The Governance Institute®

Building Innovation Platforms to Drive Frictionless Experiences

Governance Institute System Forum

August 2020

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SPOTTING THE BIG SHIFTS...

Categories transform in ways that have patterns.
Leaders actively embrace eras as they emerge.

1

DISRUPTORS ARE MORE PREVALENT TODAY
Now and then an industry changes fundamentally….

3

A SPECULATION…

4

INNOVATE IN THE RIGHT WAYS...

Innovation is always tough. It gets much easier when you replace myths with methods.

2

Innovation can be used either to:
improve the known **or to** *invent the new*

IMPROVE THE KNOWN...

| TQM LEAN | Value Engineering | Materials Science | Production Sciences | Dynamic Optimization | Complexity Management |

SUSTAINING INNOVATION 92-95%

INVENT THE NEW...
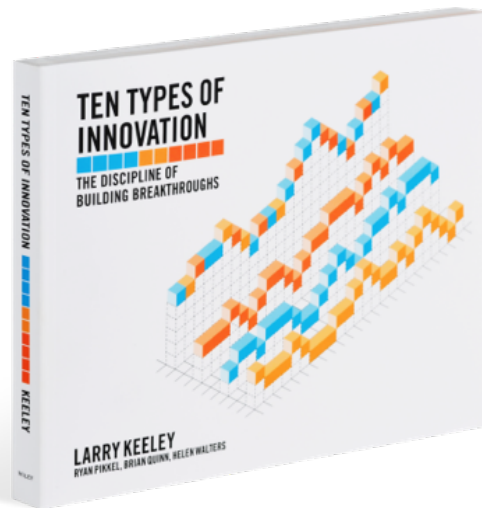
DISRUPTIVE INNOVATION 5-8%

We ***have never seen any firm successfully use the same process*** to achieve both ambitions...

RESEARCH ON INNOVATION EFFECTIVENESS

Ten Types of Innovation: a deep look at the discipline of innovation.

- More than *$6.8 million of innovation effectiveness R&D* condensed into a concise guidebook

- Reveals both how to *create successful innovations* and to *install a deep innovation competence*

- Helps teams *root out lore and substitute logic*; move *beyond myths to methods*

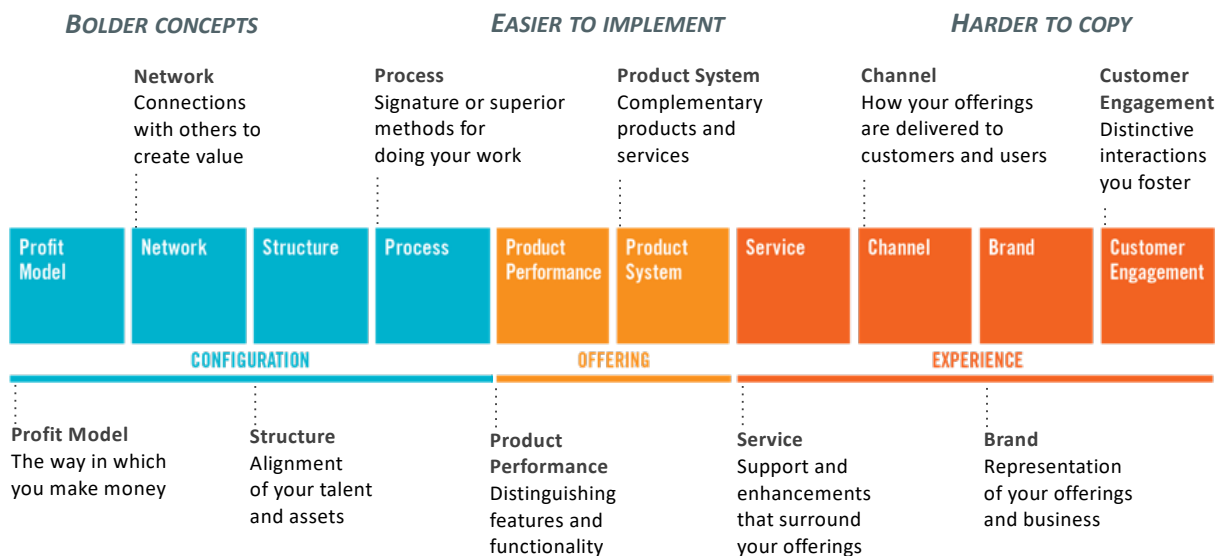- Provides *deep tactics* and reveals how to build a *signature innovation playbook*

