

A management model for the renovation and innovation capability of an organisation

A continuous competitive advantage and an improvement in productivity as a goal





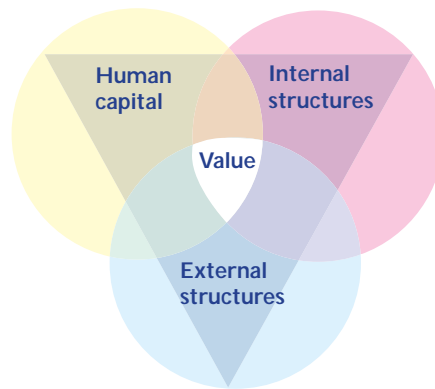
Productivity and competitive advantage are based on the renovation and innovation capability of a company. An organisation that has a good innovation capability can continuously collect and channel the creativity, knowledge and other resources of personnel, customers and service providers into new solutions, innovations, that create profits.

Key to the development of innovation capability is the organisation's ability to form partnerships, to source, to offer and to network. The model can be used to systematically develop and manage these fields of knowledge, skills and processes.

A continuous competitive advantage and an improvement in productivity as a goal

Companies, government agencies, municipalities and towns can use this unique model to boost their productivity and to strengthen their competitiveness. The model can be used to obtain comprehensive data, analyses and action plans and to develop renovation and innovation skills. The model is not industry specific and it can be used as an analysis and development tool for both individual organisations and entire industries and regional value chain networks.

In our experience, the model also helps understand the intangible assets of an organisation and to bring the essential factors to the foreground to develop them. The action plans can be used by the organisation to learn to understand innovation processes and sources. The KPIs (key performance indicators) and evaluation methods are based on a dissertation.



Innovations are born of the sum of different factors in an organisation

The three sectors of innovation capability are human capital, internal structures and external structures. The members of the organisation constitute the human capital, which consists of all the knowledge, skills, abilities, creativity and innovativeness of all of the individuals in an organisation.

Internal structures consist of the interaction between members of the organisation and the communications media behind them as well as factors supporting the productivity of the organisation's members by improving their team work skills. An organisation's vision, strategies, goals, values, culture and philosophy are also part of internal structures. Links to the external environment of the organisation, e.g., to customers and service providers, constitute an organisation's external structure. The external structures also include regulation of the business environment and, in a broader sense, the society the organisation operates in. The figure above shows the three sources of innovation capability.

For intangible asset management, the most important thing is to recognise where the value of the intangible asset stems from. From the perspective of an organisation, innovations are not created directly; they are only created once all the factors have combined. Even if two sectors are extremely strong, the weakest factor causes the organisation to not be able to produce significant innovations. As the intersection of three sectors is crucial to innovation capability, it is important that this intersection be enlarged as much as possible. This requires that the organisation has ability to partner, source and offer as well as networking skills.

As a tool, the innovation capability management model helps to manage and develop organisations, anticipate changes in the business environment, manage and improve innovation capability and to select service providers.

1. *As an organisation management tool, the model will create:*
 - concrete KPIs (key performance indicators) that are set for the organisation to improve expertise, procedures and proficiency
 - an analysis and action plans to improve innovation capability
 - information to support change management and strategy planning.

2. *As an organisation development tool, the model will create:*
 - benchmark reports on the innovation capability of your organisation compared to other organisations and between your organisation's own units
 - a trend view starting from the second assessment that can be used to learn to control innovation capability and to predict its development
 - a profile of an organisation's strengths and weaknesses
 - data that can be used to direct development resources efficiently
 - data that can be used to provoke discussion and planning in an organisation on the essential factors influencing innovation capability

3. *As a tool to facilitate the selection of partners and service providers, the model will create:*
 - certificates on renovation and innovation capability that can be used in RFQs and proposals when selecting partners
 - a) evaluation by a service provider on the renovation and innovation capability of a customer (certificate 1)
 - b) evaluation by customers on the renovation and innovation capability of a service provider (certificate 2)

The development of renovation and innovation capability is launched by an analysis

The analysis of renovation and innovation capability is launched by an evaluation. This is important so that the right targets for management and development work are identified and already existing strengths are recognised. The model includes three evaluation methods.

