



Cross-industry innovation: the lessons from other sectors

What can a hospital learn from a hotel? What can a car manufacturer learn from the video game industry? And what can a chemical company learn from a festival organiser?

Organisations need more radical and game-changing innovation to be able to meet the challenges they will be facing.

Today, innovation is seen as one of the main driving forces for growth, development and profitability. The problem is that — in many cases — innovation is an extrapolation of the current situation. Incremental improvement is necessary and beneficial, yet it is not enough to gain a real competitive advantage or to find game-changing ways of working.

As most industries are quite mature, it is hard to generate major innovations as most products, services and business models have largely been shaped by the mindset of their respective industries. Best practice thinking in management has optimised (*economic*) sector operations, so radical innovation

— we call them *next practices* — will most likely come from other sectors.

“Cross-industry innovation is a clever way to jump-start your innovation efforts by drawing analogies and transferring approaches between contexts, beyond the borders of your own industry, sector, area or domain.”

These analogies can be drawn at various levels — from products to services, to processes, to strategies, to business models, to culture and leadership. The key is to develop your ability to make more effective connections — i.e. your *match sensitivity* — and see the opportunities available.

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Cross-industry innovation is like a springboard for innovation. so go ahead — Dive in!

Cross- industry innovation in action

On these first pages, let's take a look at some examples involving material products (automotive, sports and utilities products), followed by an example related to a service (alternative use for phone booths) and finally an example concerning an experience (MRI scanner in a hospital).



BMW's iDrive system

BMW's iDrive system was inspired by the video game industry. To operate the relatively complex navigation in a simple way — while being able to keep your eyes on the road.



Nike Shox

Nike Shox shoes were adapted from Formula One racing shock absorbers. The unique feature of this approach is that — in addition to shock absorption — they actually spring back. Hence providing extra power, according to Nike.



WORX TWIST & GO

The WORX QBIT Twist & Go automatic screwdriver was inspired by the design of a revolver. Never lose your screw bits again. It actually gives the device a pretty sleek appearance.



Don't be afraid of an MRI scan

A Magnetic resonance imaging (MRI) scanner is quite an impressive machine. It makes annoying bonking sounds and you are expected to lay completely still inside it. A stressful experience for adults — let alone for children.

To make matters even worse for children — parents are not allowed in the room when the machine is active. Many kids get scared and start to cry and move around — resulting in a high percentage of incorrect images.

Doug Dietz — principal designer for high-tech medical imaging systems at GE Healthcare — attended a Stanford d.school training on design thinking (powered by IDEO), which would finally help him in his quest to make MRIs less frightening for young children. He finally discovered that the real problem lay in the experience.

The GE Adventure Series was born. A themed experience — starting of with with storytelling by means of a video and consistently upheld throughout the process — down to a complete overhaul in appearance of the MRI and CT machines and the actual room. The adventure series even has multiple

themes to choose from — such as pirates, space, jungle, coral reef and Safari.

By really stepping into the shoes of a child and combining this perspective with inspiration from a completely different sector (*in this case the entertainment industry*) — they were able to turn a scary moment for children into a true adventure, and at the same time ensure a significant increase in the number of correct scans upon the first try.

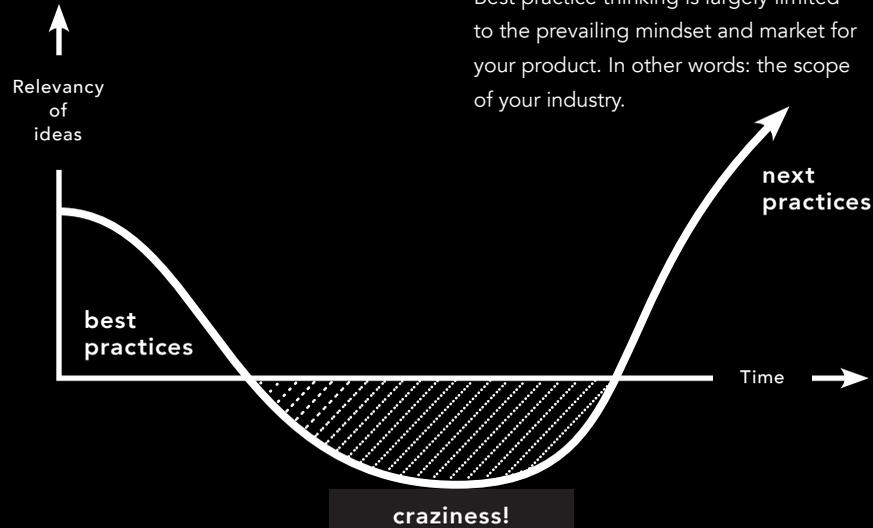


How might you be able to transform your product or service experience into a true adventure?

