



**CGI**

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# Unlocking Innovation

More than just good ideas

## BRIGHT SPARKS

Innovation led to an insurance company talking to a telecoms company to improve customer retention. For years, the telecoms company had been using software to identify patterns in behaviour that customers display before they switched providers so they could target them with new offers to remain. The insurance company used this expertise and applied it to an entirely new industry.

## BRIGHT SPARKS

Innovation discussions are underway that could lead to the utilities companies, targeted by the government with reducing energy consumption, to use earth observation and thermal imaging data from satellite companies. This will allow them to study the areas with the greatest heat loss in cities and begin their loft insulation and other energy conservation projects in these zones – leading to the biggest impact on their energy consumption targets.

## INNOVATION: MORE THAN JUST A GOOD IDEA

### The view from 2030

A brave new world is slowly emerging from the economic crisis and it will be nothing like the old one. Too much has changed.

The great European powerhouses of invention and manufacturing are crumbling, and cautious investment is not yet sufficient to fan the flames of recovery. Manufacturing and service centre jobs have moved to India, and Asia and the Silicon Valley still dominate product development.

### The future view

But the view 20 years on is a positive one. We will adapt to this new world and innovation will be a key force in helping us thrive.

Already innovation is seen as a key differentiator but the gap between those organisations that embrace it and those that do not, will grow. Innovation will dictate which organisations will simply survive during this time of change and those that will lead the way.

This is why we are taking innovation seriously.



**John wakes up and decides that today he is going to build a raft.**

## UNLOCKING INNOVATION

Innovation means different things to different people. Some might think it means having a good idea or doing something in a new way. For us, innovation means the successful exploitation of ideas that are new to your organisation and that deliver positive business benefits.

It means turning good ideas into economic, environmental or social benefits, and into new or improved processes that will benefit real people.

We believe the only way to leave the lean times behind is to make your organisation innovation ready – where every member of staff is thinking about how to move the business forward and by collaborating with other diverse partners and companies to spark new possibilities for the future.

The trick is in knowing how to do this in your organisation.

This paper examines where innovation will come from in the next 20 years and how you can achieve it in your business.

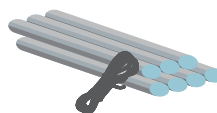
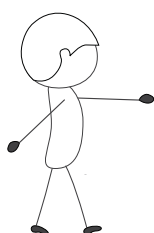
## BRIGHT SPARKS

Innovation could lead to the local council using sentiment analysis software to examine activity on social media sites relating to their policies. From this they may be able to get an instant view of what residents' likely reaction would be to a policy change, for example, from collecting bins once a week to once a fortnight.

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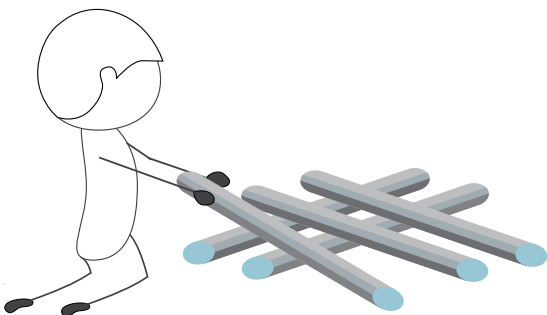
**He goes out and gets the items he believes he needs to build his raft and then sets to work.**

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## BRIGHT SPARKS

Innovation led to the large IT company collaborating with a small software development house to get products to market more quickly. The larger company, with vast resources, had one software release every six months after the product had been tested in every possible scenario. The development house got new products out in a month and any bugs that were spotted were resolved in two days. In this situation the big company can make use of the small company's flexibility to the advantage of its customers. The small company has access to a bigger market via the large company's brand.



## INNOVATING TOGETHER

Few companies have the resources to innovate effectively on their own. It is not only the cost of research and development that is prohibitive. You need to also ensure that you are fully abreast of the constantly changing technological and ideological innovations going on elsewhere in the world.

The majority of organisations are also currently looking to save money while growing or maintaining levels of revenue to be profitable. These goals are not achievable by standing still. It is essential to look at doing things differently if you want to keep on improving, grow profit and offer better customer service.

