

SPEEDING BETWEEN THE GATES

Accelerate and compound
the impact of your innovations

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IPSOS VIEWS

GAME CHANGERS



ADDRESSING CONSUMER CHANGING NEEDS

Marketers have always talked about how fast consumer behaviour is changing, but in recent years, it's changing at record speeds. Behaviour has changed in major ways, including the boom of eCommerce, disrupted shopper habits, and new concerns around health and inflation. These changes require brands to be faster at responding to the new paradigm and ever rising

consumer expectations to continue bringing successful innovations to market.

This paper outlines how organizations can design and launch a next-gen idea via a new, more agile stage gate system, where vital innovations have an opportunity to accelerate through the gates.

TRADITIONAL STAGE GATES: TWO SIDES OF A COIN

The majority of the organizations follow a stage-gate process. While everyone is driving hard in their quest to achieve a higher return on investment, the stage-gate process could be seen as a tool to manage and allocate scarce resources to winning ideas by weeding out ones with lower potential.

The risk-averse nature of organizations has primarily driven decision bodies to create multiple stage gates to minimize risks and uncertainty. Perhaps it was the objectives of the old stage-gate system, where additional checks were put in place when an undesirable event revealed a lack of control; to ensure it didn't happen again. However, with numerous reworks, the

idea deviated from the original intent and took a significant amount of time before going to market. This led to the process becoming too elaborate and time consuming.

With multiple stakeholders and contrasting goals involved throughout the process, the traditional stage-gate approach can lead to creating innovations that are "too safe", diluting what the consumer initially desired. For instance, commercial teams may want the most radical innovation, while the R&D team wants the safest, and the regulatory team wants the innovation with the highest chance of getting approved.

Working, re-working, and vetting, the lengthy stage-gate process often ends up fertilizing the safest ideas, and not the most incremental or disruptive ones.”

THE AGILE STAGE GATE SYSTEM

The difference between the traditional stage-gate process, and the new agile stage-gate system, is bringing different phases together with well-structured, high performing teams to identify the most promising innovations while following 'Build-Test-Learn' principles.

Success is finding a way to launch an innovation without losing the initial intended promise, its originality, and its ability to disrupt. To progress strong innovations, cross-functional teams must ideate together and get sponsorship from senior leaders in the organization to ensure their involvement from the outset.

The ideal innovation team is made of individuals from multiple corporate functions: marketing, insights, design, R&D/tech and regulatory teams that are experienced in creating solutions to address the increasing demands of the consumer.

The journey starts with identifying gaps in the market. This allows us to discover and prioritize innovation territories, ideate and define product solutions, and add fidelity to these top-performing ideas to create business propositions that bring incremental growth to the portfolio.

While there are similarities between the two, the new agile stage-gate builds on the advantages of the traditional, with some modern improvements including:

- Different project leads and teams dedicated to one initiative
- Shared goals, a single vision and a clear roadmap
- More discipline and planning while remaining agile
- Better team commitment, delivery and value

However, scaling this process requires more than a few pilot projects. Core procedures need rewiring, capabilities need time to develop, and a culture of constant improvement needs to be adopted.

IPSOS INNOSPRINT: EMBODIMENT OF AGILITY

Agile processes call for agile collaboration tools that bring marketers, consumers, and researchers together. With solutions such as Ipsos InnoSprint, manufacturers can expect leading-edge insights to fuel ideation during innovation workshops; bringing them closer to finding the “next big thing”.

Ipsos InnoSprint works across all touch points of the development journey and is split into three phases: Discover, Define and Develop.



DISCOVER PHASE: Strategic assessment and identification of innovation territories

Using consumer understanding and strategic prioritisation based on the organisation's level of aspiration, capabilities and vision, it identifies innovative business opportunities in core or adjacent territories.



DEFINE PHASE: Design, iterate and optimise the most promising ideas and concepts

A creative process that uses a deep understanding of a specific innovation territory to generate ideation. It uncovers solutions while staying aligned with your brand strategy; catering to both immediate launches and new innovations that need nurturing.