Going from best to next practices

Best practices are great; you need them as a basis for running your organisation and optimise your operations. However, if you wish to achieve a true competitive edge, it's simply not enough anymore.

Best practice thinking is largely limited to the prevailing mindset and market for your product. In other words: the scope of your industry.



Next practices are about new markets, new concepts, new ways of working, new products and services, smart extensions, imagination, courage and entrepreneurship.

Next practices break patterns. They radically alter your processes and change the game by disrupting your industry. Think of **EasyJet** doing away with paper tickets and allocated seating or **Cirque du Soleil** creating a circus without animals.

Now, how does one go from best to next?

By allowing yourself to step into the unknown and explore places and areas you've never really investigated before. Conduct smart research, observe, make new connections and experiment with different combinations. That is what cross-industry innovation is all about.

Go through the craziness phase

Initially, your environment and colleagues might think you've gone mad.

“What on earth can one learn from a totally different sector or even nature? You can't be serious.”

At times, you may even think you are going nuts yourself. This is perfectly fine. In fact, it is quite a necessary phase in the whole process.

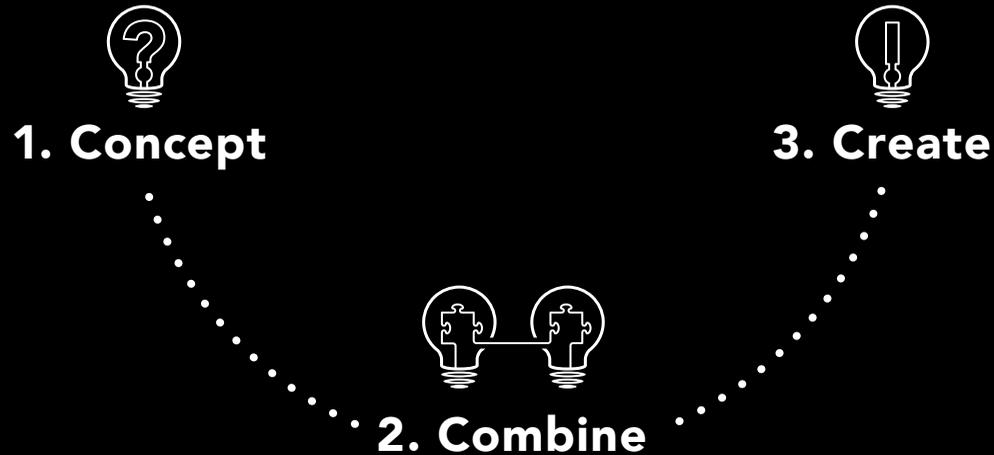
You need to go through the craziness to be able to jump out of the limiting box of *best practices* to enter the world of *next practices*. A world of opportunity lies ahead: so many things still waiting to be discovered — so many insights yet to be stumbled upon — just because they have other names and descriptions in other areas.

Now, where will you go next?

Concept Combine Create

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So how do you actually achieve cross-industry innovation?



In order to make effective use of a practice from another sector or area in the right way, one should master three things: conceptualisation skills, the ability to combine and ultimately, to make the pieces fit.

Remember that cross-industry analogies can be drawn at various levels — from products to services, to processes, to strategies, to business models, to culture and leadership.

The model

1. CONCEPT – *The ability to conceptualise.* Become more flexible in asking questions on multiple levels. Play with abstraction levels. Get help from curators and conduct in-depth research. — Ask: why?

2. COMBINE – *The ability to make smart combinations*

Use lateral thinking to find *matches* and similarities. Seeing the (*potential*) parallels in order to organise a profitable meeting of contexts. Search for elegant inspiration. — Ask: what if?

3. CREATE – *The ability to make it fit your situation.* It is not survival of the fittest, but rather the best fitting. This step ensures that you make it fit: adapt, modify, customise it to your situation. Adopt what you can, adapt the rest. — Ask: how?

The magic: develop your match sensitivity

In the next chapters we will focus on developing these skills, provide you with smart cross-industry strategies and — in the process — increase your match sensitivity.

Red London phone boxes on Tottenham Court Road are converted into free solar-powered mobile phone charging points.

