

How to Prevent AI from Becoming the Next Round of Innovation Theater

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SMARTORG[®]





PREVENTING AI FROM FOIM
BECOMIG & THE NEXT RIDN
INNOVATION THEATER

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SmartOrg: 20+ years honing decision intelligence tools that improve growth results

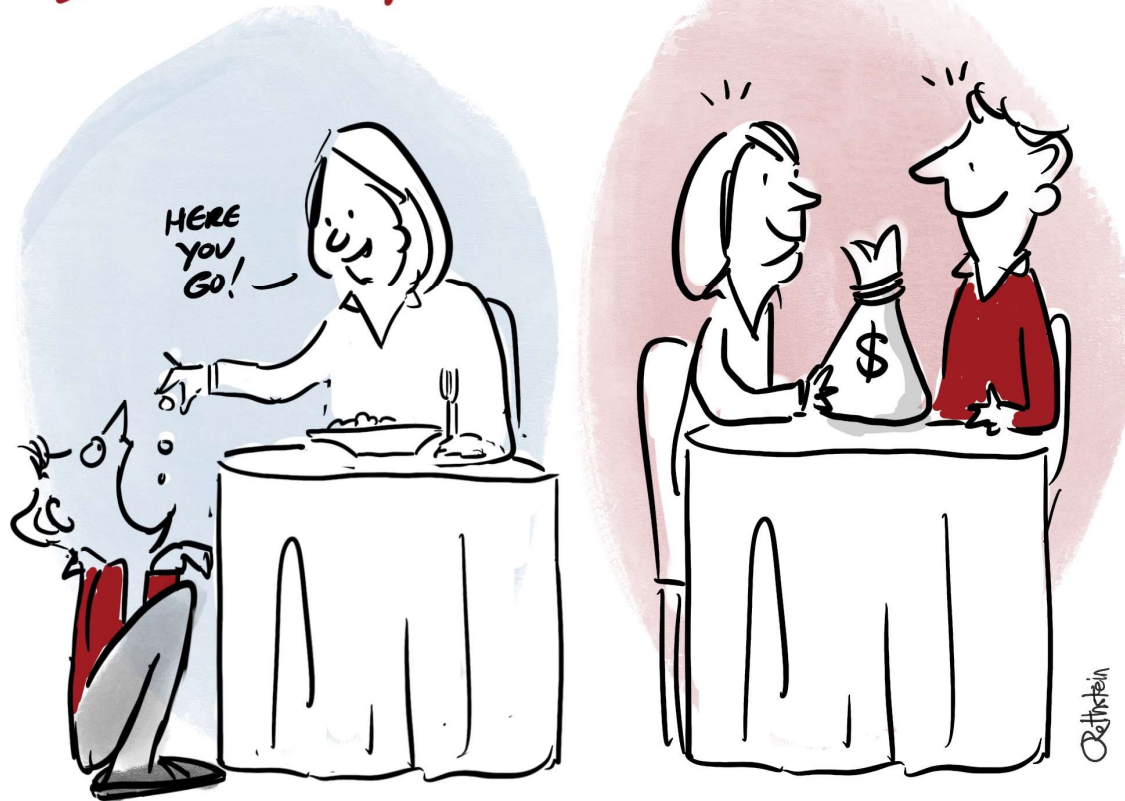
Innovation Pipeline Management with **Innovation Navigator**[®]

Align stakeholders on upside and de-risking steps to incubate innovative growth

Strategic Portfolio Management with **Portfolio Navigator**[®]

Align stakeholders on where and how much to invest to drive growth

ARE YOU AN **INNOVATION PET...** OR A PARTNER?



The Hypothesis



Poll Question #1: Which activities/things have most contributed to Innovation Theater in your org? (Select all that apply.)