DEVELOP PHASE: Fuel your innovation pipeline via iteration and the right tools

Turn ideas and concepts into value propositions, and assess consumer reaction to the design/product to prioritise the right business opportunity.

An InnoSprint can start at any point in the process, whether it's identifying which innovation territories to pursue, defining these territories with new product ideas/solutions, or developing a product idea that has come through the system or from an R&D/tech partnership.

InnoSprint is targeted towards developing innovations that can renovate and expand. The mission is complex and the strategies are multi-faceted, but it is also simple. It comes down to a foundational premise: **the most successful innovations start with an idea rooted in deep consumer understanding, to the extent of being obsessed.**

BUILDING A CONSUMER-OBSESSED CULTURE

Building a consumer-obsessed-culture cannot be achieved with a single event. It is an ongoing process that requires an obsession with consumer centricity, and eliminating innovations that don't bring value. It must be a mindset ingrained in the company culture.

This people-first mindset must infiltrate every stage and anchor us in deep human understanding. A successful innovation offers more than a functional benefit: it must go above and beyond to be instrumental to the business.

Ipsos InnoSprint creates a bond between consumers and marketing/commercial teams, paving the way for innovations that go beyond consumer needs and wants.

At each stage, there must be a direct link back to real people. It's easy to lose sight of the person behind the challenge when we focus on pain points; but true innovation helps people and not just their problems. Using toothpaste as an example, people don't just want cleaner teeth, but a brighter smile to give them confidence which could land them a better job, a date, or help them be more successful.

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INNOSPRINT IN PRACTICE: VOLTACTIVE BANDAGES

As part of growth strategy and holistic consumer experience, Voltaren looked at the non-medicated space for people who suffer with joint pain. The aim was to create a successful innovation and accelerate the speed to market due to the fast growing category demand, while addressing the risk of losing sales every month.

For this InnoSprint, GSK (now Haleon) and Ipsos assembled the relevant teams for the sole objective of developing a proposition that resonated with consumers and maximised growth. These included insights, marketing, tech, the design agency, and Ipsos Qualitative,

Innovation and Forecasting experts. Each team had a specific role in creating a compelling proposition: VoltActive Bandages.

The InnoSprint had multiple areas of focus throughout the week: from creating a book of knowledge for consumer immersion via super connects, workshops and ideation sessions, to building/learning/ testing and co-creating with 21 people suffering from joint pain. The different parts of the stimulus were screened overnight and tested with consumers over multiple feedback loops.

It enabled us to work iteratively and focus on progress, not perfection. Our insight-led approach, coupled with agility and cross-team collaboration, resulted in two propositions for VoltActive Bandages: lifestyle and performance.

The “lifestyle” proposition empathised with the persistent sufferer, and the aspiration of reliving the joy of movement. In contrast, the “performance” proposition was focused on patented product properties and enhanced functionality. The final propositions were evaluated via web pages on an eCommerce platform, as was expected to happen in-market.

While both routes achieved strong market success scores, the optimised “lifestyle” route garnered better performance and featured in the top quintile of the Ipsos*Vantis database.

With Ipsos InnoSprint, GSK and Ipsos found the sweet spot. They moved with agility to accelerate the go-to-market time for VoltActive Bandages in Germany by 12 months.

InnoSprint is best in class. It truly helps us become consumer obsessed, and it allows us to focus on consumer needs and expectations, thanks to the several rounds of iteration via qualitative and quantitative methods. When I compare how we usually work, the output from the InnoSprint was far greater.

We worked on eCommerce web pages that consumers will see in real life; we didn't test a hypothetical concept, but something that consumers will see in-market. The fast turnaround enabled us to take business decisions in just eight days compared to months. ”

OPHELIE BM, GLOBAL INSIGHTS MANAGER, VOLTAREN

ACCELERATING INNOVATION THROUGH THE GATES

A complete InnoSprint could last from four to eight weeks depending on the complexity of the project. This includes planning, designing the research plan, pre-work, and the sprint week immediately followed by the results.

