Innovation toolkit.

200 years proudly supporting Australia

Contents.

Acknowledgements.
Desirability, Viability, Feasibility framework – IDEO. Available online from: ideo.com
Question Ladder – Teachers College Columbia University (2012) Question. In: Social Innovation Toolkit. Available online from: socialinnovationtoolkit.com/question.html

Davidson Institute.

At Westpac we believe the ability to make confident financial decisions is an essential step to enable individuals and businesses achieve financial wellbeing.

We believe that Australia's future depends on the financial literacy of its communities, businesses and individuals. Financial education provides the awareness, knowledge and skills to build capability, empowering people to take charge and make sound financial decisions.

We believe that every Australian should have access to the financial literacy they need to achieve their financial goals and build a strong financial future.

We believe that every organisation that wants to prosper and grow into the future needs to embrace opportunities to innovate. The 'Innovation toolkit' assists business owners/managers, social enterprise operators, not-for-profit boards, or even team leaders in larger organisations to facilitate their own innovation journey.

Good luck and enjoy.

westpac.com.au/davidsoninstitute

Foreword.

On behalf of **Westpac's Business Bank,** I'm pleased to support this innovation toolkit from **Westpac's Davidson Institute.** We operate in a world that is rapidly changing. Changes in technology, demographics and structural shifts in our economy are creating opportunities – and challenges – for businesses across Australia.

It's the businesses that capitalise on these shifts and are nimble enough to outmaneuver in a rapidly changing economy that will be best placed to succeed. Australian businesses have long proven to be innovative and Westpac has a track record of supporting businesses to adapt and change.

This toolkit is another way we're helping Australian businesses to capitalise on opportunities in a changing world. It aims to distill the myriad of information available into a simple process that can be applied in any business, social enterprise, or not-for-profit organisation to help cultivate and guide innovation.

I wish you every success.

Regards,

David Lindberg
Chief Executive, Business Bank
Westpac Group

Introduction.

Innovation seems to be the business buzzword at the moment. So is it something you need to concern yourself with? Or is it just for the likes of big tech companies? The answer is that every business should be concerned about innovation. Innovation at its very core is simply finding new ways to do things. New ways that will make things easier, faster, or provide a better outcome than the current state of play.

As the rate of change in the external environment escalates businesses and organisations also need to escalate change internally and look for new ways to address new problems.

Tim Brown (CEO and president of US innovation and design firm **IDEO**) says:

"The need for transformation is, if anything, greater now than ever before. No matter where we look we see problems that can only be solved through innovation: unaffordable or unavailable health care; billions of people trying to live on just a few dollars a day; energy usage that outpaces the planet's ability to support it; education systems that fail so many students; companies whose traditional markets are disrupted by new technologies or demographic shift.

These problems all have people at their heart. They require a human-centred, creative, iterative, and practical approach to finding the best ideas and ultimate solutions."

Changes in technology, laws, and consumer demand mean the business environment is changing rapidly and businesses need to be able to react swiftly and appropriately to those changes if they want to survive, or more importantly if they want to take advantage of the opportunity to prosper and grow.

Companies or businesses that are recognised globally for their innovation don't do things the old way. The likes of **Google and 3M** incorporate innovation into their everyday DNA. Team members have the opportunity to work outside of their usual role on new ideas or 'passion projects' that potentially then become a new product or an idea that leads to a new product. Not everyone has the resources to do this. Smaller businesses and organisations need to look for other ways to problem solve and innovate in a rapidly changing environment.

At **Westpac** we believe that every organisation that wants to prosper and grow into the future needs to embrace opportunities to innovate. This imperative is not lost on Australian business owners as a report from the **Australian Bureau of Statistics**[1] indicates that 45% of small businesses were actively innovating during 2014–15 and that the majority of actively innovating businesses were in the <20 employees category.

The ABS findings also cited that the biggest barrier to business innovation was a lack of funds and skills.

The Innovation toolkit assists business owners/managers, social enterprise operators, not-for-profit boards, or even team leaders in larger organisations to facilitate their own innovation journey.

1. abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/8158.0Main%20Features12014-15?opendocument&tabname=Summary&prodno=8158.0&issue=2014-15&num=&view=

The innovation journey.

The Innovation toolkit approaches the innovation process as a series of actions in 3 distinct phases.

Phase 1: Initiate (this publication).

Recognise the opportunity/challenge, and Initiate the generation of solutions.

- Examine your internal and external operating environment to highlight any opportunities or risks that may need to be addressed.
- Get closer to your customers to uncover opportunities or risk.
- Rapidly generate lots of ideas to address the business problems uncovered.
- Start the planning process to implement solutions.

Phase 2: Investigate (to be released later).

Rigorously Investigate selected ideas – design, test, and learn.

- Develop the Customer Value Proposition and Minimum Viable Product/Experience.
- Test and learn using a prototype to gather evidence of Desirability, Viability, and Feasibility.
- Refine the end "product".
- Assess the fit and alignment with existing operations and overall strategy of the business or organisation.

Phase 3: Activate (to be released later).

Activate the initiative.

- Bring the initiative to life.
- Integrate the "product" into the existing business/organisation systems with minimal disruption.
- Manage the impact of change on staff and customers.
- Use the gains made (whether that's profitability, efficiency, brand awareness etc.) to scale-up and grow.