The challenge is to continue to do what you do now to the best of your ability, while still keeping an eye out for how it can be done better in the future.

### Collaboration

In our current environment, it is difficult to see the wood for the trees. That is why collaboration will become a core business tool. Talking to people from other industries and understanding how they have overcome their own challenges can provide an essential new perspective. This can help solve your own issues and enable you to develop new ways of working.

### The business consequences

- Collaboration with other companies means tapping into expertise that would be prohibitively expensive to bring in-house.
- Deliberately choosing companies with a different culture or way of working to your own brings views and insights that may not have existed before.
- The nature of collaborative working between different companies for specific projects brings structure to innovation – goals, deadlines, costs and roles are clearly set out at the start. This means that innovation is not left until you have time to do it – which could be never. It gets implemented and delivers results.

## SHARE AND SHARE ALIKE

### Government-driven collaboration

The government is already trying to stimulate innovation by moving to smaller contracts increasingly awarded to small and medium sized companies. However there is still a nervousness of working with small organisations. Encouraging different sized organisations to work together, though, will often lead to greater collaborative innovation.

If all government contracts were awarded to companies working in a collaborative environment – ideally including smaller businesses – the impact on innovation would be manifold. This innovation would propel the economy and ensure the UK is helping to drive global markets rather than being left to pull up the rear.

### The business consequences

- Collaborative groups will be recognised and encouraged by government.
- Greater openness will lead to more collaboration with better results.
- The positive impact on the economy will mean a more secure environment overall for UK businesses.

## BRIGHT SPARKS

Innovation led to one health authority moving from larger nationwide suppliers of food for hospitals to a co-operative of smaller local suppliers. The result was better quality food for patients and a £6 million saving as prices did not include hefty transport costs. Local business benefited too.



**Some time later John finished his raft and takes it for a test 'float'. His friends looked on in envy and John realised that it wasn't as much fun without them. Plus his raft wasn't very sturdy.**

## BRIGHT SPARKS

Innovation could lead to the world of academia opening up their research to the business world. There is a lot of research – funded by the government through grants – that is only accessible to a learned few. What if it was available to companies of all sizes to browse and pay for as they use it? This would fund further research and stimulate innovation in business.

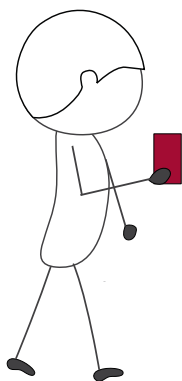
## HANDS OFF – THAT’S MINE

Innovation cannot thrive in a closed box, but this is the way industry has traditionally worked. Ideas are kept in-house and developments are patented and protected by law.

We believe this system will have to undergo some radical changes if we are to maximise the opportunities offered by collaborative working. In this way, the UK can emerge from tough times as a leader not a follower.

This does not mean that people shouldn't benefit from their own innovation. But imagine the possibilities of allowing people to tap into existing intellectual property that is sitting on a shelf not doing anything? And what if we went further after opening up intellectual property? What about the millions of great ideas that individuals have and the volumes of research that originated in universities too?

At the moment, it is virtually impossible to browse and commercially access intellectual property and existing research. This is slowing us down.



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**John uses his crowd-sourcing app to find people with the right skills to build his new raft.**

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### Sharing ideas

In the next 20 years, we would like to see a model that allows organisations to capture and share their intellectual property on a register. This way we could do away with lengthy debates over who owns intellectual property, which we have today.

Companies could access the register, under a strict non-disclosure agreement. They could explore whether there is any intellectual property they could use and then develop commercial agreements. This would significantly unlock innovation in the UK and Europe.

Although knowledge transfer networks exist to bring together people from businesses, universities and research organisations to stimulate innovation, these are focused on specific communities – such as biosciences or information communication technology. As such, although they are valuable forums, they do not allow a business to tap into a broad network to solve a business problem, unless you already know the specific technology you are looking for.

