Ten common patterns of companies that successfully manage very innovative and disruptive projects by Manuel Ancizu

Ten common patterns of companies that successfully manage very innovative and disruptive projects

What can we learn from them? 1

Manuel Ancizu

Abstract

A highly innovative and disruptive project is dynamic, changing, contain new features or approaches and is built incrementally. It is possible that nobody has even worked on it before, but it has the potential to completely transform the market and the way of life that has been known up to that point.

Analyzing and deconstructing different examples of companies managing innovative projects successfully, the author has identified ten common patterns that can provide a solid guide to effectively manage such dynamic disruptive innovation projects and contribute to make them come true.

Context

In a world in constant change and evolution, there are two phrases that resonate strongly in innovative projects and, most especially, in those that aim to be disruptive and change the market environment:

- "If you don't make any mistakes, you are either not doing anything (not innovating) or you are going too slow."
- "If you're going to fail, fail fast."

I am sure that you have heard them as they represent well the environment in which very innovative, disruptive projects or those in early stages of development move.

Disruptive projects are initiatives that introduce groundbreaking and often unexpected changes to an industry, market, or sector. These projects can redefine the status quo, challenge existing norms, and create entirely new paradigms.

These projects are usually driven by innovative ideas, technologies, or approaches that have the potential to reshape industries and transform the way people live, work, and do business. They combine innovation and market transformation.

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After analyzing and deconstructing different companies and transformation projects, I have come to the conclusion that there are some common patterns that companies apply to successfully manage these highly innovative and disruptive projects; what can we learn from them?:

1. Small project, small team, and controlled environment at all times

A small project is created apart from the core business led by a small team of people to test concepts, test small-scale functionalities, learn, make modifications in a controlled environment, and evaluate the feasibility for potential future expansion.

Three very important elements can be extracted from this:

- Small project compared to the main business.
- Small multidisciplinary team with key people.
- Ideas, tests, and developments in a controlled environment.

Apple's development of the iPhone is an example of this approach to project management.

2. Release and unleash creativity to go beyond the current status quo

Being a small, innovative project in a controlled environment allows to focus on creativity, without being conditioned by the core business and day-to-day constraints.

"The sky is the limit!"; in the early stages of development, there is generally no defined way to reach the goal, so we seek to generate new ideas and hypotheses, without judging them, to later analyze them, combine them, test them, and give them shape. How many times a great idea has been found without expecting it and as a consequence of learning from others' failures?

3. <u>Develop the project close to headquarters for easy access to knowledge and resources</u>

The project is carried out close to headquarters, so that all core knowledge is available whenever it is needed, and the test environment is closely monitored from the head office.

This is the case of Amazon Go, for example, whose first store opened in Seattle (United States) in 2016, very close to its headquarters; this innovative store was conceived as a pilot project to test and experiment the use of artificial intelligence on a small scale, seeking to improve the in-store shopping experience.

Ten common patterns of companies that successfully manage very innovative and disruptive projects by Manuel Ancizu

4. Involve internal employees for testing and feedback

Access is initially limited to the company's own employees, which facilitates testing, feedback on the user experience, reporting of bugs, errors, or improvement ideas among colleagues, as all of them belong to the same company.

Amazon Go was initially available only to Amazon employees, and only once the appropriate tests had been carried out, it was opened to the general public.

The same happened with similar projects at Auchan and Carrefour in France or Sainsbury's in the United Kingdom.

Employees provide feedback on the positive aspects and can also detect failures or potential improvements without the risk of such failure reaching the market or the media, causing negative effects on the project and, perhaps, on the company's reputation. In addition, innovations remain controlled within the company itself, with no risk of unwanted information leakage.

5. Patience and persistence are essential to achieve truly innovative results

If the project is truly innovative, it means that no one has achieved it before, perhaps it has not even been tried, so it is likely that the expected results will not come in the short term.

It is pure creation, innovation, walking on new and unknown paths. It is a process that can take time to find the expected results and, therefore, it is important that the project is not conditioned by the day-to-day decisions of the business, as it might be cut before it has matured sufficiently.

6. Test thoroughly before launching on a large scale

All disruptive innovations are tested before being transferred to in-store marketing, both physical and online.