Phase 1: Initiate.

Recognise the opportunity/challenge, and initiate the generation of solutions.

Introduction.

The initiate phase includes scoping out the opportunities and challenges that exist, then generating ideas to solve the "problems" identified.

This phase includes tools to help you:

- Examine your internal and external operating environment to highlight any opportunities or risks that may need to be addressed.
- Get closer to your customers to uncover opportunities or risks.
- Rapidly generate lots of ideas to address the business problems uncovered.
- Start the planning process to implement solutions.

Tools used in this phase include:

Environment analysis.	Customer insights.	Idea generation.	Idea consolidation.
A PEST analysis.	Customer profiles.	How to run a Collision Workshop.	Project canvas.
A SWOT analysis.	Customer stories.	Problem statement.	
Five forces analysis.	Customer journey map.	Rapid ideation.	
		DVF framework.	
		Refine the idea.	
		Develop the concept.	
		Prototype.	
		Pitch.	

Environment analysis.

An effective starting point is a comprehensive understanding of the operating landscape. A **PEST** and **SWOT** analysis can help to provide a comprehensive understanding of the operating environment highlighting the opportunities or risks that may exist or may potentially be created due to changes in the environment.

PEST analysis.

PEST analysis is a simple tool that aids a business/organisation in understanding the bigger picture. It helps provide insight into the way the economy is changing, what is driving that change, and, if used effectively, how you can take advantage of the change.

PEST is an acronym for **Political/legal, Economic, Social** and **Technological.** The analysis looks at changes or concerns in each of these areas that might impact the business. Here is a list of some of the typical considerations for each category.

There is a PEST analysis tool on page 26.

Political/Legal.
Government policy.
Trending political issues.
Activities of regulatory bodies.
Public opinion.
Activities of individuals, groups or communities.
Legislative changes.

Economic.
GDP growth rates.
Rates of inflation.
Exchange rates.
Unemployment rates.
Income distribution levels.
Consumer confidence.
Business confidence.
Interest rates.

Social.
Demographics.
Value systems.
Population density.
Migration trends.
Consumer preferences and values.
Environmental changes.

Technological.
Rate of technological change.
Functionality of technology.
Presence of technology clusters.
Bandwidth capacity.
Investment in technological development.
Volume of research & development in industry.

Variations to PEST.

STEEP Social/Technological/Economic/Environmental/Political & Legal

PESTLE Political/Economic/Social/Technological/Legal/Environmental

Environmental issues are often included under the Social category. It would make more sense to view it as a separate category if there is a direct impact to the environment as a result of public perception or business operations.

SWOT analysis.

A SWOT analysis is another tool that aids a business/organisation in evaluating the fit between the internal resources and capabilities (its **Strengths** and **Weaknesses**), and the possibilities that exist within the market (its **Opportunities** and **Threats**).

There is a SWOT analysis tool on page 27.

Strengths.	Weaknesses.
A ‘Strength’ is any factor that makes a business more effective in the marketplace. This can include skills and capabilities of the owner or staff, technology or processes, and how effectively resources are used to achieve the business’s purpose and goals.	A ‘Weakness’ is a limitation or fault that exists within a business that may potentially prevent the business from achieving its purpose and goals. Examples include inefficient use of resources, poorly defined and executed processes, or significant exposure to 3rd parties.
Opportunities.	**Threats.**
An ‘Opportunity’ is any favourable situation, trend or change that can help to convert a weakness into a strength, increase operational strength, improve the market reputation, or protect the business’s resources.	A ‘Threat’ is any unfavourable situation, trend or change that impedes the business’s ability to meet its strategic objectives and potentially damages or threatens its capabilities.

Five forces analysis.

Another option to consider when analysing your environment is Porter’s Five Forces analysis. Five Forces is designed to give businesses a clearer understanding of the industry that they are in, and the other participants in that industry, and how they can potentially build a competitive advantage.

1. Barriers to entry.	2. Supplier power.	3. Threat of substitutes.	4. Buyer power.	5. Barriers to exit.
Economies of scale.	Differentiation of inputs.	Relative price performance of substitutes.	Buyer concentration.	Industry growth.
Proprietary product differences.	Cost of switching suppliers.	Switching costs.	Buyer volume.	Fixed costs.
Brand identity.	Presence of substitute inputs.	Buyer propensity to substitute.	Buyer switching costs.	Product differences.
Capital requirements.	Supplier concentration.	Ability to substitute anywhere along the supply chain.	Buyer information.	Brand identity.
Access to distribution.	Impact of inputs on cost or differentiation of products.		Ability to backward integrate.	Switching costs.
Absolute cost advantages.			Substitute products.	Concentration and balance.
Proprietary learning curve.			Price sensitivity.	
Access to necessary inputs.			Product differences.	
Government policy.			Brand identity.	
Expected retaliation.				

A thorough analysis can help:

- Forecast future changes in each of the five forces.
- Identify how any changes will affect both the business and its competitors.
- Identify potential impacts to the broader industry.
- Identify strategies that might take advantage of changes to the industry's structure.

There is a Five forces analysis tool on page 28.