To facilitate this activity, some of the funding from government, currently used for these fragmented knowledge transfer networks could be used to provide a single service that facilitates the push and pull of intellectual property between academia and business.

One could even argue that there is a case for doing away with intellectual property for publicly funded research altogether. In this scenario, organisations would no longer be able to sit on developments believing that taking their time or stopping someone else taking the development to market will deliver a competitive advantage. Instead, it would be a race to be the first to successfully exploit the idea. This would drive the economy forward, by avoiding the current blocks and delays.

### The business consequences

- Intellectual property will no longer sit on the shelf – companies should be able to exploit it and make money from it.
- Universities can gain status and revenue from selling research that will benefit industry.
- Products will get to market quicker and will benefit the economy.

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**Through the use of crowd-sourcing,  
John finds a raft designer who sends  
him an innovative design.**

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## BRIGHT SPARKS

Innovation has led to a few forward thinking companies to look at how they can embrace the desire of their workforce to use their personal iPads and iPhones at work. Rather than frowning on their use, could this be an opportunity for companies to save on investing in additional technology themselves, simply renting space on an employee's personal technology of choice? These companies feel that solving the security or compatibility issues may be a better solution than simply banning their use altogether.

## SWITCHING THE LIGHT BULB ON

### How to get started

Innovation will help companies survive and thrive. But how can it be achieved?

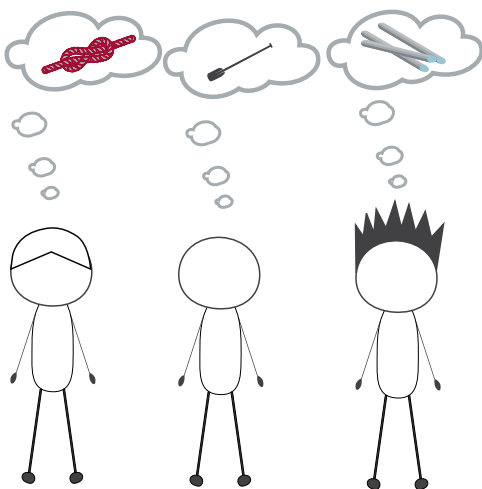
Many companies describe themselves as innovative. But what does this actually mean? Is it enough to have one or two people generating ideas or even a central innovation team? To be truly innovative, we feel it is necessary to alter the mindset of all your staff. Everybody needs to think about what they are doing, and how it could be done better.

While in some cases it can be effective to have a central team tasked with implementing innovation, the risk is that they become too detached from the rest of the company.

In our view, the best people to ask about improving the postage and packing department are naturally those who do the job every day. Not somebody sitting two floors above.

### Leadership

Ultimately, you need a top-down strategy that is led by a management team that believes innovation is key to business. They also need to be able to articulate the need to innovate to the rest of the organisation and be able to give innovation a focus and purpose in the business. Put simply, they need to inspire the whole workforce by their passion for innovation.




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**Experts in knots, rafting and raft building arrive to help John with his project.**

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### Embracing the fear of failure

You need leaders that are willing to explore new ideas and to fail at times. These people will recognise that with failure comes valuable lessons that result in business benefits – even if the lessons are about what mistakes not to repeat. Without the ability to accept that new ideas may not work, the environment for true innovation will not be created.

### Time

Innovation is not about coming up with clever ideas on demand. It is about everyone giving themselves time to think about things in a different way. For instance, providing extra time in preparing for a tender may give you the space to look at how other industries solve similar problems. Or if you are involved in a longer project, taking time to meet once a month as a team to discuss how emerging technologies could impact the project may lead to innovation.

### The ripple effect

Innovation breeds innovation. If people see colleagues innovating and getting a good response, it will stimulate others to do the same. It is therefore everybody's responsibility within the company to be innovative, to support innovation and to encourage new ideas.

