

# SCHAFFER CASE STUDY

## *Building a Catalyst Network to Guide an Enterprise-Wide Effort*

### PRIORITIZING INNOVATION FOR GROWTH

For years, a global technology company successfully fueled growth through acquisitions. Managers were rewarded for executing and defending their existing business models. While marketers intently studied customer needs, there was limited experimentation with new ways of serving them. A culture of careful risk management emerged. The portfolio of acquired products and services ballooned, but economic and political barriers inhibited the cross-divisional collaboration necessary to fully leverage them. The executive team understood that continuing to operate as a holding company focused on deal making would not achieve sustainable growth. They needed to prioritize innovation to sow the seeds for a thriving future – an aspiration that demanded significant strategic, operational and cultural shifts.



### BUILDING INNOVATION INTO THE COMPANY DNA

Leadership began by appointing a Chief Innovation Officer, launching a new fund to support cross-divisional innovation efforts, and kicking off a communication campaign to raise team member awareness of a new strategic focus on innovation. They called on Schaffer to help build innovation into their organization's DNA and develop the internal capability to drive innovation results. Our support fell into three focus areas: advising the Chief Innovation Officer (CIO), activating a network of innovation catalysts, and designing opportunities for rapid innovation results.

### ADVISING LEADERSHIP TO DEVELOP AN INNOVATION STRATEGY

Schaffer's advisory work centered on helping the CIO to conceptualize a comprehensive innovation strategy. This entailed facilitating work sessions to draft innovation objectives, determining innovation's fit within the organization's transformation journey, and identifying the key priorities, steps, and timing to achieve innovation outcomes. We then supported the CIO in developing a strategy socialization approach to generate the leadership buy-in necessary to move forward effectively. As our clients advanced from strategy development to implementation, we continued to host regular coaching conversations to gauge progress and determine opportunities to refine plans. Schaffer also played a strategic advisory role to Communications and HR leaders to help them

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determine ways of engaging team members around innovation efforts and to develop peoples' innovation capabilities. In all cases, Schaffer's coaching support enabled clients to sharpen their own thinking, develop pragmatic, results-oriented solutions, and navigate organizational complexity.

### **Building a Catalyst Network to Guide an Enterprise-Wide Effort**

In parallel to our coaching efforts, Schaffer helped to identify and organize a group of innovation catalysts representing each business unit. These catalysts were credible leaders who could assist their business presidents to move the innovation needle. With our guidance, the catalysts created a common terminology for innovation, so that everyone referred to the same types of innovation (e.g. product, customer experience, and operational) and referenced the same stages (e.g. "ideation" and "rapid prototyping"). They also built an online innovation toolkit that employees could use to educate themselves about innovation, run innovation events, and translate ideas into commercial opportunities. Schaffer supported the catalysts to identify a number of innovation metrics (such as number of ideas being considered and amount of revenue from new products/services) to be incorporated into divisional operating reviews. This new way of evaluating performance encouraged business leaders to pay attention to the pipeline and commercialization cycle time of new ideas. By activating the innovation catalyst network, we empowered a group of influential leaders to drive the innovation agenda throughout the organization.

### **Helping Team Members Deliver Rapid-Cycle Innovation Results**



The third element of Schaffer's support focused on nurturing a number of high-impact opportunities to quickly unlock the innovation potential within the organization. We led the design of an innovation action summit, with representatives from every part of the business. The goal of the workshop was to identify, select, and accelerate ten specific revenue-generating innovations that leveraged existing assets – setting them up for implementation within 100 days. First, we helped an executive sponsor to articulate the innovation challenge to the entire

organization. Then, the innovation catalysts and select subject matter experts culled down hundreds of submissions to land on the top 20 to be pitched at a face-to-face event. Attendees voted for the ten highest potential ideas for further development. Over the course of a three-day off-site, the Schaffer team collaborated with internal consultants and technology pros to help teams define a minimum viable product and plan for rapid validation and development. At the conclusion of the event, each team presented its proposed path forward for feedback and approval by the executive sponsor. After the strong start initiated at the workshop, all teams worked diligently through a three-month implementation sprint: pursuing their goals, meeting regularly for status reviews, capturing learning, and pivoting where necessary to take the innovation to a wider market.

The innovation catalysts' success at the enterprise level inspired one divisional leader to replicate the approach within his own team. Schaffer collaborated with an innovation manager to develop a process and a supporting cadre of catalysts to increase the volume, value, and velocity of innovation ideas moving through to execution. We helped design the process to encourage wide staff engagement, customized the catalyst role to stimulate local ideation activity, and then trained and coached selected leaders to shepherd the process. During the 10-week division-wide idea dash that focused on innovations in operations and customer experience, about 800 separate ideas were submitted with some 20% picked up for execution. Most idea originators got prompt feedback within

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a matter of weeks, including a clear go/no go decision and a line of sight to implementation – a critical shift in making innovation transparent and rewarding for the staff who contributed.

Additionally, Schaffer worked closely with a high-potential innovator to win internal funding and accelerate the pace of development for a potentially transformative cross-divisional idea. Our greatest contribution to this effort was to support the design and facilitation of a full-day collaborative product development event. That experience brought 50 customers together on site to co-create a solution to their most pressing needs. Through a series of presentations, prototype demonstrations, and small group feedback discussions, our client was able to gain critical insights into product design and functionality preferences. He also sharpened his understanding of customer segmentation and how to prioritize initial sales efforts. Our client's product is now in the market, contributing a valuable new revenue stream to the enterprise.

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## RESULTS, LEARNINGS, AND REFLECTIONS ON A MORE INNOVATIVE FUTURE



In the spirit of innovation, Schaffer focused our consulting support on experimentation, learning, and adjusting. For example, the innovation metrics were sharpened as the definitions of innovation evolved, and the experience of the first few innovation catalysts helped clarify criteria for selecting and developing others into the role. We also counseled the CIO to carry out the innovation program we developed together with as much transparency as possible, so that all employees would know what was happening and be able to actively contribute to the effort.

While there is still a significant amount of work to be done, the leading indicators of a shift towards greater innovation impact are positive. The innovation hub is the most visited site on our client's intranet. Employees submitted more than 250 ideas for consideration at the innovation action summit and a number of these were producing returns within a few months. In addition to the example cited above, there are several innovations that span multiple divisions now being prototyped and piloted with customers. Most of the businesses have a robust portfolio of innovative ideas that are moving steadily through the pipeline.

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## ONLY FOUR CONSULTANTS

Our client's early experience shows that major progress on lofty innovation goals is possible in a short period of time. A large group of expert innovation consultants is often unnecessary; the Schaffer team supporting this effort was comprised of four people. The key is to combine long-term strategy with rapid-cycle innovation sprints and to provide internal resources with the coaching they need to drive results.