It is important to undertake your environmental analysis in a completely unbiased manner. Analysis may be less effective if the information contains blind-spots or is not factual and correct. With this in mind it may be useful to have the analysis completed by more than one person then combine the findings.

Customer insights.

The most important person in any business or organisation is the customer. Too often businesses or products fail due to the customer not being central to the purpose of the business or product/service. The best way to make sure your purpose/product stays customer centric is to really get to know your customer. Technology is making gathering customer data easier through online tracking, online surveys, customer reviews and comments and the like. But nothing beats talking directly to your customer, in their own environment.

This set of customer insight tools helps you to get to know your customer better. The tools will highlight where there may be opportunities to explore or challenges to meet.

Customer profiles.

One starting point is to profile your customers from what you know about them, choose your most typical customer to start with then flesh out a couple of variations. The Customer profile tool helps you identify things such as demographics, behaviours, and even assumptions you make about your customers that should be validated.

There is a Customer profile tool on page 29.

As you then speak to your customers and listen to their stories you can refine and even correct your profiles so that you end up with a very thorough understanding of your customers.

Customer stories.

There is a Customer story tool on page 30.

The most effective tool in getting to know your customer is a conversation, however many people don't know how to conduct an effective conversation or aren't comfortable with this type of conversation. That's why preparation is so important.

It helps to create a framework of questions that will draw out customer stories. Think about the responses that you may get to these questions and prepare follow-up questions that will help flesh out the story. Order them in a conversational way moving from general to more specific as you go.

You don't just want to find out what they want to tell you; you want to know what irritates them, aggravates them, delights them, and what they do when they feel like that.

Using an interview process like the one below helps with constructing your customer conversation. It can also be used as a tool for consistent collection and collation of information.

1. **Preliminaries.**
   Introductions, setting the scene, and thank them for their time and sharing their story.
2. **Warm up.**
   2 to 3 questions about the customer and their general experience with the business organisation/product/service.
3. **Delve deeper.**
   5-6 open questions to help uncover details about their experience with the specific topic. You want to find out what they do, not what they want.
4. **Reflect.**
   A couple of questions to draw out how they felt at the time and how they feel about the experience now.
5. **Confirm.**
   Relate the story back to the customer to ensure you have captured their experience accurately.

To help create your questions for your customer interviews you can use a Question Ladder like the one below from the Nesta DIY Toolkit nesta.org.uk/resources.

Simple questions. → Complex questions.

	Is.	Did.	Can.	Will.	Would.	Might.
Who.	Who is.	Who did.	Who can.	Who will.	Who would.	Who might.
What.	What is.	What did.	What can.	What will.	What would.	What might.
Where.	Where is.	Where did.	Where can.	Where will.	Where would.	Where might.
When.	When is.	When did.	When can.	When will.	When would.	When might.
Why.	Why is.	Why did.	Why can.	Why will.	Why would.	Why might.
How.	How is.	How did.	How can.	How will.	How would.	How might.

Most importantly remember that the purpose of your conversation is to learn. You don't learn when you are talking. You learn when you are listening. **Let your customer tell their story.**

Customer journey mapping.

What does a customer experience of your business/organisation/ product/service look and feel like? By tracing the customer journey and recording each touch point, and the customer experience, and how it makes them feel, gives you a much greater appreciation of their pain points, and joy points and highlights opportunities to improve.

Use the Customer Journey Map to outline a chosen customer's interaction. Think about what actions the customer takes, the various touch points throughout this process, and then how they perceive that experience and how they feel about it. Mapping each touch point and the customers response on a continuum can give you a real appreciation of where things are going well (wow moments), and where there could be improvements (pain points).

There is a Customer journey map tool on page 31.

Idea generation.

With the pre-work done (Environmental analysis and Customer insights) it is now time to start coming up with ideas. A Collision Workshop is an effective method of rapidly generating ideas.

A definition of collision is "a coincidence in space and time of two or more objects that releases energy and produces change". The Collision Workshop brings together a group of people and all their different knowledge, experiences, values, and insights with a shared purpose of solving a problem and/or creating change.

How to run a Collision Workshop.

The success of your workshop will be enhanced by the group of people (the cast) you bring together.

The Cast.

- **The Decision-maker.**
  This is the person, or perhaps panel of people, that usually initiate the workshop. They have a problem to be solved or a question to be answered. The decision maker will organise (or delegate someone to organise) the people, the location, the catering, the materials and make available any information that will be relevant.

  The decision maker will ultimately decide which ideas or solutions will be progressed. It's likely that this person will be the owner/ manager of the organisation and will have an intimate knowledge of the goals and strategy of the organisation. The role the Decision-maker plays during the workshop is that of a source of expert information about the organisation, and that of evaluating the pitches at the end of the day.

- **The Facilitator.**
  The role of the facilitator is to manage the day. They keep the various sessions flowing, and keep people on track. It's recommended that the facilitator is someone that doesn't have a vested interest in the outcome of the workshop as this allows them to be unbiased in their interactions.

- **The Crew.**
  This is your team. The number of people involved will vary according to your resources and their availability.

Ideally, have a minimum of two groups of 2–3 people up to a maximum of 4 groups of 6–7 people – any more could become unwieldy and not be as efficient. Bring together people from different backgrounds and experiences to encourage thinking differently. It's helpful if your crew have an interest in the success of the outcome too.

