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INNOVATION ENGINEERING Building a perception Hay Geraedts for I²E² 2021



Content of the presentation

- Perception of innovation
- Innovation as a company driver for success
- OECD Global Innovation Index
 OECD
- EPO: Global Patent Index
- What about creativity in an innovation development
- What can be seen as an Innovation process
- What are a valid set of Innovation criteria
- What should be a relevant set of capabilities to become an Innovator



- Kinds of Innovation
 - Product Innovation: Invent interesting new product ideas
 - Process Innovation: Invent new ways for processes/systems e.g. production systems
 - Market Innovation: Invent new markets
 - Organization Innovation: Invent new ways to organize the business



Perception of innovation



- The vitality and survival of companies in competitive markets depend to a large extent on their ability to innovate.
- Innovation is not something that emerges spontaneously from the activities of a company: companies need to invest in it!
- Whether companies produce end-user products, or subcontract deliver parts to end-user companies, or deliver services to customers, innovation stays important.
- It can sometimes be **bought** or found through collaboration with other companies ('open innovation').
- In any event, human capital is an important factor in innovation.



Perception of innovation

- Big companies commit considerable amount of money to scenario studies for innovation.
- Unlike bigger companies, small and medium-sized enterprises (SMEs) often lack financial resources to invest extensively in scenario studies.
- Responsible persons within SMEs often don't have enough perception on how to start innovation and don't dare to make the first step.
- The strategies of SMEs are more often based on survival tactics than on growth optimization.
- On the other hand SMEs are very flexible to act on changes on the market and to startup a innovation development trajectory.



- Sustaining national quality of living depend to a large extent to success of national companies
- **Bigger companies are investing** already a large amount of their turn over into innovation.
- And SMEs? Investing in innovation is uncertain!
- But it would make a big difference for the prosperity of a country and it's companies when they would be successful in innovation too.
- Initiatives in SMEs often depend on the capabilities/competencies of their engineer employees.



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 If professionals holding high education degrees were confident in how to take initiatives on innovation, this would be a key Success marker for companies acting in their markets and therefore a key success factor for developing needed innovation!



• It is about: igniting innovation

Innovation Engineering; building a perception



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Innovation: possible description

Innovation is an internal creative development process that contributes to entrepreneurial

goals when developing new products, processes, organisational structures or market approaches, or some combination of these.

Technological, economic and psychosocial factors can be investigated when considering innovation development.

Generally, innovation is initiated by multidisciplinary teams consisting of key persons in companies.

Teams develop new or renewed products or services to sell on marketplaces.

When planning innovation development, corporate decision makers must have accurate information as a basis for funding innovation projects.



Innovation: important words

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Innovation: 1st order context of engineer

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Innovation developments seen from a SWOT analysis

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A business has to be involving, it has to be fun, and it has to exercise your creative instincts.

— Richard Branson —

AZQUOTES

		Internal aspects					
	SWOT confrontation matrix	Ca	pabilities		Defici	encies	
aspects	Opportunities	Earr	n a lot of mone Incremental innovation	у	Enable y employe Orga inr	vour es nisational novation	
External	Threats	Investigate market conditions Market innovations		Find pos grow int markets	sibilities to o new Structur innovatio) al)n	



Types of Innovation

IMPACT ON THE MARKET

LOW

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Sustainin A significant impro on a product that sustain the position existing mark	g aims to on in an cet.	Disruptive Technology or new busines model that disrupts the existing market
Incremen Gradual, contin improvements on products and se	tal uous existing rvices.	Radical Technological breakthrough that transforms industries, ofter creates a new market.

HIGH







Innovation dilemma's

- Time dilemma's
 - Investing now, not knowing what result it will bring in the future market
 - Decisions now, for activities in the future, not knowing what the best trajectory is.
- Quality dilemma's
 - What extra functions do customers pay attention to in the fut
 - Time-to-market needs to be short whereas quality assurance to
- Sustainability dilemma's
 - Innovative products will not stay innovative more than the management of the make much money from one innovation
 - Your competitor will innovate this products for a phonon of the phonon of the market.
- Financial dilemma's
 - Shortage of financial resources to invest in innovation versus probably higher turn over when investing in innovation.
 - Investing comes before earning the money

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OECD researches e.g. effectiveness of innovation development in partner countries

 The Organisation for Economic Cooperation and Development (OECD) is an international organisation that works to build better policies for better lives. Our goal is to shape policies that foster prosperity, equality, opportunity and well-being for all.





The Global Innovation Index (GII) provides detailed metrics about the innovation performance of 131 countries and economies around the world.