- Hackathons
- Crowdsourcing / internal idea challenges
- Open innovation
- Innovation Labs
- Innovation Hubs (outside company's footprint)
- Innovation training
- Design thinking methods
- Agile / lean methods
- Innovation activity metrics

The hard work of innovation is usually in Incubation

Typical innovation process

Discovery

Incubation

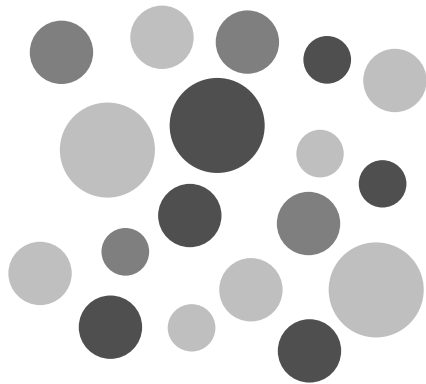
Acceleration

Problems/
opportunities

Actionable
ideas

De-risked
projects

Implemented
innovations

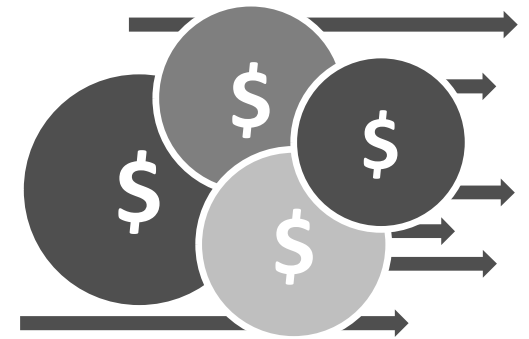
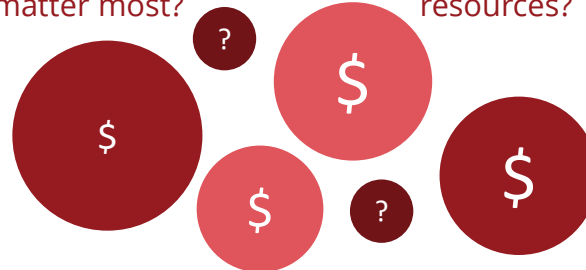


What issues
matter most?

How do I prioritize
resources?

How do I improve
confidence in the
business case?

How do I justify
funding my
experiments?



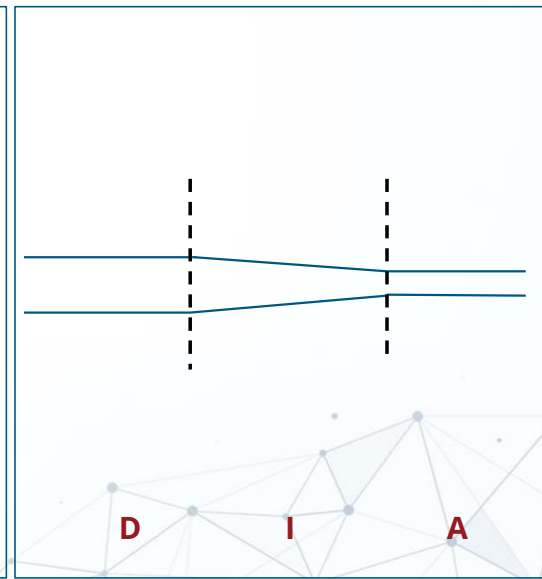
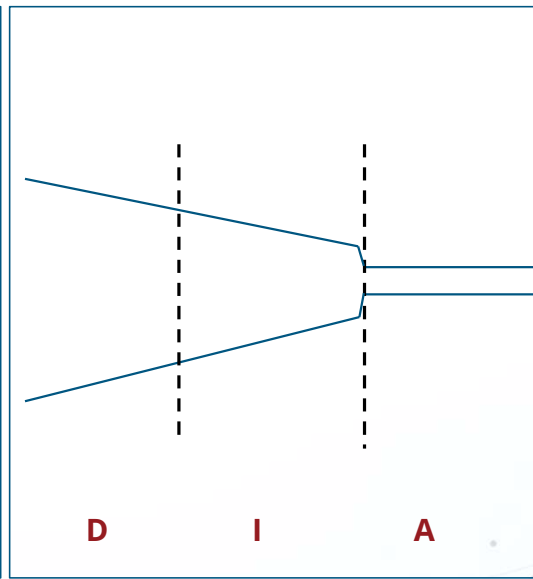
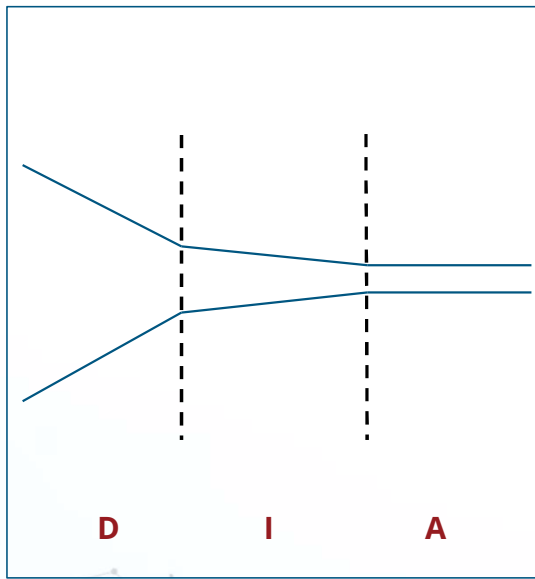
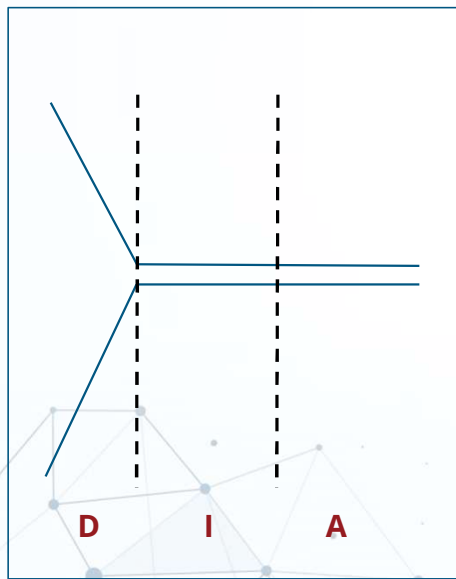
Poll Question #2: Which of the following most closely resembles challenges in your Innovation Pipeline? (Select one.)

