

VALUES-BASED INNOVATION MANAGEMENT



/// Webinar by Prof. Dr. Henning Breuer & Prof. Dr. Lüdeke-Freund, October 28th 2019

UX Berlin
Innovation Consulting



Values-Based
Innovation

ESCP
EUROPE
BUSINESS SCHOOL



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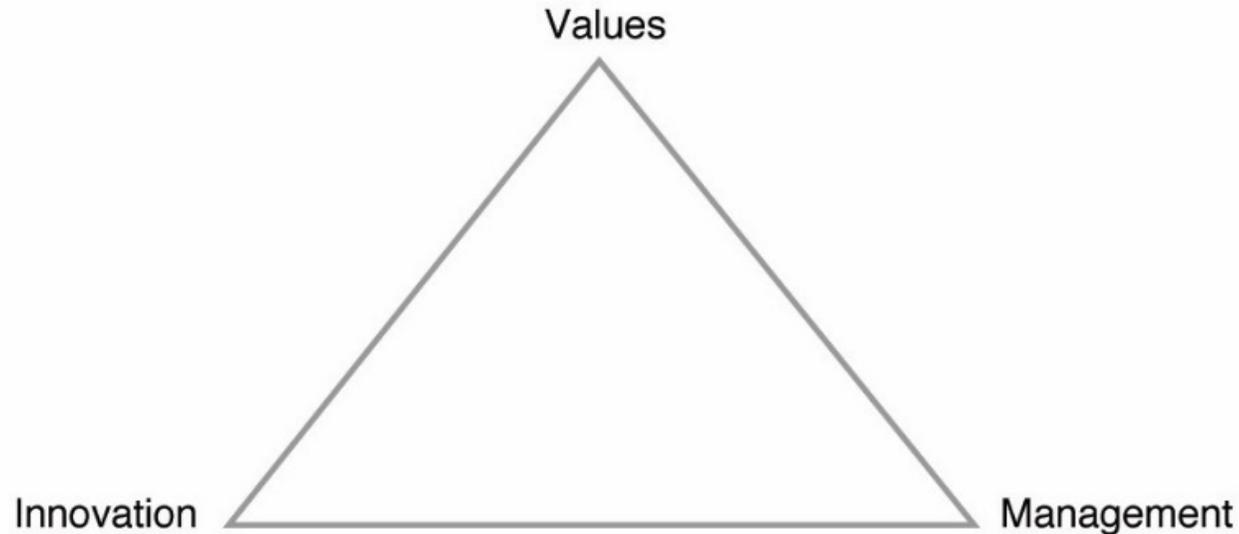
Downloads: Chapters from the book on Values-based Innovation Management:
<http://www.uxberlin.com/values-based-innovation-management/>

@webinar participants:

Which values do you (or would you want to) engage for at work?

Please note in the chat box what you consider important and worth striving for as an innovation manager:

Background /// Values play a key role in branding and human resources, but they are rarely used to explicitly inform or drive innovation and its management.



- *How do values (empirically) impact and direct innovation and its management?*
- *How can values facilitate innovation-related practices?*

Background /// Instead innovation managers hire trendscouts and experts to look for the NEXT BIG THING, in consumer electronics, energy, mobility ...



Background /// ... but no one seems to ask for what is really desirable ...



The dark side of invention persists:

'To invent the sailing ship or the steamer is to invent the shipwreck. To invent the train is to invent the rail accident of derailment. To invent the family automobile is to produce the pile-up on the highway' (Paul Virilio, 2007, 10).

Background /// 1955 James Dean died in his Porsche Spyder. Driver safety was not a big issue back then.



Background /// *Even in the 60ies safety did not sell, until competing car companies succeeded in Europe with safety as main value (proposition).*

- Corning's "Chemcor" glass failed on the 1960ies market: "Americans were having such a love affair with their cars that safety was not an issue" (Howard, 2005, 39). **Safety did not sell.**
- In Europe, in 1944, Swedish Volvo introduced the safety cage and laminated windshields, in 1959 the modern three point safety belt. "**Cars are driven by people. The guiding principle** behind everything we make at Volvo, therefore, **is** and must remain, **safety**" (Assar Gabrielsson and Gustav Larson, 1927).
- After European companies like Volvo succeeded in the 1980ies in the UK and then US with safety as a key value proposition, all manufacturers incorporated **safety as a key value for their innovation efforts.**

Background /// Today the market for driver safety for passenger cars is worth several billion Euros, estimated at 3.2 Billion USD by 2025.

VOLVO SAFETY HISTORY

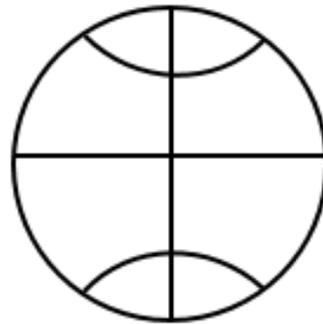
- Eye-tracking/blink-monitoring
- Facial expressions/head movements
- Heart rate-monitoring
- Pressure/angle steering sensor
- Lane departure warning
- ...

Volvo has always held safety as one of its main focuses; so much so that they developed much of the industry technology that we use today. Take a look below at some of our Volvo safety firsts.

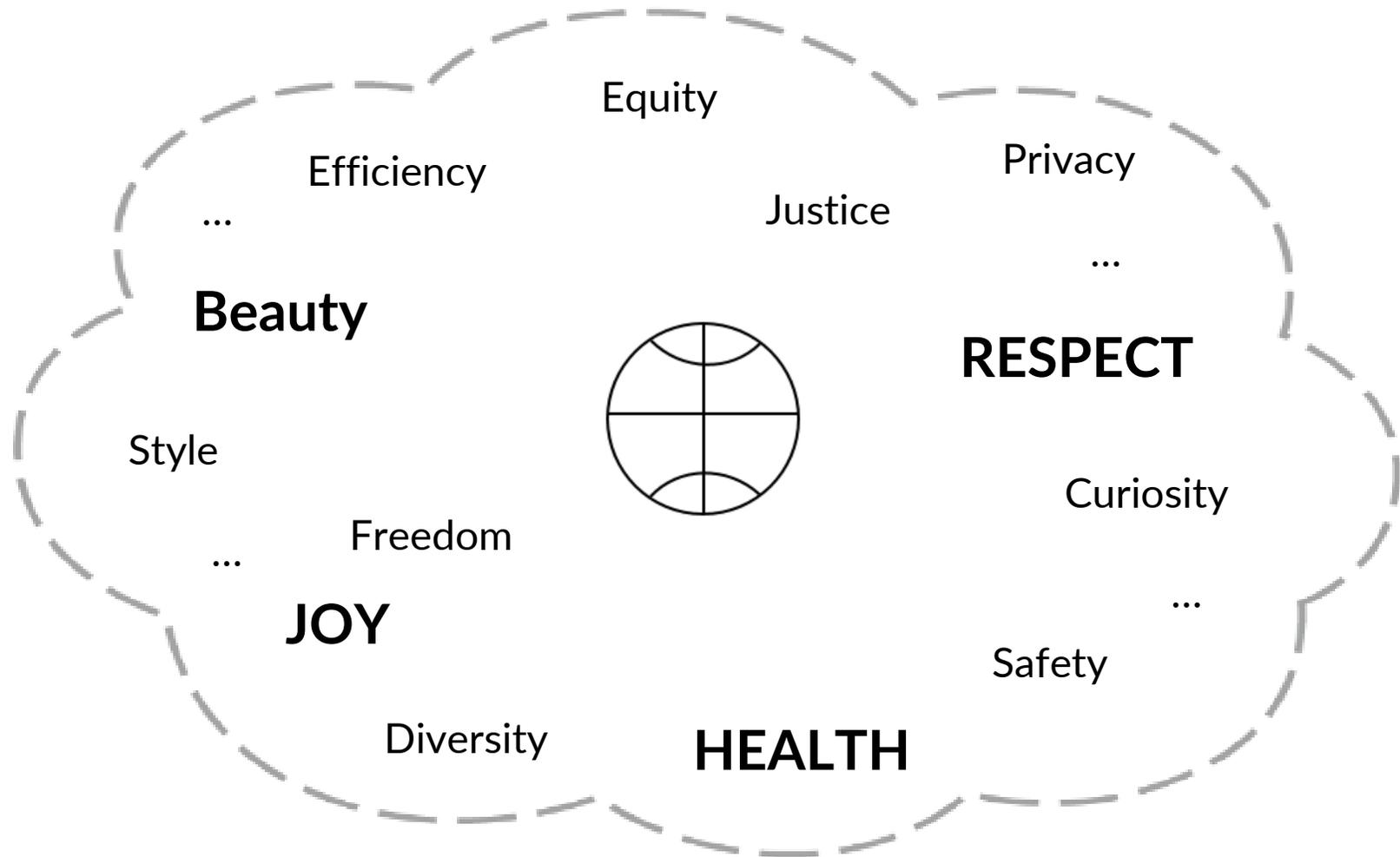
May we expect a similar prospect for sustainability-oriented innovation ...



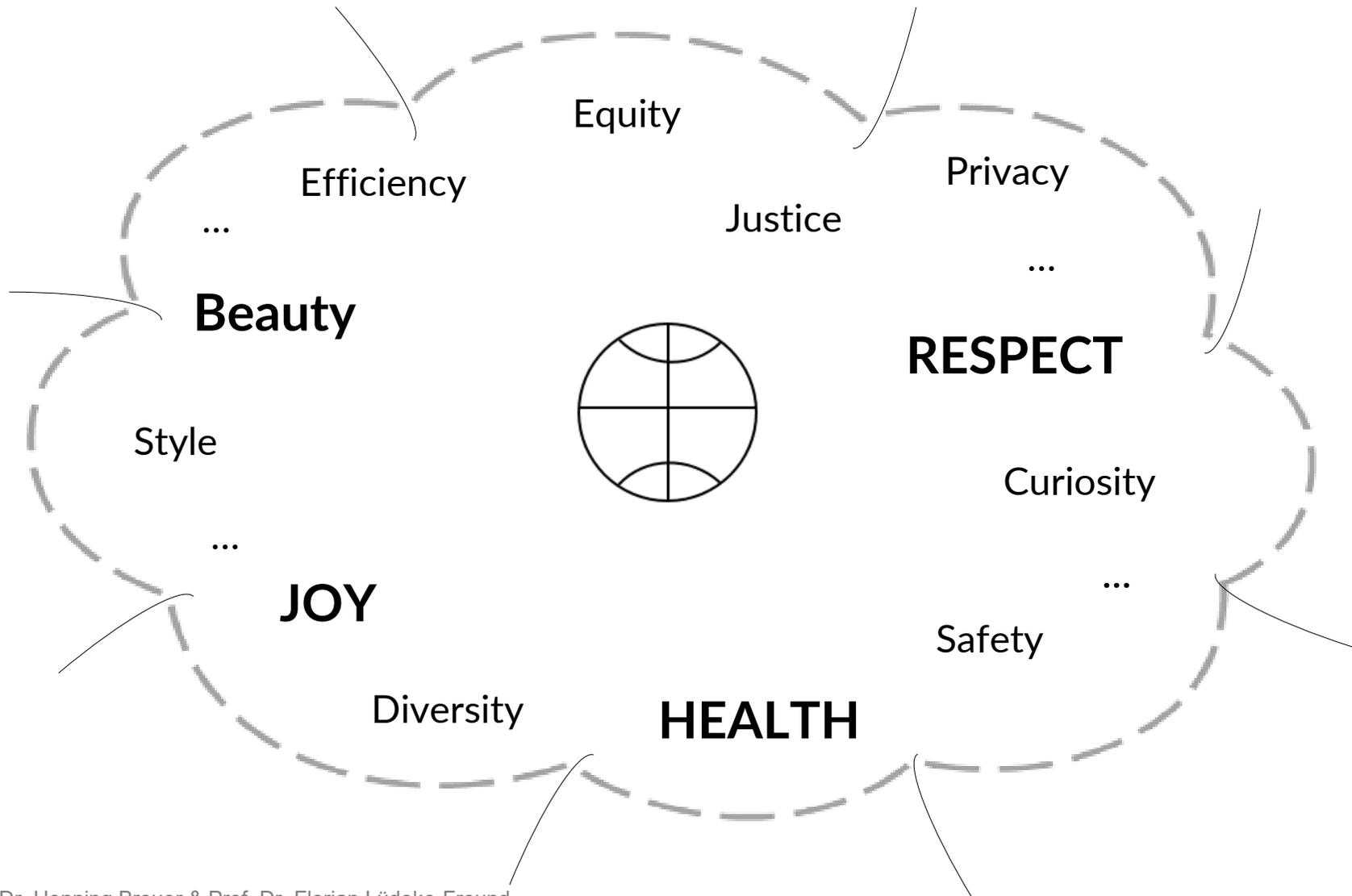
... or for other, currently subordinate values such as privacy ...



