

GO ON THE ATTACK!

Guide to growth through innovation.

A tool for the construction, in stages, of our innovation portfolio.

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Despite the fact that the current conditions are certainly very difficult and that most of us are still in survival mode trying to digest the impact that the pandemic is having on our economies, businesses cannot forget that they must also seek out ways to take advantage of the opportunities that arise in this new context. To achieve this, senior managers need a conceptual framework to refer to, which will help them to identify and create a series of possible initiatives or innovation projects -on which to set their growth into the future- as well as choose the best from amongst them in terms of their expected likelihood for success (which will vary on the basis of whether it is an incremental improvement made on top of the current value proposition, an evolutive change or a more radical one) and then choose a manner to support its implementation which is best befitting, so as to manage to achieve, thus, the strategic objectives aimed at (internal/organic development by way of R&D, hybrid via collaborative/open and/or inorganic innovation through fusion or acquisition, strategic alliance, direct investment in capital and/or incubation/acceleration of startups).

Once the first stage of evaluation of the harm that the coronavirus outbreak has caused us is overcome (which will vary enormously depending on the industry in which we're operating), and once we've implemented a plan to fix the broken pipes and taken measures thus to ensure our firm's survival (strict cost control, downsizing, possible freezing of investments, etc.), the moment has arrived to dedicate, all over again, some of our attention to understanding the new economy that is arising post-pandemic and to spot the growth opportunities which come hand-in-hand with it. The questions which need to be answered are: How can I grow in this new economic scenario and get ahead of my competitors? How can I spot which opportunities are the most auspicious ones so as to reactivate growth and which initiatives can satisfy these identified opportunities? In what way (vehicles) can we bring them about?

Questions to which the model presented next aims to respond and which serves to be able to decide how much innovation we want, really, and what type¹.

An exercise in stages.

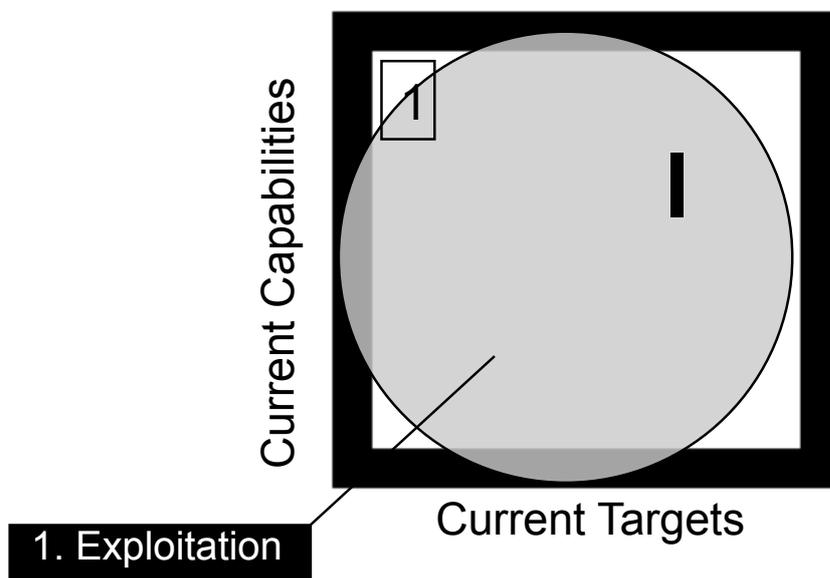
STAGE 1. Exploit the known.

The starting line for this exercise is quadrant 1 formed by the typology of customers that we currently serve on the basis of the advantage we yield from our set of capabilities, abilities, technologies and knowledge upon which we built, back in the day, our offer-catalogue of products and services. That initial value proposal,

¹ This model has been developed based on various sources, among which the "Innovation Ambition Matrix" developed by Bansri Nagi and Geoff Tuff, in the article "Managing your Innovation Portfolio", *Harvard Business Review* 2012. It is a case then of an original reinterpretation and a personal reformulation which feeds back based on my own experience accompanying product, service and business model innovations.

perceived back at that time as a differential or that way of doing things that was particular to us by which we distinguished ourselves from our competitors in the field (at least in the eyes of those who, nowadays, are our archetype of customers), allowed us to grasp that part of the market which now must, first of all, be defended and, secondly go forth and exploit to the hilt. This is the quadrant where our core business is currently situated: our fort.

In this zone the last thing we would want is to lose the favour of our clientele. It is for that reason that applying tools such as the customer journey map, the empathy map and the analysis techniques and optimization of business and work flows, amongst others, we will discover new opportunities in order to micro-adjust those that are our current solutions and exploit our "natural" territory to the maximum.



From what we are told by our present customers, about their complaints and suggestions, from seeing what they really do with our products in their everyday context, of understanding what the apparent contradictions say, often, about what they claim to do and what we really see them do, of what we infer that really concerns them, of understanding the reasons behind the decisions they take, of comprehending what moves, conditions, obsesses them, of their phobias and their shames, of seeing what the unwritten rules are which govern their day-to-day, and so on and so forth, we can infer what their true needs are and we can (re)design, thus, the value proposition that better suits in this new context. It is a matter of putting yourself in their shoes and gaining empathy so as to form a psycho-sociological portrait of the person that is behind that customer in order to be capable of giving him or her exactly what they require. And it is not about, solely, giving the customer what he or she claims to request, but rather of deducing and anticipating what the customer is not even aware of that he or she is going to need tomorrow so as to, thus, surprise and earn his or her confidence and ultimately the customer's trust. The final objective is to offer proposals of unbeatable value,

without leaving any stone unturned which, due to dissatisfaction, give rise to the possibility of an entrance of new rivals in what has been our impenetrable bastion.

Graphically this comes to take the form of a magnifying glass to look, in fine detail, at the particularities of our customers in order to adjust much more and much better our offer, micro-segmenting what until now we had treated as a homogenous block and dividing it into multiple sub-targets to which we will tailor our, until now, standard solution (in that final instance we must aspire to personalize our product or service completely, for each one of those micro-segments of customers)

Improving/adding/eliminating/magnifying/minimizing, and so forth some of the attributes that have made our current product or service solution distinguishable until now are the actions (in the form of verbs) which we shall use with a view to exploiting to the limit this quadrant. Given that these are “minor” enhancements practiced upon the essence of what is our core, we are talking here, in general, about incremental innovations (I) which although they are tremendously important to consolidate our position, they don't bring, in general, great competitive advantages, nor substantial cost savings very distinct from what we have been taking advantage of thus far.

