



## STEP 4 - INNOVATE

If you really want to discover how your company can easily **innovate** many valuable solutions that meaningfully differentiate your company from its competitors and lead to sustained profitability, then you will definitely want to look over this Guide.

### ***What you'll learn***

- ▶ How can a 4 hour structured innovation session produce 10 to 20 valuable, protectable, documented innovations?
- ▶ What are the keys to preparing for innovating?
- ▶ How should your company structure an innovation session?
- ▶ In what ways should innovations be captured?
- ▶ How should innovations be filtered?
- ▶ By what criteria should innovations be prioritized?
- ▶ How should innovations be documented and protected?

### **Appreciating the Challenges**

In my free Guide, "[Empowering Intellectual Property – Step 1 – Understand](#)", I explain why sustained profitability hinges on not only innovating, but obtaining property rights in the fruits of your innovation process. In many cases, those property rights will be defined by patents.

Ideally, your company's patent portfolio seamlessly covers its entire business spectrum, leaving no gaps unprotected, and thereby prevents your competitors from gaining even a toehold via which to pilfer your hard-earned market share, revenues, and profits. More





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realistically, many gaps will exist or emerge, and the need to extend the edges of your portfolio will endure.

Of course, not every gap needs to be filled. But leaving opportunities to competitors might give them just what they need to gain critical leverage over your company, perhaps forcing you into taking a license to their innovative concepts that you wish you had created, giving them a license to your crown jewels to avoid IP warfare, or retreating from an otherwise cherished market.

Also, not every gap need be filled by your own innovations, but instead sometimes can be addressed by acquiring or taking a license to other's patent rights where expedient and/or prudent. Just the same, you will want to at least explore most of the gaps in your portfolio, and consider whether and how you can fill them easily.

While exploring those gaps, you will likely encounter a number of potential drivers of innovative concepts, including:

1. Solving known problems;
2. Applying technology trends to a particular field;
3. Creating breakthrough and/or disruptive technologies;
4. Developing new revenue streams;
5. Building strategic patent portfolios;
6. Designing around an existing patent; and/or
7. Anticipating, or participating in, creating an industry standard.

But no matter what drives your company to innovate, successfully filling the gaps in your company's patent portfolio will be hugely dependent on the specific approach it takes to innovating. That is, simply collecting your most talented folks and asking them to "brainstorm" innovative solutions will unlikely lead to anything more than frustration and a waste of time, due to competition, criticism, and lack of follow-through.





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Yet by following some simple guidelines and best practices, you can quickly learn to hold pleasant 4-5 hour structured innovation sessions that can consistently yield upwards of 10 to 20 valuable, protectable, and documented innovative concepts that can help you efficiently fill the gaps in your patent portfolio in relatively short order.

### Preparing to Innovate

Before planning your first structured innovation session, complete the following 7 relatively simple preparation tasks:

1. Designate an innovation leader;
2. Pick some problems/opportunity areas;
3. Select the innovation team;
4. Choose a few innovation starters;
5. Sample the relevant prior art;
6. Learn a few patent concepts; and
7. Arrange the session logistics.

Let's briefly explore each of these tasks.

#### **1. Designate an innovation leader**

Like nearly everything else in business, for systematic innovation to proceed, it needs to have a leader who takes responsibility for the process, has the clout to marshal resources to pursue that process, and intimately knows the business, both internally and externally.

#### **2. Pick some opportunity areas**

The directions in which your innovation process can flow are nearly infinite, but relatively few innovative solutions have a high potential to result in sustained competitive advantage and profitability for your company. So it can be very worthwhile for the innovation leader to focus the innovation process on innovative concepts that will solve a few (and perhaps only one) thoughtfully chosen real-world problems and address your company's strategic





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business objectives. I explain a process for selecting such real-world opportunity areas under the heading “*Listening to the Market*” in my free Guide, “[Empowering Intellectual Property – Step 3 – Survey](#)”.