- **The Expert(s).**
  This is an optional role. If the problem is technical or quite different to the usual proficiencies of The Crew then some expert knowledge will assist with developing and assessing the various ideas

- **The Customer.**
  Another optional role but one that could be helpful in keeping the customer experience and response in focus throughout the process. If there is a customer at the centre of the problem who will be significantly impacted then having this role active during the workshop will be very beneficial.
  Their job is to remind the Crew and the Decision-Maker of how the customer might react to the proposed change.

- **The stage and props.**
  Conduct your workshop in an area that is conducive to innovative thinking. It should not be the usual work space. Tables should be round (if possible) to allow collaboration between team members. Make white boards available for people to write on or to stick post-it-notes to. Have a variety of craft items (pens, paper, pop-sticks, straws, cardboard shapes etc) accessible for people to use to express ideas. Creativity is boosted when there is plenty of open space for people to stand and demonstrate their ideas too.

- **The preparation.**
  Before the day of the workshop, the space should be organised, any materials such as copies of the tools used throughout the workshop and any background information should be ready and available for the Cast.

Suggested workshop schedule.

	Session.	Timing.	Resources /Tools.
1.	**Introduction.** • Facilitator and Decision-maker introduce session. • Facilitator – how workshop will run. • Decision-maker – desired outcome of workshop.	5–10 min (10/420).	
2.	**State of the World.** • Ideally the Environment Analysis and Customer Insights will be done prior to the workshop and be presented by The Decision-maker to help the teams understand the environment (internal and external) the business/organisation operates in, and the current customer experience. • Allow team members opportunity to ask questions.	20 min (30/420).	Environment Analysis tools. Customer Insights tools.
3.	**Develop the problem statement.** • Decision-maker or their delegate articulate the business problem to be solved. • Expert input can be used here too if appropriate eg customer/end user. • Team members ask questions of the Decision-maker and/or Expert to clarify and understand the problem. • Aim is to develop the problem statement that will be used throughout the day to focus and refocus. • The problem statement is about **who**, **what**, and **why.**	30 min (60/420).	Problem statement worksheet.

	Session.	Timing.	Resources /Tools.
4.	**Rapid ideation.** • Teams gather around a white board and call out quick ideas which are written up by a scribe or use post-it-notes on which ideas are written and stuck on the white board. • It's important that team members can see the ideas as they come up because they can then build on those ideas.	30 min (90/420).	
	Morning tea.	**15 min. (105/420).**	**Yummy cakes.**
5.	**Narrow choice using DVF.** • Teams select ideas that they will test against the Desirability, Viability, Feasibility framework to narrow down the choice of ideas to further refine.	45 min (150/420).	DVF worksheet.
6.	**Refine idea.** • Teams use Refining Ideas worksheet to flesh out the idea further and develop how it's going to help solve the problem.	45 min (195/420).	Refining Ideas worksheet.
	Lunch.	**30 min (225/420).**	**Great sandwiches and salad! Sunshine and fresh air too.**
7.	**Develop concept.** • Further develop the idea. • Discuss with Decision-maker to ensure still on track.	60 min (285/420).	Develop Concept worksheet.
8.	**Prototype.** • Bring the idea to life by constructing a visual representation – model, mock-up, role play, diagram, story, advertisement, infomercial etc. • Test the prototype to see whether it actually works and solves the problem. • Refine the prototype.	30 min (315/420).	Items– pens, pencils, paper, cardboard, felt, pop-sticks, matchsticks, etc. Mobile device template.
	Afternoon tea.	**15 min (330/420).**	**Sugar and caffeine.**
9.	**Prototype** (continued). • Finalise the prototype to be pitched.	15 min (345/420).	
10.	**Pitch.** • Each team then has a maximum of 3-5 minutes (depending on the number of teams and the complexity of the solutions) to deliver their pitch with 3-5 minutes of questions from the Decision-maker and other cast members. Set timing for prep and delivery suitable for your group sizes.	60 min (405/420).	Pitch worksheet.
11.	**Close.** • Facilitator/Decision-maker close session. • If workshop has been run as a competition between the groups, announce the winner. • Next steps.	15 min (420/420).	

There is a Suggested workshop schedule tool on page 32.

Develop the problem statement.

There is a Problem statement tool on page 33.

The first part of the Collision Workshop is to set out exactly what the problem you want to solve is. Quite often there can be many similar or related problems. These related problems can side-track your team and derail the effectiveness of your Collision Workshop. Developing a strong problem statement helps your team concentrate on the problem or challenge and allows them to continually refocus throughout the day.

During this session the Decision-maker and Experts can provide technical input to the teams either about the organisation or the problem to assist The Crew in developing an effective Problem Statement.

Ideally there are 3 parts to a problem statement that detail the WHO, WHAT, and WHY. (It is important that potential solutions, that is the "HOW", are not presented or discussed at this stage as it will limit ideas later on).

A good starting place is to answer the question:

- "How might we help/enable/etc ... <the WHO> so that/to ... <the WHAT>?"