Some questions we should be asking (in the form of a check-list) in this first quadrant so as to bring to light these incremental improvements to be carried out, are:

- What is the greatest inconvenience that our customers/consumers put up with/tolerate (oftentimes without even being aware of that inconvenience because it was always there and there was never any alternative they could consider) and that if some competitor were to offer today, a solution that resolved/eliminated it, they could seriously consider ceasing to buy from us?
- Is some customer especially gripey and grouchy and grungey about something?
- Has some customer ceased buying from us? Do we know why?
- What is the explanation for the fact that some of those whose profile should be our customers, are not buying and what, from being capable of eliminating that (which justifies their current status of not buying from us), would cause them to start to buy from us?
- Do we have some customer who buys from us in an anomalous way (the customer requests "things" outside the norm: deliveries at odd hours, delivery formats distinct from the standard, and whatever else it might be)? Or who brings about with our products unexpected "commercaill initiatives"? If that is so, ask yourself, why do they do that? And, immediately, ask, how many more as her/him could find that they would like our outcome in that manner?
- Which segment of our current clients are least well-served by our current product ...despite buying from us (surely because they haven't yet found a better alternative)? Who would be over the moon if we "relaxed" our conditions?
- Who would be willing to pay more for a premium product?
- Could we sell more or increase our profitability if we had at our disposal certain information about our channel and/or customers? Which? What could we do to attain that?

- ❑ In which geographical markets with a similar typology of customers (though not equal) to those that we serve here, should we be and are not? In which of those where we are could we grow more? And so that that occurs, what must we change/adjust?
- ❑ What about what we are doing now (in terms of the production/distribution chain) could be changed, improved, eliminated, externalized, without the customer/consumer being at all affected or even could benefit from?
- ❑ What other ways of distinct distributing from those which we are current using would help us to shift more units?
- ❑ ...And so forth.

Some examples of successful incremental innovations would be Gillette's broad range of razors which aims at covering all types of necessities in men's shaving. From those which look out for his economy (the disposable Gillette Blue II, 5+1 free pack), to those who seek a perfect shave (Gillette Fusion 5 Proshield with 5 antifriction blades, lubrication before and after the blades and adaptable handle for all contours). Between those extremes are to be found the Gillette Sensor, Sensor Excel, Match 3 Turbo, among others. Gillette for every and any type of pocket, every and any type of beard and every and any type of skin. There is no possible excuse to cling to not using a Gillette!

A second example of incremental innovation from the original solution would be that of the BIC orange (...that writes finely, do you remember?), set against the original solution, the glass BIC (which writes in a normal way). The target is the same but we adjust the solution to the kind of trace that is needed on each occasion/task.

And again we categorize as incremental innovations, the distinct formats of packaging that one can find in bottled water of the same brand (one for each moment and place of consumption). Flavours in yoghurts. The evolution observed in the iPod family based on the first iPod launched in 2001 (2G, 3G, 4G, mini, shuffle, nano, color, 5G, and such) as well as the distinct series of iPhone would respond, too, to this type of innovation. But we also categorize as such, the adjustment of the standard solution to the idiosyncrasy of the distinct geographies in which we sell our products (colors, formats, flavors, language, culture, and what have you). And also, the distribution of our products via new channels (e.g. Nespresso -at the beginning- selling their capsules exclusively over the web). And thus a long and broad etcetera which would cover from incremental betterments in products, process, marketing and distribution.

It is estimated that this sort of incremental initiatives represent an average between 70% and 85% of all the resources which are devoted to innovation, varying according to type of industry that is in focus.

This sort of incremental innovation "presupposes" in any type of business and accustoms itself to be the "natural" reply to the requests made by sales and marketing departments to defend their position gained and aspired to make sales grow in our core. **That is, then, the starting point; exploit in depth our natural territory.** Nonetheless, it is unlikely that this kind of innovation will generate the growth for which firms yearn.

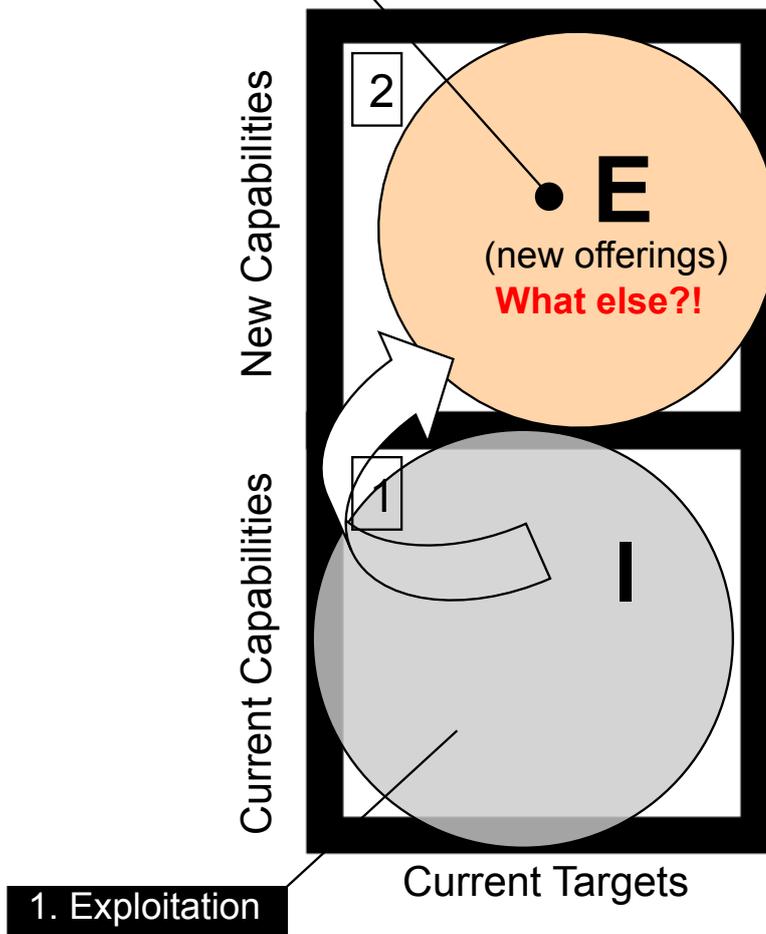
Once we are assured that there's no customer unsatisfied in that which is right now our core business, we can and must aspire to a great deal more.

