

Smarter Innovation: Commercializing Innovative Ideas in Professional Service Firms (*Abstract*)

Editor's note: Ralph Poole tells of innovative products and product- validation approaches that resulted in millions of dollars of revenue, and entirely new service lines. Poole's chapter treads in many of the innovation dimensions (Bridging, Capabilities, Market/Industry), but triumphs in Commercialization. -- Katrina Pugh, Columbia University

In “Commercializing Innovative Ideas in Professional Service Firms” (PSFs), we explore how PSFs build an environment that encourages innovation and guides new ideas from idea to revenue.

The practices are based on my years of experience managing knowledge, business research and innovation in some of the world’s most prestigious strategy, management, IT consulting and legal firms. Each scenario describes how to facilitate innovation while removing significant obstacles to change.

We dive into five case examples at various stages of the commercialization process. Each case corresponds to one or more of innovation dimension and explains methods for advancing a new service offering from idea to revenue. The table below lists the case, the tool or method used to move ideas forward, and the innovation dimension it represents.

Case Example	Technique/Tool	Innovation Dimension
1. Customer Loyalty (Net Promoter Score)	Building Partner Consensus	Social integration; Commercialization
2. DesignShop	Scan, Focus, Act	Market and industry exploration; Bridging
3. Supplier Intelligence	Value Prototyping	Commercialization; Bridging
4. Commercial-off-the-Shelf Package Implementation	Cross Docking	Bridging; Commercialization
Weak Signal Research	Discovery Days	Market & Industry Assess;; Commercial'n

The *Customer Loyalty* example explores how one of the most successful service offerings emerged at Bain & Company when consultants built on approaches synthesized from solving multiple client problems.

One of the key insights was how to bring a diverse group of partners together isolate the product, ensure ongoing quality, and scale the solution in the PSF industry which can lack long-term product focus.

With *DesignShop* companies can collaboratively explore business conditions, market needs, future state scenarios, and implementation plans in a scenario-based exercise. With strong large group facilitation participants solve complex client problems.

The *Supplier Intelligence* example investigates a process called Value Prototyping. Collaborating with an “anchor client,” PSFs prototype a new service offering. Participants include PSFs, clients, and third party suppliers of enterprise software.

Cross Docking is the immediate, rapid harvesting and exchanging of knowledge between two simultaneous or sequential client engagements. Using the logistics metaphor, the practice requires new service offering pioneers to “cross-dock” (exchange) the most relevant and timely client or project insights using synchronous and asynchronous discussions.

Weak Signal Research entails a “Discovery Day” to sell a new solution. It immerses the PSF and the client in a compressed solution design session with simulated outcomes, giving the client visceral experience.

Each scenario builds on the other to show how surfacing insight, testing and exposing operating models, and authentic interaction can more rapidly commercialize new service innovations.

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