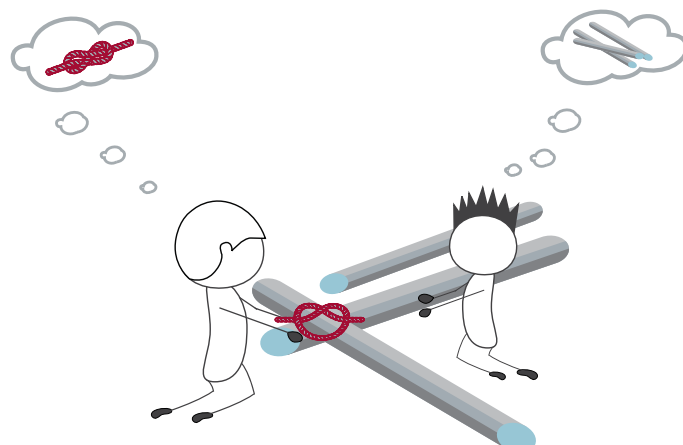
### The business consequences

- Having enthusiastic leaders that encourage innovation at all levels will ensure that good ideas see the light of day and are not left to wilt in the dark.
- Making time to be innovative in everyday life will lead to greater efficiencies, and more innovation.
- Getting everyone in the company involved will ensure innovation is not confined to one area of your business.

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**They all set to work building the raft based on John's new designs.**

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## BRIGHT SPARKS

Innovation led to the local council taking a look at Amazon.co.uk and other mega volume websites, in a bid to improve the online experience it offered its own citizens.

## THE FIRST STEPS TO SUCCESS

Don't give people a blank sheet of paper and ask them to innovate. This is an almost impossible task and you may end up with ideas that you can't realistically deliver on. Instead, identify specifically where you want to innovate.

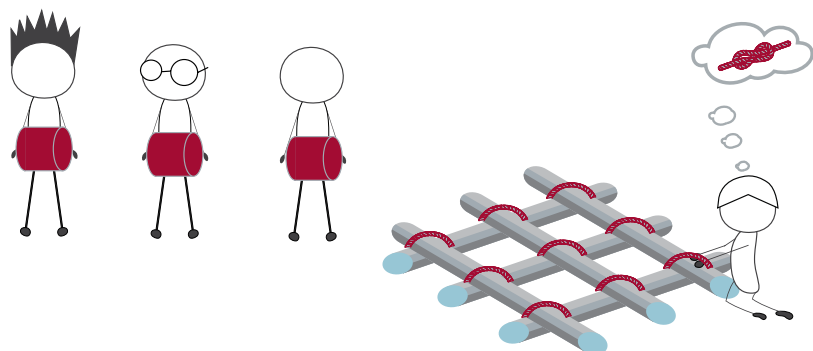
### Mix it up

Look for a diverse group of people to be part of your brainstorming team. If you talk to people from one industry, you are likely to get a structured but less innovative approach than bringing a mixed group together. For example, if you put a utility company together with an airline to discuss how to be more environmentally friendly in inherently un-green industries, you will end up with a more interesting and focused discussion.

Ask people to come up with ideas and go through a well-managed brainstorming process. Do not allow any critiquing. Understand the problem you are trying to solve, and don't start with a blank sheet of paper. Instead, identify the top few ideas that you can move forward with. Try this process with customers, with partners and with those from the world of academia to cover every angle. A broader mix of perspectives will mean a more productive innovation brainstorm.

### Ideas are easy

Remember – ideas are easy. It is much harder to assess the idea for its feasibility and potential results. Parking or killing the things you don't want to implement can be difficult as people are passionate about their ideas, but as most organisations have limited funding, this is a necessary process to focus on what has the real potential to work.



Then the really hard part begins. You need to generate the benefits that were promised by the idea. This means making sure that the solutions are delivered with objectives and deadlines to benefit the business.

Generating a return on your investment takes time and a lot of hard work. True innovation is not only about having the ideas but successfully exploiting them too.

