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Leap Innovation: a Strategy to Get Ahead and Stay Relevant

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By Shanta R Yapa

11/29/2016

The importance of innovation for organizations to remain competitive is widely discussed and well accepted by scholars and practicing managers. However, failures in innovation attempts are quite common and raise many questions. Why do firms with innovative products fail? Does market acceptance of innovations alone guarantee continuous success? Is it innovation strategy that can ensure long-term prosperity? One can argue that it is not only how to innovate that matters, but also where, what and when to innovate that make the difference.

What is leap innovation?

In response to environmental demands, organizations tend to shift innovation focus between product, process and business model innovations. Their ability to change innovation emphasis swiftly, hereafter described as *leap innovation*, has a positive impact on sustainable results. Leap innovation is a strategy an organization can adapt to shift innovation focus pro-actively across products, processes and business models to stay relevant and ensure sustainability. Making these quick movements or leaps enables firms to remain relevant through changing market conditions.

In a competitive market, the launch of a new product by one firm will inspire others to offer similar products with notable differentiations. The first mover has two options to remain competitive. They can either continue with product innovations to increase the perceived value or switch to process innovations. Leaving the challenge of further product innovations to competitors and focusing on process innovations will enable the first mover to enjoy many benefits such as reduced costs, ability to lower the price, higher profitability and value engineering.

Leading from the front is costly and risky

Leap innovation enables firms to piggyback on innovations by others. The first mover can get ready with a process innovation to leap forward where competitors may find it difficult to match in terms of capabilities and cost. Leap innovation can also reduce first mover disadvantages such as heavy and continuous R&D expenses and risks associated with those investments. Leap innovation enables firms to switch between product, process and business model innovations to get ahead and stay relevant.

Finding value in unexpected areas

A team working towards a common goal naturally promotes convergent thinking. Leap innovation brings the space necessary for divergent thinking to innovation teams and facilitates the process of coming out from the paradigms they are immersed in. Leap innovation invites firms to dig elsewhere for better value propositions instead digging deeper where you would continue to innovate for the sake of innovating.

Staying focused

Attempting to become the dominant player or technology leader in a hyper-competitive market has the inherent risk of becoming irrelevant. Creative teams might even come up with outrageous products to try to stay ahead of the competition. Leap innovation can keep you on track. It gives you breathing space to revisit your core value proposition as you switch from

one innovation type to another.

Making your moves unpredictable

Leap innovations make an organization's strategy less predictable. The leap can be along the same type of innovations such as continuing with product innovations, or switching to another type such as process or business model innovations. Less predictability can make follower's life difficult. Mintzberg defines strategy as a pattern observed in a stream of decisions. Leap innovation can make it difficult for competitors to read your patterns. It can also bring an element of surprise making your strategy rewarding.

When competition drives organizations along an irreversible innovation path, showing 'amphibian movements' can take competitors by surprise. Moving in a zigzag or back-and-forth motion will prevent close followers from getting closer. Leap innovation brings deception as a new ingredient to the strategy recipe. This allows firms to get away from where the common battle is and emerge ahead of competitors on a different track.

Reducing path dependence

Leap innovation challenges path dependence and over reliance on existing competences. Success the firm enjoys today should not be a reason for failure tomorrow. Innovative organizations tend to shift innovation focus continuously across the frontiers of products, processes and business models. Leap innovation emphasizes the fact that innovators cannot rest. They keep on moving, shaking and destabilizing what seems to be stable, dominant or permanent. Leap innovations can help to avoid the 'Kodak moments' your organization may come across.

Leap innovation is a strategy that demands organization-wide participation as it does not limit the practice to product teams, manufacturing units or business managers.

Leap innovation is a strategy that demands participation across the organization, as it does not limit innovation to product teams, manufacturing units or business managers. Although leap innovation has been described as a pro-active measure, it can either be a deliberate or an emergent strategy.

New innovations may need time to cross the chasm. In this case, the firm will face a dilemma whether to wait for feedback from an early majority or to continue to innovate from day one. The pace of technology evolution, payback period, competitor pressure and possible cannibalization effects on products due to a firm's own innovations can further aggravate the situation. Leap innovation is a remedy.