1. *evaluation by service providers on the customer's renovation and innovation capability*
2. *evaluation by customers on the service provider's renovation and innovation capability*
3. *self-evaluation of your organisation's renovation and innovation capability*

In the first method, the service providers of the customer organisation evaluate the ability to partner, source and offer as well as networking skills. In the second method, the customer organisations evaluate the ability to partner, source and offer as well as networking skills of the organisation providing services. In the third method, the management group and key personnel in the organisation internally evaluate the ability to partner, source and offer as well as networking skills of their own organisation.

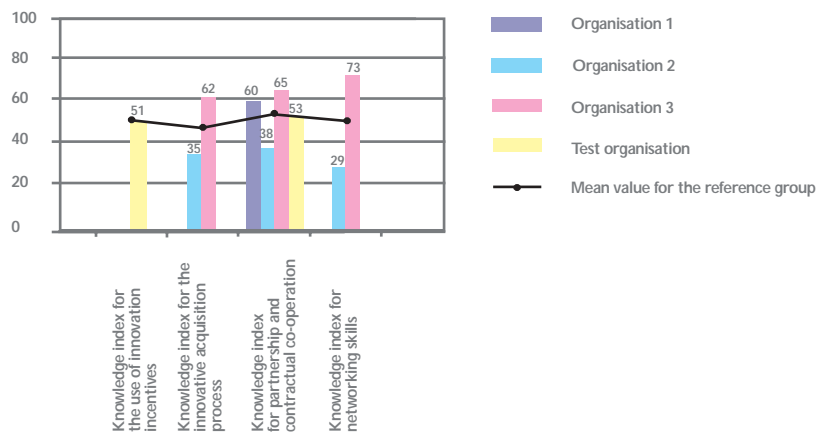
The management model reporting of renovation and innovation capability is extensive

Depending on the content of the fields of knowledge measured, the management model produces

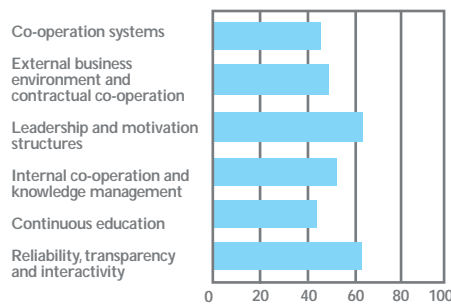
1. knowledge indices that are actual goal KPIs
2. benchmark results between external organisations and internal units
3. trend views on the development of innovation capability from the second evaluation on
4. knowledge indices by dimension as well as an area-specific profile of strengths and weaknesses
5. an analysis and action plans in order to develop innovation capability
6. a separate certificate on innovation capability

The data above is included in evaluation, analysis and action plan reports that are sent to the organisation in electronic format 1–2 weeks from the date the evaluation ends.

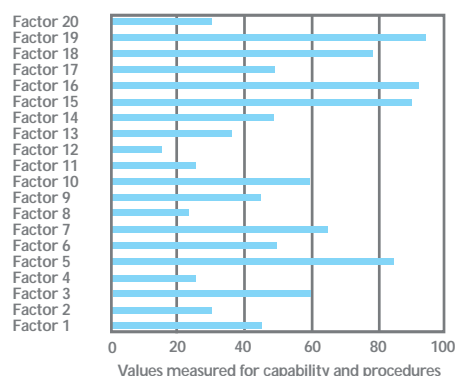
Example: knowledge indices for an organisations renovation and innovation capability (benchmarking)



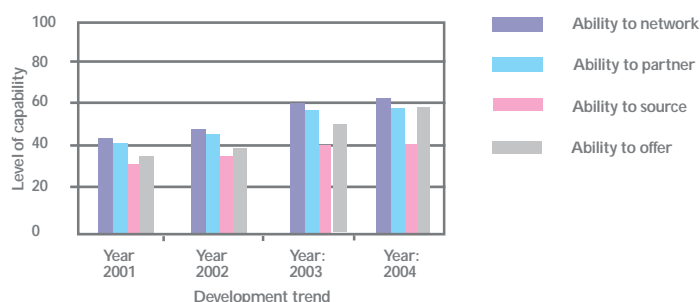
Example: an organisations ability to partner by range



Skeleton figure on the strengths and weaknesses of renovation and innovation capability



Development trend for an organisations renovation and innovation capability



Where do I start?

Visit us at www.abilitytoinnovate.com for instructions and the contact information of an organisation providing this service to start evaluating your renovation and innovation capability today. The report the organisation receives can be used to learn how to manage innovation capability, to predict development and to focus development and management resources on the right factors that create productivity and competitive advantage.