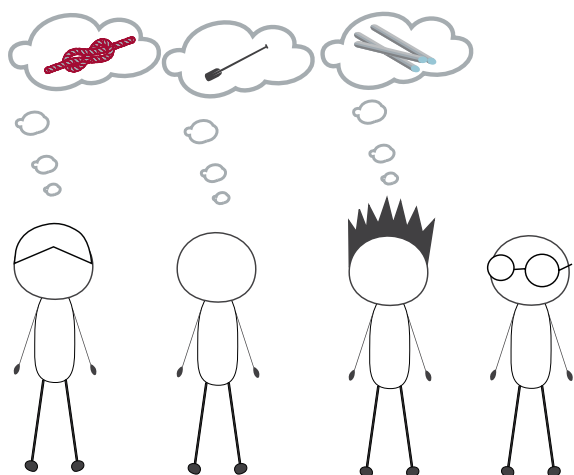
### Finding inspiration for innovation

Where do you start in your business to find innovative solutions?

- Look at your business goals – are you driven to improve revenues, reduce costs or improve customer service? Whatever your main focus is, this will be the place to start.
- Think about the end user. We are all end users in some shape or form – and we need to analyse what we want from the things we use and how the experience can be improved still further. Consider internet shopping – what makes one website more enjoyable to use than another? And what would make it even better? How could these improvements relate to your own customers' experiences of dealing with your organisation?

- Analyse what is happening in the rest of the market and beyond. How do other industries tackle similar sorts of problems? What are the latest technological advances and how can they help? What are academics researching at the moment? The answers to all these questions will give you a radar picture of how your market will develop from today through the next decade.
- Try to draw the most diverse group possible into your discussions. Aim for different age groups from different parts of the world for the widest perspective.
- If innovation does not come naturally why not try the innovation scouts? This is something CGI offers as a service to clients and uses to drive innovation within too. Scouts help solve current and future problems by looking at what developments from other industries could have application in your industry.

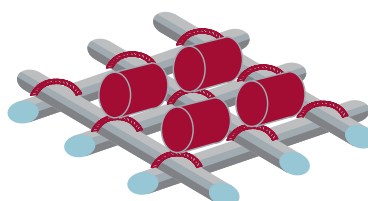
A truly innovative solution is something that will solve a problem both today and in the future, not just for you but for the client or end user.




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**A short time later, through collaboration, they complete the raft.**

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## BRIGHT SPARKS

Innovation led to a large IT services company supporting the small start up in bringing a new solution to market. The small company had developed a way of turning virtually any PC application into a download from an app store. The IT company saw this as a huge benefit to its own staff who only used certain expensive applications once a month. Rather than investing in a software licence for each member of staff, they could simply rent the application from the app store for each use, saving the cost of multiple licences and allowing staff to work more flexibly in the cloud. Having an open mind to innovation also enabled the IT company to see it as an opportunity for its own customers who might benefit from the same software, thereby creating a whole new potential market.

## WHY SPARKS FAIL TO IGNITE

"I haven't got time to be innovative, I've got to meet my next deadline!"

The biggest challenge facing innovation is tomorrow's deadline. The daily operation is obviously a necessity but it can also be a hindrance to innovation. Luckily there are ways to get around this.

### Managing innovation

In many organisations, it is not recognised that you need someone to manage innovation. Whether we like it or not, innovation is a process and requires a professional skill set to move people from ideas through implementation until a positive business benefit is realised. We believe that in the near future, innovation will be seen as a wide spread qualification in the same way as accountancy or marketing.

To be a good innovation manager you don't have to be an ideas person yourself. Instead, you need the skills to be able to stimulate others, see the big picture and keep people enthusiastic, focused and on track.

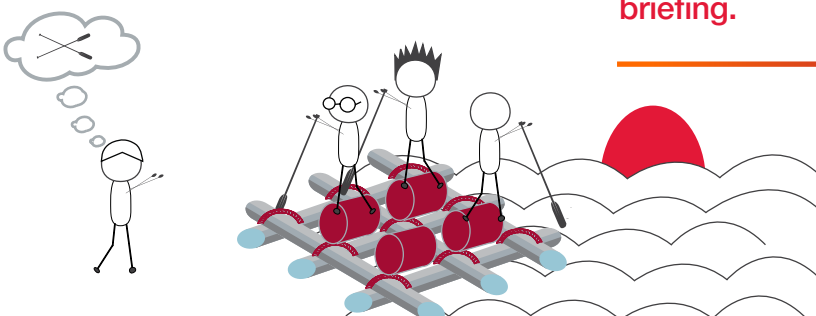
### Ideas evolve

Ideas are never the finished article on day one. One of the skills of innovation management is working with people who have the ideas to support their development and evolution, often combining several ideas together.