Shifting innovation focus should not necessarily happen between products, processes and business models. It may cover distinctly different areas of innovation efforts in the same type of innovation. For example, a firm that introduced a novel electrical device which significantly conserves energy may next attempt to innovate in an area such as product durability, aesthetics, safety, etc.

Where does leap innovation stand?

Leap innovation will have its own space, identity and compatibility within the innovation vocabulary of theory and practice. Leap innovation supplements open innovation by enabling firms to collaborate in R&D in common areas while at the same time making room to concentrate on proprietary domains as in-house projects. This enables a firm to collaborate with others, create synergy and harness collective efforts while keeping an eye on differentiations without compromising the risk of leaking out proprietor technologies.

The success of Uber and Airbnb is often attributed to innovative business models they introduced. However, the ability of firms to defend the competitiveness purely based on business models will eventually fade away, compelling them to leap into product and process innovations before it is too late.

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Disruptive innovations pose major challenges to incumbent firms. While defending their positions, leap innovation is a useful strategy as it can make competition in one place irrelevant with a leap to another track. A disruptive product innovation signals the incumbents to switch to process innovations and business model innovations. In terms of the extent of change, leap innovations can be incremental or radical. A point to note is how leap innovations allow firms to take a few incremental steps at the same time perhaps in a zigzag way to get ahead of the others making it a radical innovation.

The argument in this article

Looking at how organizations behave, we can argue that they switch innovation focus between product innovations, process innovations and business model innovations. The long-term prosperity depends on how smartly an organization does the switching. Once a product innovation is well received in the market, attracting competitors to work on ways to combat it, an organization may switch to process or business model innovations.

This may not happen in a sequential way. It can be parallel or the focus may oscillate between product and process innovations initially. On reaching an optimum level in those frontiers a change in the business model may give the firm an edge over the others. However, business model innovations are not foolproof. For an example, the power of entry barriers embedded to a business model may deteriorate with time or better technologies. This compels the firm to look back on product innovations and process innovations in order to maintain a competitive advantage.

Insights for managers and researchers

Attempting to innovate for the sake of innovating is a waste of time, money and efforts. The emotional expression by Stephen Elop, CEO of Nokia, "We didn't do anything wrong. But, somehow we lost," signals innovation managers to revisit what they do. The efforts made by Nokia in R&D and innovation was the dream benchmark for many to learn how to innovate. Their collapse teaches us a lesson. Firms must understand where to innovate, what to innovate and when to innovate and this is the essence of leap innovation.

Managers must pro-actively look for innovation space not necessarily in the epicenter where everyone is fighting. If product innovation is common across an industry or tends to bring diminishing returns, it is time to switch focus on process or business model innovations. In a competitive market where organizations are competing against each other on the same 'key success factors' finding a way out will be very challenging. Making competition irrelevant demands the firm to look for areas to differentiate ideally with the use of the core competences already built. Lack of space for product innovations should not stop your quest to innovate. Switching to process and business model innovations will be the next option. Leap innovation is about swiftly changing the battleground to explore new horizons before the competition, buying time to harness the returns of existing innovations and making your movements unpredictable.

The concept and practice of leap innovation opens new avenues for researchers as well. How do successful organizations switch from one type of innovation to another? Is there any particular pattern they follow? What factors influence the leap innovation strategy? What hinders leap innovation efforts in organizations? These are a few questions researchers can explore to better understand leap innovation as a strategy for organizations to get ahead and stay relevant.

By [Shanta R Yapa](#)

About the author

Shanta R Yapa has over 30 years of experience in diverse fields of engineering, banking and general management. At present, he works for [Epic Technology Group](#) as the Chief Operating Officer of Epic Research & Innovations. He is a visiting faculty member teaching strategy, technology management and international business in postgraduate programs of over 15 local and international universities. He is the immediate past president of the Software Chapter of the Federation of IT Industry Sri Lanka (FITIS), serves in the executive council of the Asia Pacific ICT Alliance (APICTA) and acts as a member of several boards of leading universities and policy authorities. He is a certified innovation manager from Leipzig University.