... or for something else we care about? Values abound!

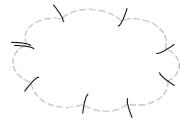


Values impact our attitudes and activities, help to define normative orientations ...

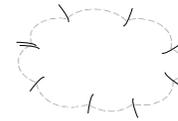


... and open up opportunities to drive innovation and constitute new markets.

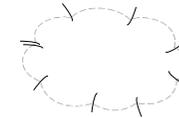
sustainability-oriented innovation



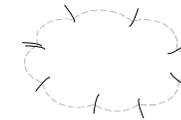
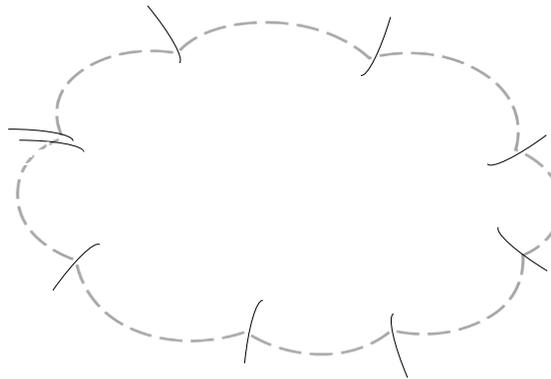
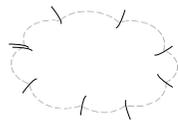
safety-oriented innovation



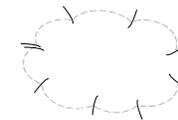
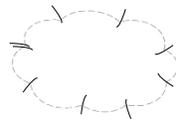
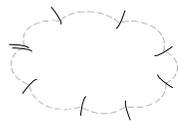
new health markets



efficiency-oriented processes innovation

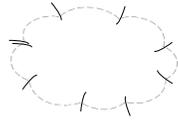


you name it ...

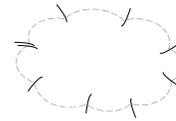


... and open up opportunities to drive innovation and constitute new markets.

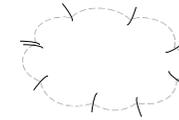
sustainability-oriented innovation



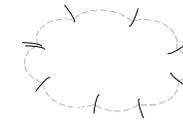
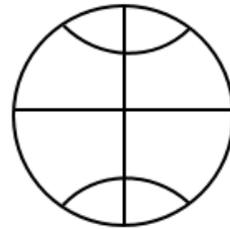
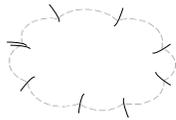
safety-oriented innovation



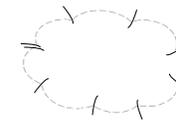
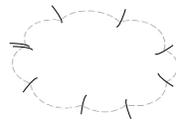
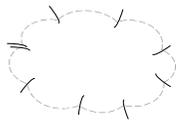
new health markets



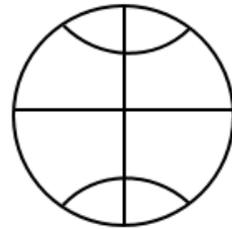
efficiency-oriented processes innovation



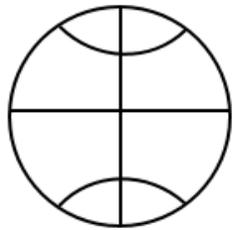
you name it ...



Values-Based Innovation Management /// *A values-based approach applies the desirable (what each of us cares about) to understanding and managing ...*



Values-Based Innovation Management /// ... different types of innovation ...

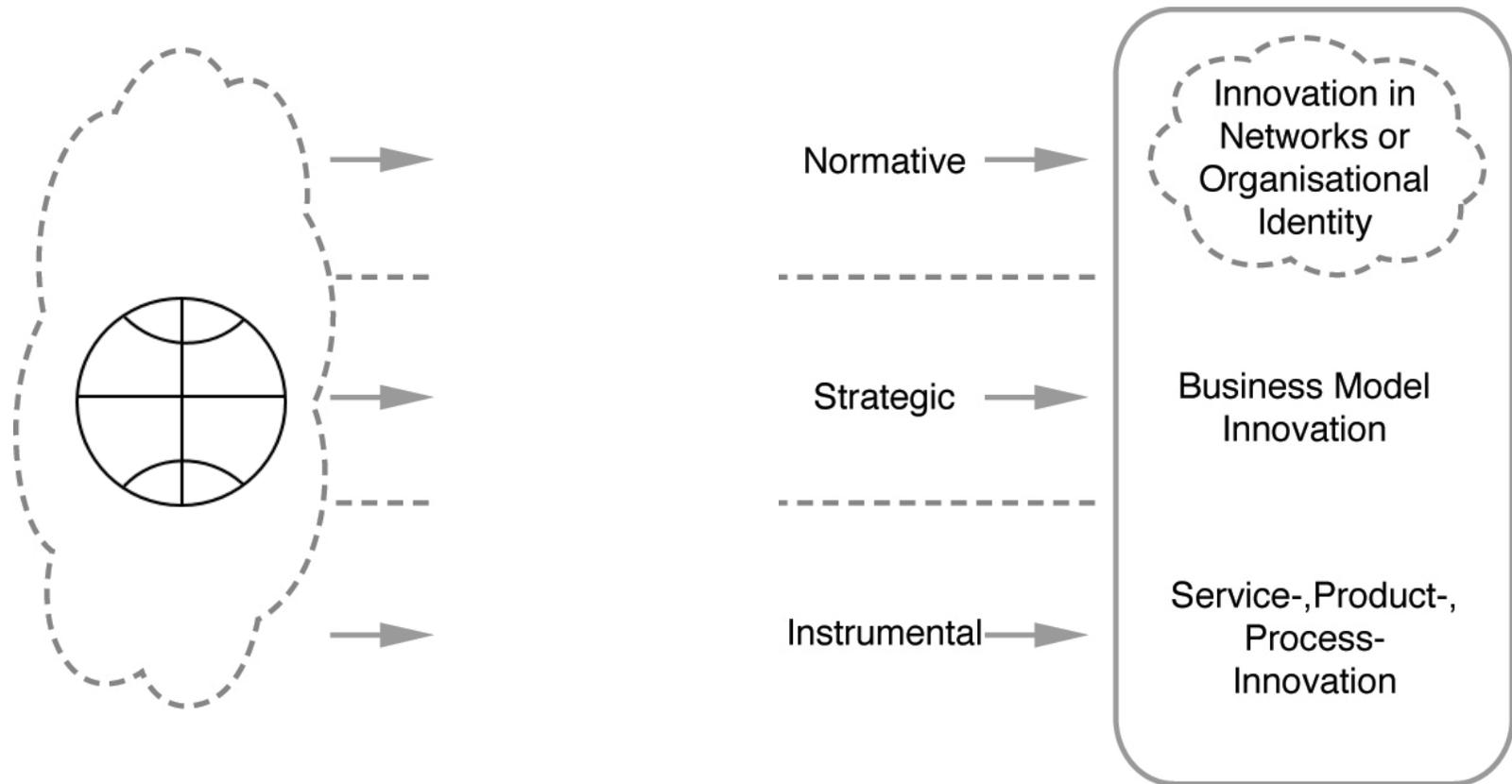


Business Model
Innovation

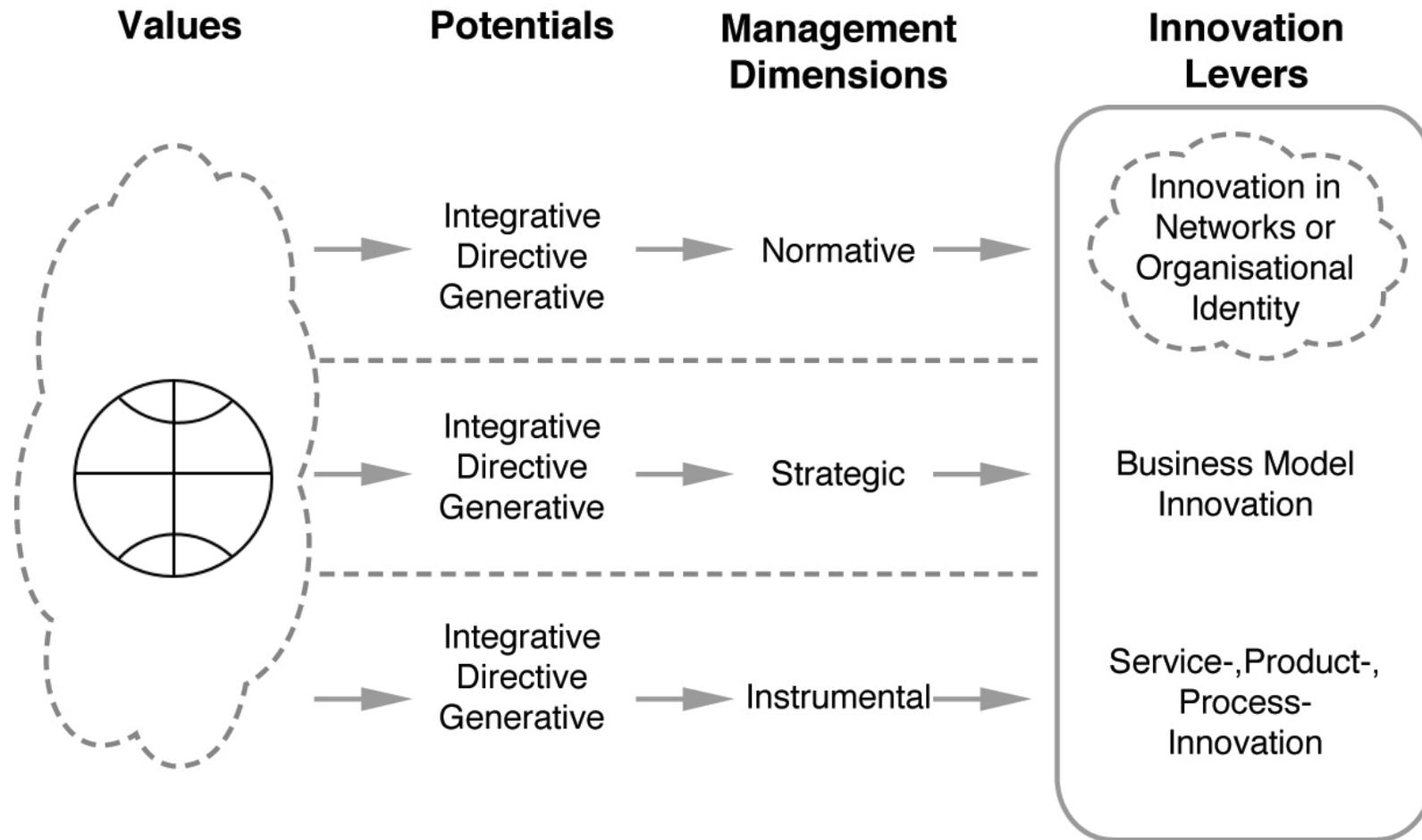


Service-, Product-,
Process-
Innovation

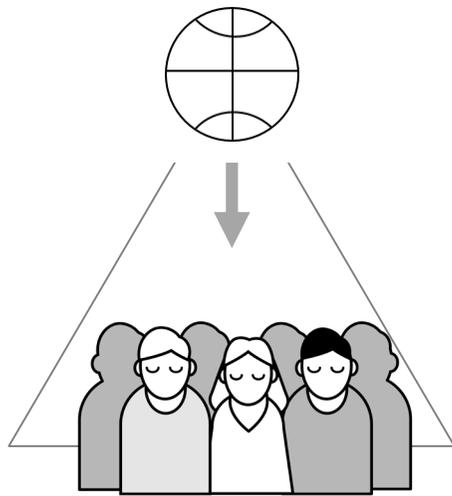
Values-Based Innovation Management /// ... on three management dimensions.