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European Innovation Scoreboard country ranking. Coloured columns show innovation performance in 2019, horizontal hyphens show performance in 2018, and grey columns show performance in 2012, all relative to the EU average in 2012.



Number of patents acquired in a country is an indicator for a level of innovation development

EPO: Global Patent Index



Source: EPO. Status: 1.2.2021.

¹ European patent applications include direct European applications (Direct) and international (PCT) applications that entered the European phase during the reporting period (PCT regional).

² In cases where several applicants are mentioned on the application form, the country of residence of the first applicant listed applies.

³ EPO states: the 38 member states of the European Patent Organisation, which includes the 27 states of the EU.



Origin of the European patent applications

This graph shows the geographic origin of the European patent applications¹ determined by the country of residence of the first applicant listed on the application form (first-named applicant principle²).



Others 6% DE 14%	Country	2020	2019	Change
CN 7%	• US	44 293	46 177	-4.1% 😢
FR 6%	— — → DE	25 954	26 762	-3.0% 😢
CH 5%	● JP	21 841	22 086	-1.1% 😢
JP 12%	• Other EPO states ³	15 710	15 358	2.3% 🕗
GB 3%	CN	13 432	12 227	9.9% 🕗
SE 2%	— — — ▶ FR	10 554	10 233	3.1% 🔊
US 25% Other EPO	Ho Others	10 135	10 149	-0.1% 😢
states ³ 9%	• KR	9 106	8 339	9.2% 🕢
	• СН	8 112	8 266	-1.9% 😢
	— — — ▶ NL	6 375	6 942	-8.2% 😢
	• GB	5 715	6 129	-6.8% 😢
	• IT	4 600	4 469	2.9% 🕢
	• SE	4 423	4 395	0.6% 🕢



EPO: Global Patent Index

	Technical Field	Number of patents	2020	2019	Change	
		Electrical machinery, apparatus, energy	11 346	10 297	0.4% 🔕 🗲	
		Audio-visual technology	4 474	4 278	4.6% 🔕	
		Telecommunications	3 982	4 047	-1.6% 😢	
	Electrical engineering	Digital communication	14 122	13 978	1.0% 🔕	
		Basic communication processes	1 071	1 079	-0.7% 😢	
		Computer technology	13 097	12 859	1.9% 🔕	Relation to
		IT methods for management	2 413	2 499	-3.4% 😢	Mechatronics
X		Semiconductors	3 197	2 984	7.1% 🔕	and mechanics
		Optics	4 250	4 229	0.5% 🔕 🔶	
		Measurement	8 582	9 048	-5.2% 😢	
	Instruments	Analysis of biological materials	1 303	1 358	-4.1% 😢	
		Control	3 354	3 264	2.8% 🔕	
		Medical technology	14 295	13 935	2.6% 🔕 🔶	
		Handling	4 399	4 760	-7.6% 😢	
		Machine tools	3 594	3 711	-3.2% 😢 🔶	
		Engines, pumps, turbines	4 386	5 249	-16.4% 🕲 🔶	
_		Textile and paper machines	2 443	2 636	-7.3% 😢	
Mechanie	lechanical engineering	Other special machines	6 261	6 419	-2.5% 😢 🛨	
		Thermal processes and apparatus	2 666	2 674	-0.3% 🕲 🛨	
		Mechanical elements	3 821	4 220	-9.5% 😢 🗲	
		Transport	9 020	9 540	-5.5% 😢	23

Success today requires the agility and drive to constantly rethink, reinvigorate, react, and reinvent.

— Bill Gates —

AZQUOTES

Strategic Decision-Making for Innovation

What are the relevant future perspectives?

Tushman: "Decision by itself changes nothing.

At the moment decisions are made, we don't know their effects.

We spent far more time on the consequences."



What about creativity in an University of innovation development

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Brainstorming without having a picture how this process has to be organized is not effective and not efficient.

Don't brainstorm if you don't know how to do it and if you are not properly prepared.

Better use pre-conditioned methods.

ve	rgence	F
	Attribute listing	
	Biomimicry	
	Brainwriting 6-3-5	
	Challenge assuptions	
	Osborn checklist	
	Classical brainstorming	
	Excursion technique	
	Harvey Cards	
	Imaginary brainstorming	
	Lotus Blossom Technique	
	More Inspiration	
	Personal Analogy	
100000	Random Input	
	Redefinition	
	Reverse Brainstorming	
ļ	SIT (Systematic Inventice 1	(hinking)
	Wishing	

convergence		page
COCD-Box		24
Enhancement checklis	t	25
Force-field analysis		26
 Hundred Euro test 		27
 Idea advocate 		28
Negative Selection		29
NUF (New Useful Feasib	ole) test	30
PINC filter		31
• Six thinking hats		32
 Weighted selection 		33

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•	Implementation	34
•	Compilation	35

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What can be seen as innovation process?

