



Culinary Institute
of America

Innovation Excellence

Best Practices and Lessons Learned

Day 2

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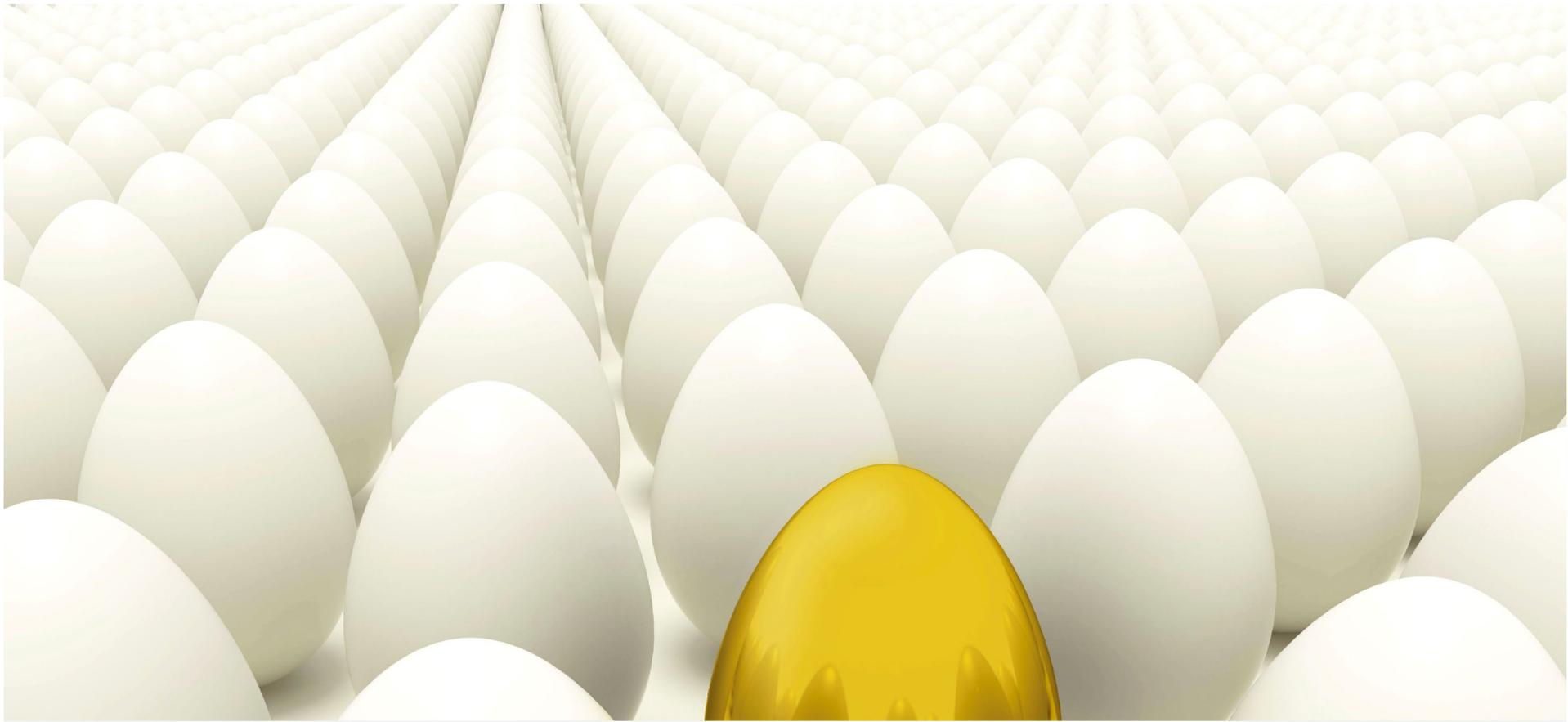
CIA Consulting Partner

The Culinary Institute of America



Learning Objectives

- Explain the key dimensions of innovation and their role in foodservice success.
- Use Value Curve Analysis to identify customer-driven innovation opportunities.
- Apply best practices for assembling diverse, cross-functional innovation teams.
- Differentiate between analytical and interpretive thinking in menu development.
- Outline the Stage/Gate process for managing innovation projects from ideation to market testing.
- Identify strategies for balancing differentiation and commercialization in competitive markets.