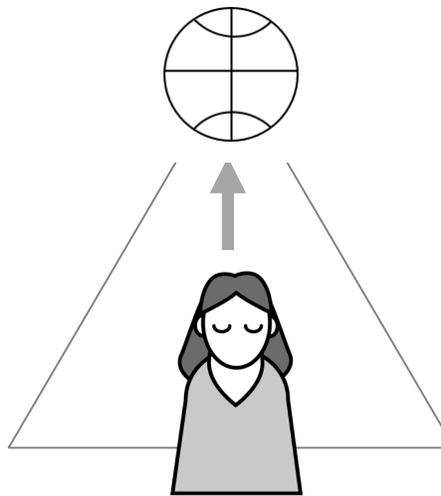
Values-Based Innovation Management /// *Managing innovation based on values demonstrates at least three potential functions for each.*



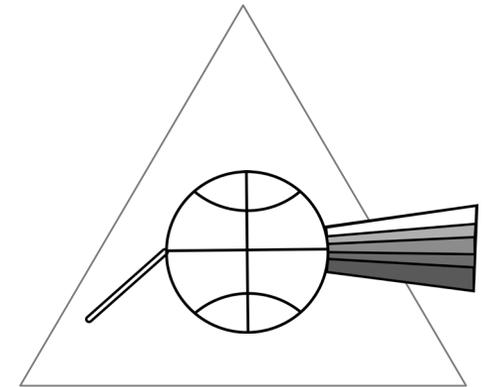
Values-Based Innovation Management /// *Values can fulfil integrative, directive and heuristic functions for innovation or entrepreneurs.*



integrative



directive

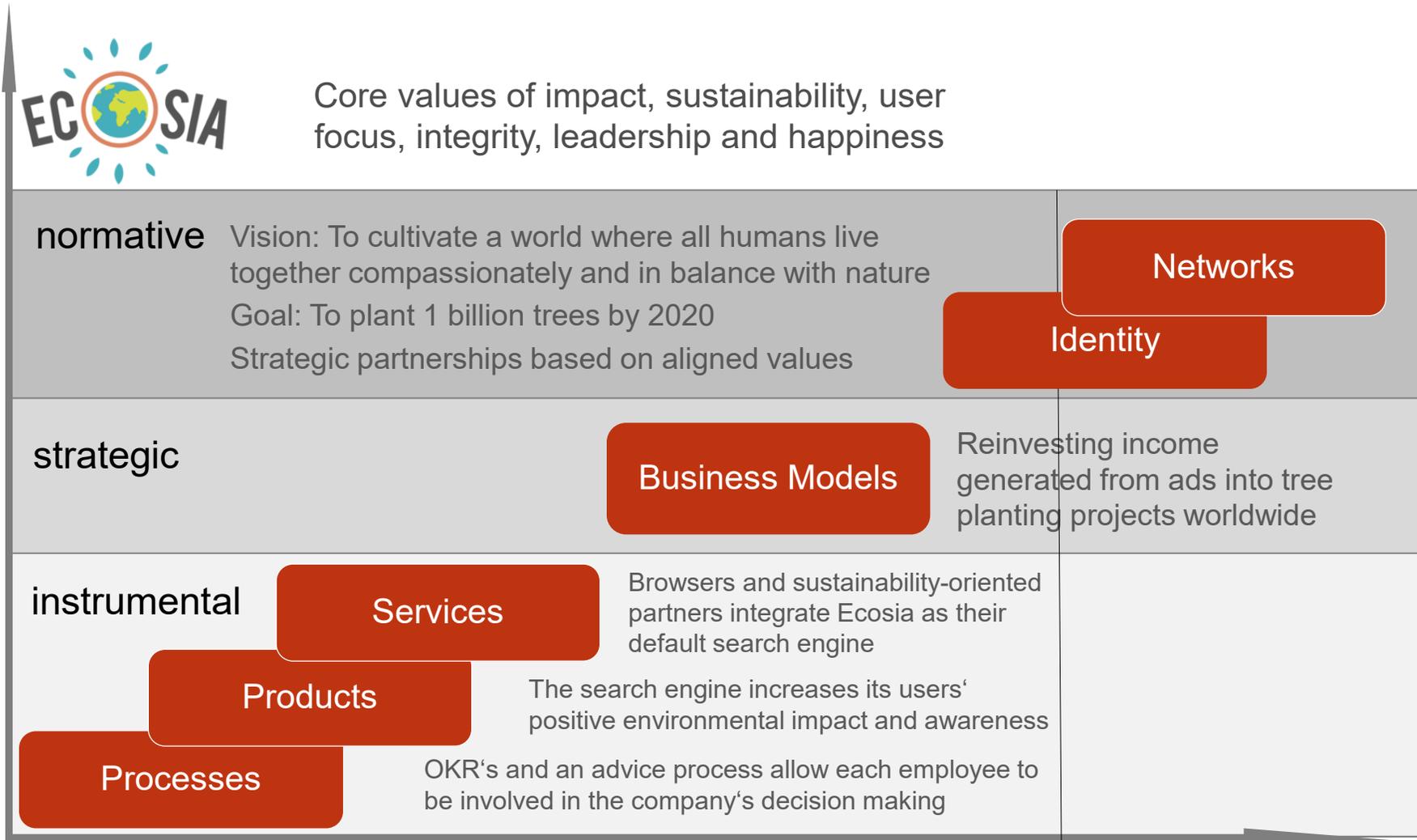


generative

Values-Based Innovation Management /// *VBIM applies values as notions of the desirable to understand and manage innovation.*

- Just as ‘every company has a business model’ (Chesbrough 2007, 12), **every company pursues values** and normative orientations. But the role of values in business and innovation is not yet well understood.
- **Innovation cannot be well understood, designed or managed without recurring to the values** and normative orientations of those involved.

Values-Based Innovation Management /// *Innovation cannot be well understood, designed, or managed without recurring to values and normative orientations.*



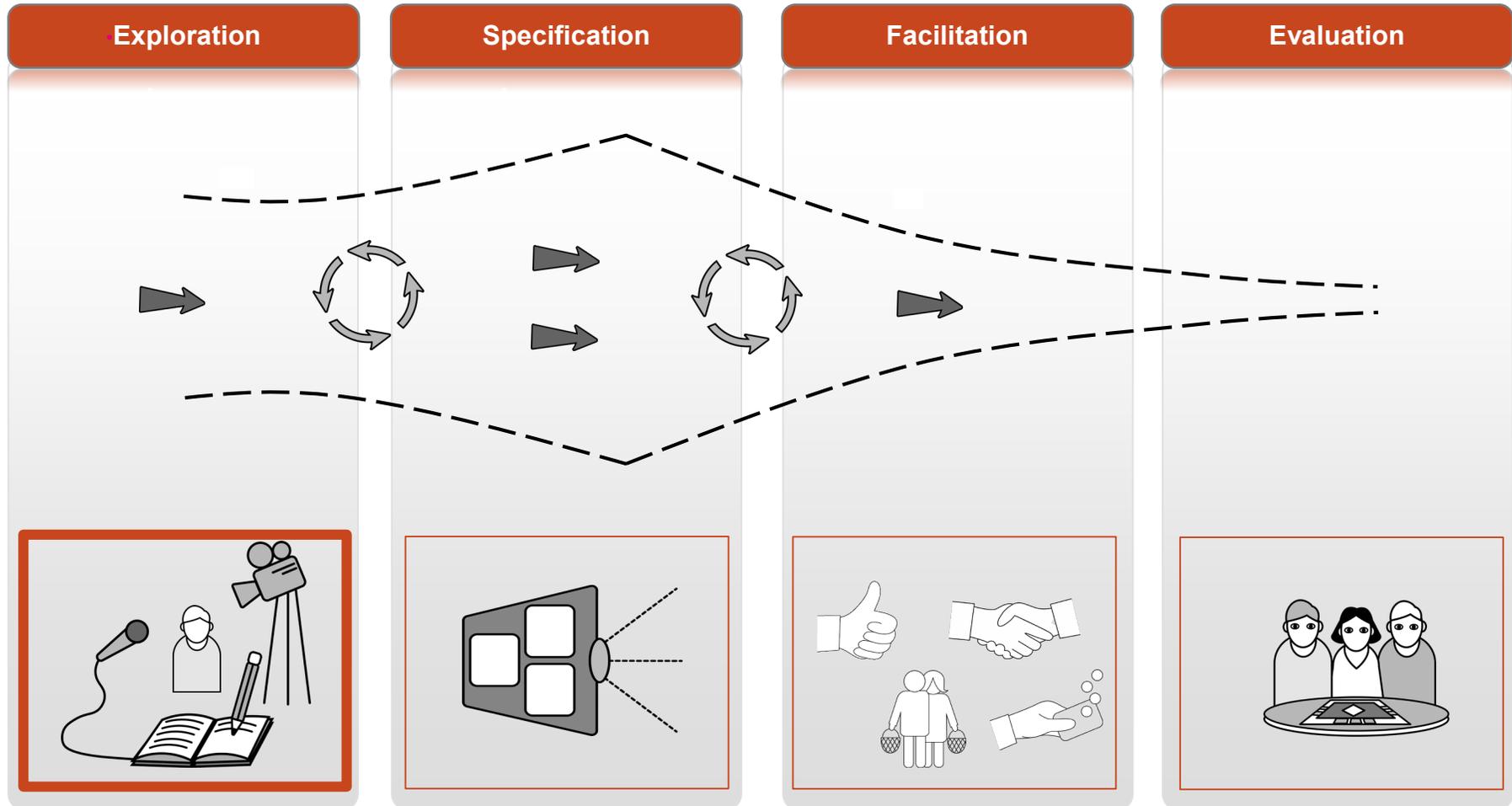
Values-Based Innovation Management /// Cases show how values and normative orientations impact innovation and its management.



