

Manual of the Innovation Management Game

General

01 Why innovation matters

The world around us is in continuous state of change: while populations grow and the need for general well-being increases, also the demand for products and services increases. Furthermore, the increasing uncertainty of Fourth Industrial Revolution, technology and society convergence, the world we live in today will profoundly change.

These trends will create structural changes in business environment and innovation is the answer to this turbulence. Innovation helps companies to create sustainable value by exploring and exploiting new viable offerings. As a result, innovative companies will stand out from competition and be able to impact the industrial chains, markets and society.

02 The Simulation

Innovation management is a theory that seamlessly integrates many business disciplines. In order to apply innovation management in business practise, it is necessary to be able to understand the real complexity of it.

In 2012, Innovative Dutch created an algorithm that simulated a broad array of innovation theory in a game environment which was the birth of the Innovation Game. The simulation addresses both strategic thinking and tactical craftsmanship, while introducing the full spectrum of the innovation landscape to its players. Since then, the game has been integrated in many top-level university curricula and graduate training programs worldwide.

03 Outcomes

The key take-aways for the players are:

- Learn how to deal with strategic paradox: limited time & limited budgets. It's a common pitfall for companies to be forced to focus on short-term profits.
- The game helps you to make a deliberate choice between the most effective tools for idea creation, concept testing and market adoption.
- Innovation Management requires bottom-up commitment and team effort in every stage.
- Innovation Management requires integrated business planning to avoid suboptimisation.
- Involve both internal and external players in the innovation management process in order to get better success ratios.

04 Gameplay

The players will be divided in groups that battle against each other to make their virtual company innovative. Each round in the game simulates a year in real-life: a year in which you can set out new strategies, apply different tactics and collaborate with others to pursue your mission.

The game takes place in the business-to-consumer high-tech Robotics sector. Your team is an employee of a Medium-Sized Enterprise with around €7.5 million annual sales. You get the responsibility over a small team and an innovation budget.

The team with the highest business valuation after the last round, wins the game.

05 Set-up

The game can be played in different ways, usually in small teams of 3-6 people, from a half-day workshop (3 rounds) to a 6-week integrated university course. It can be played both online and offline. Please refer to your instructor for a detailed program for your game run.

It's a closed game: no teams will enter or leave the competition when started. The game is about managing innovation and not about innovation itself. Application of the learnings are part of add-on assignments built into the game.

Throughout the game you will have access to material that is needed to successfully play the game. A facilitator will guide the process.

Background

06 Theory

The game is based around the concept of the innovation funnel: a tool to help you manage an innovation portfolio in be able to cope with the paradox of unleashing and harnessing creativity at the same time. This also encompasses dilemmas such as exploration vs. exploitation, open vs. closed, radical vs. incremental, in-house vs out-sourced. All in-depth material will be provided throughout the game.

In the game there are 8 types of decisions.

07 Marketing & Branding

This type could be explicated in 4 different categories that are usually part of a strong marketing strategy: customer engagement, branding, service and distribution.

09 Technology

This type is about developing distinguishing features for your product or service, such as new technology, styling, performance, safety and improved quality.

11 Social Innovation

This type is changing the internal innovation climate of your organization in such a way that it facilitates innovation and realizing that innovation is about people and culture.

13 Open Innovation

This type is about how to share both risks and rewards during an innovation process. It involved thinking about IP, partnerships and competition differently.

08 Ideation

This type is about unleashing ideas in your funnel and is usually referred to as the fuzzy front-end of the funnel. This type includes activities for creativity and design.

10 Co-Creation

This type is about capturing value by collaborating with customers during the innovation process and have them involved in building better solutions.

12 Entrepreneurship

This type is about corporate venturing and capturing value through an entrepreneurial mindset and structure within your organization..

14 Business Model Innovation

This type is about creating and harnessing new and open business models that help your organization to move into blue oceans or disruptive innovation.

Dashboard

15 Annual Report: Performance

The annual report includes these KPIs:

- Innovation Funnel: the number of innovation projects in each funnel stage.
- Sales & Market Share: your annual turnover and market share in the competition.
- Creativity Score: your performance on the fuzzy front end of innovation.
- Innovation Score: your performance on harnessing (radical) innovation.
- Unicity Score: the uniqueness of your strategy.
- Business Valuation: Sales multiplied by creativity, innovation and unicity scores.

16 Annual Report: Analysis

For more analysis, look at:

- Tactical (1-round average) and Strategic (all-round average) Agendas: these agendas reflect your team's focus points relative to other teams' focus points.
 - Benchmark: shows how much other teams differ from your strategy.
 - Economic circumstances: they will tell how the coming years (rounds) will be.
 - Bulletin: gives you useful information on your chosen strategy.
- During the game you can ask questions to the facilitator.

17 Assignments

Each round the teams will receive assignments which may earn them extra budget or valuation points. Moreover, each team is asked to answer reflective questions..

18 Decisions: Collaborations

On the decision-page, each team has the opportunity to collaborate with another team. All new projects from both teams are joint projects, and rewarded with growth.

19 Decisions: structure

Each round a new decision categorie opens. By selecting a mix of decisions, you'll be able to pursue your strategy. The budget increases throughout the game. Unspent budget is not saved for the next round. You'll have the option to spend 1 or 2 credits on each decision. If you spend 2 credits on one decision, you'll become significantly better at it, but you'll have less options to 'spread' your budget over different stages/levels of the funnel. It's your choice and your choice only.

20 Decisions: stars

For each decision you will find information on the strength, breadth and depth:

Strength: explains the impact of the decision in the stage in which it is placed.

Breadth: explains the impact of the decision across all stages of the funnel.

Depth: explains the impact of the decision on the likelihood of creating radical innovation.

Steps

21 Step 1: Get Ready

Open your team's dashboard or open the email you have received at the beginning of the round. Check your program to find detailed instructions for your game.

22 Step 2: Analyze

Download the assignment and annual report. Analyze it in detail. Check your performance, the new budget and decisions.

23 Step 3: Strategyze

Discuss with your team about your strategy and decisions.

24 Step 4: Decide

Go to the decision-page and select all decisions you would like to take this round. Also, indicate a collaboration partner.

25 Step 5: Submit

Explain your strategy and submit the answers to the assignment questions. Submit your decisions and wait until the next round opens.