



The 90 Day BHAG: Rapid, Disruptive Innovation

Overview:

In many organizations a false dichotomy is taken as innovation gospel. The choices offered are easy, short, “safe” incremental innovation or difficult, time consuming, risky disruptive innovation. Given these attributes, there is little wonder that most innovation is incremental innovation. We argue that this is a false dichotomy because given the appropriate methods, tools and management support, a team doesn’t have to choose between “safe” incremental innovation or “risky” disruptive innovation.

On the surface incremental innovation seems less expensive and less risky, more likely to create a useable outcome. However, we all also recognize that incremental innovation is rarely a “game changer”. In fact incremental innovation is what many firms settle for once they are convinced that disruptive innovation is too dangerous, too risky, too uncertain or too expensive.

But this is simply conventional wisdom about disruptive innovation, learned over many failed attempts using traditional methods with little management support. Innovators would be right to shy away from “disruptive” innovation given some historical experiences. What are the factors that make disruptive innovation seem so difficult and dangerous? First, it is risky and somewhat open ended. That means the costs and timeframes can be hard to determine. Second, disruptive innovation is uncertain. It’s much harder to define the likely outcomes, which may lead to an increased chance of “failure”. Third, there often aren’t clear processes to use or maps to follow for disruptive innovation, so teams are less familiar with the process. All of these reasons suggest that companies will favor incremental innovation over disruptive innovation more often than not. But when disruptive innovation is successful, it can “change the game” in an industry, leading to dramatically increased revenues and profits.

While disruptive innovation has the potential for a very valuable outcome, the risks typically outweigh the potential opportunity. If we could achieve the benefits of disruptive innovation while reducing the risks and the costs, that solution would offer the best of both worlds. The solution to this paradox, the 90 Day BHAG methodology, offers rapid, disruptive innovation outcomes using a proven methodology, which reduces risk, uncertainty, investment and project length. This approach helps achieve the goal of disruptive innovation in a more controlled framework, leading to greater success and less risk.

The 90 Day BHAG

First, let’s define our terms. The approach we’ve developed and will document here we call the 90 Day BHAG. In that title are two important concepts. First, a very specific timeframe. In reality, the actual timeframe doesn’t matter all that much, as long as it is short. We chose 90 days because 90 days reflects a “quarter”. That is the unit of time most businesses are trained to use to measure their operations. Ninety days will seem like too little time to explore needs and develop disruptive ideas, and that’s exactly why the time frame needs to be short: to establish a sense of urgency in the team, and to encourage them to use new methods and new

tools rather than rely on known, existing tools that won't allow them to accomplish the goals in the shortened timeframe.

Second, in the title we've introduced the concept of the BHAG. Jim Collins, the author of Good to Great, is credited with coining the BHAG, or Big Hairy Audacious Goal. In our model the BHAG stands in as the outsized or outrageous goal your disruptive innovation is meant to achieve. Only a large, difficult to achieve goal will introduce the need for disruptive thinking and shake the team loose from their reliance on existing models and methods.

By now you've probably picked up on a couple of key points. First, in the 90 Day BHAG model we want to constrain the timeframe to create a sense of urgency. In many businesses innovation becomes a "nice to have" solution that is important, but not urgent. In this approach we seek to make the disruptive innovation urgent, by creating a very restricted timeframe. Additionally, by restricting the timeframe the methodology reduces uncertainty, risk and investment. Second, the team needs a big, unusual goal, a new market or an important emerging threat to address. The team needs clarity about its outcomes and goals, and those outcomes need to be interesting and radical in nature. Third, we seek to demonstrate to the team that their existing tools, methods and processes aren't sufficient and can't help them accomplish this task. In this approach the innovation team has no choice but to let go of their "known" tools and methods, which won't help them be successful given the objectives and timeframes, and to quickly instruct them in new tools and methods which will encourage disruptive thinking.

The 90 Day BHAG is unlike any other innovation project that your company has attempted before, and for good reason. It seeks innovation outcomes that your team hasn't achieved often, if at all. As Einstein said, we can't solve new problems with old thinking. To achieve disruptive innovation success, we must introduce new models, new skills and new thinking.

Rapid, iterative prototyping

Further, the 90 Day BHAG doesn't end with the presentation of a few written ideas. We believe ideas that are simply documented in a list are too easy to discount. The outcome of a 90 Day BHAG includes physical prototypes of ideas that will result in physical products or simulations of ideas that are services or experiences. In fact the 90 Day BHAG methodology insists on rapid, iterative prototyping which results in the presentation of a well-developed prototype as part of the final presentation of the ideas themselves. Obviously, adding the requirement for a physical prototype of the recommended ideas places even more urgency on the process. To investigate an opportunity and develop some ideas on paper is reasonable within a short timeframe, but to request disruptive ideas with physical prototypes in 90 days or less forces the team to consider new tools and new techniques and to work with a definite sense of urgency.