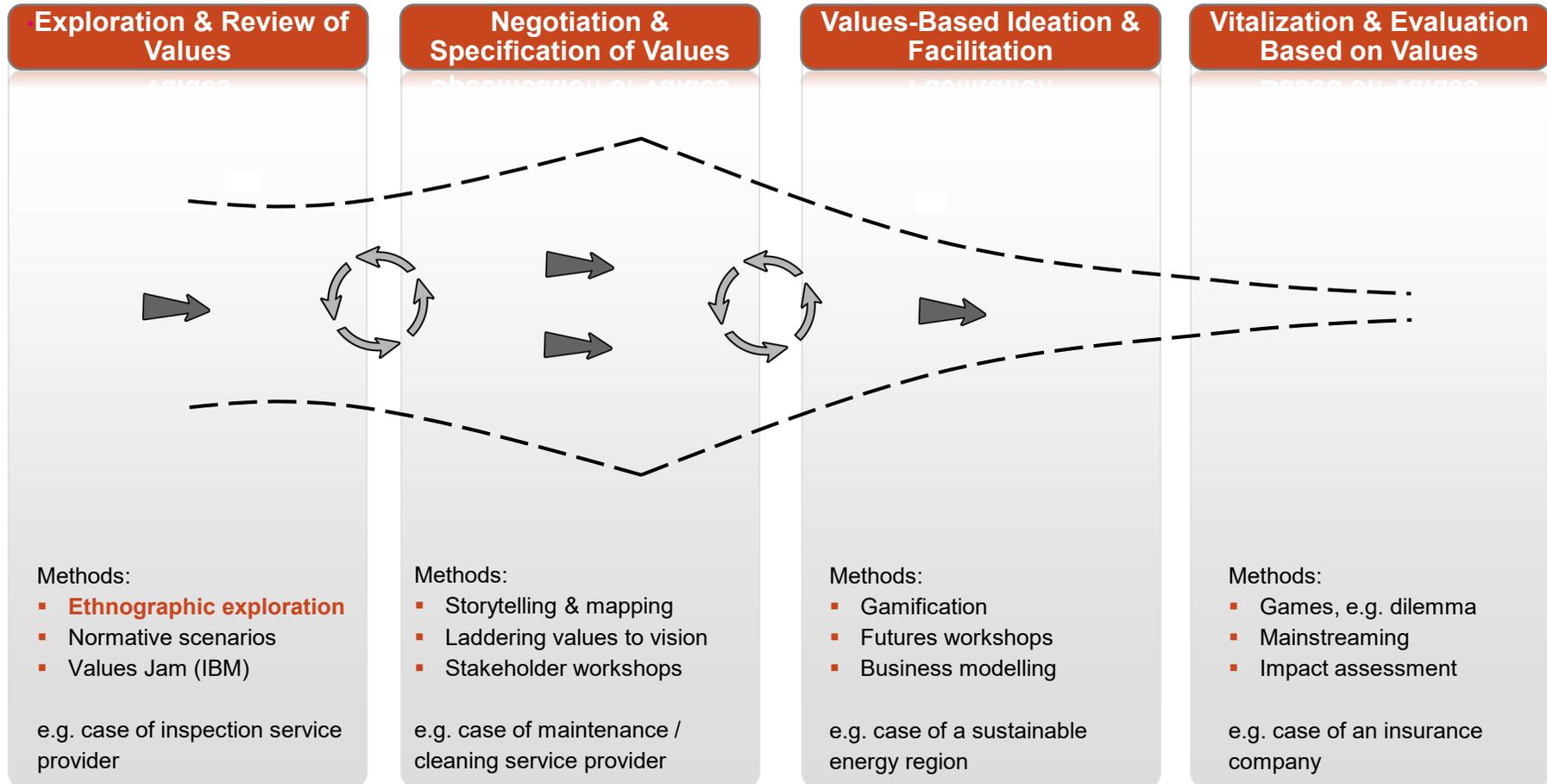
Values-Based Innovation Management /// *It applies values as notions of the desirable to understand and manage innovation.*

- Values (as notions of the desirable) and normative orientations (such as vision, mission or purpose statements) can and should be used to drive innovation across different phases.
- Appropriate research, facilitation and management **methods** are required work with values. They provide a basis for **inspiring, directing, and evaluating** innovation or entrepreneurial activities.

Values-Based Innovation Management /// A values-based innovation funnel requires reframing existing methods and developing new ones for each phase.



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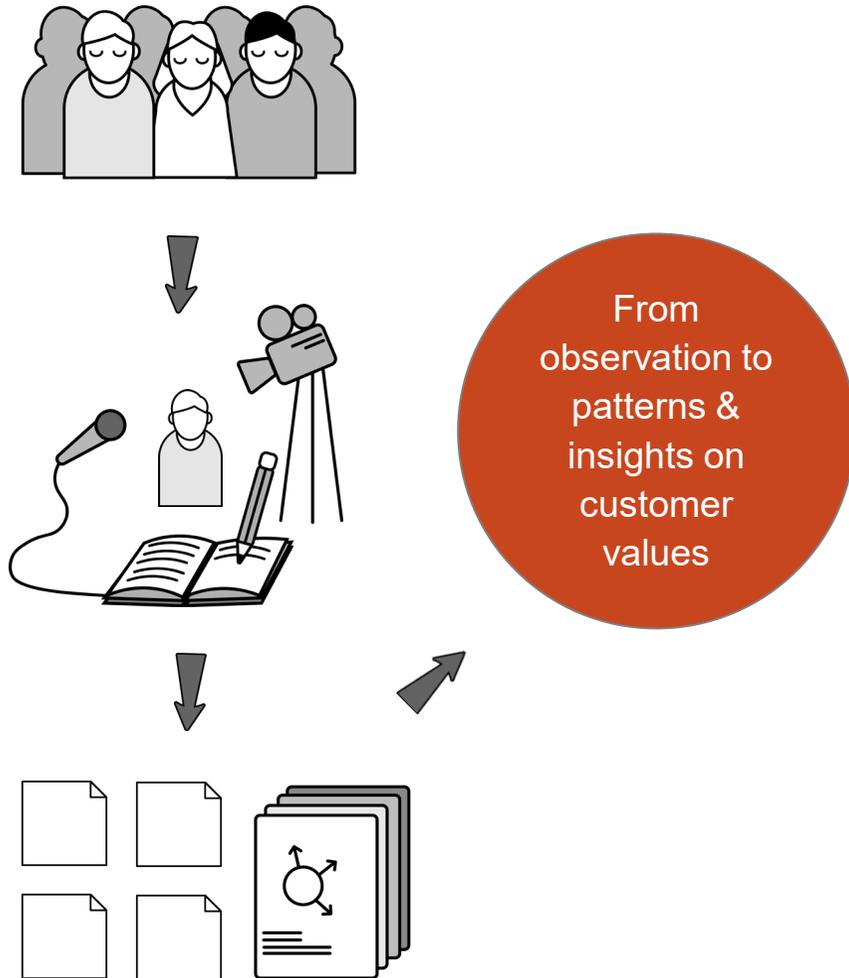
Values-Based Innovation Management /// *Ethnographic Research and Ideation*



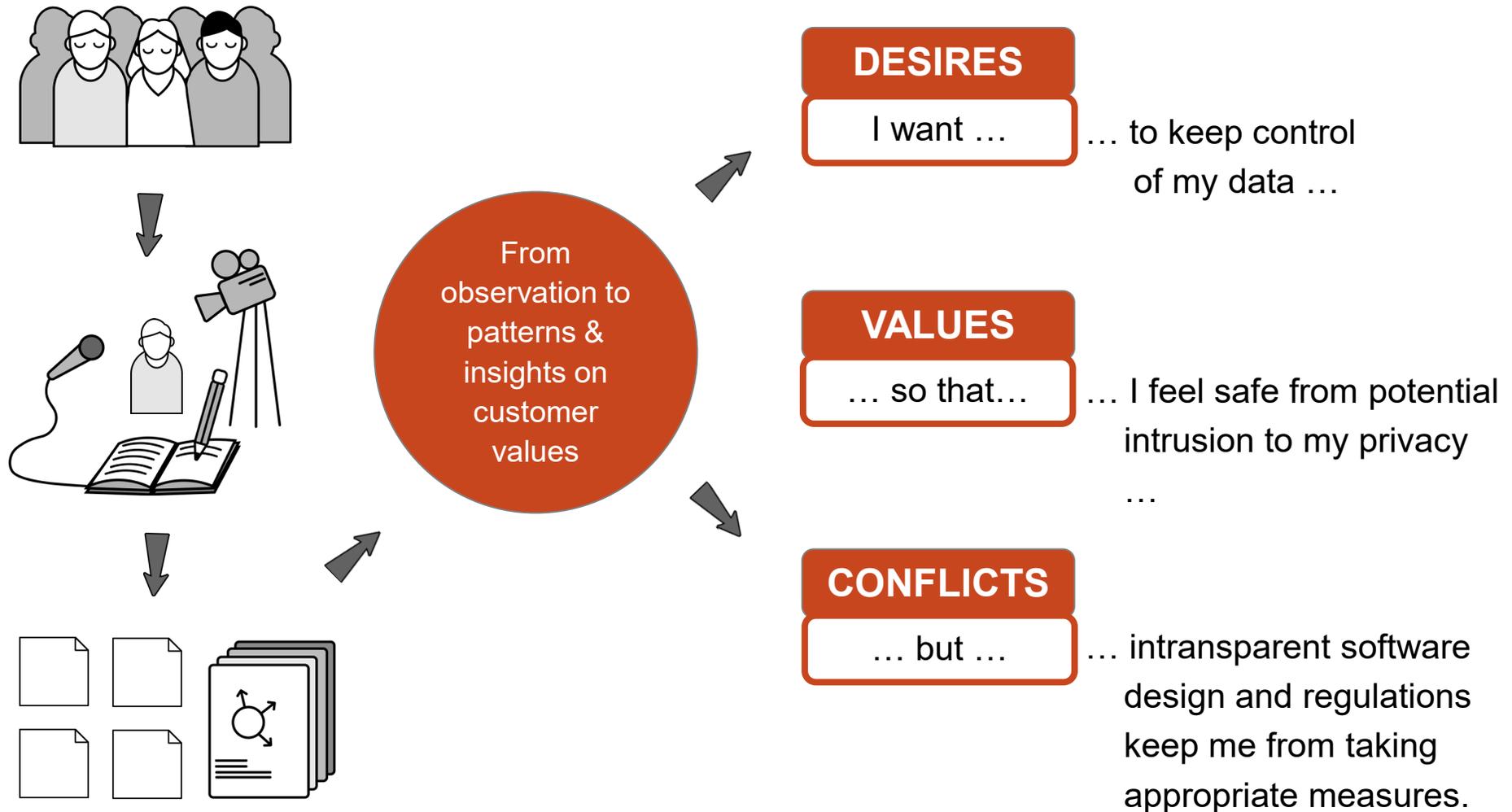
Values-Based Innovation Management /// *Ethnographic Research and Ideation*



