

The 12-Step Innovation Roadmap: How to Analyze and Prioritize New Business Ideas

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We've all had great ideas. Whether the insight comes to you in the shower, while driving to work or in a dream, a new concept or thought pops into your mind and begs for attention. Very few ideas, however, actually see the light of day.

The difference between an idea and innovation is what happens after you think of the new idea. Innovation is about inventing something that can create economic value in the marketplace.

Ideas are commodities, but innovation is about finding and validating the business opportunity that both the leadership of the organization and its culture embrace and commit to, and that is connected to its business strategy. Implementing innovation is the hard work that goes into conceptualizing an idea to take advantage of a market opportunity and executing a commercialization plan that gets results.

Today in health care, successful innovation is about both predicting and observing patients' wants and needs, and satisfying them with new products and services.

Now, more than ever, health care organizations need to innovate to stay competitive. Our post-capitalist economy is driving leaders to harvest new ideas and the intellectual capital of their knowledge workers. Success depends on using processes for creating and analyzing new ideas. Limited time and competition for resources requires prioritization.

12-step roadmap

The path from an idea to a successful innovation or commercial venture is lined with mine fields that can sabotage success at any step. During our management consulting work with multiple organizations in industry, academia and government labs, we have developed and applied a 12-step process to increase the success rate for implementing innovation and creating new revenue streams.

IN THIS ARTICLE...

Learn about a comprehensive assessment process that you can use to examine and validate a new business idea.

The process is designed to quickly eliminate ideas that don't have a high likelihood of market success, that don't fit with the strategic mission of your health care organization, or that involve too high a level of market, technical, intellectual property or implementation risk for the proposed return on investment.

The 12-step innovation roadmap provides a framework for screening, incubating, commercializing and benchmarking the success of new ideas and tested including tools and protocols for health care providers.

At each step of the process, a go or no-go decision is made about the opportunities. Sometimes the opportunity skips some of the steps based on the market and stage of development. Here is a brief description of each step.

1. Idea generation consistent with the strategic plan

Ideas are a dime a dozen. The challenge is finding ideas that match the business strategy, connect with senior management and are embraced by the organization's culture. Such ideas leverage the core competencies of the organization as well as build on its intellectual assets including intellectual property, branding, new technologies, etc. They both build upon sustainable core competencies as well as forecast future breakthroughs. Brainstorming or collecting new ideas that don't match your organization's culture or strategic plan will have a limited chance of success.

2. Concept development and initial testing

Once ideas are selected that meet the above criteria, it is necessary to describe their uniqueness and determine



12-step roadmap

1. Idea generation consistent with the strategic plan
2. Concept development and initial testing
3. Seven-step opportunity evaluation
4. Model opportunity
5. Business opportunity assessment
6. Market validation
7. Revise business opportunity assessment
8. Finalize the commercialization plan
9. Complete the business plan
10. Solicit feedback and revise the business plan
11. Present the business plan
12. Execute the business plan

if there could be a sustainable competitive advantage. A clear value proposition—the worth, importance or usefulness to your customers—should be clear early in the process. As you obtain more information about the opportunity, the business concept will change over time in response to newly discovered market, competitive and patient information. The next steps involve a series of iterations designed to refine your idea.

3. Seven-step opportunity evaluation

After the concept is developed, it is time to quickly assess the potential opportunity by using a quick seven-step opportunity evaluation that takes less than 30 minutes to complete. It addresses the problem being solved, the potential opportunity, the market for the opportunity, potential revenue, required funding, intellectual property creation and protection and stage of development. It also identifies potential customers, competitors and commercialization viability. This quick analysis will help you define whether the business, industry or markets you propose to enter are appropriate. It will also help you define what kinds of people you will need to make your venture successful.

4. Model opportunity

Once the concept is evaluated using the seven-step opportunity evaluation, it is time to discover the inherent strengths and weaknesses of the opportunity. This software tool is based on 24 distinctive characteristics to objectively evaluate the opportunity. The purpose of this protocol is to identify the Achilles' heel of the concept. It was designed to assist physicians and researchers without a business education to objectively evaluate the

opportunity. As weak areas of the concept are improved, the better chances it has for success. If you identify potential risks or threats that cannot be addressed, then the idea should be abandoned.

5. Business opportunity assessment

The business opportunity assessment is a more in-depth review of the opportunity including market research and due diligence that includes intellectual property analysis, opportunity development timing, legal liability issues, applications of the opportunity, barriers to entry, industry trends, growth potential, market positioning, competitive analysis, financial projections and pricing, resource requirement analysis and licensing potential to name a few. These are the important considerations to address if it looks like the opportunity has a strong commercialization potential. This tool is designed in a question and answer format that makes it easy to complete a 360-degree assessment.

6. Market validation

Once you have completed the business opportunity assessment and decided to proceed, the market validation process focuses on obtaining feedback on how the opportunity addresses specific market needs as well as taking a hard look at your competition. This step helps differentiate the opportunity from competing opportunities based on patient needs. This process maximizes perceived patient benefits and eliminates extraneous features that increase costs. This experience-based market learning is critical to market success and helps develop better business judgment for a go or no-go decision.

7. Revise business opportunity assessment

Based on the results of the market validation, you can now revise your business opportunity assessment and build a commercialization strategy.

8. Finalize the commercialization plan

By this time, you should have a good idea about whether you have a viable innovation. Since your idea will be competing for resources with other ideas, however, you will need to prioritize and decide which has the best odds for success. You will need to carefully hone your business model. You will now write your business plan that succinctly describes the story of your proposed business. The good news is that by this time approximately 70 percent of your business plan has been written.

9. Complete the business plan

Now it's time to complete your final business plan. Unfortunately, most entrepreneurs go immediately to this step first without using appropriate filtering systems. This results in a business plan that has unvalidated assumptions and is rejected or leads to an enterprise that fails.

10. Solicit feedback and revise the business plan

After the business plan has been written, it is time to solicit feedback from respected advisors who will provide realistic options about the potential of commercializing the new opportunity. Their opinions and suggestions should be incorporated into the final business plan.

11. Present the business plan.

It is now time to present the business plan and get stakeholder approval and resources to launch the new venture.

12. Execute the business plan

Congratulations. You've got the go ahead for your new idea. Now the work begins. Fortunately, your winning business plan based on the 12-step pathway will provide an operational roadmap to track and benchmark the efforts to commercialize the opportunity. Your plan will provide you with the timelines and metrics for success. A strong executive summary should be distributed to the review board before the presentation and a succinct elevator pitch should be developed.

The phases of innovation

Building a successful new venture is a three-phase process. The first phase is identifying a market problem and creating a solution. A common mistake is to reverse the process by inventing a device or service and then looking for a market opportunity. Trying to force a round peg in a square hole is impossible.

The second phase, using the roadmap we describe, is about conceptualizing and packaging your idea, analyzing the market and the industry environment, validating your assumptions, particularly as to your potential customers and financial sources, and selling your idea to stakeholders.

The final phase, the implementation phase, is where the hard work of building the business begins.

Using the 12-step plan will help you abandon risky new ventures or those with a low chance of success. It will provide you with the quick screening tools and

software you need to analyze the markets and industries you plan to enter and give you protocols to validate the assumptions that are driving your business idea.

It will help you get buy-in from stakeholders and decision makers by giving them the assuredness that you have reduced as much risk as possible and not left any holes in your plan.

By carefully planning your new opportunity using the 12-step process, your great ideas will become your next great innovation.



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