other current and former corporate leaders. The two pathways laid out in this document — Capitalize & Grow and Protect & Defend — are particularly designed to be useful to those leaders tasked with identifying and developing breakthrough innovation concepts, as well as other sources of future growth. Each pathway contains a detailed list of key topics and questions, which could be used to shape a presentation deck.

|  |  |
| --- | --- |
| 1. **Assess the Current Organizational Climate** | |
| First, consider how your senior executive team’s innovation priorities may be shifting.  At one end of the spectrum, some executive teams will remain steadfastly supportive of breakthrough innovation work and will look to **capitalize upon and grow** new business opportunities — including some that may have been on the back-burner in recent months. These teams may even recognize that continued investment in innovation within the current climate could position their organizations particularly well when the dust eventually settles. In this scenario, innovation leaders may be tasked with identifying emerging opportunities, and expected to submit requests for the resources needed to capitalize upon them.  At the opposite end of the spectrum, some executive teams are already putting pressure on their direct reports to **protect and defend** the existing business. Some may have identified short-term, core business needs that will require the resources previously allocated to long-term innovation initiatives. Other teams may simply be looking to cut all non-essential costs — with long-term innovation initiatives falling quickly below the line — to simply weather the storm.  While we hope that you find yourself working through the questions raised within the first scenario, many innovation leaders in 2020 will find themselves challenged by the questions within the second scenario. As your particular path forward becomes clear, consider answering the questions below to help build out your case to **Capitalize & Grow** or **Protect & Defend**. One possibility: develop the questions under each relevant bullet point in your chosen scenario into an individual slide in a presentation deck. | |
| 1. **Capitalize & Grow, *or...*** | **...Protect & Defend** |
| Customer Changes   * What important functional, emotional, or social Jobs-to-be-done are emerging? Through the news, our supply chain partners and / or our customer service representatives, for example? For our existing customers? For new customers we might target? * Is there data or are there specific examples describing decreasing customer satisfaction with our offerings? Through a drop-off in customer demand and / or through active customer defections? And beyond those caused by broader macroeconomic conditions? What are the implications? | Accomplishments So Far   * What has our innovation team been able to achieve, in terms of “cheap and dirty” tests or pilot projects, that has demonstrated positive returns or potential? * How has our innovation team increased speed-to-market, created new capabilities and / or attracted new talent? Identified streamlining opportunities leading to the reduction and / or redeployment of resources? What have been the measurable returns of those outcomes? |
| Solution Opportunities   * In this “live / work from home” world, can we make developing new digital experiences to address customer Jobs-to-be-done a priority? To attract new customers? To better retain existing customers? * Are there business model innovation opportunities here as well? Could we deliver a solution to the customer in a new way? Could we charge the customer, and make money, in a new way? * Setting aside what we do today, and viewed through the eyes of the customer, what would the ideal solution look like? What would be the ideal customer journey? | Market Imperative   * What innovation initiatives do we have underway that show particular promise? Might limited additional investment help any of those initiatives generate a tangible return in the short-term? Significantly increase confidence in a large return over the long-term? * What are some of the medium-term and long-term innovation opportunities emerging in the current climate? How could pursuing those opportunities unlock significant value for us down the road? * What signals are we getting from the market and from our internal teams suggesting that there are short-term innovation opportunities? To develop new features or functionality for existing products? To refine existing processes to generate greater organizational efficiency and / or effectiveness? To create new capabilities among our employee base, distributors, franchisees, or partners? |
| Ideal State Vision   * Considering the solution vision above, what would the ideal organization to realize this vision look like? Portfolio of offerings? Capabilities? Ways of operating? * What do we need to do differently to begin looking and functioning like that ideal organization? Are there specific capabilities we will need to build / buy / rent to do so? Particularly given the current climate, are there distressed startups we could acquire and / or newly available talent we could onboard? | Competitor Activity   * Are our established competitors continuing to invest in medium-term or long-term innovation initiatives? How might we fall behind if we do not continue to invest now? * Are there startups with potentially disruptive offerings emerging, perhaps catalyzed by the need for fast, low cost, technology-centric solutions in the current climate? How significant are they as threats? As partnership, investment, or acquisition opportunities? |
| Path-to-Proof   * If we are doing this right, we will identify opportunities to pursue — and solutions to develop — that may look very different from those which we pursue and develop today. When we present them, what do we anticipate senior executive questions to be? How can we best prepare to answer those questions? * Once we can sketch out a broad vision, can we make clear a small, focused starting point that will require limited resources (e.g. people / money / time) to see if we are on the right track? How will we deliver tangible, valued results in the short-term? | Continued Investment Upside   * How can our innovation team generate significant, short-term returns on continued investment? * How can we deploy our capabilities to help strengthen our core businesses? To help those businesses better satisfy their existing customers? To prepare our workplaces for employees to return safely? * How can we use limited additional investment in ongoing innovation initiatives to quickly increase confidence in the winners? To generate a return faster than planned? * How can we re-deploy our existing capabilities to help our senior executive team understand the newly emerging trends within our industry and their implications? To help ensure that our organization plans for potentially disruptive industry or macroeconomic events, now and in the future? |
| Investment Request   * If a grand vision will energize our senior executives, what is the ultimate scale of resources that we will need to move forward in a transformative way? How will different resourcing scenarios speed up or slow down our progress? Increase or decrease our likelihood of ROI? * If our senior executives are more cautious, how can we develop a bulletproof rationale to support an initial, focused request for resources? Can we surprise them with just how few resources we will need to begin increasing our confidence (or not) that we are headed in the right direction? | Decreased Investment Downside   * How would decreased investment in our innovation team tangibly impact our organization in the short-term? What likely revenue generating and / or cost saving opportunities will we miss? * How would decreased investment in our innovation initiatives put us at a competitive disadvantage in the years — or quarters — ahead? Might our short-term savings simply not be worth the long-term losses? * What innovation team capabilities have we developed over time that would be lost if we decrease investment? What skills and experience will we have a hard time replacing? If we make cuts, how much more will we need to eventually spend to return our innovation team to its current level of performance? Will that even be possible? |

**For additional resources like this, including a PowerPoint template called “Making the Case for Innovation,” see innovationleader.com/resources.**