Finding the Quality Differentiator!



**“Doing something
that nobody else
has done before is
actually quite hard.”**

Ruben Rausing,
Founder, Tetra Pak



How can I delight
my customers?





How can I delight my customers?

How can I get my customers to spend more?



Mega Trends





Key Trend Indicators

- Unique Foods Experience
- Bolder Flavors
- Food Trucks v3.0
- Pop-Up Restaurants
- Clarity on Menus
- Health Defined
- Sustainability Defined
- Reduced Food Waste
- Food Democracy
- Local Defined
- Handheld
- Taste and Flavor
- Value
- Casual approach to good food
- Variety
- Comfort
- Convenience
- Speed

Why is it Important?

Snacking is driven by needs state and emotion more than any other daypart

Needs states drive decisions

- Cannot trend by demographics

Food is self-expression

- Makes a statement about values/priorities

Flavor is a cue for many benefits

- Performance, daring, wellness, authenticity, craft

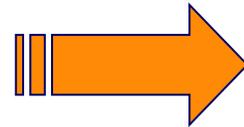
Menu Research and Development

What are the **key steps** in the R&D Process?

Step One

Idea Generation

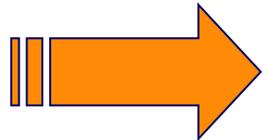
- Brainstorm
- Receive Input
- Idea Sparked by Outside Influence
- Marketing and Market Research
- Regular Internal Process



Step Two

Development

- Analysis/Research
- Development
- Concept Testing
- Presentation
- Review
- Product Testing