STAGE 2 Discover near/surrounding/adjacent spaces which we have yet to explore (widening our ambit of activity further than our core with movements that "make sense and follow a logic").

Quadrants 2 and 3

2.1 In this sense, the next thing we ask ourselves is **what else could we sell to those who are already our customers?** What other products/services further than those which currently appear in our catalogue? ...Even when this obliges us develop or acquire some capacities, abilities, technologies and/or knowledge which we don't currently have available in our organization. A broadening of the product portfolio such as is suggested here for those who are our segments of ongoing customers (which could be based on products merely complementary to those which we presently offer, way up to solutions that have nothing at all to do with what we are currently selling them, in what would represent a clear attempt at diversification) implies, necessarily, a strategic decision on the part of the management. This is, decide, whether if it will be our very selves who develop the capacities, abilities, technologies and knowledge necessary to be competitive in the offer of those new products or services or whether we are going to externalize it to third parties (via subcontracting, by way of using licenses, establishing strategic alliances or acquiring other companies that possess the know-how and/or brand recognition) in order to speed up the process and avoid the time, the effort and the risk that is implied by the decision to start from zero to build from within the necessary capacities.

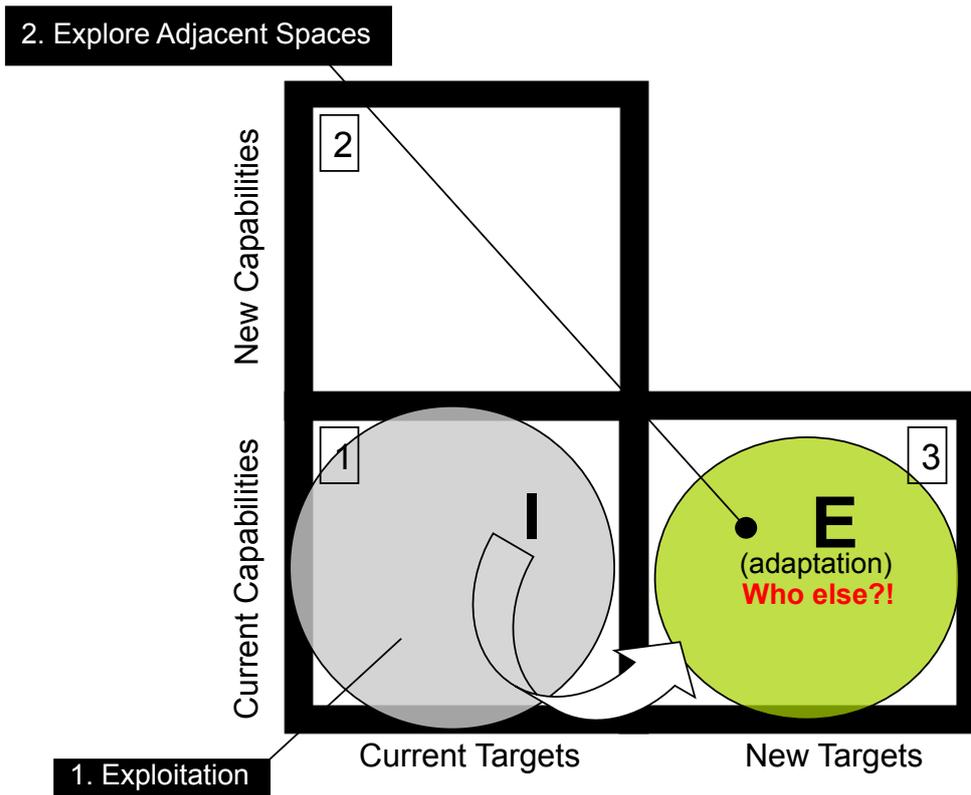
2. Explore Adjacent Spaces



An example of movement in this direction is to be found in Gillette with its offer of gels, creams and shaving foams and its series of products for skincare as well as aftershave. A "natural" broadening of catalogue that complements the main business (razors). In the case of the BIC pen the catalogue was broadened as much by offering products related to the field of stationery (board pens, boards, Velleda, and such) but moreover beyond what would be "natural"/expectable for the main target with lighters, razors, phones, whose common denominator was offering a basic functionality at an unmatched price; something which is inherent to all BIC products. In both cases the question which gave rise to this new catalogue was: what else (products or services) do we identify that we could offer to our typology of customers who already buy our main product?

2.2 Another possibility, very common, is that of trying to reach other typologies of customers whose needs, in essence, are comparable to the ones that we already satisfy in our natural customers (the objective of expanding our customer base beyond those whom we identify as the core segments of our business). The challenge revolves around inferring what the differences are to be incorporated into our base solution (that which already serves the needs of our type of customers) so as to adapt it and make it attractive for those other archetypes of potential

customers that we are seeking to captivate. The question to be asked is: **Who could be interested in what we "sell", although for that to occur, we have to adapt it somewhat?** And in order to begin to tug on that thread we can start reviewing, in fine detail, our sales stats and perhaps we find there some customer who, unexpectedly, is buying from us without our having sought him or her out (because we hadn't identified that customer a priori as an archetype of our target customer). Discovering to our surprise how, those who shouldn't be our customers, are buying our standard solution, tends always to be an invaluable source of insights² that can help us to innovate.



An example of this lateral movement, hugely well-known due to its success, is Nintendo's Wii, which with its handheld remote-control solution that, moreover, detected physical movements, incorporated a large number of new players who saw themselves drawn because, with this console, they could get into the games in the same way that they would play in the real world. It turns out to be highly interesting to see how in spite of the fact that the graphic Nintendo solution was somewhat inferior to that which Nintendo's main rivals at that time (Xbox, PlayStation) managed to draw not only a good part of its natural target (teenagers) but rather also other targets who had never been felt at all tempted by videogames.

