

Smarter Innovation: An Entrepreneurial Approach to Corporate Innovation (*Abstract*)

Lauren Perkins and Janine Buis apply the sensitivity marketers to explore how strong brands can innovate if they engage in a start-up-like fashion. Innovation takes a keen sense of how to test, and even disrupt, the market. -- Katrina Pugh, Columbia University

The rate of technological change is accelerating, and impacting our lives. The widespread adoption of social, mobile, and cloud technologies has changed the landscape for consumers and companies alike. *Can you remember life before instant connection was a click away?*

Large companies, what we call “Brands,” understand that they need to innovate in order to deal with the increasing threats from large and small competitors, and they are looking for sources of inspiration. To get, and stay, relevant today they see successful start-ups as a source of inspiration. Start-ups can provide three key teachings to Brands:

1. Digital Acumen: *The ability across the company to identify, evaluate, implement and operationalize emerging technologies to create customer value, and increase operational efficiency.*

Startups are masters at looking for ways to deliver on their idea at the lowest cost, and with the quickest time to market. Low cost social media, eCommerce platforms, mobile payment solutions, cloud and open source technology platforms provide cost-effective ways to implement previously-expensive business infrastructure.

Birdi created the smart air monitor and smart phone app, to alert customers to high levels of smoke, carbon monoxide, and even air pollution via a smartphone or landline. Gleaning from initial feedback, they developed the product while simultaneously demonstrating market interest, technical feasibility, and business model viability. Brands should also take advantage of these types of technologies to innovate.

2. Customer orientation: *The ability to empathize with the customer.*

The creation of customer insights is not new to Brands. However, the need for, and process of, gaining and understanding consumer insights is becoming more challenging than ever because of the so-called “complexity gap.” Executives data overload (inside and outside) and the rapid rate of change create blindspots for Brands. There is a danger of complacency, thinking that answers to customer satisfaction can be teased out of the existing data streams. Startup product innovation teams get closer to the source. Empathetic data, from direct customer interaction, is fluid, but vital to product relevancy and uptake.

3. Agile Execution: *The ability to adapt and iterate on ideas based on analysis from customer feedback.*

Once entrepreneurs find a market problem to solve, they move fast to define the problem, develop solutions, prototype, iterate and validate via direct customer collaboration (and co-creation). An agile, iterative approach can allow Brands to invest wisely in offerings worth pursuing or minimize losses by failing fast.

Digital Acumen, Customer Empathy, and Agile Execution are the hallmarks of great startups. Brands would be wise to be so thin, reflective and nimble.

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