Menu Research and Development

Step Three

Assessment

- 
- Testing
 - Pricing
 - Review/Presentation
 - Execution



Step Four

Execution/Approval

- Field Testing
- Presentation
- Approval
- Execution

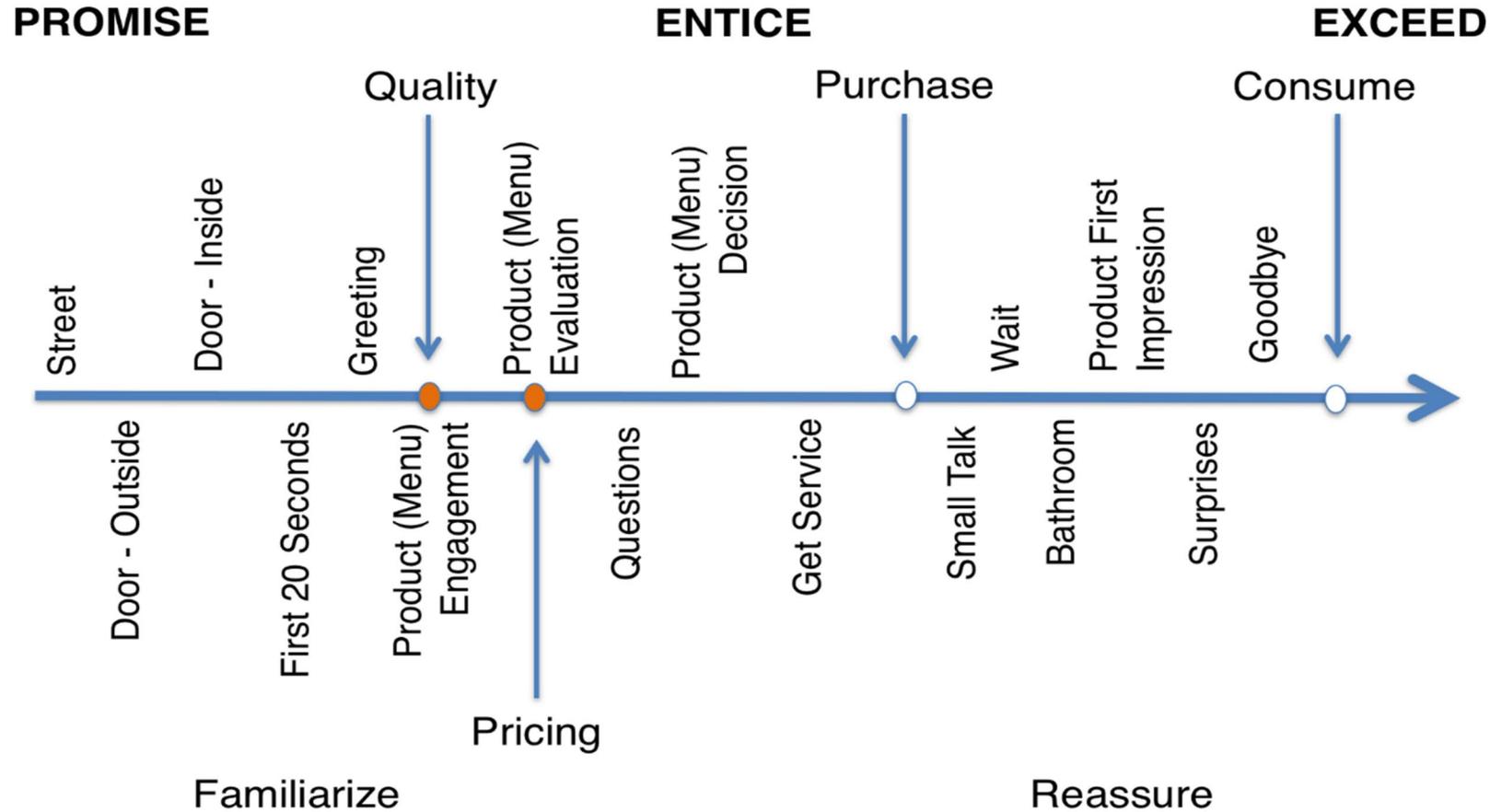
What is Innovation?

- The implementation of something new - a new product, process, service or business model
- Outperforms on current practice and adds value
- A key opportunity in tightly competitive markets and the establishment of new ones
- The key driver in value creation



Planning the Experience

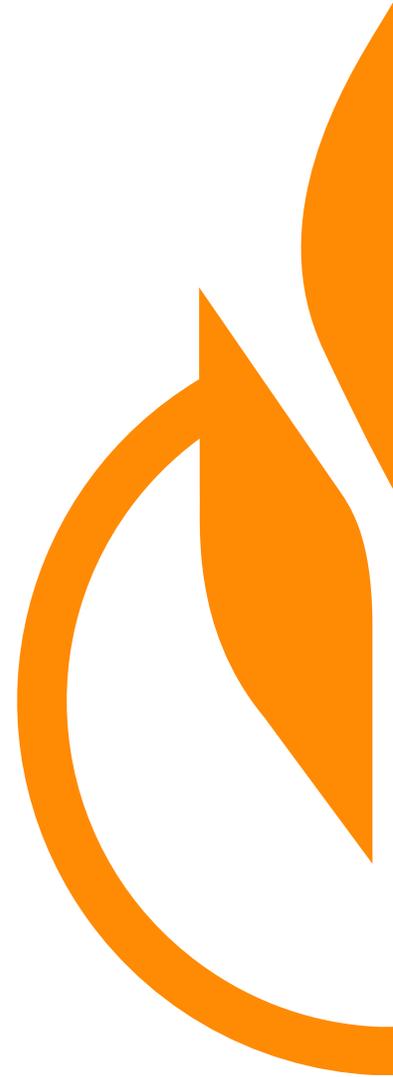
Moment Map





Best Practice #1

Evaluate and Develop Your
Innovation Dimensions



Dimensions of Innovation

Possessing the capability to generate ideas



Driving innovation development based on a business strategy



Guiding innovation through a process discipline



Establishing an environment where innovative ideas are welcomed



Innovation

Dimensions of Innovation



Cracking the Code of Effective Innovation, Future Think LLC
© 2005–07 New York NY June 2007
http://www.getfuturethink.com/innovation/pub/rpjquixsxhxmqyt/article_cracking_the_code.pdf