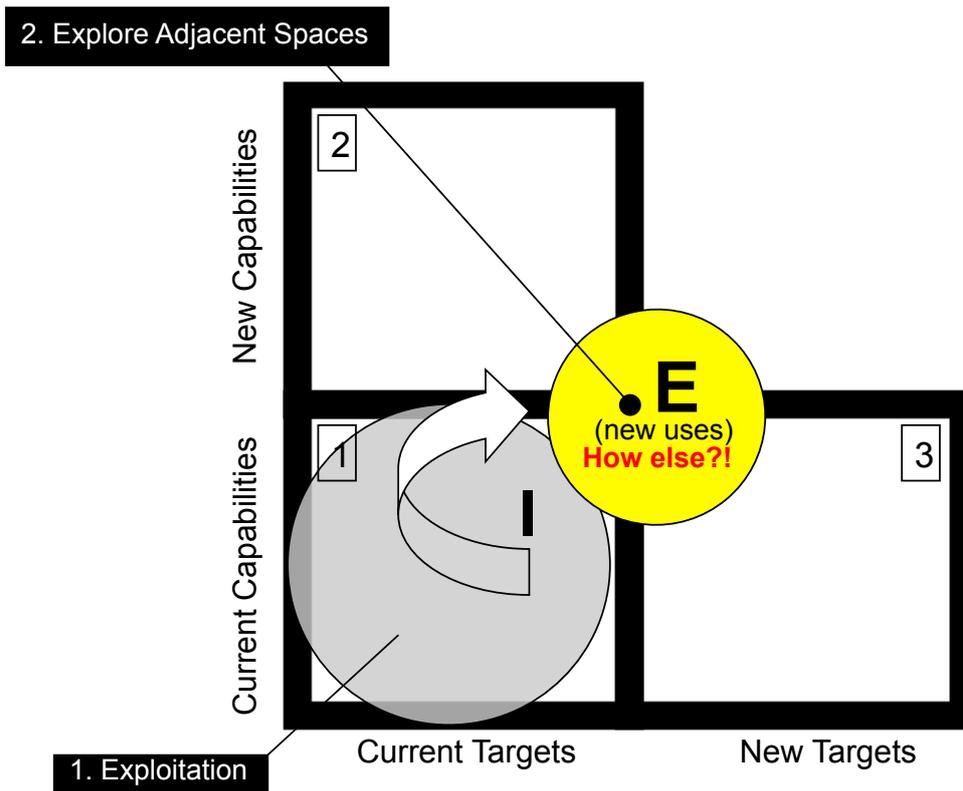
² To go into more depth in the world of *insights*, you are recommended to read the article "*Where (and How) to get the INSIGHTS that drive our innovation*", in which 12 distinct ways of achieving insight for innovation are suggested. Enric Segarra, Harvard-Deusto Business Review, March 2020. You can find it at <https://www.enricsegarra.com/where-and-how-to-get-the-insights-that-drive-our-innovation/?lang=en>

This is a clear instance of innovation (in this case with a very key technological aspect) that opens up the market and leaves in the dust the competitors who, immediately see themselves forced to incorporate that new functionality if they don't want to keep falling further behind (from that moment onward it established itself as the new industry standard). We are faced with a "natural" movement (Who else could be interested in what we're selling even if in order for that to happen we'll have to adapt it? And in the case that we're dealing with an adaptation that is not at all minor, as it forced to remove the cable that used to join the remote to the console) that ended up, in this instance, breaking the overriding rules of the game in that industry up to that moment and raises the bar for all suppliers. We are talking here about a truly utter disruption.

Even though this is a shining example, often the adaptation is much tinier, but in the eyes of the new target it is definitive inasmuch as they recognize us as potential suppliers and decide to try us. Following, for instance, with the Gillette case, this lateral movement derived from the finding that some women used razors to shave and depilate themselves. This flung open the door to a vast new market: women's razors.

Thus the original product which was conceived for men was re-thought and adapted so that women would use it and that gave rise to the Gillette Venus family (pastel colors, disposables, rechargeables, for normal/sensitive skin, and so on and such like).

2.3 And yet another possibility to study is that whereby has the aim respond to the question **What new uses could be given to our products and services and furthermore to our savoir-faire, outside the context for which they were intended?** For this type of innovation the "move up to a broader concept" praxis is very useful. Instead of centring on the product, what we are doing is taking a step back so as to get to grips with what the underlying concept is behind the product. The idea is that, in taking some perspective, we get to a fundamental value (of the essence) that there is behind the success of our solution and we can find other fields such as "that which we do so well" (that competence that distinguishes us and which we materialize by way of our products and services) might have an application to launch new proposals to new targets, expand our portfolio to our targets and even on occasion to open new areas of enterprise.



The key question to set up in this state is **How could we 1) use what we know (facilities, equipment, team, etc. 2) what we do (process, know-how) and 3) the information that we have about our customers, in a distinct way for making other thing(s) different (so that our products and services were initially thought) or for other types of businesses?**

Just like Fujifilm acted to overcome the disruption inherent in the advent of digital photography; it sought other uses for its wide chemical knowledge about developing photographic film and it found itself in the cosmetics field and in the production of protective films for flat screens among other items.

A second good example of this movement is the glue which back in the day 3M developed (which hardly ever stuck anything at all) and for which many years later a use was found that had been beyond the imagination when it had been developed, so as to give rise to the ubiquitous Post-it. Having established a new use for something that had been disregarded for what it was originally intended, ...it ended up becoming a huge business for 3M.

Or the way in which Vilardell Purtí, a firm operating in the market of the mechanization of pieces (nuts and bolts hardware) of high-precision tech turning for the automotive and aeronautics sectors which, up until that moment had marked its history, decided to set the aim of launching an "own product" (until that moment they had always manufactured in accordance with specifications that their customers had provided) using the know-how accumulated throughout their trajectory in the firm's industrial division and it found a path ahead in a sector such as medical applications which require pieces of small diameters and of high precision (something which the firm was very accustomed to doing) for dental