STRAW

FUNNEL

BUCKET

DESERT



Try to pick winners too early

No challenges, we are perfect!

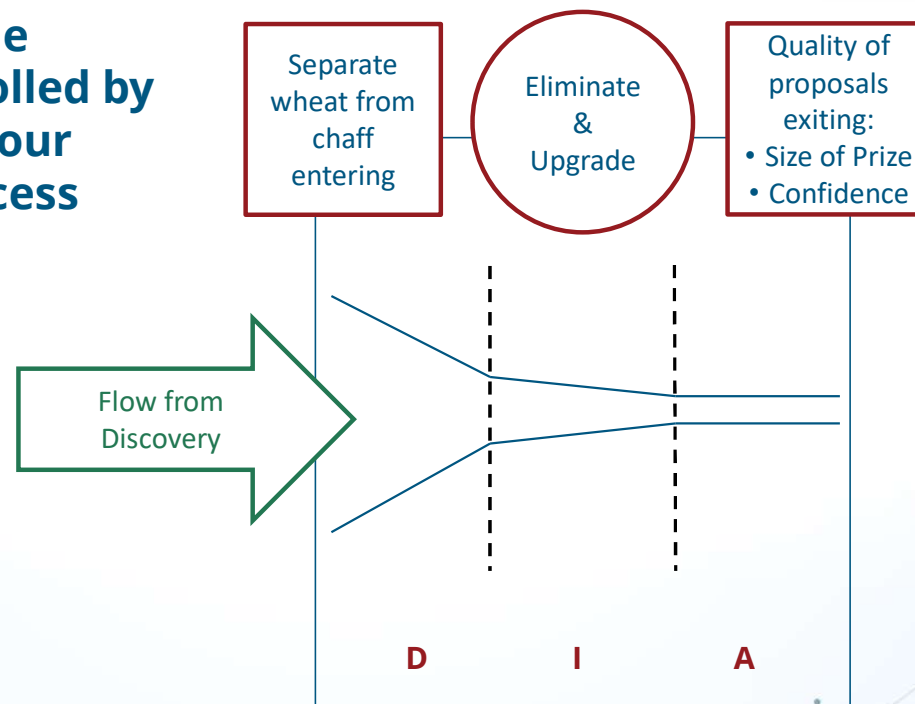
Bottlenecked at Acceleration

Desperate for ideas

Note: D = Discovery, I = Incubation, A = Acceleration

Unless you have a strong funnel, anything improving Discovery will be innovation theater

The shape of the funnel is controlled by the quality of your incubation process



Root cause analysis: what is missing?