TEN TYPES OF
INNOVATION
THE DISCIPLINE OF
BUILDING BREAKTHROUGHS

LARRY KEELEY
RYAN PIKKEL, BRIAN QUINN, HELEN WALTERS

7

TEN TYPES OF INNOVATION

Successful innovators innovate beyond products and integrate 5⁺ types...

**TEN TYPES OF
INNOVATION**

BOLDER CONCEPTS	*EASIER TO IMPLEMENT*	*HARDER TO COPY*
Network Connections with others to create value	**Process** Signature or superior methods for doing your work	**Product System** Complementary products and services	**Channel** How your offerings are delivered to customers and users	**Customer Engagement** Distinctive interactions you foster

Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Channel	Brand	Customer Engagement

| CONFIGURATION | | | | OFFERING | | EXPERIENCE | | | |

Profit Model The way in which you make money   **Structure** Alignment of your talent and assets   **Product Performance** Distinguishing features and functionality   **Service** Support and enhancements that surround your offerings   **Brand** Representation of your offerings and business
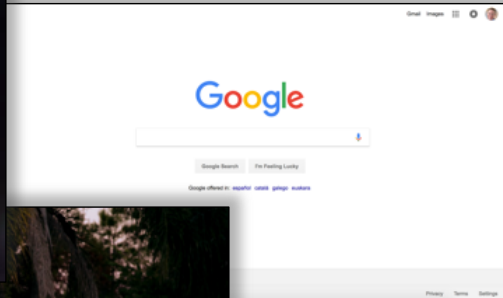
8

BREAKTHROUGHS AREN'T RANDOM
Fast growing innovations nearly always share these characteristics…
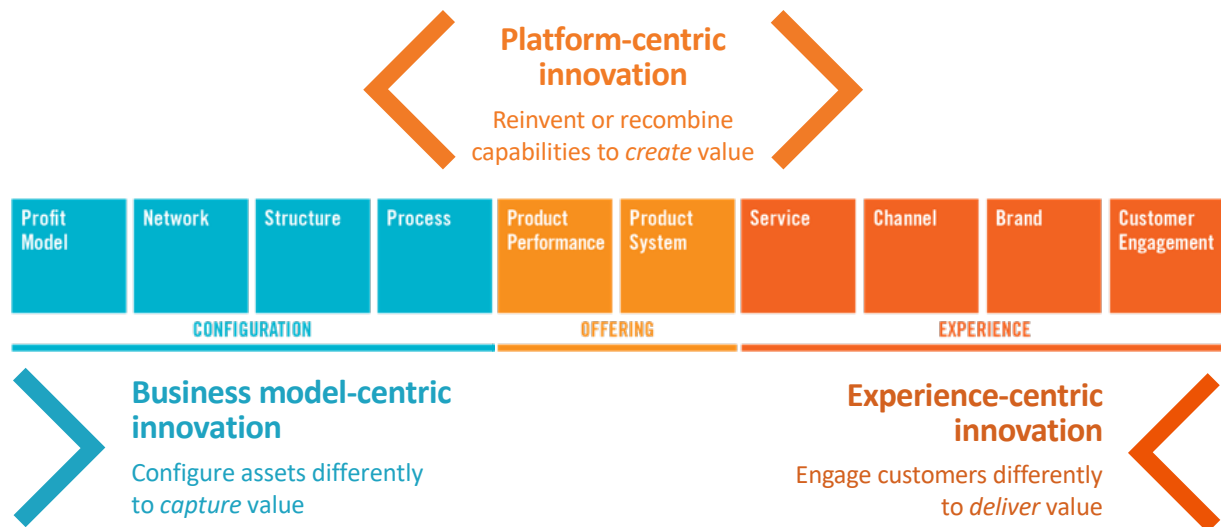