#### **3. Select the innovation team**

A comfortably-sized innovation team will preferably number 4 (or possibly 5) people. If you involve more participants than that, the logistics will begin to become cumbersome, social aversions likely will shut-down several participants, and valuable concepts (i.e., ideas, solutions, innovations, etc.) will be stifled or lost.

One of the team members can serve as the session Facilitator, and the same person (or perhaps another) will serve as the Record-keeper. The chosen Facilitator should be thoroughly experienced in participating in such sessions, well-trained in facilitating them, and reasonably knowledgeable about the opportunity area. To avoid stifling their input, the Facilitator should not be the supervisor of any of the team members.

The participants/team members should be chosen based on the selected opportunity areas. For any given innovation session, appropriate attendees will likely include technical experts and business experts associated with the opportunity area, and possibly one from outside the opportunity area, or even outside your company (e.g., academicians, consultants, customers/suppliers, etc., working under an appropriate agreement) to help inspire some out-of-the-box thinking. Often, a savvy marketing person can inspire well-chosen technical folks to propose excellent insights and solutions to real-world challenges and opportunities.

Innovation team members should be picked based predominantly on the fit between their skills and the identified opportunity area, so try to minimize the number of participants chosen for purely political reasons. Also, team members should be selected in recognition of not only their skill sets, but also their personalities, which should be manageable by their team’s Facilitator.

Perhaps your innovation disclosure program already rewards innovators for submitted disclosures, filed patent applications, and/or issued patents. If not, now might be the time to address that opportunity/deficiency for incenting the desired behaviors.





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Alternatively, consider what might be needed to seriously motivate every attendee to fully participate in the innovation session. Should you award gift certificates to those team members who submit the most concepts? Permit innovation teams from different sessions to compete for prizes? Allow the conceiver of any innovation that gets implemented to choose the product's or service's name or aesthetic features, such as shape, color, or non-functional packaging attributes? All of the above?

In any event, when you invite the participants, at the very minimum, let them know of the importance of the innovation session, that each invitee has been selected based on their highly regarded skills, and that receiving thoughtful contributions from each and every one of them is vital to the success of your company.

### **4. Choose a few innovation starters**

Within each selected opportunity area, choose a few relevant innovation starters well before the innovation session gets underway. These starters can be questions that better define the opportunity (i.e., problem) and/or limit the corresponding concepts (i.e., ideas, insights, innovations, solutions, etc.). That is, the chosen innovation starters should help define the outer boundaries of the desired concepts, keep participants on track, and encourage concepts that refine, expand, and/or improve on other proposed concepts. But depending on where those boundaries are drawn, innovations starters can lead to mediocre insights, provoke a flood of outrageous and disjointed ideas, or stimulate precisely the desired level of creativity while preventing the session from devolving into a whimsical competition to generate concepts of increasing outlandishness and decreasing relevance to one another or the chosen opportunity area.

Innovation starters that generate big, radical, high-risk concepts tend to differ considerably from those that produce incremental, ordinary, low-risk ones. Thus, the key to choosing innovation starters that will lead to the desired concepts is to recognize that, by systematically and thoughtfully constraining the scope of their innovation discussion, the participants will be much more likely to fully explore the defined opportunity, which will produce a lot of reasonable and related concepts, and sometimes a few outstanding ones. Over-constrain the topic, and only boring, low value concepts are likely to emerge. Under-constrain the





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opportunity area, and the participants likely will have too many options to consider, throw out a few disjointed ideas, become frustrated, and then shut-down due to the uncertainty of not knowing which of those ideas to pursue.

Consequently, the most productive innovation starters tend to blend creativity with discipline, by focusing the participants on just the options that differ dramatically from those explored before, leading the participants to valuable unconsidered needles in the haystack of possible concepts.

A critical prerequisite for choosing effective innovation starters is determining whether your company is seeking merely to patent its innovative concepts, or whether it also plans to implement each innovative concept and bring that implementation to market. Because patents can have a life of up to 20 years (and possibly a bit longer) from their filing date, even if the innovative concepts they claim might not be market-ready for many years to come, owning the legal rights to exclude competitors from eventually marketing such innovations can nevertheless be very valuable. On the other hand, if your company is leaning strongly toward pursuing only those innovative concepts it can bring to market soon, then the budget, resources, and timing of those needs will and should constrain the chosen innovation starters.