- **All of the activities have value...**
 - ...yet many are susceptible to Innovation Theater because they don't address the quality of incubation. Why?
- **Example: Critical Thinking**
 - Getting results from innovation requires critical thinking across many specialties. Get broad input, focus on what matters
 - Critical thinking is hard work, so people tend to avoid it. It is easy to focus on the “activity” of a process / tool rather than driving outcomes
 - Many tools prone to Innovation Theater don't help critical thinking much
- **What is your root cause analysis? Post them in the chat!**
 - What root cause elements most contributed to Innovation Theater in your organization?

SmartOrg has identified five root causes

Critical Thinking

- Broad view across many specialties
- Incisively focus on the issues that matter
- To turn an idea into a business proposition

Real Funding

- Skeptical CFO won't release serious money for a dream
- Innovators need to speak the language of finance
- Build evidence for the assumptions

Driving Upside

- Lots of innovators think small because it is "safe," then pursue "progress"
- Better to put out bolder visions and work the path to upside value
- Create experiments that improve confidence in the business case and its upside
- Answer questions CFOs and other stakeholders actually have

Planning Pivots

- Investable innovation proposals differ dramatically from the initial idea
- Pivot meetings are often perceived as the result of failures "not going to plan"
- Need distinct decision-focused meetings built on evidence and learning, not simply "progress review" meetings
- Create learning plans that anticipate and inform these critical pivot decisions

Prioritizing Learning Not Projects

- Uncertainty in the value of a project is generally larger than the difference between projects
- Prioritize what would change the value of a project, not the project itself (value of information)

Activities* that can contribute to Innovation Theater don't satisfy Incubation requirements

Incubation requirements	Events						Physical space		Methods						Metrics
	Hackathons	Shark Tank events	Crowd-sourcing	Future tech showcase	Innovation tours	Open innovation	Innovation Labs	Innovation Hubs	Innovation training	Design thinking methods	Agile/lean methods	Canvases (DFV, SWOT, BMC)	Design sprints	AI-enhanced Discovery	Innovation activity metrics
Critical Thinking	2	2	2	1	1	3	2	2	4	3	3	5	5	2	1
Real Funding	2	2	1	1	1	3	1	1	2	1	1	1	4	2	1
Driving Upside	1	1	1	1	1	3	3	1	2	2	2	1	2	2	1
Planning Pivots	1	1	1	1	1	1	3	1	2	3	1	3	3	3	1
Prioritizing Learning Not Projects	1	1	1	1	1	1	1	1	1	1	2	2	1	1	1

1=weak 5=strong

*Bolted activities appeared in the poll

Poll Question #3: Which of the following best describes your org's situation regarding AI-enhanced Discovery activities? (Select one.)

- We are **assessing AI** to enhance Discovery activities, but we **don't have** strong incubation methods
- We are **assessing AI** to enhance Discovery activities, and we **have** strong existing Incubation methods
- We are **using AI** to enhance Discovery activities, but we **don't have** strong incubation methods
- We are **using AI** to enhance Discovery activities, and we **have** strong existing Incubation methods

If your Incubation is weak then expect Innovation Theater

Effectiveness of Incubation Pipeline

Status of AI in your innovation toolkit

	Strong	Weak
Using	Flowing: AI has potential to increase throughput	Traffic Jam: AI headed for innovation theater
Assessing	Buffet: Select best discovery improvement for you	Hollywood: Everything is innovation theater

The Key Takeaway



Innovation Navigator improves Incubation

Critical Thinking

- Collaborative thinking canvases to identify critical issues
- Prioritize work based on level of speculation and impact for each issue
- Module: Discovery Grid

Real Funding

- Use assumption ranges to build uncertainty into the business case
- Visually show the connection b/w business case uncertainty and unresolved issues to show upside potential
- Module: Tornado Diagram

Driving Upside

- De-risk projects by running experiments that deliver evidence aimed at resolving the most uncertain areas of the business case
- Modules: Tornado Diagram and Learning Plans

Planning Pivots

- Build pivot meetings into the process based on the gathering of critical evidence
- Module: Learning Plans

Prioritizing Learning Not Projects

- Compare projects on an apples-to-apples basis
- Incorporate value and risk into your portfolio view
- Prioritize experiments instead of projects
- Module: De-Risk Dashboard

Explore Innovation Navigator in our new eBook



Download link to eBook