Inditex, for instance, tests in Spain the new functionalities to be implemented in its physical stores worldwide, through pilot stores located in some cases even within its own headquarters in Arteixo (Spain).

In experimental projects with high uncertainty, it is (almost) certain that errors will occur; the later a defect is detected, the more costly it is to resolve it. Therefore, since mistakes are going to happen, the important thing is to detect them as early as possible in the process and to reduce the consequences of the error and its associated cost as much as possible.

In the case of Inditex, once everything is tested with satisfactory results, it begins to plan the implementation in the rest of the world. The aim is also to ensure that under

Ten common patterns of companies that successfully manage very innovative and disruptive projects by Manuel Ancizu

no circumstances can the failure of an experimental project reach the end customer in the store.

7. Constantly innovate while keeping the cost of change low

Companies innovate constantly, while keeping the cost of change low. The positive element of being a small project in relation to the volume of the core business, is that in case of failure, the economic or image impact on the Company would be very limited.

Project teams can even look for suboptimal results, so that they can continue learning and improving, with little cost of change.

If a failure was made but detected at an early stage, the correction required might be small.

Therefore, the focus remains on establishing mechanisms to:

- 1) not to fail but,
- 2) if it failed, detect the error as early as possible, so that its consequences and its associated costs are as low as possible.

8. Deploy gradually, step-ty-step and progressively

Deployment is done very gradually, in a staggered manner, adding points of sale progressively, always keeping the environment under control. Testing continues and the expansion to mass sales channels is not carried out until everything is well assessed, and the idea has been developed and matured for some time.

This is the case of Inditex, as well; apart from its pilot projects within its own facilities or in nearby locations, it also conducts pilot tests in selected active stores, prior to the deployment to the rest of the commercial points in order to have real feedback of the value provided and of customer satisfaction with the innovation.

9. Agile methodologies to advance gradually and quickly adapt to uncertainty

Agile methodology is widely applied in this innovative environment, where the goal may be known at the beginning, but not the way it will be reached or how it will be achieved; this becomes clearer following an iterative and incremental process through ideas, mock-ups, prototypes, proofs of concept, user acceptance tests, etc.

10. Re-evaluate budgets, teams, equipment and strategies as progress is made

As development milestones are achieved and risk management is well in place, the required budget, teams, equipment, and assumptions previously considered are re-evaluated. A pilot project is highly dynamic, and its needs may change as it

progresses. Adaptation, knowledge sharing, and application of lessons learned are key.

Conclusion

Highly innovative and disruptive projects are, by nature, novel and very dynamic as they seek to go beyond what it is available.

To achieve this, innovation must be channeled and managed properly; it is not simply a matter of having ideas, but of making them a reality.

These ten common patterns identified and deconstructed by the author can provide the solid framework needed to manage such disruptive innovation projects effectively.

About the Author



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Human leadership, Global Sustainable Projects, Renewable energy, Story-teller, Keynote speaker, Lifetime learner, Risk management, Standardization

Manuel Ancizu is passionate about human leadership, sustainable projects and people's motivations. Enjoys working in international multicultural environments and wants to have a positive impact in society.

Manuel graduated in Economics from University of Navarra and obtained an MBA from IESE Business School (Spain); he has also studied in CEIBS (China) and University Anahuac del Sur (Mexico). He holds a number of professional certificates such as the PMP by Project Management Institute, Lead Auditor in ISO 9001:2015 by IRCA Association and has also received training in Management of Development Projects and Risk Management by Interamerican Development Bank (IDB).

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Manuel has lived in Spain, France, UK and Mexico; he currently works in the wind energy sector leading the quality management of Offshore projects. Manuel has been involved in wind energy renewable projects developed in different parts of the globe with external customers, as well as in internal projects of cultural transformation, IT and global processes.

Thanks to his experience, he has delivered training sessions, lectures and keynotes to a different number of institutions.

Manuel is a qualified member of the Spanish Standardization Body (UNE) and has been involved in the development of Standards and Norms in Projects, Programs and Portfolios; he has also participated in the translation of different ISO 21500 to Spanish language.

Manuel loves smiling, storytelling, dreaming and making ideas come true in a sustainable manner.

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