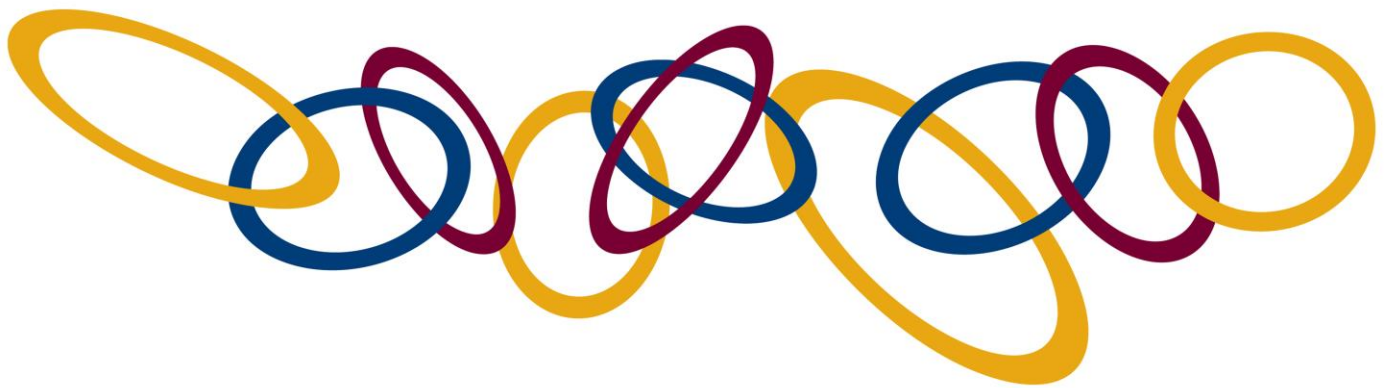


Global Consumer Products Company

Consumer Products Case Study





Global Consumer Products Companies are faced with three choices on how to compete in the new products and services arena. They can be a Pioneer, Fast Follower or Imitative. The Consumer Products industry is the fastest of all industries. Unlike Financial Services or BioPharma, the industry must innovate new products and services every six months. At the same time, it must respond to new business models driven by automation and globalization at the speed of light. The primary way to grow is through building Innovation Engine capabilities across the value chain.

Let's take a look at how an \$18 Billion company with 18,000 employees, mostly in the US, evolved their Innovation Strategy.

Client Situation:

A global multi-billion dollar fast moving consumer goods (FMCG) company, had successfully instituted a “fast-follower” strategy. Growth had come through organic operations and few small acquisitions in existing categories in adjacent FMCG fields.

The leaders in the industry had refocused their efforts on competing through innovation, speeding up the rate of new product introductions. Retailers had emerged as the leaders of “fast following” strategy. The client wanted to transform into an innovation leader or Pioneer.

Four Phase Innovation Approach:

Innovation Diagnostics: The innovation assessment highlighted critical issues within the organization that needed to be addressed immediately

Program Pilot: In Phase II, the capability building tools were created, tested and tailored to the company.

Full Implementation: In Phase III, the capability building was started in three different strategic business units, concurrent with creation of the wider implementation plan.

Enterprise Rollout: In Phase-IV, the Innovation Approach was embedded across all enterprise systems and expanded across supply chain and open innovation platforms.

Innovation Teams Receive Venture Board Approval

Business Strategy must inform Innovation Strategy. The Consumer Products Company established a Venture Board to vet the ideas and seed them with \$10 million in capital.

The goal was to find breakthrough ideas throughout the enterprise. The Innovation Funnel was opened wide. Innovation Teams worked the ideas into business concepts. 25% of the business concepts were initially funded. The balance of the business concepts was placed in an Innovation Database for future company use.

Results Are The Measure of Innovation Success

How did applying the DeSai Body of Knowledge impact the company?

- DeSai helped the client develop a range of new high value ideas with historically high concept testing results.
- 5-7 year innovation roadmaps and pipelines in three strategic business units were created.
- To achieve the desired growth path, the client initiated relationships with potential innovation partners and gained new insights from external partners.
- Several innovation processes were instituted: idea generation and management, innovation teams and charters, and a high-level blueprint for building an innovation organization.
- The client witnessed a cultural change within the organization. Six highly motivated innovation teams were formed creating a range of success stories, and spontaneous adoption of the approach within the organization.
- The client has attributed a revenue increase of 12.5% directly from the new innovation venturing process.



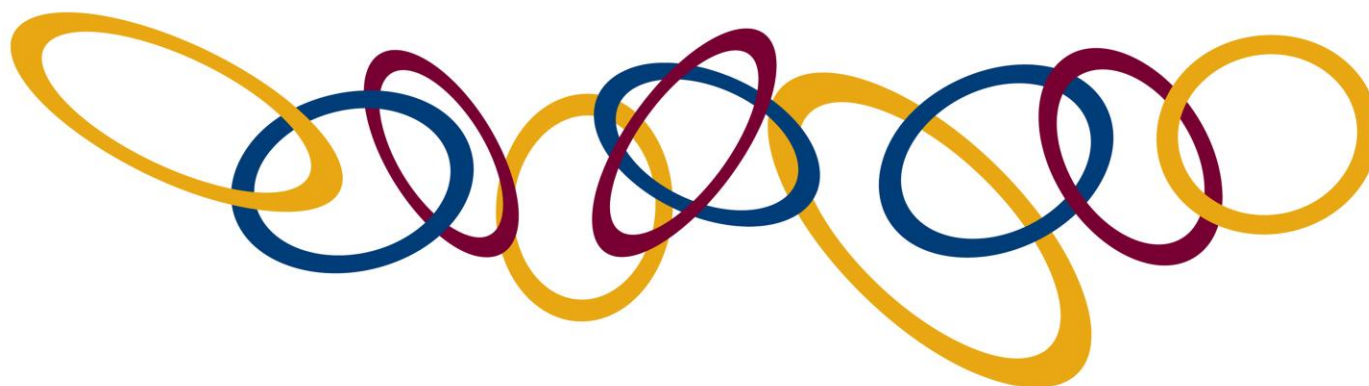
- The pipeline of ideas being tested are expected to begin, at least, three new business ventures every year with a potential of \$500 million in revenue within the first three years after launch.

The Takeaway

Fast moving industries need a developed Innovation Process that can continue to deliver new products, services and growth to the company.

Your Turn. Please comment below.

1. Does your company employ a Pioneer, Fast Follower or Imitative strategy?
2. How does your company vet and seed promising business concepts with funds?
3. How full is your Innovation Funnel?



The DeSai Group is an *Innovation Management* consulting firm, helping clients build sustainable innovation capabilities for continuous growth. Using our [Strategy Driven InnovationSM \(SDI\) Execution Methodology](#) we help clients build and sustain innovative organizational climates and cultures. For more information, log onto www.desai.com/resources and download our white paper “Mastering Innovation – Roadmap to Sustainable Value Creation” along with many other articles.

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