CULTURALLY COOL

FAIR BUSINESS MODEL
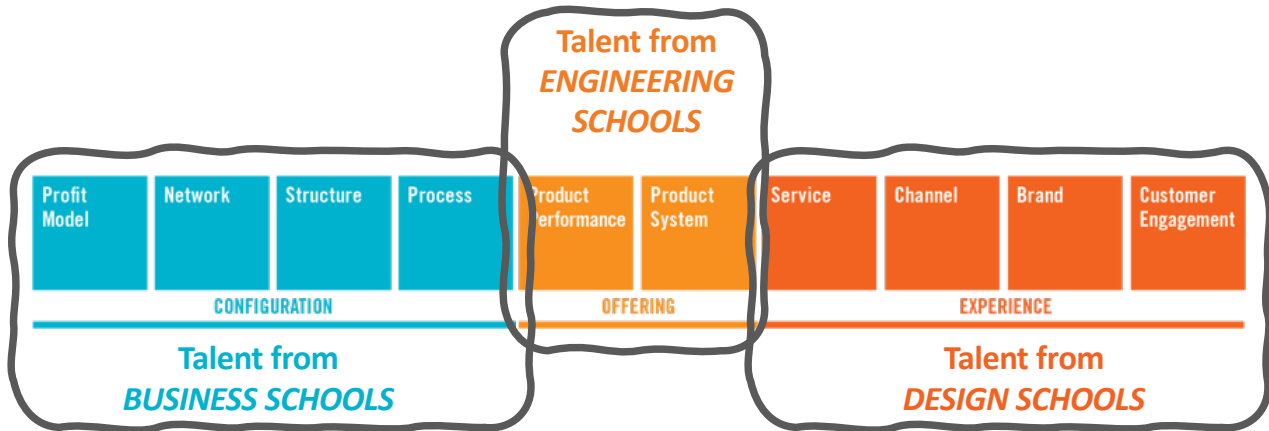
TECHNOLOGICALLY ELEGANT

INNOVATION EFFECTIVENESS
Balanced breakthroughs use five or more types of innovation—and all three colors

Platform-centric innovation

Reinvent or recombine capabilities to *create* value

Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Channel	Brand	Customer Engagement
CONFIGURATION				OFFERING		EXPERIENCE			

Business model-centric innovation

Configure assets differently to *capture* value

Experience-centric innovation

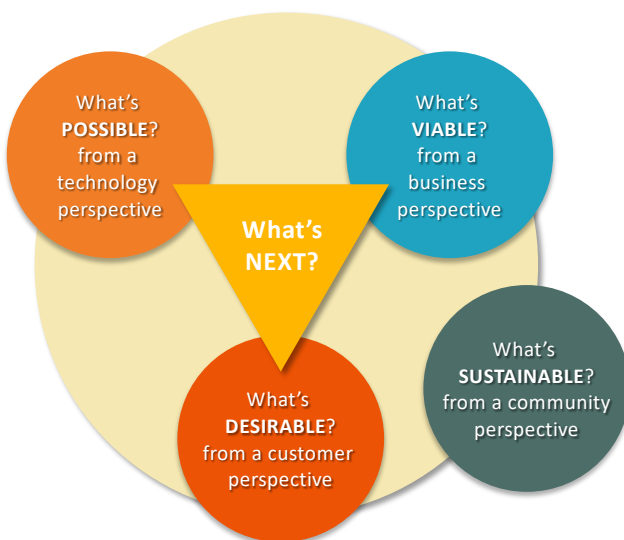Engage customers differently to *deliver* value

10

INNOVATION EFFECTIVENESS

Balanced breakthroughs use five or more types of innovation—and all three colors

BUILDING BREAKTHROUGHS

Balanced breakthroughs: a simplified model for framing, designing, and developing sophisticated innovations

Breakthroughs come from:
- *Five or more TYPES*
- *All three COLORS used*
- *Careful outflanking of others in your category*

INNOVATE ON THE RIGHT THINGS...

Innovation is rarely bold or effective.
Yours needs to be both.