Executive commitment

There's one other stipulation we impose when conducting a 90 DAY BHAG. We recognize that the 90 Day BHAG demands a significant investment from the innovation team, and therefore we believe a corresponding significant commitment is necessary from the executive team. To that end, every 90 Day BHAG we run includes a commitment from the executive team to make a clear decision about the ideas that are presented

within one month of the completion of the project. This means that the individuals who man the 90 Day BHAG team, who have to learn new tools and new techniques and create ideas in a new space can work with the assurance that the ideas they generate will be presented to the appropriate executive team and that they will receive a definitive answer to their recommendations. This commitment from the executive team reduces concerns about how “serious” the executive team is about the ideas and their willingness to implement the ideas. This commitment also demonstrates that the work the team conducts isn’t simply an exercise, but is expected to produce real results.

Running a rapid, disruptive innovation project

How do you run a 90 Day BHAG? With careful definition and great purpose. The tasks involved in running a 90 Day BHAG project are similar to other innovation projects, but are limited by time and project scope, while focused on a disruptive outcome.

We start with a careful but quick assessment of the industry trends, and develop three to four scenarios which help illuminate the possible future outcomes over a five to seven year period. Based on these scenarios we investigate new customer needs or emerging markets or threats to discover unmet needs using basic ethnography and observational research.

This insight is quickly folded into short, focused idea generation sessions followed immediately by rapid prototyping of the best ideas. In this iterative process the team moves quickly to identify the best concepts that meet the scenarios and customer needs and fleshes out the best prototypes to prepare for presentation.

In the final steps the team “packages” the idea using marketing tools and techniques, in order to present their ideas in the best light to the executive team. This packaging links the ideas to specific trends and unmet customer needs, and provides a clear positioning statement about the idea, along with a physical prototype or service/experience simulation. Note that each of these phases may introduce new tools and techniques. We train the team using a “just in time” training model, introducing a new tool or technique just prior to its use and then quickly reinforcing the tool or technique with project work that capitalizes on the new knowledge. This way, new knowledge is deployed as it is needed and quickly reinforced.

Benefits

These factors – clear strategy, management commitment, short timeframes, stretch goals and new techniques and methods – force the team to work in a completely different way than they normally do, encouraging more disruptive ideas and better results. Conversely, since the team is constrained, executives receive something they need as well – less cost, less uncertainty and less risk. By constraining the project to a specific time frame, the project costs and investments can be determined and controlled. As executives engage with the team regularly, there’s less chance of the team pursuing ideas that don’t meet the stated goals. Requiring the team to present prototypes at the end of the project, rather than just ideas, ensures the ideas have been tested and can be demonstrated, again reducing risk and uncertainty. Thus, we achieve what seemed almost impossible – disruptive ideas created with less risk, less cost and less uncertainty in a very short period of time.

What's required for success?

The 90 Day BHAG has different requirements for success than traditional incremental innovation efforts. The 90 Day BHAG creates more urgency, a deeper sense of commitment and addresses a much larger opportunity than other efforts. To this end, more emphasis must be placed on key factors for project success.

Key Ingredients

- *A strategically important BHAG* - An important challenge or opportunity for the business, clearly defined and scoped
- *Executive commitment and active involvement* – in the planning, execution of the project and evaluation of the ideas
- *Engaged participants* – people who recognize the need for new tools and solutions and are energized by the BHAG
- *Customer Insight* – understanding unmet customer needs
- *Training* - on new techniques and tools
- *Excellent facilitation* – to move the team with all due speed toward their goal
- *Rapid, Iterative prototyping* – to refine the best ideas and develop new products and services quickly
- *A limited timeframe* – to keep the team focused and to create a sense of urgency

Typical Outcomes

In our experience, firms that follow this methodology generate disruptive ideas and validate them very quickly. We've worked with clients that created completely new materials or radically new products and services in far less time and with far less uncertainty than they thought possible. Further, once a team has been through the constrained BHAG process, they are more engaged and more willing to innovate, as they are willing to break away from the constraints of the organization to stretch their thinking.

Case study

For a client in the home furnishings market, we deployed a 90 Day BHAG project to help the company create new and differentiated products in a specific market segment. Starting with just a few key attributes, we pursue market trends and customer insights which led to very disruptive thinking. After a very quick review of trends and customer needs, the team pursued divergent/convergent idea generation strategies and iterative prototyping, which spawned new ideas and new avenues of pursuit. In less than 90 days the team generated hundreds of ideas, but more importantly a significant number of truly disruptive ideas that were developed as physical prototypes. The team was able to claim one completely new material, one new integrated process and two patents out of the project and released new products in the market less than one year later. The results of the BHAG project were two-fold: first, interesting, valuable disruptive innovations that quickly became new products and services, and second, the sustained ability to generate and develop disruptive ideas using the frameworks we introduced.



More information

If you'd like more information about the 90 Day BHAG methodology, you can find a companion PowerPoint presentation on this subject at Slideshare:

<http://www.slideshare.net/jdpuva/90-day-bhag>

Additionally, feel free to contact the author, Jeffrey Phillips at OVO Innovation:

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