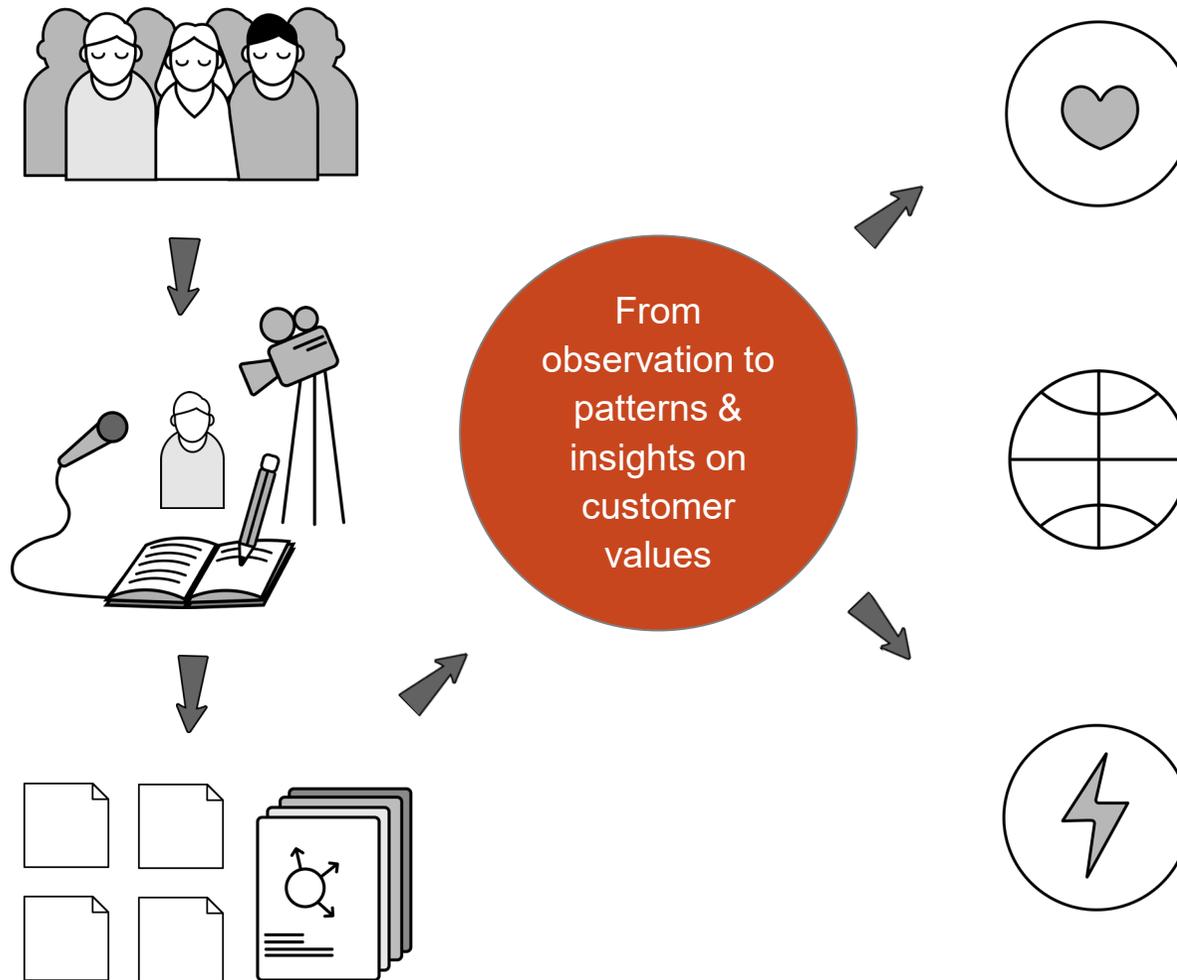
Values-Based Innovation Management /// *Ethnographic Research and Ideation*



Values-Based Innovation Management /// *Ethnographic insights are formulated around the core values of the informants (customers or stakeholders).*



Values-Based Innovation Management /// *Ethnographic Research and Ideation*

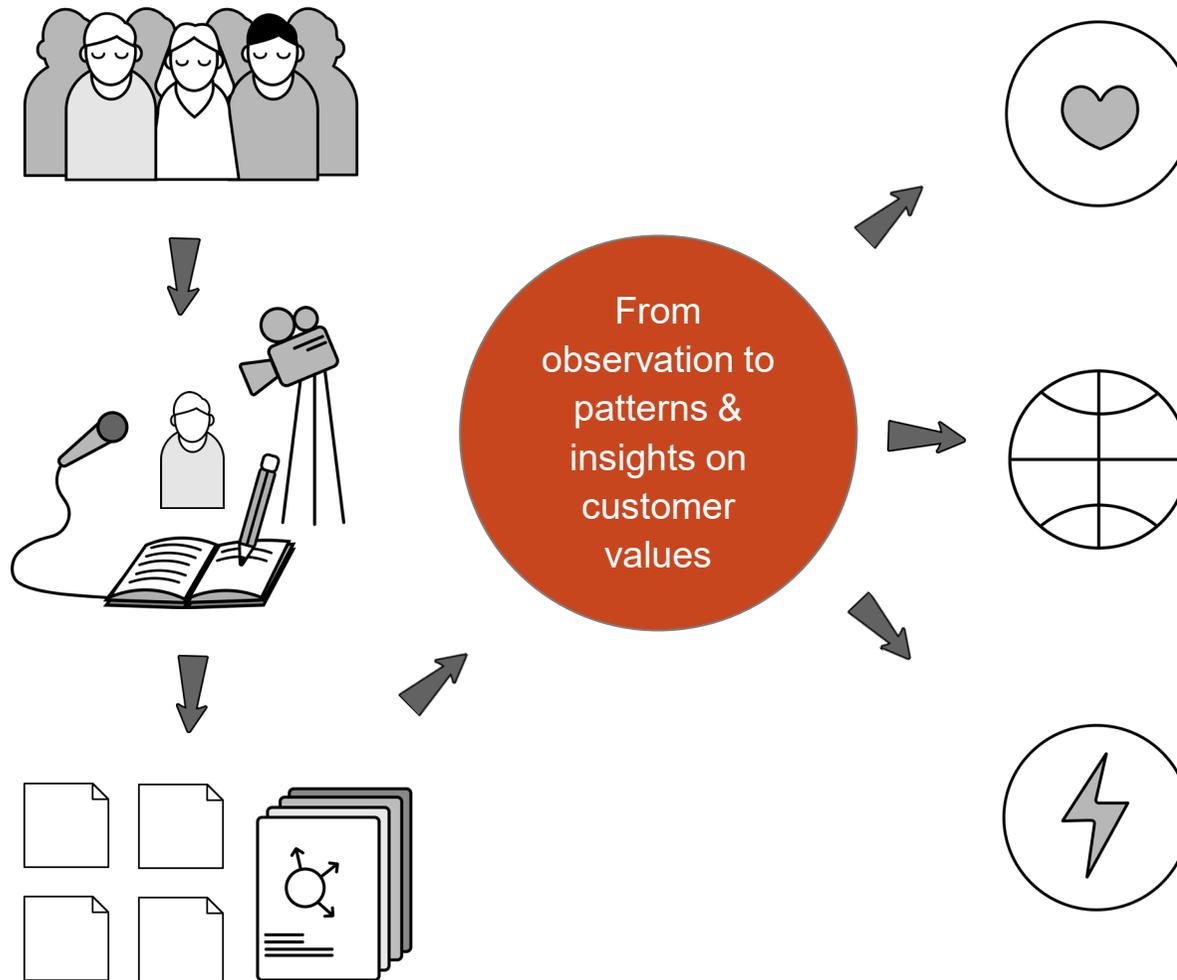


A situated wish to do, be, or have something. **Desires** create compulsive motivations for action. (*Weak evaluations* are desire-based preferences that are not central to one's identity*).

Values are persistent (inter-) personal notions of the desirable and motivating force of action, an ideal or second order sorting of desires, proving orientation, identity-relevant *

A **conflict** or contradiction creating tensions, and provoking activities to solve or relate to them. Desires or values can conflict with external conditions, even with one another.

Values-Based Innovation Management /// *Ethnographic Research and Ideation*

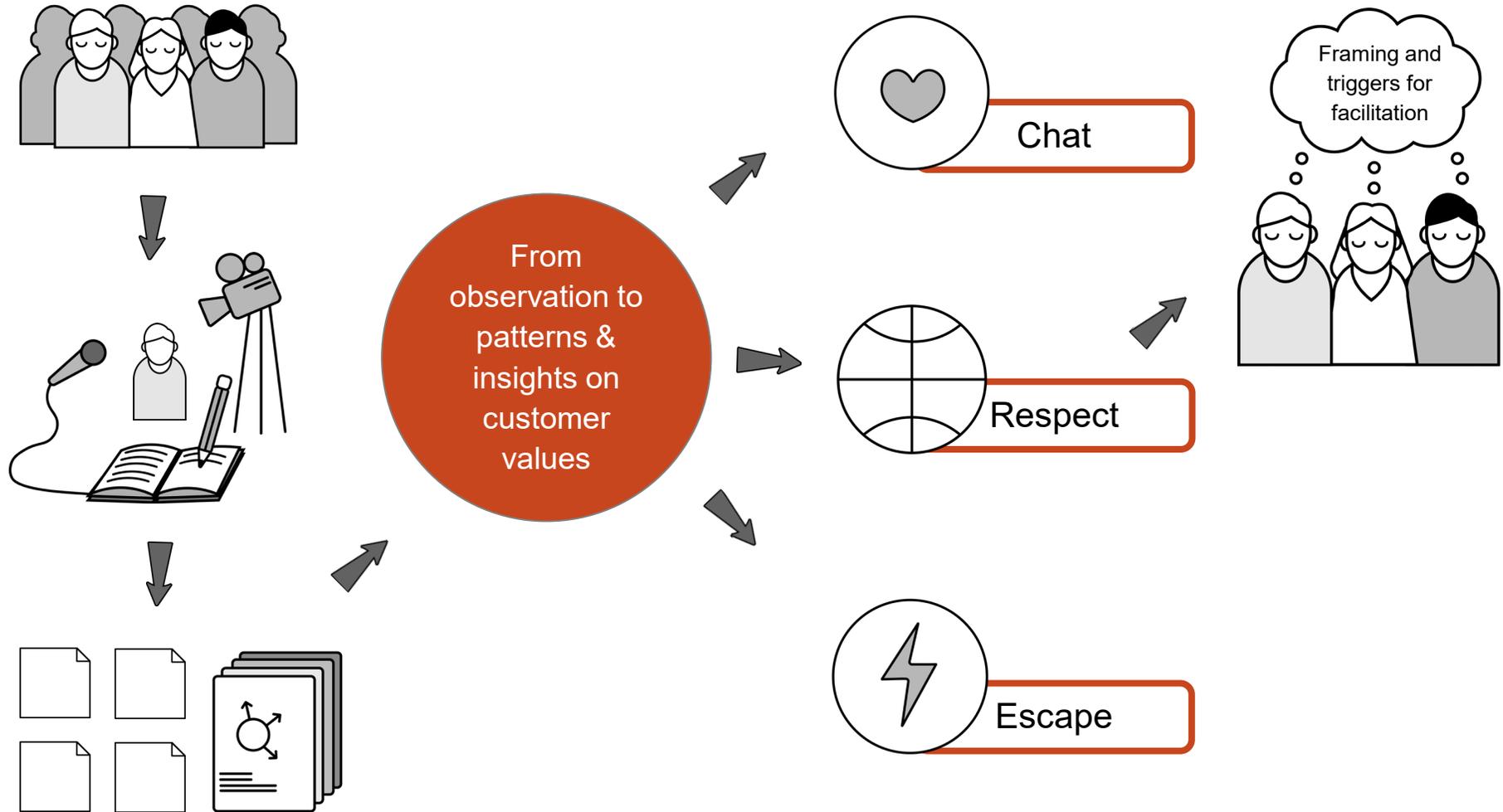


I want to have a casual chat with regularly incoming service providers ...