3

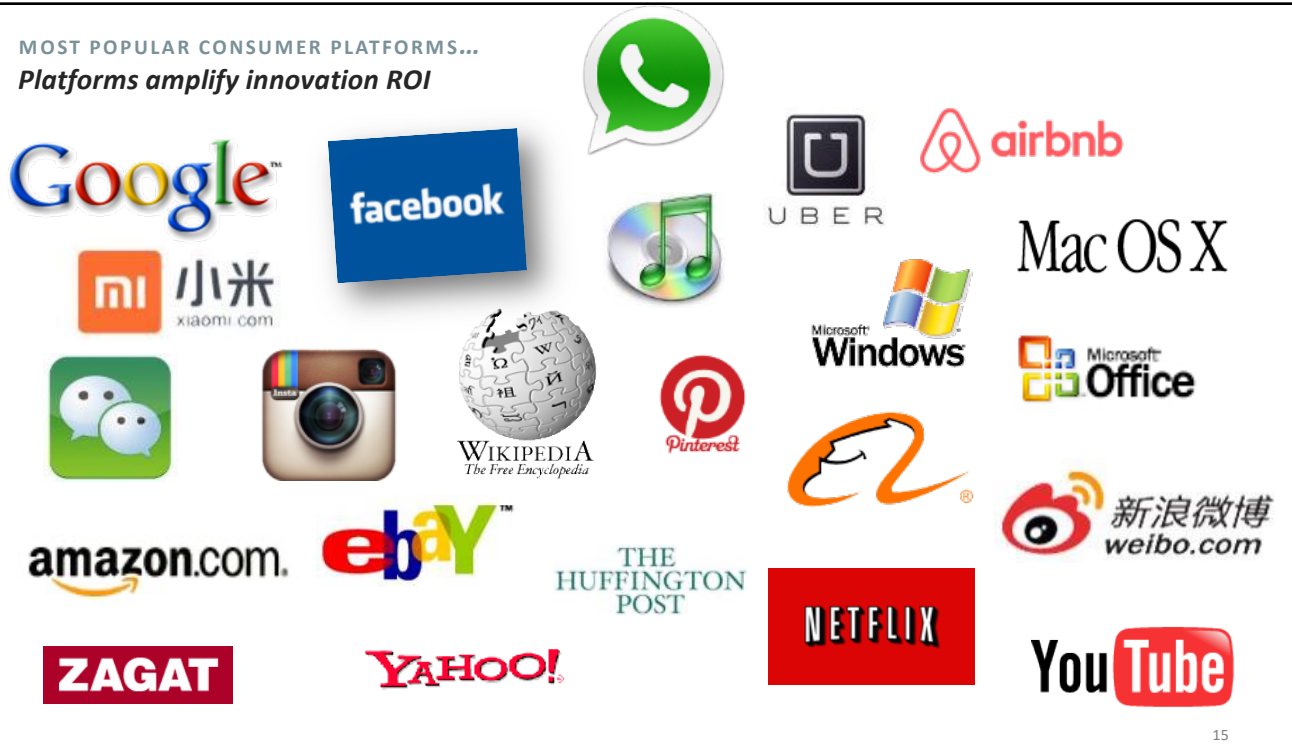PLATFORMS ARE THE NEW MINIMUM VIABLE SOLUTION

Platforms matter…
All the important stuff now cuts across companies and markets

14

MOST POPULAR CONSUMER PLATFORMS…
Platforms amplify innovation ROI

15

MOST POPULAR B2B PLATFORMS…
Platforms amplify innovation ROI

16

GOOGLE INNOVATION ASSESSMENT

10 **TYPES:**

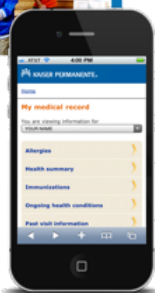| Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Channel	Brand	Customer Engagement
CONFIGURATION				OFFERING		EXPERIENCE			

17

KP HEALTH CONNECT INNOVATION ASSESSMENT
World's largest EHR implementation: *drives patient care, quality, best practice and innovation*

8 **TYPES:**

Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Channel	Brand	Customer Engagement
CONFIGURATION				OFFERING		EXPERIENCE			

18

INNOVATION ASSESSMENT: MD ANDERSON

Working as an ecosystem to solve cancer as a complex problem

7 TYPES:

Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Channel	Brand	Customer Engagement