Depending on what has inspired the need for innovation this might be questions such as:

- "How might the Human Resources team help team leaders implement the new health and safety procedures?"
- "How might we enable new mothers wanting to return to the work-force to remain current and employable?"
- "How do we develop a sustainable cash flow from our current activities to become self-sustaining, no longer relying on grants/sponsorships to continue to help young people transition from school to employment?"
- "How do we make it easier for our shoppers to navigate to the right location and select the product they are looking for so that it is quicker and less time-consuming for them?"

The key to a great problem statement is to really hone into each part.

The **WHO** should be fleshed out with a vivid engaging description to ensure everyone is aligned with "the customer" and can visualise them in their unhappy state and in their happy state once their problem has been solved. The description might be demographic, psychographic, or even behavioural.

To help identify the WHO it could be useful to get direct feedback from customers or users of the product/service, have a quick brainstorming session with your staff who serve your customers, map out the customer journey, or even obtain insights from a third party such as an expert in the industry. Much of this information was gathered from the Customer Insights.

The **WHAT** can be described as the challenge to change something that is making the WHO uncomfortable, unhappy, or disappointed.

Think about the particular pain points of the WHO and how they might be alleviated. Drill down to the root cause of their pain or frustration to ensure that the ideas will address that and not merely be a "band-aid" for the apparent symptom.

To be really effective the problem statement should also be viewed from the **WHY** viewpoint. WHY would this action reduce the pain points for the WHO? WHY would we want to do that?

Answering the WHY questions can really kick-start the flow of creative and innovative ideas. Remember to keep asking WHY (at least 5 times) until you get to the real cause of the problem.

A good problem statement should:

- Define who has the problem.
- Define the problem at the root level.
- Be actionable.
- Inspire ideas for potential solutions.
- Be easy to understand.
- Be informed by business, consumer, and technology insights.

The final part of this session is then to set the Rules of Engagement – the boundaries and/or ground rules to operate within. Things such as:

- What is off-limits?
- Is there a time constraint?
- Are there budgetary constraints?
- Are there particular values that the business holds that preclude any specific actions?

Getting the problem statement right is an important part of the process but shouldn't take up too much valuable 'solving' time. Allow about 30 minutes each for presentations and brainstorming to give your participants time to really engage and understand the problem.

Rapid ideation.

The next session Rapid Ideation aims to come up with as many ideas to solve the problem as possible. The most effective way to do this is to gather around a white board where everyone can see, team members say their ideas out loud and a scribe writes up each idea as they are called out. It is important ideas are spoken out aloud so everybody can hear and build on them.

Encourage everyone to share their ideas no matter how wild “out there” or seemingly unfeasible they may be. Encourage people to build on the ideas of others. It’s not about who has the best idea it is about arriving at the best idea through collaboration. Team members should not question ideas or use negative language like “but” or “however” about other people’s ideas as this will discourage participation and limit ideas. Instead encourage people to say “and” to add to ideas suggested.

It is also important for any leaders in a team to openly encourage other people’s ideas to limit the possibility of deferring to the leaders opinion. As you can imagine, rapid ideation could become quite chaotic so set some ground rules first.

Suggested rules:

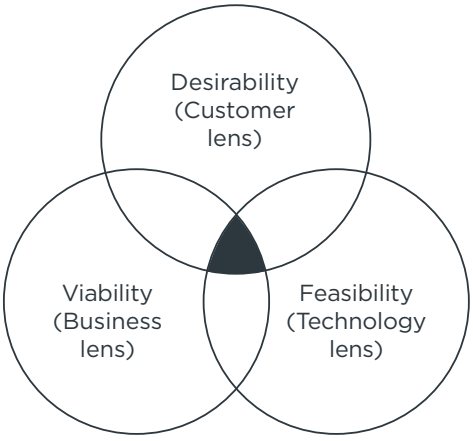
- Only one conversation at a time.
- Build on the ideas of others and combine.
- Defer judgement.
- It’s all about quantity not quality.
- Make it wild.
- Don’t filter.

Just get as many ideas as you can up on the board as the following sessions will filter out those that don’t suit the problem statement or aren’t feasible for some reason. This is an important session for the facilitator to encourage all people to give ideas. The facilitator should move amongst the groups using encouraging language and watching for quiet or reserved people and encouraging them to share their ideas.

Use the DVF framework to narrow the choice.

The next session uses the filters of **Desirability, Viability, and Feasibility (DVF)** to narrow down the choice of ideas. You’re looking for the ideas that sit closest to the intersection of DVF.

Depending on the numbers of ideas generated in the ideation session it may be useful to have a quick sanity check to whittle out those that are clearly not going to be constructive in this instance.



There is a DVF framework tool on page 34.

Take care though that you don't discard ideas just because they may seem too hard or too risky because they may well be the best idea and just take further development to see their true potential.

There may also be ideas that come up that may not be suitable for this problem, but may have applications elsewhere. So keep a record of all ideas as they may provide further inspiration in the future. It may also be possible to join some of the ideas into one idea.

The Desirability of an idea takes into account the customer factors.

For example:

- What is the impact on the WHO?
- Does it address their pain point or create a 'wow' moment for them?
- How many customers will it affect?
- How much would they be willing to pay?
- How would success change things?
- What is the measure of success?

The Viability of an idea looks at the concept from a business perspective.