Regarding the logistics of concept generation, keep in mind that the very best ideas tend to emerge from a combination of individual and group processes. Thus, consider distributing the chosen innovation starters to the innovation team members well before the innovation session, so that they can come prepared with at least a few well-considered responsive concepts.

Consider starting off the innovation session with 1 or 2 really simple innovation starters to get the team's creative juices flowing, help the participants become accustomed to the process, and teach the "rules" for participating in an innovation session.

As an example of a simple innovation starter, consider asking "What do Rollerblades, Ben & Jerry's ice cream, and Spider-Man movies have in common?" After a brief pause, provide the answer: "they are all based on reproducing something children love in a more expensive form





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*for adults*". Explain that the same general business concept has led to lots of new product categories, including gourmet candies, fantasy sports, iPad games, etc. Now ask your participants, *"what else can you think of that was emotionally powerful to you as a child, and that can be reproduced in an expensive form for adults?"*. This brief exercise should help get the process rolling.

Here's another exemplary introductory starter that is simple, but perhaps a bit more relevant to your company: *"What would be a great service anniversary gift, costing under \$500, for an employee who has been with the company for 5 years?"*.

For more help with selecting innovation starters, read over the process outlined for selecting opportunity areas under the heading *"Listening to the Market"* in my free Guide, *"Empowering Intellectual Property – Step 3 – Survey"*, and/or contact me for additional materials and suggestions.

### **5. Sample the relevant prior art**

By establishing the boundaries of each opportunity area, a brief prior art search potentially can be performed before the innovation session. Presenting a reasonable sampling of the resulting prior art can inform the innovation session participants of known solutions to that opportunity/problem, thereby allowing them to suggest concepts that are likely to be different from those known solutions.

### **6. Learn a few patenting requirements**

At the beginning of an innovation session, it can be very helpful to briefly explain to the participants the basic requirements of patenting, and particularly the requirements of novelty and enablement.

In a nutshell, to be patentable, a concept must be novel, that is, must have some difference from what has come before, either in its structure or in how it is used.

Also, the concept must be described in the patent application in a way that enables a person having merely ordinary skill in that realm to implement it, at least crudely, without the





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need to engage in experimentation. There is no need to actually build that implementation; simply describing in writing how to implement it will suffice for patenting.

### **7. Arrange the session logistics**

Heeding the following logistical considerations can help ensure successful innovation sessions:

- a. Each innovation session should take place in a room that is relatively spacious, secure, and free from outside distractions (e.g., phone calls, messages, games, etc.);
- b. Participants should be comfortably seated around one or more round or elliptical tables having an interesting focal point so that participants can avoid eye contact with other participants when desired; and
- c. A good audio recorder should be utilized to help capture and/or clarify concepts that slip by the Record-keeper.

### **Holding the First Session**

The most successful innovation sessions tend to follow a proven process, implement a well-considered structure, and follow thoughtful rules. Such best practices guide how, within such innovation sessions, the innovations are nurtured, captured, filtered, prioritized, documented, and initially protected. Although I have laid the groundwork for teaching these best practices, they really need to be seen in action to be learned well and truly appreciated. I am happy to demonstrate and teach the details of these best practices to your team upon request, so that your company will be empowered to hold highly productive innovation sessions whenever it wants. Contact me to get started.

By carefully implementing my best practices, you can reasonably expect that your company's 4-5 hour structured innovation sessions will consistently produce upwards of 10 to 20 valuable, protectable, and documented innovative concepts.

Now that you are familiar with some of the basics of generating valuable innovative solutions to true market opportunities, we next turn to how to best secure and protect your company's





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valuable innovations and other types of intellectual assets. I cover that vital topic in my next free Guide, “*Empowering Intellectual Property – Step 5 – Secure*”.

#### Free Tips

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