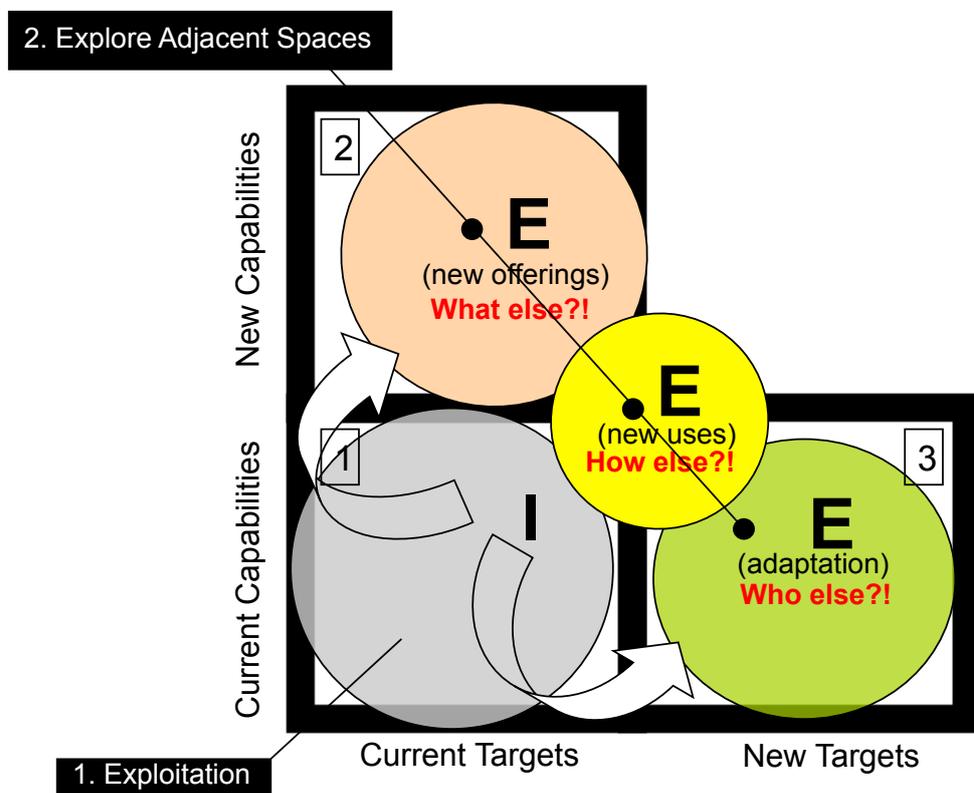
implants, prosthetics, and such. What probably began as a search due to necessity (read, reduce dependence upon the powerful manufacturers of the automobile industry), led to a new tremendously successful business under the Avinent Implant System banner.

A magnificent example of how to interrogate oneself about new uses or new applications could serve that which we are great at doing, ends up giving rise to a new business much more profitable than our original core.

In some cases, assuming that what one does is the product one sells and centering only on that, explains why some companies that dominated their respective markets, disappeared when a change in circumstances popped up. Their strategies, centered on the product and not on the need that it met for the customer, turned out to be definitive for their disappearance. That is what happened to Olivetti, which managed to become, just as it had intended, one of the world's greatest manufacturers of typewriters. If rather than having centered solely on manufacturing typewriters the company had specialized in developing tools for "the capture and register of human thoughts", surely today Olivetti would still be a powerful player in that industry.

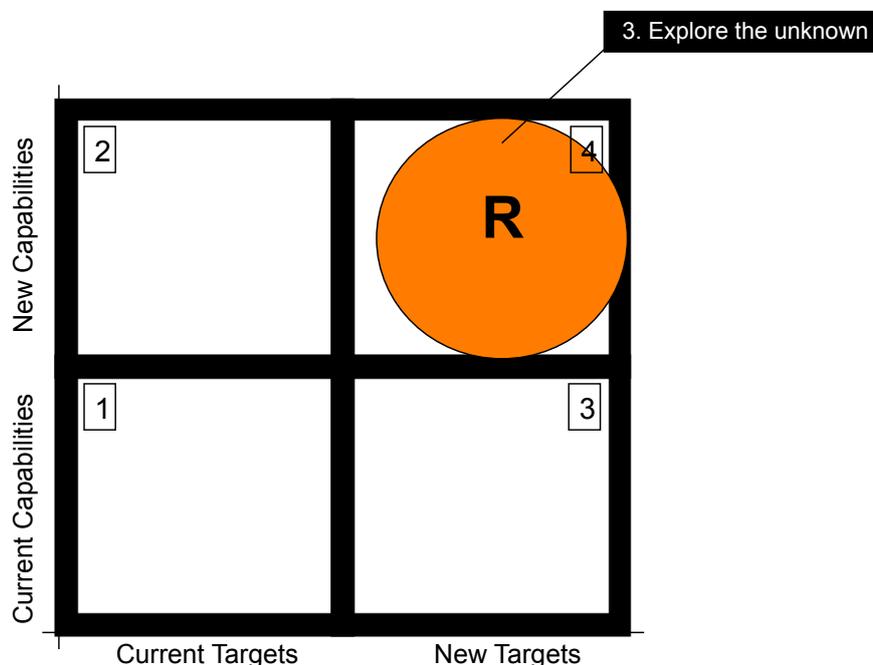
These three movements formed the periphery (adjacent terrains around our core which forced a rethink of our original product/customer solution), conform with what is known as evolutive (E) innovation faced with the type of innovation, incremental (I) innovation, which applies in the first stage.

The scheme at the foot of this second stage stands in the following manner, once all the initiatives of the incremental and evolutive types are reviewed.



STAGE 3 Jump into the unknown. Figure 4

We are facing the most radical³ (R) movement and, therefore, the most difficult one for a company, which has grown, up until now, in known (core) territory or in adjacent territories and which, now aims to set off on one that is totally unknown to it.



The challenge, the aim, consists of attacking a target unknown to our company, with a solution that requires capacities that we do not have; we are setting out to play in territories whereby there is a low likelihood of success for us given that usually those combinations of target/capabilities are, precisely, in the core of other competitors which are well established. In this case, the affront aims to surprise the

³ Do not confuse Radical with Disruptive. An innovation is radical for a company when the company is faced with a double challenge of dealing with an unknown typology of customers, with technology/know-how that it does not possess. What for this company is something radical, may be the order of the day for another company for which, that quadrant 4, is its quadrant 1 equivalent. The Disruption may occur at any time, when some contestant reinterprets the situation from a different perspective and breaks, thanks to a new value proposition, the rules of the game (in force up until that instant), seriously affecting the position of dominance that the incumbents in that quadrant have been enjoying. When disruption occurs all the existing spaces up to that instant are reinterpreted and/or new, previously "uncharted" spaces open up which caught nobody's eye until we all came face-to-face with them. An example of this type is the story of Airb&b which finds itself in its own blue ocean, with a value proposition that the incumbent companies, from the outset, could not possibly beat: hook up havers of first residences which they offer as a host to visitors sharing their own house and/or havers of second residences to offer for rent by the day (procuring them a profitability to some properties which, until the Airb&b model arrived, remain idle/unproductive) to travellers who were looking either for a more personalized experience or otherwise better value for money than they would get staying at a conventional hotel.