The evaluation and validation phase throughout the InnoSprint helps incorporate necessary checks, not necessarily as a weed killer, but more as a fertilizer to maximize the potential of every idea as it is developed into a full-fledged value proposition. Ipsos' Vantis and InnoTest solutions are designed to ensure 'stretchy' or unconventional ideas are not eliminated because consumers don't immediately find them relevant, or see the connection with the brand. Ipsos' solutions go beyond and assess the inherent strength of the proposition, as well as their long-term in-market potential.

The key drivers of innovation success are common, regardless of how far an idea stretches your brand, for example, delivering meaningful consumer insight in a unique way, and aligning with how consumers measure success. Additionally, the Ipsos' innovation archetypes help identify breakthroughs/hidden winners at the early stages, ensuring a diverse portfolio of innovations.

The prioritization framework then helps us select ideas beyond consumer appeal: assessing

the idea's feasibility, necessary investments to bring it to the shelf, go-to-market timing, strategy alignment, size of prize, and other aspects critical to business. This approach identifies ideas that fuel a realistic innovation pipeline, and strike the right balance between short-term and long-term ideas.

From a 'ways of working' perspective, a game-changer is getting a senior business leader to sponsor an initiative and be involved early on. It drives agility, speed of action and builds confidence among teams to be bolder in taking risks. It enables faster decision-making and acts as a catalyst that stimulates innovation capability across functions. More importantly, it leads to stage gate meetings being less confrontational and more constructive and collaborative.

After going through the Discover, Define and Develop phases of an InnoSprint, a brand can identify meaningful innovations and feed their pipeline for the coming years. The next step is then to size these innovations in their respective launch markets, and in the context of a global launch, create a business case for respective innovation priorities. The sizing phase shapes the overall business potential that the proposition is expected to bring to the portfolio, and the expected share gain in the category in its first year of launch.



FINDING THE RIGHT BALANCE

While organizations may have a strong go-to-market and commercialization process, it's critical to ensure that they have the right discipline to balance their portfolio of innovations targeted towards driving efficient and incremental growth.

There is merit in understanding if these meaningful innovations would occupy differentiated spaces in-market, the potential interplay between them, net growth potential, the order of entry, and extent of support for

respective innovations during their launch year (by evaluating them in a Future State Portfolio exercise). It's as if we are hedging our bets with multiple innovations lined up for launch over the years to come.

Taking a back seat and reflecting on it gives us confidence as we transition from the Funnel approach (single innovation-led strategy) to a Tunnel approach (portfolio-led strategy).

WHAT'S THE FUTURE FOR THE STAGE GATES?

The stage gate system should be updated every four to five years where organizations should modernize the process by accounting for the current context and its vision. While traditional stage gates have benefited ideation and launch of innovations, in context to the rapidly changing business environment and external forces impacting consumer needs, organizations need a new dynamic stage gate process that is Adaptive, Agile, and Accelerated.

The benefits of the new agile stage gate process is its improved design flexibility, adaptability to changes (not clinging on to the original plan), a boost in productivity, communication, and coordination across the entire project team, and most importantly, a significant reduction in go-to-market timing.

THE KEYS TO A DYNAMIC STAGE GATE PROCESS:



ADAPTIVE AND FLEXIBLE

The stage gate process depends on the type of innovations, i.e., incremental vs. breakthrough or high vs. lower risk innovations, where lower risk innovations are to be fast-tracked, and breakthrough/disruptive innovations should follow a more stringent process.



AGILE

It should help important innovations that showcase potential early on to go through an agile development process that is much leaner, moving quickly from one milestone to the other with all unnecessary steps removed.



ACCELERATED

Where innovations in the process are adequately resourced with dedicated cross-functional teams and a focused project leader for maximum speed to market.

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