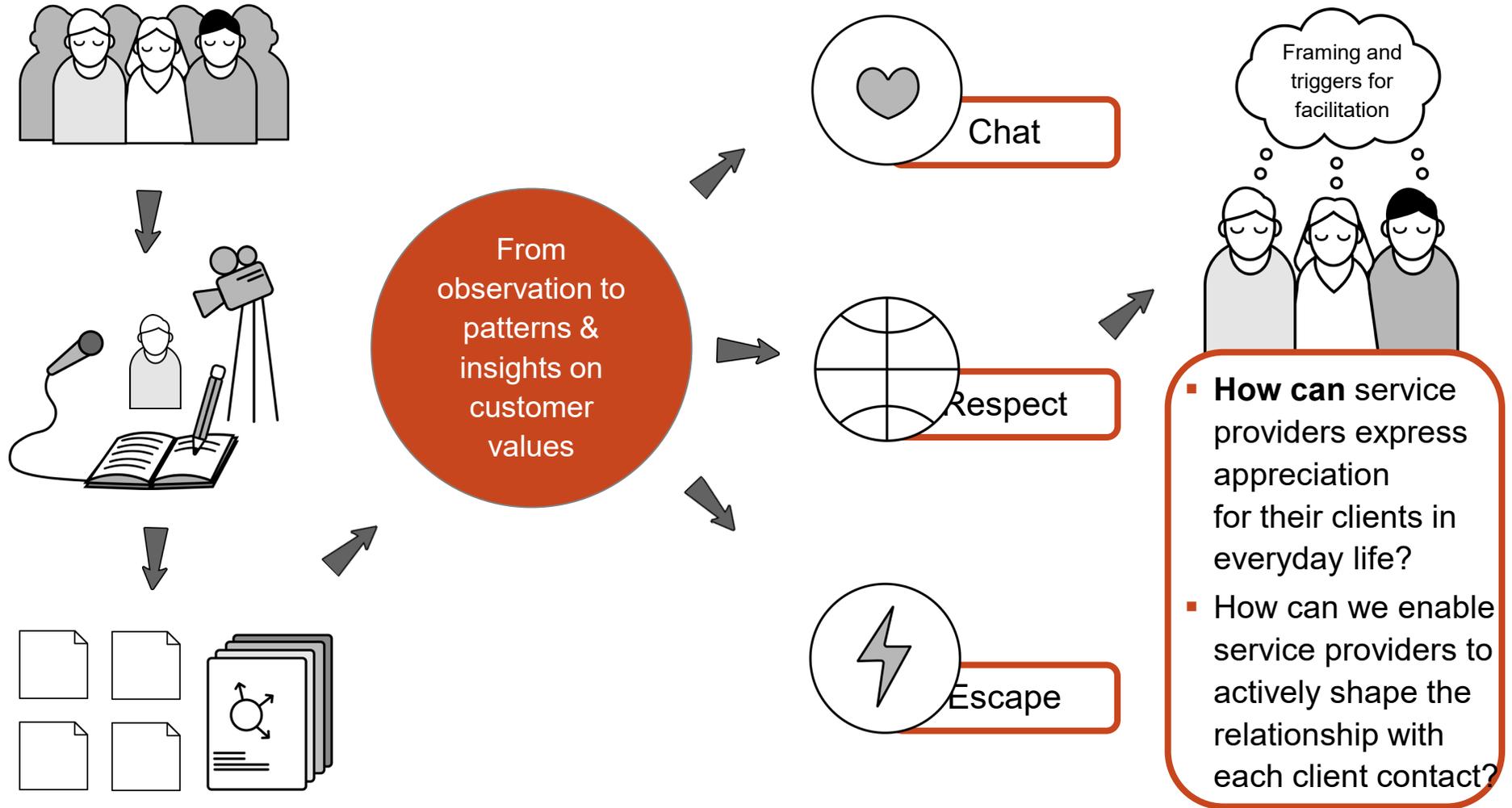
... **so that** they perceive me and contribute to our corporate culture of **mutual appreciation** and respect ...

... **but** they are usually on „escape mode“ and in such a hurry that they can neither say when they are coming nor when they leave.

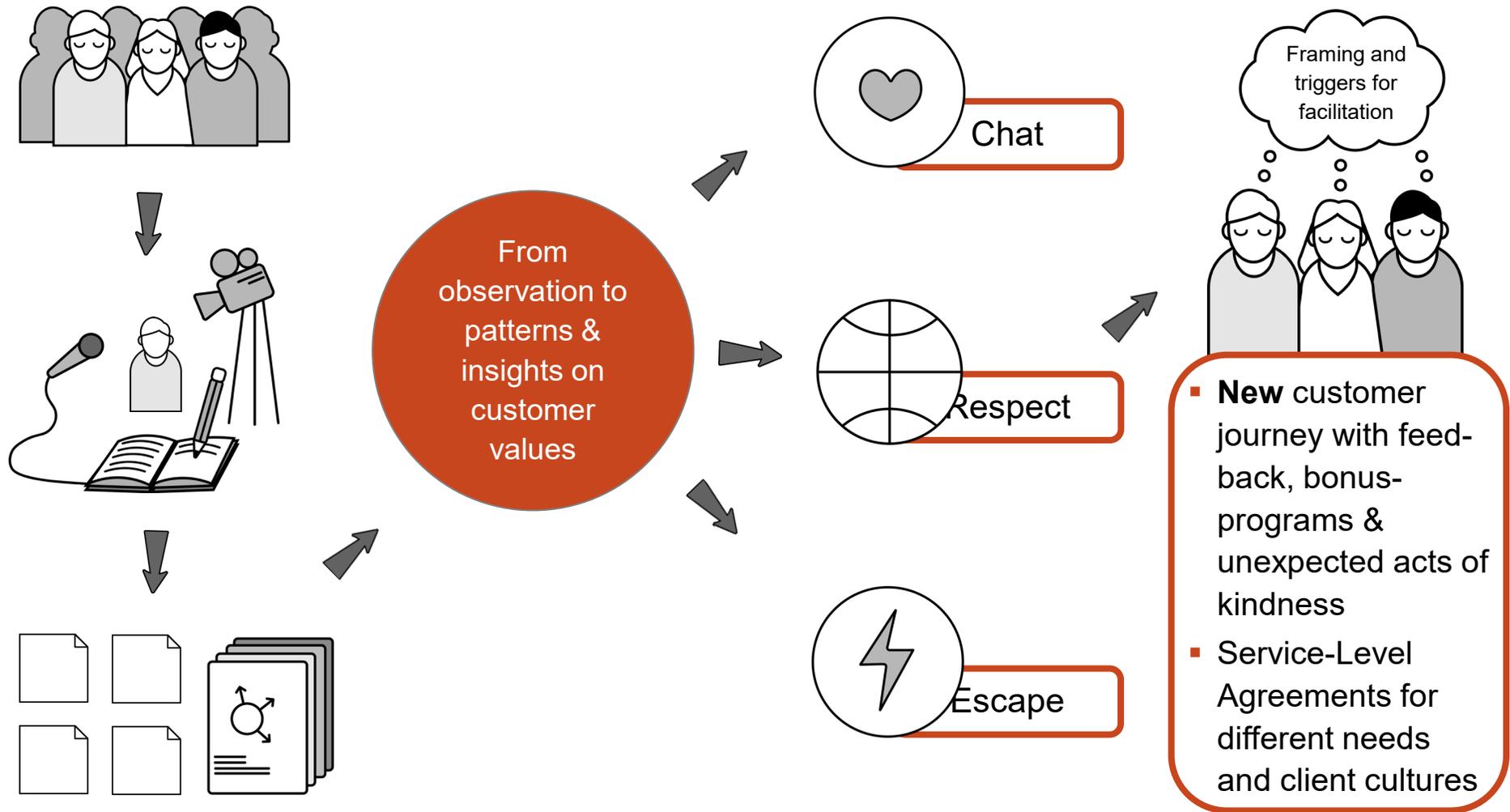
Values-Based Innovation Management /// *Ethnographic Research and Ideation*



Values-Based Innovation Management /// *Ethnographic Research and Ideation*



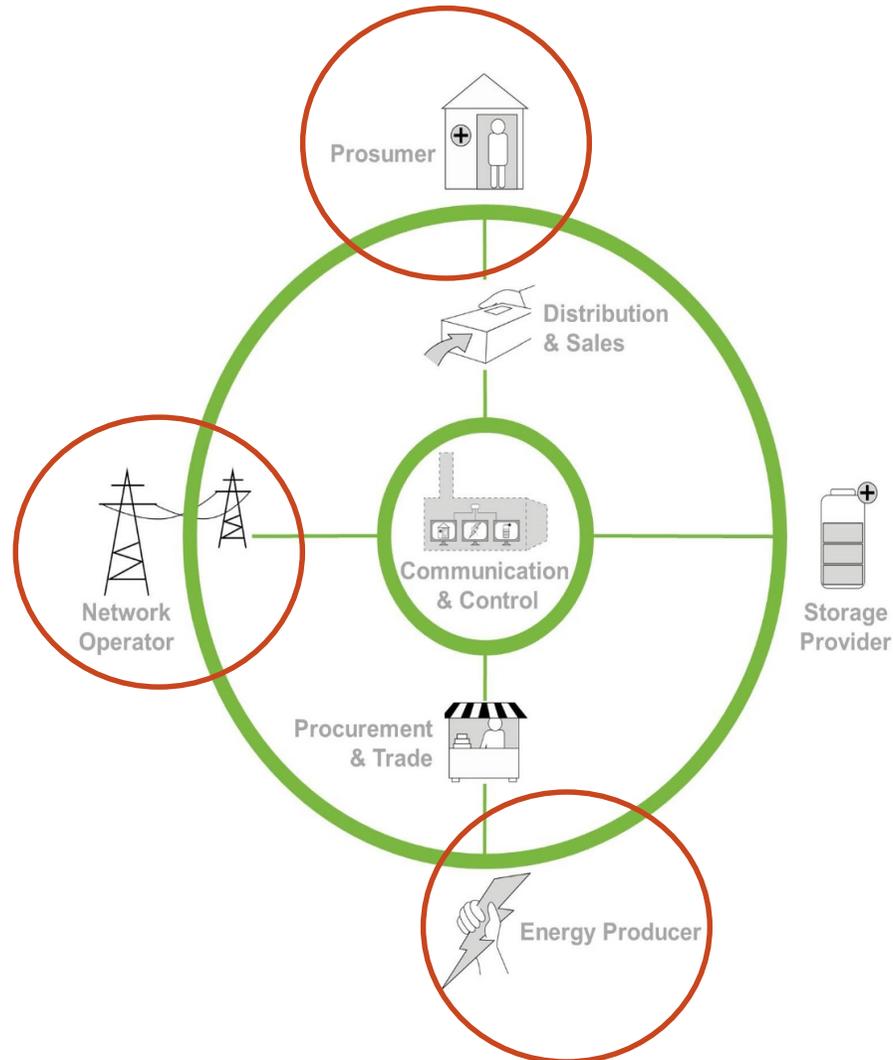
Values-Based Innovation Management /// *Ethnographic Research and Ideation*