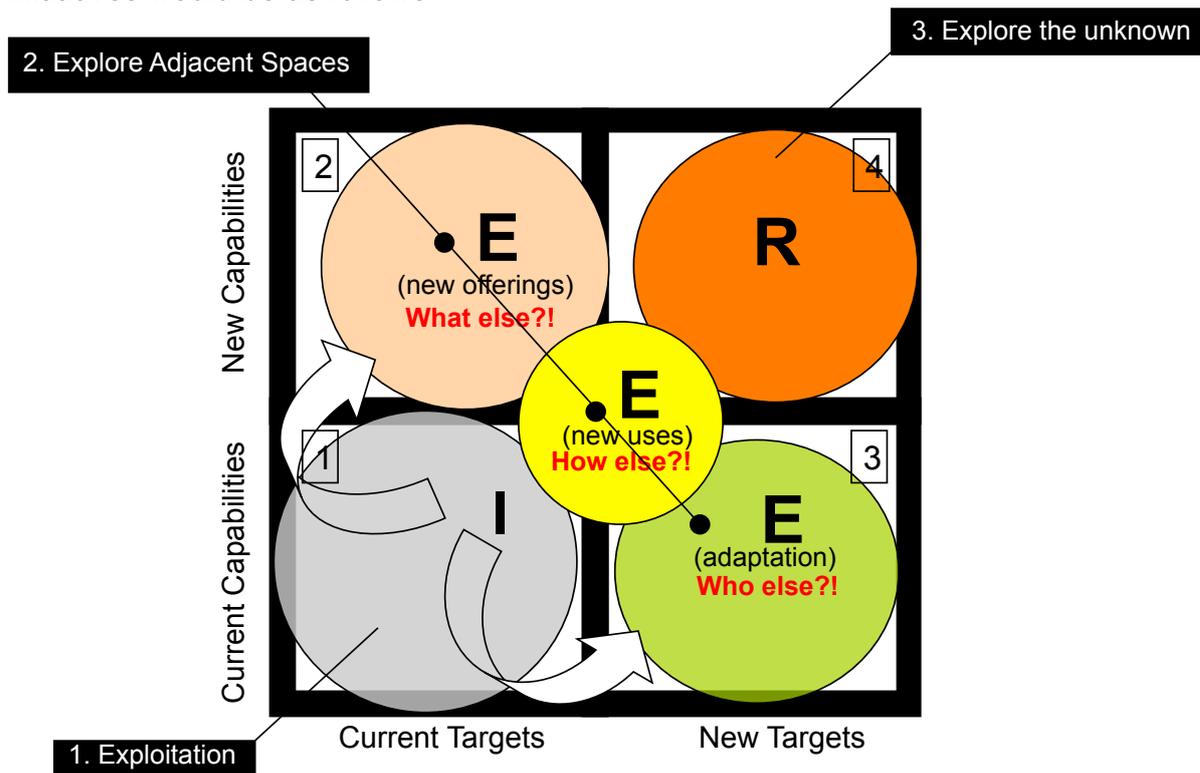
If you wish to go more deeply into disruption, you are recommended to read the article *Disruption! Far Beyond INNOVATION*, Harvard-Deusto Business Review, April 2019 (you can find it at <https://www.enricsegarra.com/disrupcion-mas-alla-de-la-innovacion/>) in which the definition of what is really called Disruption is delved into as well as the bases of it (the use of new technology to which a commercial use had not been found or the convergence of new and existing technologies or a new use of an existing tech which nonetheless nobody had contemplated. Or of looking in a new, distinct way at what was always there. Or observing irregularities that had occurred imperceptibly until now and take advantage of them. Or capitalizing a change in preferences in customer tastes. Or taking advantage of a regulatory change. Or simply taking advantage of serendipity ...and being attentive).

firms that have that which, for us in quadrant 4, as their core, with a value proposal that, until now, nobody has presented and which displaces the attention of that market, until now apparently well attended, toward us.

This movement (opening up a conduit to a space dominated by incumbent firms) which comes "naturally" to an insurgent player is tremendously difficult for a consolidated company as it requires very important changes in the ways and the forms of the incumbent company that wants now to venture into the realm of quadrant 4 (and to those who have arrived as a result of years of success).

There are few companies that take this step successfully, betting on opportunities which, in the medium-to-long term could shrink or even destroy/cannibalize their own core business or lead to new business units (as was the case of HP's 3D printing division) or new firms. Be that as it may, it is solely those who stick their necks out, who have that possibility, although the chances of success are low, as we will see further on.

The full schema that reflects our portfolio of incremental, evolutionary and radical initiatives would be as follows.