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Phases tart-up activities	Description of activities Introduction of team members Setting up interdisciplinary collaboration. Search cultural difference of partner Universities. Discuss communication procedures Get in contact to Business students Ending Mildestrang 1 (Weak 27)	Vision Mission Strategy	Financing Innovation	Select Innovation Team	Internal External Info	Formulate Demands	DESIGN PROCESS	Production Process	In-use Stage of the Product	Life End of the Product	Waste
Creative Process S	Search for interesting ideas. Using creativity methods Analysis of customer's needs, defining a possible market. Writing technical, product-related and market-related demands/requirements/conditions Literature research to investigate latest information idea(s) Patent search and having contact patent expert A pitch Ending Milestone 2 (Week 41) Trin to collaborating international University, Decision										
Organizing Project	which concept will be developed. Discussing how to set up Project Management plan Writing a complete plan of approach/project plan Finding interested company and possibly sponsoring Ending Milestone 3 (Week 41) Search for possibilities on sustainable development Search for possibilities in IPR Finding new trend connected to the idea Ending Milestone 4 (Week 4)				Wh Eng	at aboı ineerir	ut the ing Proje	nnova [.] ect?	tion		
Design	Design the mechanical/Mechatronical/electrical system Make calculations to power, forces, etc Making technical drawings, electrical schemes, etc. Preparing making the proof of concept Ending Milestone 5 (Week 49) Researching market possibilities										
Investigate Business	Investigate business requirements Investigate information for business plan Organize the production of the proof of concept. Ending Milestone 6 (Week 2)										
Finishing	Make a video film Youtube of your I ² E ² project (about 10 min). Prepare presentation for symposium. Make a poster for presenting to I ² E ² . Write final I ² E ² Report Write final Business Innovation Report Ending Milestone 7 (Week 3) Visiting collaborating international I ² E ² symposium Stractoreg.		nnovation Er	ngineering; bu	uilding a perce	eption				2	9



What is a valid set of Innovation criteria to be used in a innovation development research?



Holistic 3D model criteria for innovation development research.



The technological competences of the employees in form of 'tacit' knowledge and explicit knowledge gives the company opportunities to develop products. Companies always need to know what is the new developed technology that could be part of innovative product development.





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Stakeholders as a starting point for innovation development

Stakeholders	Characteristics for strategic decision-making	Triggers for innovation development
Consumers:	Follow what's going on in the market.	Continuous innovation to meet the renewed requirements of customer.
Industrial customers:	Strategy of developments to understand customer companies' needs. Know their goals and targets.	Innovation consists of being able to solve the problems of possible industrial clients.
<u>Shareholders</u>	Interests of shareholders need to be ensured.	If a company is innovative, then it can attract shareholders. They deliver financial means to invest in innovation.
Competitors:	Benchmark company's position on market.	Innovation means staying ahead of the competition.
<u>NGOs:</u>	Voice of society. They can give the company a negative or a positive image.	NGOs want innovative products being save, sustainable, eco- friendly, etc. They're a voice of society.
Advisory institutes:	Investigate what are the missing information needed for success.	If companies do not have their own capacity for developing innovation, consultancies can help e.g. Patent office and Engineering consultancies.
Government:	Check whether the new product to innovate needs to meet the Governmental standards.	Governmental standards, innovation need to satisfy to. Government grants for innovative projects.
Employees:	Does our existing staff need extra training or should we attract new staff	Do employees have proper competences to be able to develop innovation?



Advice to become an innovator

•Be good in your engineering profession!!!!!!

- •Be interested in what is going on inside and outside the company.
- •Know the needs of company's costumers

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- •Be interested in the activities of competitors
- •Build your own vision of what is important for the company to invest in
- •Have information who in the company has key positions and key knowledge to participate in initiatives on innovation development
- •Go to international conferences and symposia to notice newest developments
- •Get attention of management to your innovation perceptions



Have an open mind to see things differently, is important. Think out of your comfort box. M.C. Esher



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Responsibility of engineers

To take initiative to analyse possibilities for innovation development in a company and persuade the tactical management to invest in this 'adventure'.

Questions?

A online meeting will be organized for you to ask questions to the teacher to be answered