For example:

- Will it attract new customers?
- Will it generate revenue?
- How much will it cost?
- Will it save costs?
- How does it compare with our competitors?
- Does it align with our brand and business strategy?

The Feasibility of an idea refers to the operational and technological aspects.

For example:

- How does this fit with current operations?
- How much change is needed to make it fit?
- Is the technology existing?
- Or do we need to create it?
- How would you deliver on the idea?
- How will customers be transitioned and what will be the impact?
- Are there any physical, cultural, or other constraints?

Use the DVF framework tool for each of the ideas. Ask and answer appropriate questions to identify those ideas that are the most desirable, viable, and feasible. The questions shown above are just a sample. Encourage your Crew to add questions that are relevant to the scenario.

Your aim is to end up with a manageable number of ideas to refine and develop further. Depending on the size of the team and the time available there should be a minimum of two ideas taken further. Other ideas not developed further can always be revisited at a later time so make sure they're not lost or discarded.

Refine the ideas.

Now that the ideas have been narrowed down to a select few, it's time to flesh them out further.

In the first session of the collision workshop your teams developed a Problem Statement that articulated the WHO, WHAT, and WHY about the problem to be solved. This session and the next address the HOW.

Refining the idea and developing the concept might seem very similar. Refining the idea is about ensuring the team are all on the same page, have a clear understanding of what the idea is, and are all engaged in bringing it to life. Developing the concept in the next step, ensures the idea is still solving for the original problem and can be sold/explained to stakeholders.

Use the Refining ideas tool to explain what the idea is and how IT (the Idea Thing) will solve the problem.

There is a Refining ideas tool on page 35.

1.	Give the idea life by assigning IT a name and a tag-line.
2.	Then draw a sketch of what IT might look like.
3.	The sketch is not meant to be exact. Its purpose is to give the team a common image and shared vision of the outcome of the idea. If the idea is a process change or similar as opposed to a physical object then draw a flow chart or something that signifies the end outcome. Now describe IT in words. Just a sentence or two to communicate the essence of the solution.
4.	Then think about the features of IT that are going to address/solve the problem.
5.	Finally, spell out how IT actually works and what the anticipated outcome would be.

Develop the concepts.

Following on from refining the idea which helped to further clarify exactly what IT is and how IT addresses the problem, the next stage of developing the concept tests whether the idea is still solving for the original problem and whether it can be sold/explained to stakeholders.

This is a reality check to ensure this idea is the one we want to move onto prototyping.

1. Describe the concept/product/service/business model.
2. List the reasons that customers will get excited about IT.
3. List the reasons the business/organisation will get excited about IT.
4. List the challenges/risks that may need to be addressed and how they'll be addressed.
5. Describe how IT will be tested and how learnings from the testing will be implemented.

This will assist with the next couple of stages which are to prototype, test, iterate, and then pitch your idea to the Decision-maker.

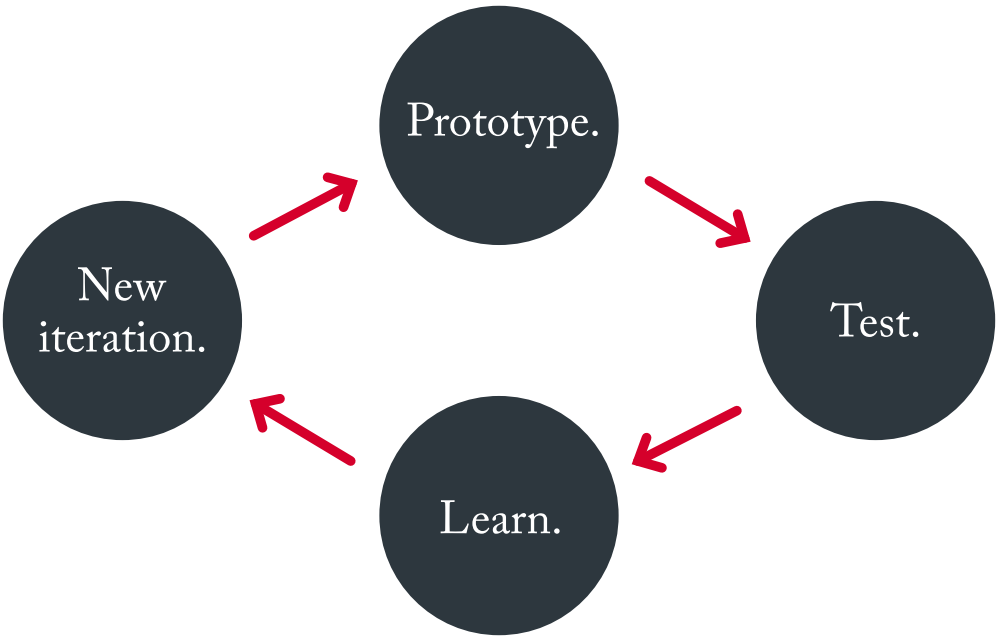
There is a Developing concept tool on page 36.

Prototype and iterate.

This session is where people's creativity can really come to the fore. Now that you have a very clear concept it's time to start testing and refining the physical output. Provide your participants with a variety of materials they can use to mock-up what IT looks like. This could be various types and shapes of paper, cardboard, pipe-cleaners, stickers, straws, polystyrene shapes etc. The more options they have, the more creative the prototypes will be.