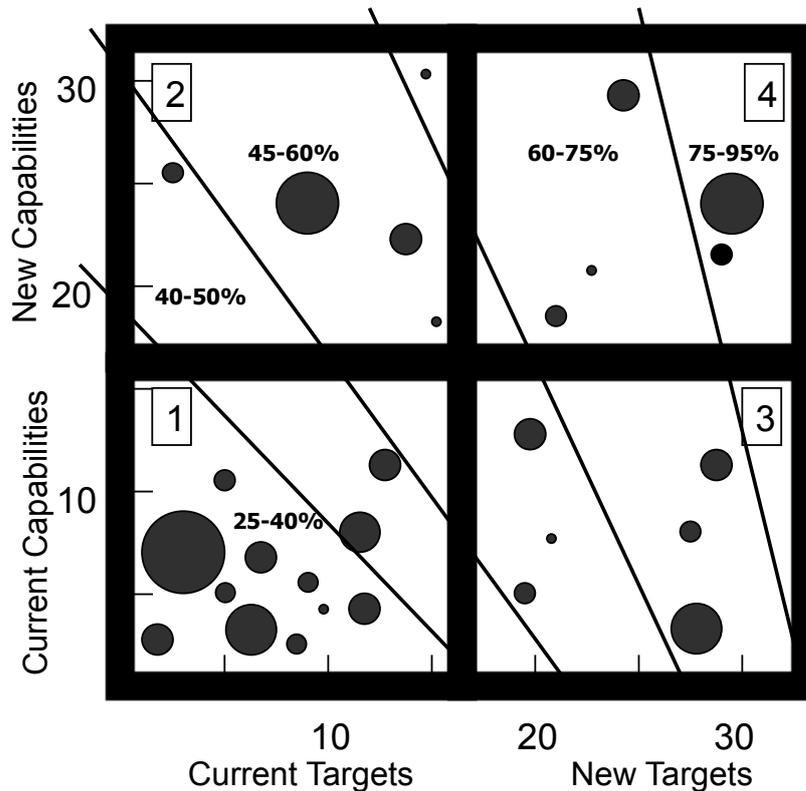


New typology of intended customers

	...the same as followed by our current typology of customers			...totally distinct		
The behaviour of this type of customers and their decision-making process is...	1	2	3	4	5	<input type="checkbox"/>
	...the same				...totally distinct	
The sales and distribution system needed is...	1	2	3	4	5	<input type="checkbox"/>
	...Yes				...No	
We know the "soft" aspects (languages, uses, customs, expectations, and such) of this new typology of clients aimed at...	1	2	3	4	5	<input type="checkbox"/>
	...recognized/reputed				...unknown	
Our brand is...	1	2	3	4	5	<input type="checkbox"/>
	...highly relevant				...inconsequential	
Our marketing, technical assistance and customer service, etc., is...	1	2	3	4	5	<input type="checkbox"/>
	...Yes				...No	
We know who our competitors will be and what the value proposal for this new typology of customers that we aim to attract...	1	2	3	4	5	<input type="checkbox"/>
	...Yes				...No	
						<input type="checkbox"/>
				TOTAL		<input type="checkbox"/>
				(X axis)		

With the scoring obtained we can now mark on the graph each one of the projects. The size of each one of these points/initiatives is proportional to its NPV (Net Present Value), a measure commonly utilized to evaluate and be able to compare distinct opportunities/initiatives. The greater the point is, the greater the yield in monetary terms, according to the suppositions utilized for its calculations.

TYPE OF INNOVATION AND FAILURE RATE



The graph shows the risk to which the company is exposed to based on what its portfolio and innovations is and serves, in the manner of a springboard, to discuss what the mix of projects is that we seek to have in line with the rate of failure that we are willing to tolerate. By rate of failure is understood the likelihood that a project has to fail to achieve its objectives. A quick reading of the graph tells us that the further away from one's customer archetype and the more distinct ones capacities that are required to attend to that opportunity are, the great will be the risk that is being taken with a particular initiative.

So, if a company seeks to avoid taking too many risks, its innovation effort will center on the low part of quadrant 1 (incremental innovations), reducing hugely the rate of potential failure to "only" 25-40%, but making it difficult that the company could, in the medium term, even survive faced with the more-than-certain pressure that other rival firms will put in place, anxious to beat it and take share away from it or to push the company out of play.

The only way in which a company can grow/triumph is thanks to launching new products and services in quadrants 2, 3 and 4. Certainly, the risk of failure in these quadrants is high, but avoiding those very hard movements will make it very difficult, if not impossible, for the company to stand out and, thus, grow. The ultimate aim centers on finding equilibrium with projects in the 4 quadrants.

Once that graph is complete, it is habitual that we notice that 1) there are too many projects on the go and 2) there exists an imbalance between the number of projects

of incremental type (many) and those that appear in the other 3 quadrants (few). This latter point must not take us aback because the criteria for the analysis of sensitivity applied to decide whether a project goes ahead tend to recognize that major uncertainty that is presupposed in any initiative that is far from the core, so that most of the radical innovations won't get the nod. When little verifiable information is available in order to carry out an analysis of sensitivity, the financial analysts are in the habit of raising the discount rate so as to validate the worth of the project, demanding more return on those projects, which we inherently know increases the risk (for the analysis of sensitivity it is advisable to assign probability curves of occurrence of the event to each one of the variables we have got). Be that as it may, a company worth its salt must aim for a graph similar to the one presented here. That means that the company is betting on innovation and it does so in equilibrated manner with projects to defend the core, bets over the medium term and projects for what can turn out to be a new core/a new business in the future.

The capacity that a company has for grabbing the eye and gaining the trust of the new target (to achieve that the company must understand first of all what the job-to-be-done is; what the main problem to be understood is/what the necessities to cover, what the inconveniences tolerated with the current solution (if there are any), the process that new target follows for decision-making in buying, and a long etc. of questions that must be dealt with just as we did in quadrant 1 when we tried to defend our business) is much more important and difficult than how good the company is at being capable of developing/adopting a capacity and/or technology fundamentally new. It is for that reason that the graph shows that the likelihood of failure for a new initiative is higher when unknown targets are attacked than when the capacities and/or technologies that are required are unknown and that is thus because when this latter is the case, one can always buy/license and so on the necessary capacity/know-how. When all is said and done, the know-how and the tech tend quickly to be "commoditized" and make themselves easily accessible.

How to make it happen. Vehicles for innovation.

Once decided how much innovation we want and of which type, what corresponds is to decide by way of what manner, with what instruments we are going to bring about those decisions.

Traditionally companies faced up to the challenge of innovation from inside, investing in their own R&D labs and teams. With the passing of time, it has become clear that that is not the only way and gradually other "colors", so to speak (read, tools) have been incorporated into the corporative pallet so that innovation takes place.

All they were mentioned at the start of the article open/collaborative innovation, fusion or acquisition, alliance strategy, direct investment in capital and/or incubation/acceleration of start-ups.