CONFIGURATION	OFFERING	EXPERIENCE

19

JOSLIN DIABETES CENTER INNOVATION ASSESSMENT

Joslin focuses on deep behavioral change, plus cultural adaptation
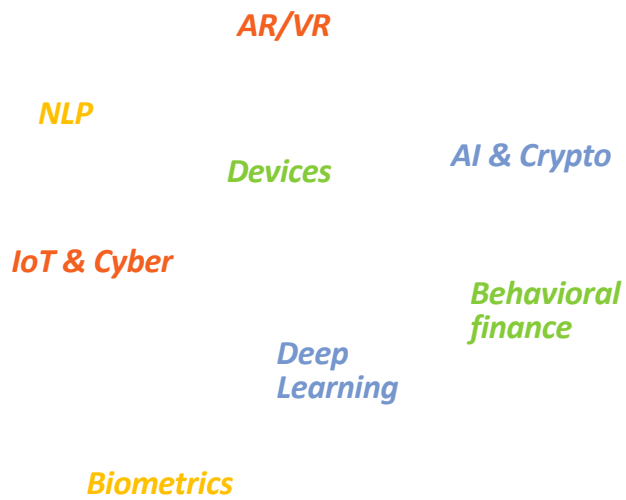

6 TYPES:

Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Channel	Brand	Customer Engagement

CONFIGURATION	OFFERING	EXPERIENCE

20

KP MEDICAL SCHOOL
Conceived around team-based and digital care delivery

21

HUMANIZING HEALTHCARE SERVICES
Getting past technobabble…

AR/VR

NLP

Devices

AI & Crypto

IoT & Cyber

Behavioral finance

Deep Learning

Biometrics

22

FUTURE HEALTHCARE SERVICES TECH STACK
Design for velocity, distinctiveness, and deep customer relationships

1	EHRTech makes you *Integrated*	A wide variety of licensed, modular, interoperable new capabilities to increase INTEGRATION.	*IoT & Cyber AR/VR*
2	RegTech makes you *safer*	A layer of processes and protocols will simplify, streamline and automate COMPLIANCE.	*Deep Learning AI & Crypto*
3	CRM makes you *more personal*	Another layer will help manage what you know about CUSTOMERS and deal with them graciously.	*NLP Biometrics*
4	Partners make you *surprising*	Orchestrate partners into ECOSYSTEMS that help you do unexpected and valuable things.	*Devices Behavioral finance*

23

HEALTHCARE INNOVATION
Clear themes can drive improved healthcare experiences…   ILLUSTRATIVE

1. **Eliminate friction:** *get things right the first time, every time*
2. **Integrate our insights about patients** *as we implement solutions*
3. **Use data and artificial intelligence** *to proactively predict care strategies*
4. **Seamlessly integrate** *insurance, clinical care, and population health*
5. **Deliver effective care journeys** *that help deliver longer and better lives*
6. **Transform care in layers:** *for patients, communities, employers and caregivers*

Being human centered is central to each of these important themes

24

CRYSTAL BALL DEPARTMENT
Frontiers of innovation in Healthcare

1 HELP YOUR SYSTEM SEE AND ACCELERATE THE DEVELOPMENT OF **ECOSYSTEMS.** *This will depend on using clouds, crowds, partners and prizes in ways that are much more elegant than are now normal…*

2 RADICALLY REDUCE THE COSTS OF MANAGING THE MOST **COSTLY CONDITIONS.** *This will depend on using analytic brilliance and visualizations comprehensively and in ways that are deeper than we routinely deliver now…*

3 HARNESS STRATEGIES TO HELP REVEAL **PATIENT BEHAVIOR.** *This is one of the most useful predictive tools that will show where and when shifts should be focused—and if they will succeed or fail.*

4 REVEAL WHERE A **BUSINESS MODEL** SHIFT IS IMPERATIVE. *Help any player in this huge field see where their business model is disadvantaged—then innovate into better, smarter growth strategies and profit pools.*

SYSTEMS SHOULD BE VERY CLEAR ABOUT THEIR INNOVATION AMBITION:
ESPECIALLY WHAT WILL CHANGE, AND WHERE YOU FOCUS YOUR PLATFORMS.

25

Go get 'em!

For access to today's notes:
Ask *The Governance Institute team*

Questions?
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