The tablet/phone template included in the Toolkit on page 37 can be used to illustrate if IT is an online app or program. Video is another option if you are prototyping and testing a service or process.

A key thing to remember about a prototype, and to communicate to your participants, is that it's not meant to be finished or perfect. The purpose of the prototype is to test the ideas and learn about the strengths and weaknesses of IT so you can identify improvements to then prototype and test again. Each iteration should be an improvement on the last. During the workshop you may not have enough time to do multiple iterations, but if IT is selected by the Decision-maker then this process will be revisited when you start to investigate in phase 2.



Pitch.

The final session of the day is to have the groups develop and deliver the pitch of their solution to the Decision-maker. This is where the teams 'sell' their idea ie they spell out what their solution is, how it addresses the problem, and why this solution is the best solution.

The pitch is presented to the Decision-maker in front of the whole group. Other group members have the opportunity to challenge or add value to the concept as well, providing the Decision-maker with a number of potential solutions that they can then take away and further develop.

There is a Pitch tool on page 38.

This is one method of preparing and delivering a pitch.

1. **Name the antagonist** clearly and concisely articulate the problem being solved in a way that demonstrates the angst that is currently being felt because of this problem.
2. **Answer "Why now?"** it's important for the Decision-maker to understand the imperative behind this solution. They will have multiple things requiring their attention and their money so the reason this needs to be addressed at this particular time is critical.
3. **Show the 'promised land'** before explaining how you'll get there. Clearly and concisely describe what the new landscape will look like if IT is implemented – how people will do things, feel about things etc.
4. **Identify obstacles,** then explain how you'll overcome them. What are the things that might hinder or even stop this idea coming to fruition and solving the problem? How will you approach and overcome them?
5. **Present evidence** that you're not just blowing hot air. What is the key thing that makes this actionable, worth the effort, and truly able to be achieved?

Close.

And that brings your Collision Workshop to a close! The Decision-maker has the opportunity to thank those involved and give an overview of what the next steps will be and what implications that has for The Crew. For example, what happens with their ideas now, and will their participation end here or are there further actions required on their part.

Idea consolidation.

Now that you have a collection of ideas available to you to solve your business problem, the next step is to start to assess each of those ideas. Due to the very nature of the Collision Workshop and the gathering of disparate ideas there may be some that you set aside (not discard) immediately as simply not being viable or achievable right now.

There is a Project canvas tool on page 39.

This might be ideas that require expensive or as yet not developed technology; ideas that don't align with the business's values or brand; or ideas that are beyond the capacity of customers, to name just a few. But don't be too quick to pass over an idea just because it's outside your comfort zone. The ideas set aside should be filed to review again in say 12 months time.

Project canvas.

Then with the ideas you've selected to explore now you can use a Project Canvas to help determine which of the ideas might be worth spending more time on. The project canvas starts to put some definition around what needs to go into bringing the idea to life in term of resources and what the anticipated outcome could be.

The **first section** of the canvas looks at WHY you would undertake this project.

1. Describe the problem.
2. List the current symptoms of the problem ie what is happening now.
3. Show how this project would change what is happening now.

The **next section** outlines the proposed solution in the form of a hypothesis. Your hypothesis starts to identify what needs to be tested and learnt for this idea to be a successful solution to the problem. It's helpful to state the hypothesis in a format like ... "We believe the [target market] will take [this action] to adopt [this solution] for [this reason]." Then, as with any scientific hypothesis, you test to establish its validity.

The **third section** then sets out what you need to test the hypothesis.

1. What are the activities to be completed to test the hypothesis?
2. Who needs to be involved? And in what capacity?
3. How will you work together to achieve the outcome?

With the scope of work now established and an outline of the resources required, management can make an informed decision on which ideas make most sense to take forward and establish a project team.

On completion of Phase 1 the aim is to have generated a number of potential solutions to the identified problem. Phase 2 then takes the next step of more intensive analysing and testing of the ideas to select the most appropriate. Phase 3 then looks to successfully integrate the innovation into the business/organisation.

Phase 1 toolkit.

Phase 1 toolkit.

The following pages contain the tools used to examine the operating environment, gain customer insights, conduct the Collision Workshop to generate ideas, and to get started on the planning process.

PEST analysis.

PEST is an acronym. The tool helps to address **Political**/legal, **Economic**, **Social** and **Technological** changes and concerns that might impact the business. For more information on PEST Analysis refer to page 8 of the guide.

Political/Legal	Economic
Social	**Technological**

SWOT analysis.

For more information on SWOT Analysis refer to page 9 of the guide.

Strengths	Weaknesses
A “Strength" is any factor that makes a business more effective in the marketplace. This can include skills and capabilities of the owner or staff, technology or processes, and how effectively resources are used to achieve the business’s purpose and goals.	A “Weakness” is a limitation or fault that exists within a business that may potentially prevent the business from achieving its purpose and goals. Examples include inefficient use of resources, poorly defined and executed processes, or significant exposure to 3rd parties.
Opportunities	**Threats**
An “Opportunity” is any favourable situation, trend or change that can help to convert a weakness into a strength, increase operational strength, improve the market reputation, or protect the business’s resources.	A “Threat” is any unfavourable situation, trend or change that impedes the business’s ability to meet its strategic objectives and potentially damages or threatens its capabilities.

