

# gpmnetworkltd

## Innovation in Difficult Times

Innovation takes time and resources and in difficult times when both commodities are scarce, the temptation is to leave innovation on the shelf and focus on the tried and true rather waste money on untested ideas. These opportunities will be left to another day.

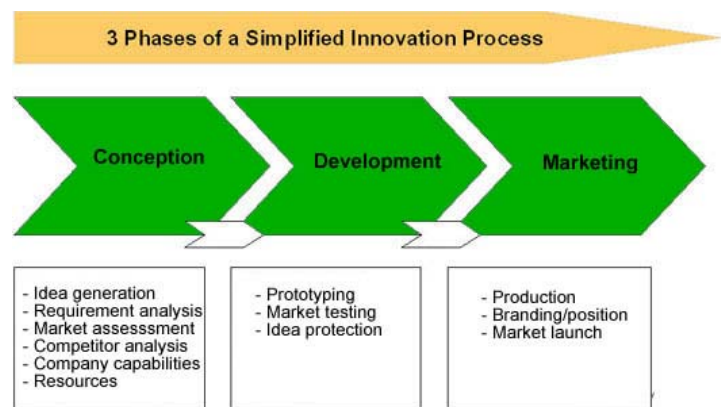
The contrary view, of course, is that innovation is both an antidote against market slowdowns and an elixir that rejuvenates growth. Imagine how much better off General Motors might be today if the company had matched the pace of innovation set by Honda or Toyota. Imagine how much worse off Apple would be had it not created the iPod, iTunes, and the iPhone.

But as times get harder, so does innovation and resisting the temptation of focussing on your core business exclusively becomes more difficult. When the core business then becomes unviable then many fall into 'innovation desperation' where they grasp onto anything that will pull them out of a hole.

Innovation that is driven by desperation is rarely successful and in order to lead to real growth, innovation must be driven by the market and planned around internal capabilities and resources.

**Market Driven Innovation** – instead of thinking of a market as in recession but simply a market that has changed we will be more likely to see the opportunities that a new innovation will exploit. Even in the worst of recession there is still a 'market' and there are still consumers. The market may be different and consumer demand may change but a truly innovative organisation will respond to these market changes.

Take the environmental goods and services sector. Many in this industry experienced growth because of a concern over carbon and climate change (or pressure from customers on these issues) i.e. it was a purchase of conscience. During recessionary terms unfortunately conscience takes a back seat to a more austere motivations i.e. saving money. But here also lies an opportunity for environmental goods that can, for example, reduce energy bills. Some of the opportunities are less obvious.



*Consider the market at every stage of the process*

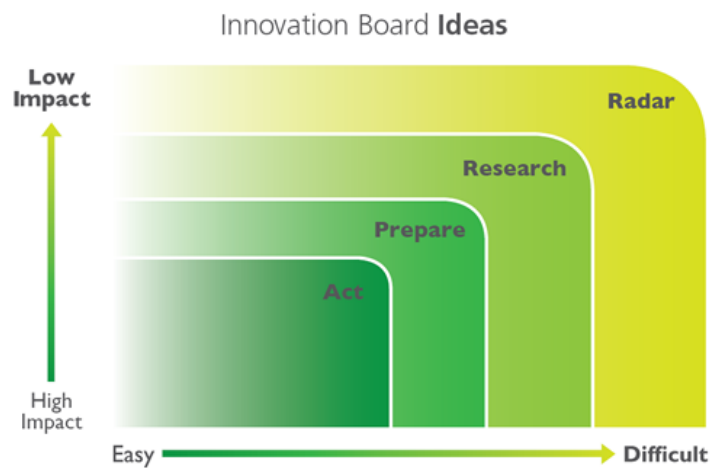
A client of ours moved from soil testing in the dramatically hit construction sector to adopting a service to provide soil testing for UK vineyards (whose numbers were increasing due to climate change).

If you don't have the time or skill to research the market, and can afford it, get someone in to do it for you.

**Internal Capabilities and Resources** - market opportunities are only opportunities for your business if you are able to take advantage of them. Otherwise they are opportunities for someone else. Honestly reflect on whether you currently have the capabilities to develop a new product, service or process to take advantage of this opportunity. If not, can you buy this in or develop capabilities that meet the market demands in a realistic time scale. Secondly do you have the resources: time, money, brand, that will meet the demand of the innovation process?

For most business innovation is not an option, it has to be done otherwise the business will fail to meet the demands of a dynamic market. So if it's not a realistic option to do nothing then it's worth making it as efficient and effective as possible. Consider the two dynamics listed above:

- Look at the market to either test your innovation or generate innovative ideas.
- Ensure you have the resources and skills to drive innovation – develop them, collaborate with others or buy them in if you don't have them.



*Innovation boards and filtering can help*

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