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**To ensure the safety of the rafting trip, John's expert in rafting takes, them all through best techniques and a safety briefing.**

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### Products versus services

The process of innovation is relatively easier for companies that are developing a product. Although any innovation can be challenging, a product company can simply stop producing one product and start with another – although consideration must be made so that they are not supporting many different versions of a product.

It can be harder for service-based companies to innovate because the majority of the time, you are trying to innovate with the service you are supplying in real time. Service companies need to test the innovation and ideally run it in parallel to the normal service with a small number of friendly users. Luckily, with the advent of the cloud, some of these issues will go away for service companies. The cloud will allow them to work more flexibly and offer different and wider services than ever before – and even deploy services across many users in one go.

### The importance of measurement

Unless you measure you have no idea if the innovative new processes have had an impact or not. This can lead to innovative ideas being scrapped. How you measure innovation depends on the business. Think about what success looks like for you – for a product company this could be selling more products and making money. For a service company it could mean your clients being more satisfied than before. For the public sector, this may be better information flow to your citizens. Decide what measures you will use and monitor them.

Are you innovation-ready?

- Have a clear view of why you want to innovate and what results you are looking for.
- Examine how you want to innovate – is it internal or collaborative?
- What areas are you looking to innovate? Even if your challenge is to identify a whole new market, this still provides a framework.
- Decide how to measure your innovation, otherwise it will wither and die.

### The business consequences

- Don't just say you have an innovative company. Recognise innovation as a skill set to make it happen. This way you will benefit from the results.



## WHAT IF WE COULD ALL WORK TOGETHER?

**“Be more innovative.”**

This is what we all know will help us get through uncertain times and secure our position for the future. But we need to actually get past the theory to something that is a whole lot more exciting and beneficial to business.

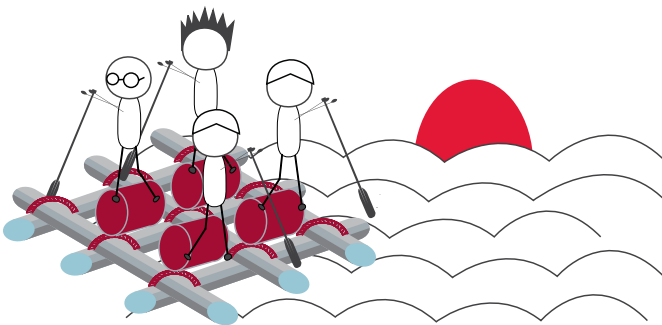
Like the construction company that talked to the car industry about how the house buying process could become more like buying a car, with terms of engagement, customisation and after-sales services leading to more business.

Or the train company that sat down with the media organisation, exploring how social media and localisation of services could be used to enhance the traveller experience and improve satisfaction with their services.

Or even the oil company talking to the space industry about the theories and technologies available that could be used to look for and improve the extraction of oil.

Expanding horizons leads to true innovation.

**What is beyond your horizon?**



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**John and his friends sail off into the horizon.**

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CGI GROUP INC.

Tel: +44 (0) 845 070 7765

E: [enquiry.uk@cgi.com](mailto:enquiry.uk@cgi.com)

[www.cgi-group.co.uk/innovation](http://www.cgi-group.co.uk/innovation)



## cgi.com

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With 69,000 professionals operating in 400 offices in 40 countries, CGI fosters local accountability for client success while bringing global delivery capabilities to clients' front doors. Founded in 1976, CGI applies a disciplined delivery approach that has achieved an industry-leading track record of on-time, on-budget projects. Our high-quality business consulting, systems integration and outsourcing services help clients leverage current investments while adopting new technology and business strategies that achieve top and bottom line results. As a demonstration of our commitment, our average client satisfaction score for the past 10 years has measured consistently higher than 9 out of 10.

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