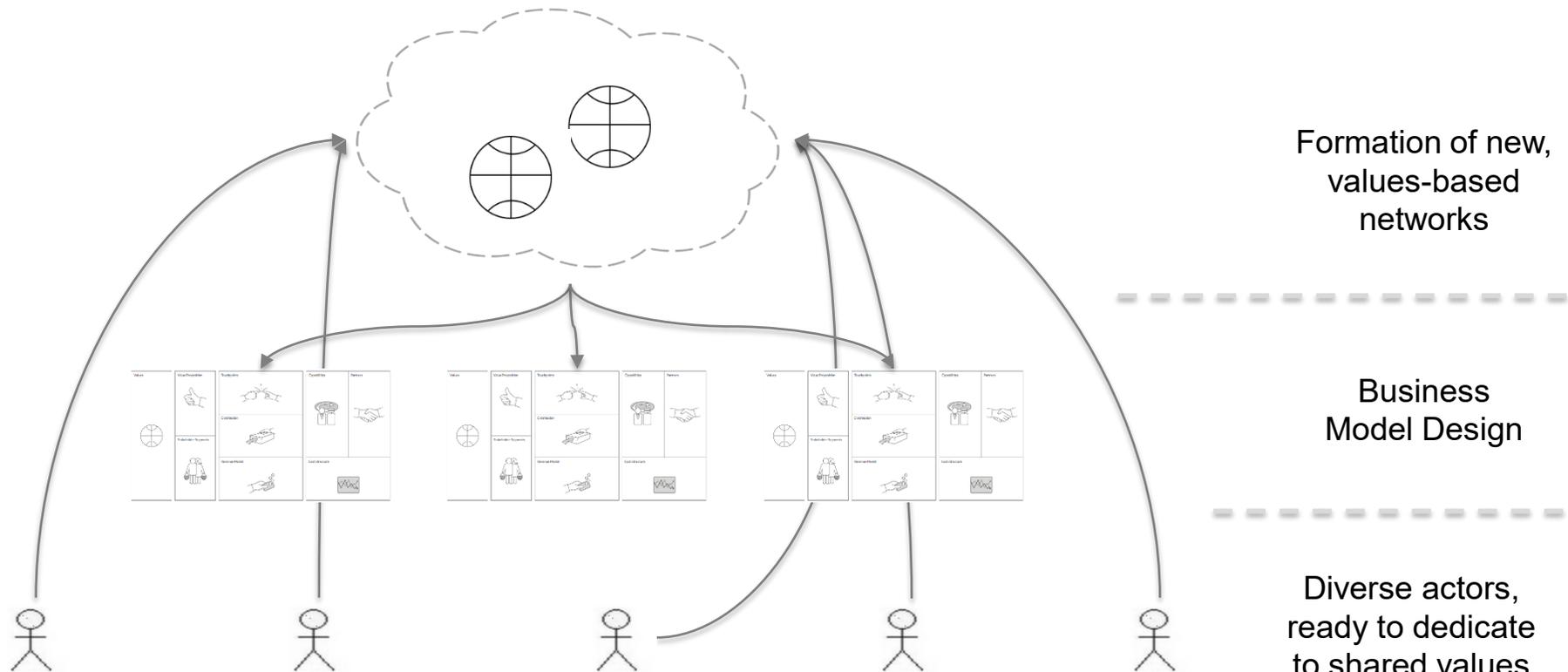
Values-Based Innovation Management */// Sustainable Business Modelling*



Values-Based Innovation Management /// Actors from the energy industry hold different values and use different business models. How to foster collaboration?



Values-Based Innovation Management */// Elaboration of shared values of sustainability provides a strong basis for collaborative business modelling.*



Formation of a values-based network: Different actors (at the bottom) from an industry or region convene to explore shared values and formulate a common vision (cloud at the top). This may be realized through the network of new business models of the participating parties.



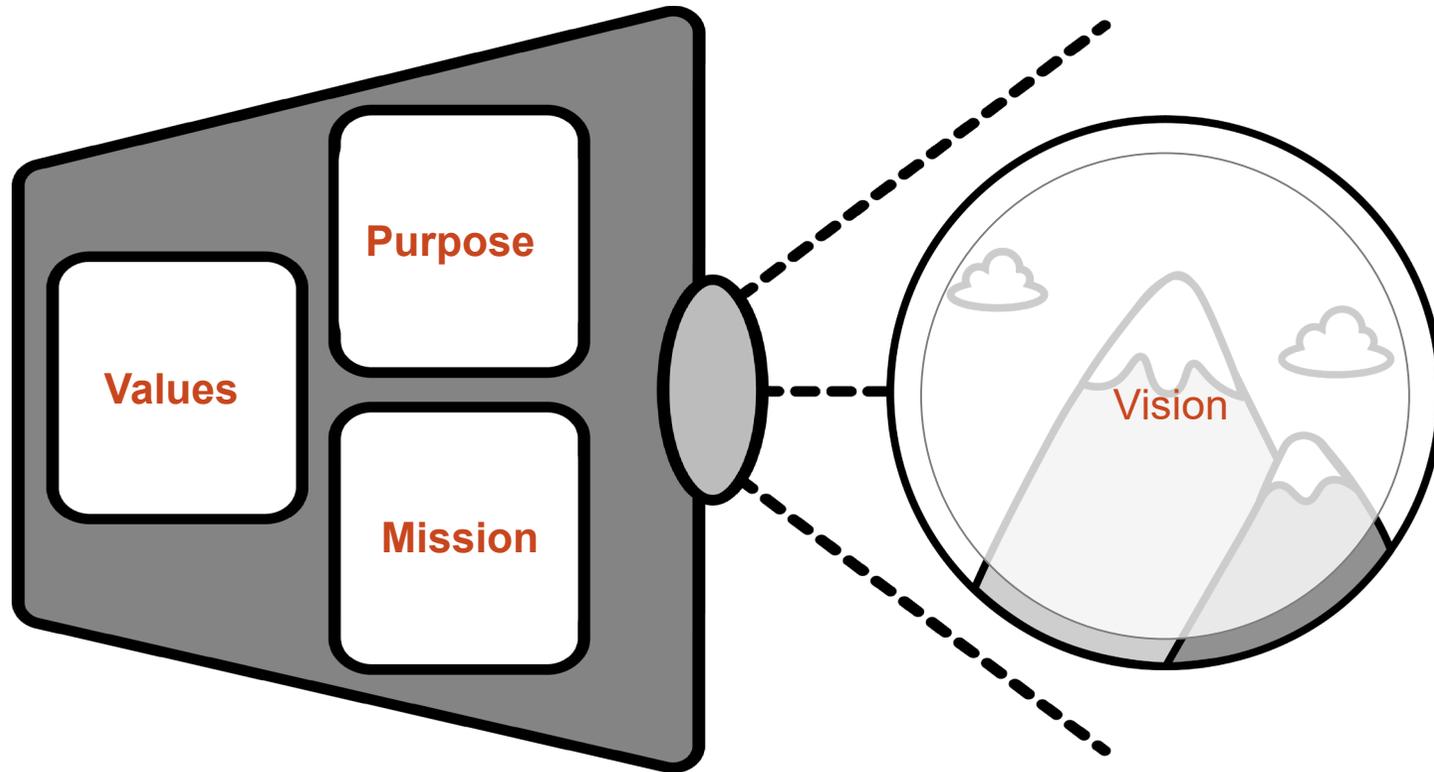
Values-Based Innovation Management /// *Shared values and parallel creation of new business models promoted mutual tolerance.*

		<i>Network Actors</i>		
		<i>Prosumers</i>	<i>Energy Producers</i>	<i>Network Operators</i>
<i>Innovation Levels</i>	<i>Values</i>	Regional sustainability, education and independence	Regional sustainability, innovation and independence	(Cross-)Regional sustainability and education to drive innovation
	<i>Business Model</i>	Local energy community	Financial equity participation	Agency for virtual power plants
	<i>Components</i>	Advanced storage technology and trade platform	Partnering in marketing, finance & operation	Repurposing consulting capabilities

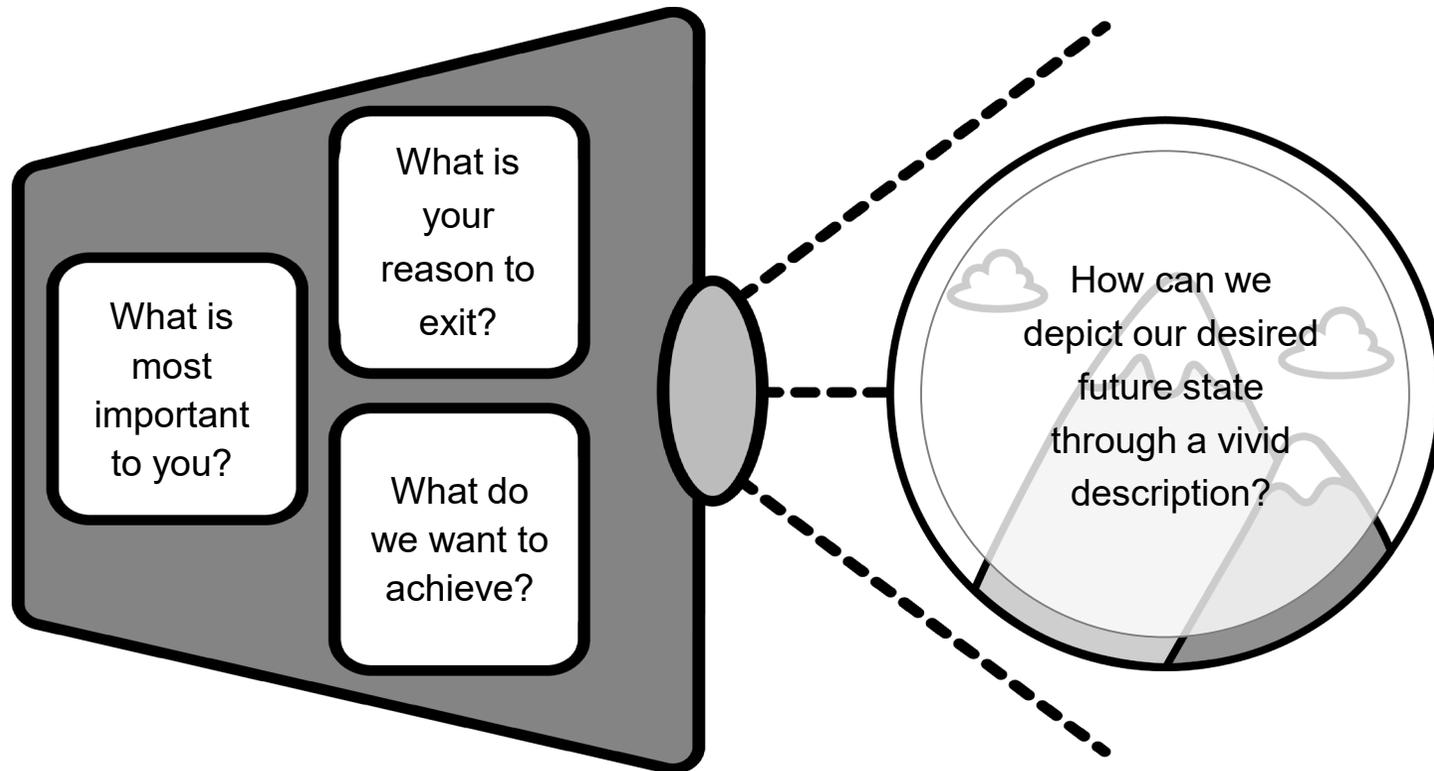
In a medium-sized service company we elaborated upon the core values of the company, its purpose, an ambitious mission and a vision for the future.