1. **Internal R&D.** This was the approximation that was utilized above all by the largest corporations of the past century so as to face up to the challenge of innovation. Bell Laboratories with Edison at the front, Xerox's PARC, HP labs, among others, represented the corporate answer to innovation and the way to achieve it (labs focused exclusively on research/exploration and operative structures dedicated to development of what is discovered for its commercial application). This classic vehicle and the use of agile methodologies such as design sprints (to face up to challenges in just only five days with multidisciplinary teams structured on the basis of the design-prototyping-testing scheme) continue to be valid nowadays and are a magnificent tool when we are deciding to develop a competence in the long term, albeit this is no longer the only way to achieve this advantage that assures a business prevails.
2. **Open/collaborative innovation.** Open innovation consists of opening the door to all (company or personal) that want to participate in projects of innovation set out by the company (from hackathons, more or less fun, to find new solutions in draft mode to the challenges the company experiences, to collaborations much more structured and enduring with other stakeholders). What previously corresponded entirely to the internal auspices of a company nowadays is open to external collaboration.

Back in the day, the development of the Linux operating system became one of the flagship examples of what started to be called open-source collaboration. And quickly some large firms hopped onto the bandwagon and embraced all over again the mantra "ideas no longer arise from a guy in a garage, but rather from millions of people getting together". P&G, among others, postulated itself as one of the first major companies to utilize this concept to explore and exploit new possibilities setting the objective, for 2010, that half of its innovations would arrive by way of this route. For that reason P&G and others use "intermediaries" in order to get in contact with that external world, a source of inspiration and solution. Thus, then, companies such as Innocentive and Kaggle, among others, grew at the dawn of this new world order which opened up to participative innovation. It was not exclusively via these new platforms of intermediation how P&G

assured itself not to fall into the trap of believing that things could only be developed from within; additionally it created a committee of "sages" that used to meet three times per year made up of directors of consultants of sector, fashion industry retailers and executives of other large companies to discuss and debate issues related with innovation. A final tremendously significant example of opening to minds that are far beyond our own labs, is NASA itself.

Integrating classic R&D inside the ecosystem of open innovation generally permits a great wealth derived from the exchange and, in many cases, accelerates the process because some of the abilities/competencies that necessarily a closed system of innovation must develop (with the time that that takes) here is reduced notably by means of using the capacity that exists beyond our laboratory.

3. **Merger or Acquisition.** It is a matter of identifying and merging with (or buying) established companies that possess the capacities that we need so as to make some of those movements alluded to in the framework presented earlier. The fundamental contribution of this vehicle for innovation is that once the type of quadrant is decided in which we see ourselves situated, we achieve, overnight, by merger or acquisition, an active presence in it. Nevertheless, having paid a premium in exchange for cutting down the timeframe and assuring our immediate acceptance in the market (we buy or we merge with "the winning horse" ...at least until that moment). Recent purchases by Facebook such as that of Instagram, Whatsapp as well as those of Calico and Nest on the part of Google/Alphabet, among many others, constitute good examples of this behavior.
4. **Strategic Alliance.** It is not always that achieving that "a stitch in time saves nine" occurs, necessarily, from merging or acquiring. In some cases, a strategic alliance may also be considered whereby the parties decide to maintain their juridic identity, even their own brand (as in the case of the Renault-Nissan-Mitsubishi Alliance), but go on the attack, in some of the presented quadrants. When we are talking about an incumbent company wanting to shift into an adjacent quadrant, often finds there a start-up, which is already generating invoicing, a perfect "partner" on the voyage. And that start-up, finds the financial muscle or other advantage, generally derived from size (assets, brand, distribution capacity, and such like), that the incumbent company can bring so as to decide to set up the alliance. Being the incumbent company we do not want to risk in a high-cost purchase along with the associated risk and/or we want to maintain firm in our core (and not derive resources from things which are not the core) and we seek that complementariness of portfolios and/or markets that allows us to swim and keep our clothes dry...in addition to keeping both parties independent. After all, and in contrast to a merger or acquisition, if things do not proceed as hoped, the alliance breaks and each party follows its own path. Often to formalize the commitment an exchange of shares occurs between the parties, but that is not strictly necessary.

5. **Direct investment via capital injection.** On some occasions it is an option to invest capital directly into promising startups based on their high potential for growth and profitability, generally sustained in the development of a new technology. This is what is known as capital risk. Overall this option tends to have a horizon of distant harvest similar with that which an internal R&D project might have.
6. Incubation/acceleration of startups. The last vehicle for which a company can opt so as to put into practice its innovation plan is something which has become fashionable in recent years: harbour an incubator and/or accelerator for internal as well as external ventures. In the first case the issue is initiatives/ideas that arise in the company itself. In the second they are entrepreneurs from outside the company (with ideas that can be related or not to the current business(es) of the incumbent that provides the incubator) to whom the company gives the space, the support in terms of mentoring and some type of financial assistance –generally small– to demonstrate in the agreed timeframe, the validity of the value proposition (that would be the case of the incubator) or to demonstrate in a short time that this value proposition already contrasted is quickly scalable (accelerator). The periods of being in the incubator can range from 6 months to 2 years, whilst the companies that enter into the accelerators are tasked with "demonstrating" that they are capable of flying much sooner (generally before six months).

It is necessary to highlight those six vehicles for innovation may coexist simultaneously in a company that has incremental projects (quadrant 1), evolutive ones (quadrants 2 and 3 and their three meanings) and radical ones (quadrant 4). In general, the initiatives in quadrant 1 tend to be developed internally, although it is not unusual that occasionally one leans on the chequebook to pick up a rival and gain more quota by annexing that particularity that is taking quota from us in our natural territory. Beyond the core, the investment in R&D (in an isolated form or within an ecosystem of open innovation) for the development of evolutive proposals live alongside with strategic alliances. So that quadrant 4 would be, in general albeit not exclusively, direct investment in promising startups, and/or supporting bets via incubators/accelerators to entrepreneurs and startups that may end up creating potential new cores which may interest us and/or bring to the fore new spaces not previously mapped out, which break the rules of the game and which might leave contenders totally out of play.

There is no perfect equation nor golden rule in terms of "follow these steps and sow success", which avoids directors having to take decisions which involve risk, but yes, these given are considerations and instructions to follow by directors (who know that the absence of action is the worst of all options), to go beyond the words once they have been internalized, that the only way to have chances to endure ...is to go on the attack! Moreover, that the option of innovating is the only card that we can never stop playing. Hitting the jackpot with the types of initiatives configuring a balanced portfolio of innovations (such as those vehicles so as to bring them about) which permits us to sustain the strategic objectives set out, is nothing less than an art ...and it is an art which is only developed by way of practice. Do we dare?