



## Process Innovation - A key to unharvested wealth?

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Process innovation can open your business to a complete world of new opportunities if approached from the right perspective!

### Traditionally

Process innovation is traditionally viewed as more appropriate to the manufacturing sector, but in fact process innovation applies to everything we do, manufacturing, services and even management processes.. It aims at improving business outcomes by cutting costs. Properly implemented process innovation come with little risk.

Further, a dollar saved in process improvement goes straight to the bottom line as a full dollar, whereas increased revenue targeted from heightened sales activity translates to only some portion as a bottom line increase.

The more common process innovation approaches include, 'Six Sigma' with its aim for almost zero defects, 'Lean Manufacturing' that focuses on cost down initiatives and waste removal; and 'Continuous Improvement' that aims to involve the entire organisation in looking at ways of endless incremental improvement.

### Innovate and remove market risk

If we accept that the by far the single biggest risk in business is market risk, that is the risk that nobody will buy the product, then logic would have it that the best way to mitigate this risk is to find something people are already buying and simple improve it. This in fact is what innovation is all about and leads to the ideal definition of innovation as "*Change that Adds Value*" © La Salle 1999

Nokia is one of the world's greatest innovators with new improved more featured hand phones coming on to the market every six months. They understand this game perfectly.

Car companies are pretty good as well with face lifted models every 12 months and models bearing a new shape, aimed at rendering your present one obsolete, almost every three years.

Why should the message be different for processes?

### Create a Paradigm

Have you ever realised that some of the world's great businesses have grown on the back of nothing more than improved processes!

FedEx, DHL UPS, did nothing more than look at the very successful postal service and innovate it to provide faster deliveries.

So too Dell Computers, Reuters, and even the Ford Motor company.

Henry Ford did not invent the motor car, he simply innovated the way they were made.

The list of such innovated process that spawned new global businesses is almost endless. And in the case of Amazon, they created a business with a *negative cycle time*, doing nothing more than finding a new way to sell books.

A structured approach to process innovation can identify complete new paradigms, if only conducted in the right mindset.

Remember, there is always a better way.

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