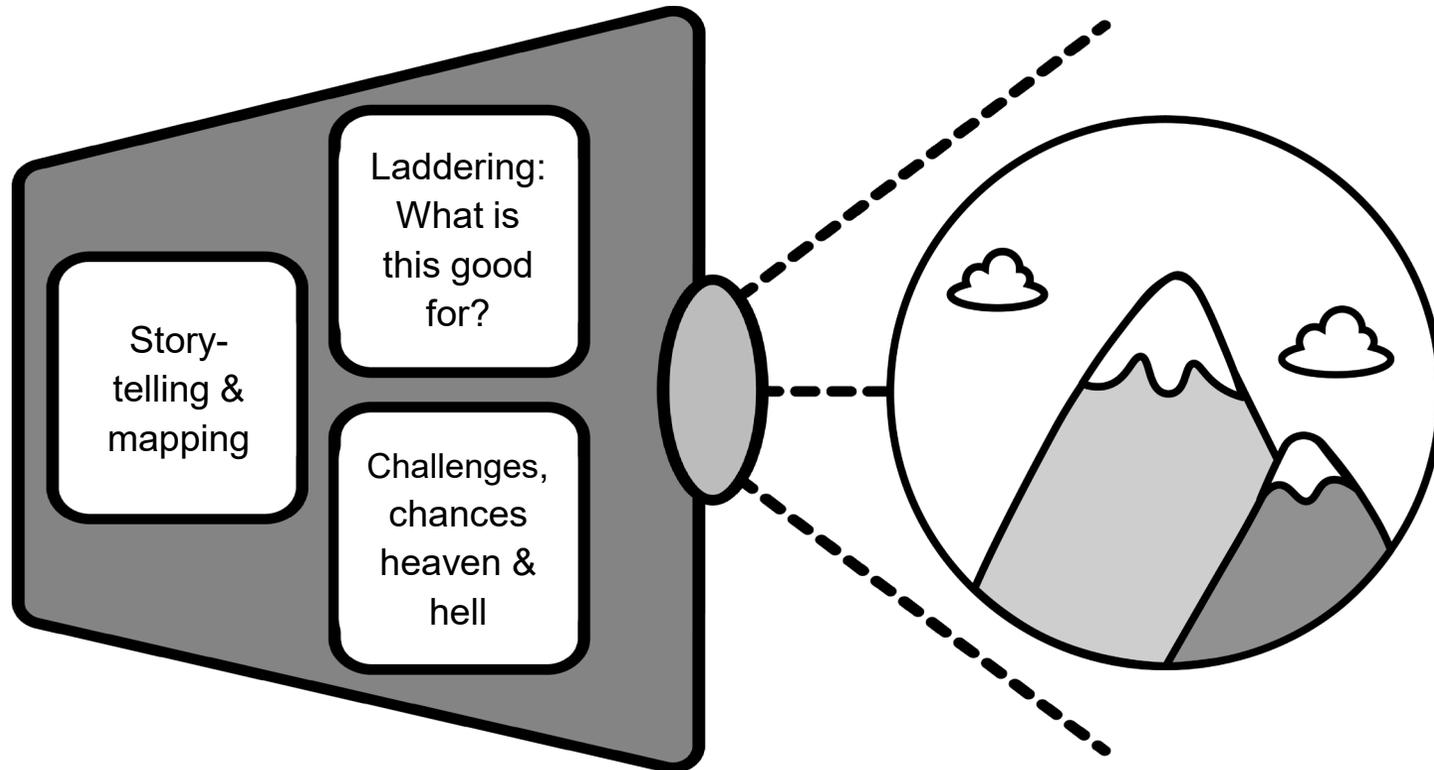
Values-Based Innovation Management /// A series of workshops and feedback sessions led to a specification of normative management statements.



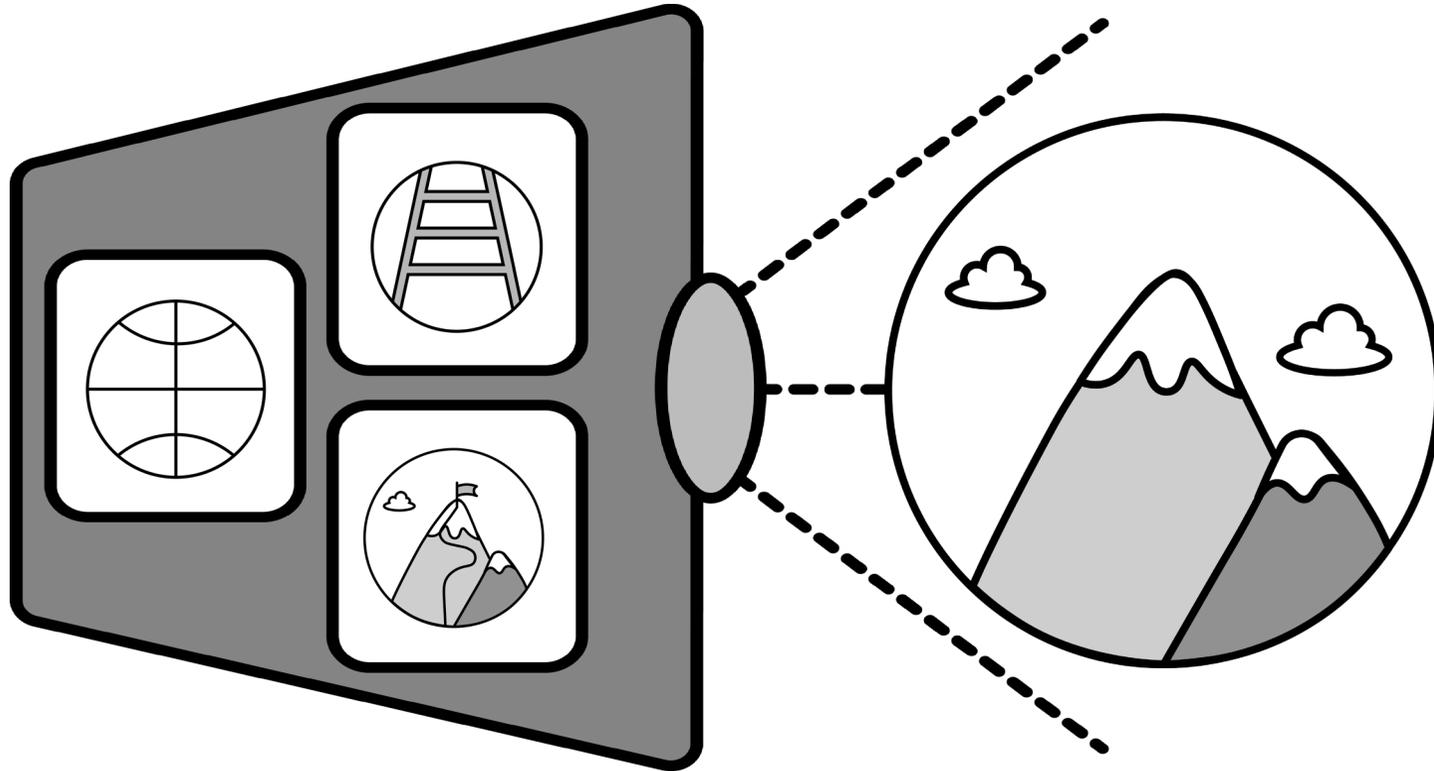
Values-Based Innovation Management /// Following several guiding questions ...



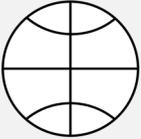
Values-Based Innovation Management /// ... and different facilitation methods ...



Values-Based Innovation Management /// ... we captured values, potential purposes and missions of the employees to formulate a vision ...



Values-Based Innovation Management /// ... and to derive actionable goals and measures for achieving them.

	Examples	Intermediary goals, measures & criteria
Values 	Reliability, agility, collegiality	<ul style="list-style-type: none"> ▪ Error rate, customer satisfaction, follow-up orders ▪ Development of new offers upon customer request ▪ Employee satisfaction, fluctuation, knowledge level, motivation and commitment
Purpose 	Allow inhabitants to feel flourish in an intact environment; maintain economic value for clients	<ul style="list-style-type: none"> ▪ Creation and compliance with environmental standards ▪ Feedback from customers and neighbors ▪ Value of supervised real estate
Mission 	Establish the brand as full service-provider & attractive employer, spearhead digital & environmental protection	<ul style="list-style-type: none"> ▪ Visibility, awareness, recognition, RfQs ▪ Number & quality of applications, training ▪ Availability of new, energy-efficient technologies ▪ Positive environmental impact
Vision 	[Vision / vivid description]	[A unique synthesis of the above ...]

Outlook

1. ISPIM 2020 focus theme
2. Special Issue Journal
3. SIG research project



Values-Based Innovation Management /// ... is focus theme of ISPIM 2020.

- Focus Themes -

Values-based, circular and sustainability-oriented innovation management:

- ✓ Values-based Innovation Management
- ✓ Innovation Management to address the UN's SDGs
- ✓ Sustainability-oriented Innovation and Entrepreneurship
- ✓ Scaling strategies/Diffusion Policies for Environmental Innovation
- ✓ Impact measurement and sustainability assessment of start-ups
- ✓ Transition Strategies for Growing and Transforming Cities
- ✓ Circular Innovations in a Circular Economy

You are invited to share insights on the above-mentioned topics or on other key societal challenges related to sustainable development, and to provide and demonstrate approaches, solutions and best practices for values-based and sustainability-oriented innovation management.

Changing customer and stakeholder values and normative frameworks such as the Sustainable Development Goals (SDGs) by the United Nations create new challenges and opportunities for innovation. We call for demonstrations of innovation approaches and solutions for key societal challenges on local, regional and global levels and how these can create our common innovation future.



XXXI ISPIM INNOVATION CONFERENCE
Innovating Our Common Future
PROGRAMME

Values-Based Innovation Management /// *We are preparing a multidisciplinary Special Issue Journal on Managing Values for Innovation.*

- **Empirical studies:** Cases of values-based innovation in practise and evidence-based assessment of their impact.
- **Innovation research methods:** Analytical and empirical methods to elaborate upon the role of values in business organisations and their innovation projects and management.
- **Innovation facilitation methods:** How to work with values in innovation management and entrepreneurial settings. Success factors and failure in the design of facilitation methods and assessment of their impacts.
- **Theoretical contributions:** Theoretical frameworks explaining in how far values motivate and guide innovation and its management.

Values-Based Innovation Management */// We are preparing a research project involving gamification as an approach to facilitate values-based Innovation.*

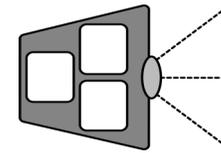
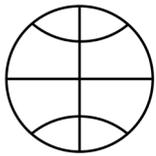
- Values are often implicitly effective, **difficult to access and to translate** into appropriate behaviour and practises.
- Gamification is one particularly well suited approach to facilitate values-based innovation workshops. It provides a **collaborative, experiential and practise-oriented** mode of corporate learning.
- **Gamification** can be used, for instance, to specify global values and directives (such as a new sustainability strategy formulated by top management), sensitizing employees to their meanings and implications, and translating global values into field specific innovation activities.



Example: Global Compact Dilemma Game

 **GAMIFY**

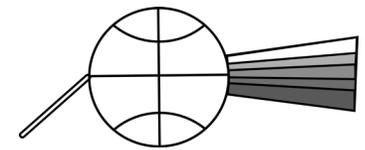
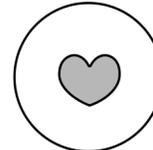
Values-Based Innovation Management /// Please share your ideas, cases and experiences, your values and approaches to innovate by what you care about.



Ideas, cases, experiences

Values and stakeholders

Methods and approaches



Thank you for your attention, and thanks to everyone who contributed!



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Further information:

- **SIGs:** www.ispim-innovation.com/sig-values-based-innovation
www.ispim-innovation.com/sig-teaching-coaching-innovation
www.ispim-innovation.com/sig-responsible-innovation
- **Book Website:** www.valuesbasedinnovation.com
- **GAMIFY Project:** www.gamify.site

