

# Focus on Innovation that matters

Innovation is not the goal. The goal is to increase the value to our stakeholders. Innovation is a tool to improve our business viability.

*“Value is created by removing a significant limitation for the customer, in a way that was not possible before, and to the extent that no significant competitor can deliver.”*

**Dr. Eliyahu Goldratt**



We tend to confuse improvement with innovation. Most improvements even when they present new tools and processes, are not necessarily removing a significant limitation for our customers.

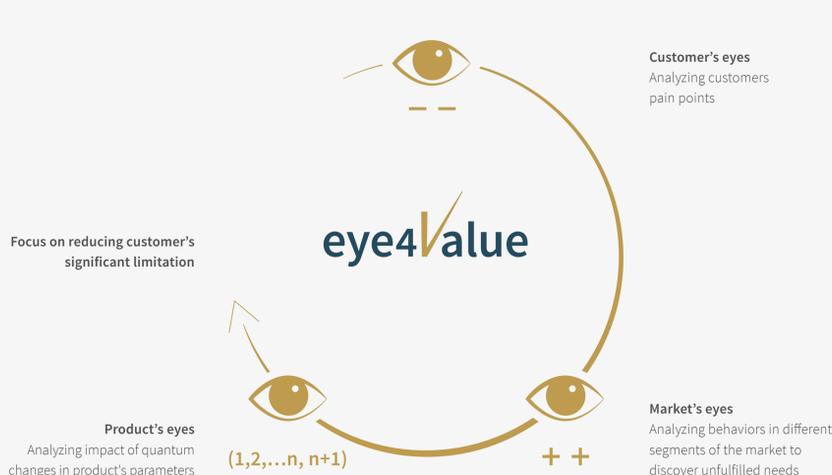
## A guided process for out of the box thinking

Innovation does not need to be a magical act of randomness, or dependent on a single person. It can be the result of structured processes that drives engineers and managers to create the next breakthroughs.



The TOC Innovation process is applied in an array of industries such as electronics, equipment consumer products, food, toys, baby care products, automotive, IT, finance, and pharma. It addresses three key questions:

## 1. How to come up with the next big thing



## 2. How to convert the idea to a successful business

Great value does not sell itself. There is a need to educate the market.

We should start with the most challenging dimension and from there develop the entire business model.



## 3. How to align all needed stakeholders to support it



## What makes it different

- Looking for minimum innovation which makes biggest impact. The process starts with a strict definition for exceptional value: reducing customer's significant limitation to the extent that no alternative can. Perhaps one that customers have "lived with" for so long they don't even recognize it yet as a "limitation".
- Multi-functional process: allows for idea to get strengthened rather than narrowed along the way, and increases buy-in (we don't block ourselves along the way).
- End-to-End business innovation process. The process goes from ideation, through business model design, all the way to execution, and each phase impacts the idea itself – allowing a natural cycle of idea evolution to take place, while making significant progress with each step.
- Comprehensive tool-box for generating ideas, concepts, improved business model with a set of tools for evaluating and screening ideas.

### TOMY

The Process was eye opening for our organizations, and now it is a crucial part of our new product development cycle. It helped us to acquire entrepreneurship mentality by truly thinking outside the box focusing on adding significant value to get into the blue ocean from the red ocean.

**Nagatake Masayuki, President & COO TOMY Internationa**



*“First of all, when you see complexity, make it simple. If we can define our ideal state, we can discover what we need to do. We do not have to doubt what we do. I believe that doubt and worry are causing multi-tasking... There is no limit to technology breakthrough, nor is there a limit for operational breakthrough.”*

**Mitsuo Hitomi - Executive Officer Power Train Development Division Mazda Motor Corporation**



The process helped us generate breakthrough ideas to come up with exceptional product designs for new collections due for launch by our customers. It made us identify and define market segments and value propositions through 3 different eyes – Market, Customer & Product. Because it is methodology driven and systematic, we depended far less on momentary individual brilliance or inspiration to trigger out-of-the box thinking.

**Kapil Ghorse, Vice Chairman, Sheeting International Marketing, Trident Group**

### Panasonic

Even though we take a thing for granted and even though it looks like there is no solution, we can find a way to move forward by changing our view and changing the way of thinking. TOC for Innovation makes us think “I can do it” in a very positive way, and is based on trust in people. We can lead a project and achieve a result because we have the coexistence of logic and trust.

**Fujimaki, Team Leader, Home Entertainment Business Division, Panasonic Corporation**



That was really amazing “logical process” for everyone be an innovator. The biggest concern for the pharma company is the uncertainty for the hit ratio of new products which will determine the company's sustainability. It became almost like a Russian-roulette (this is the reason why we invest so much in this). When we use this process the hit ratio of the new products can be stable one. This itself is the innovative thing for the company management.

**Shuhei Yoshida, Executive Vice President & COO, Senju Pharmaceutical Co**



We had TOC based workshops with Goldratt consulting in Europe, China and US to identify the constraints of our customers and design innovations for a sustainable business growth based on these insights.

**Karoline Kalb; Chief Human Resources Officer and Member of the Board, WashTec; Germany**