Five forces analysis.

For more information on Five Forces analysis refer to page 10 of the guide.

Barriers to entry

Supplier power

Threats of substitutes

Buyer power

Barriers to exit

Customer profile.

For more information on Customer Profiles refer to page 11 of the guide.

Describe your most typical customer (age, gender, income, location, education level, income, etc) including any distinguishing features:		Quick sketch (stick figures accepted)
Bring them to life by giving them a name:		
Customer goals	**Behaviours**	**Contact channels**
What is the customer trying to achieve? This may be physical, emotional, social etc.	What behaviours does this customer exhibit? How do they make decisions? How do they interact with technology? etc.	What contact points/channels do they have with your business?
Pain points?	**Quotes**	**Key relationships**
What causes them pain when they interact with your business? Or what external pain points do you want to solve?	Verbatim's from customer conversations	Who else may influence their decisions/ choices? Eg spouse, advisor, friends etc.
Delights?	**Other insights**	**Assumptions**
What delights them when they interact with your business? Or other businesses?		What you believe about the customer. These beliefs should be validated when you meet with customers.

Customer story.

For more information on Customer Stories refer to page 12 of the guide.

Name	Customer group

1. Preliminaries

Background

2. Warm up

2–3 questions about the customer and their general experience with the business/organisation/product/service.

1.

2.

3.

3. Delve deeper

5–6 open questions to help uncover details

1.

2.

3.

4.

5.

6.

4. Reflect

A couple of questions to draw out how the customer felt at the time and how they feel about the experience now.

1.

2.

3.

5. Confirm

Relate back to ensure you have accurately captured their experience.

Customer journey map.

For more information on Customer Journey Maps refer to page 13 of the guide.

Customer name				Description				
Scenario				◯ Current state OR ◯ Future state				
Steps	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Customer actions In your customers words describe what happens throughout the process including what they think, feel and do.								
Touch points Sketch or describe each touch point.								
Moments of truth Describe and plot the delight or pain points for each step of the journey.	Delight							
	Pain							

Suggested workshop schedule.

For more information on the Workshop Schedule refer to page 14 of the guide.

30 mins

Introduction

State of the world

30 mins

Develop the problem statement

30 mins

Rapid ideation

45 mins

Use DVF to choose

45 mins

Refine ideas

60 mins

Develop the concept

30 mins

Prototype

15 mins

Complete prototype

60 mins

Pitch

15 mins

Close

Problem statement.

For more information on Problem Statements refer to page 16 of the guide.

How might we help

Insert a vivid description of “WHO” has the problem – this might be behavioural, demographic, or psychographic.

So that/to

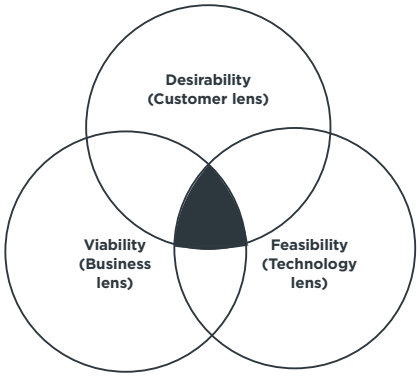
Name the compelling and insightful problem to be solved – “WHAT” irritant, pain point, or burning challenge do you want to fix?

WHY? WHY? WHY? WHY? WHY?

DVF framework.

Record relevant questions about Desirability, Viability, and Feasibility in the first column, and the answers in the second. Then indicate on the diagram where the idea seems to fit. For more information on the DVF Framework refer to page 18 of the guide.

Idea being assessed:



DESIRABILITY – Customer lens	
VIABILITY – Business lens	
FEASIBILITY – Technology lens	

Refining ideas.

For more information on Refining Ideas refer to page 19 of the guide.

Name
Tag line

Descriptive sentence	How it works
Key features	**Outcome**

Draw what it looks like

Developing the concepts.

For more information on Developing the concepts refer to page 20 of the guide.

Describe the concept/service/business model
(How will it work? How will it be communicated/sold?)

Reason for customer excitement	Reason for business excitement
(Why will our target segment buy/use/adopt this?)	(Why is this good for the business?)

Challenges or risks to address	How will it be tested?	How will learnings be implemented

Mobile device template.

Simply cut out the centre of the shape below to simulate a mobile device for prototyping website or apps.

Pitch.

For more information on Pitching refer to page 22 of the guide.

Name the antagonist

Answer “Why now?”

Show the “promised land” and explain how you’ll get there.

Identify obstacles and explain how you’ll overcome them.

Present evidence that this is valuable and achievable.

Project canvas.

For more information on the Project Canvas refer to page 23 of the guide.

Project Name		
Description		
WHY do we need to do this?		
1. Describe the problem	2. List current symptoms	3. What will happen
Our working hypothesis		
What you believe will solve the problem and why you think it will solve the problem.		
WHAT we need		
1. What activities need to be done to test hypothesis.	2. Who needs to be involved and in what capacity.	3. How will we work together?

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