Five Diagnostic Q's - Ideas

1. Our innovation efforts result in a many interesting ideas.
2. Our team is very proactive when it comes to generating innovative ideas.
3. We're constantly in touch with our customers and use their insights drive our innovation efforts.
4. We frequently explore new perspectives from within and outside of the foodservice industry.
5. Our team has the talent to generate the same level of high-quality ideas as our competitors.

Five Diagnostic Q's - Environment

1. Management promotes an environment of experimentation and refinement.
2. Promoting an innovative idea that ultimately fails is not seen within the company as a career ending experience.
3. Our team is extremely passionate and motivated to participate in innovation efforts.
4. We utilize collaboration arrangements with outside parties/firms to jointly develop innovations.
5. Senior management actively participates and demonstrates commitment to innovation efforts. They provide the time, resources, vision and support needed to move innovation forward.

Five Diagnostic Q's - Strategy

1. The team has a clear understanding of what innovation is.
2. Everyone in our organization understands the importance of innovation to the success of business.
3. Change in our company is usually well planned and driven by innovations that are tied to a clear business strategy.
4. We have a core set of metrics in place to evaluate the effectiveness of our innovation driven projects.
5. Top management is actively involved in our innovation development strategy.

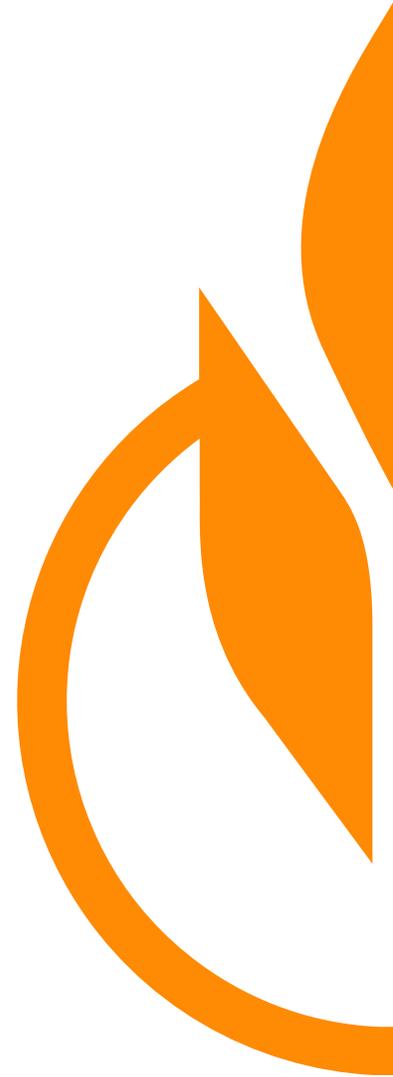
Five Diagnostic Q's - Process

1. We use a range of idea generation methods to help us think in new ways.
2. We have a systematic method or pipeline to capture, store and keep track of all our ideas.
3. We have an objective evaluation system (e.g. screeners, scorecards, portfolio matrices) in place to help us effectively kill bad ideas and projects.
4. We allocate appropriate resources (time, money, people) to ideas that will best move our business forward.
5. We use a disciplined approach to manage innovation driven projects that helps reduce the stress and time involved in moving projects forward.



Best Practice #2

Using Value Curve Analysis to
Identify Innovation Opportunities



Benchmarking Your Value Curve

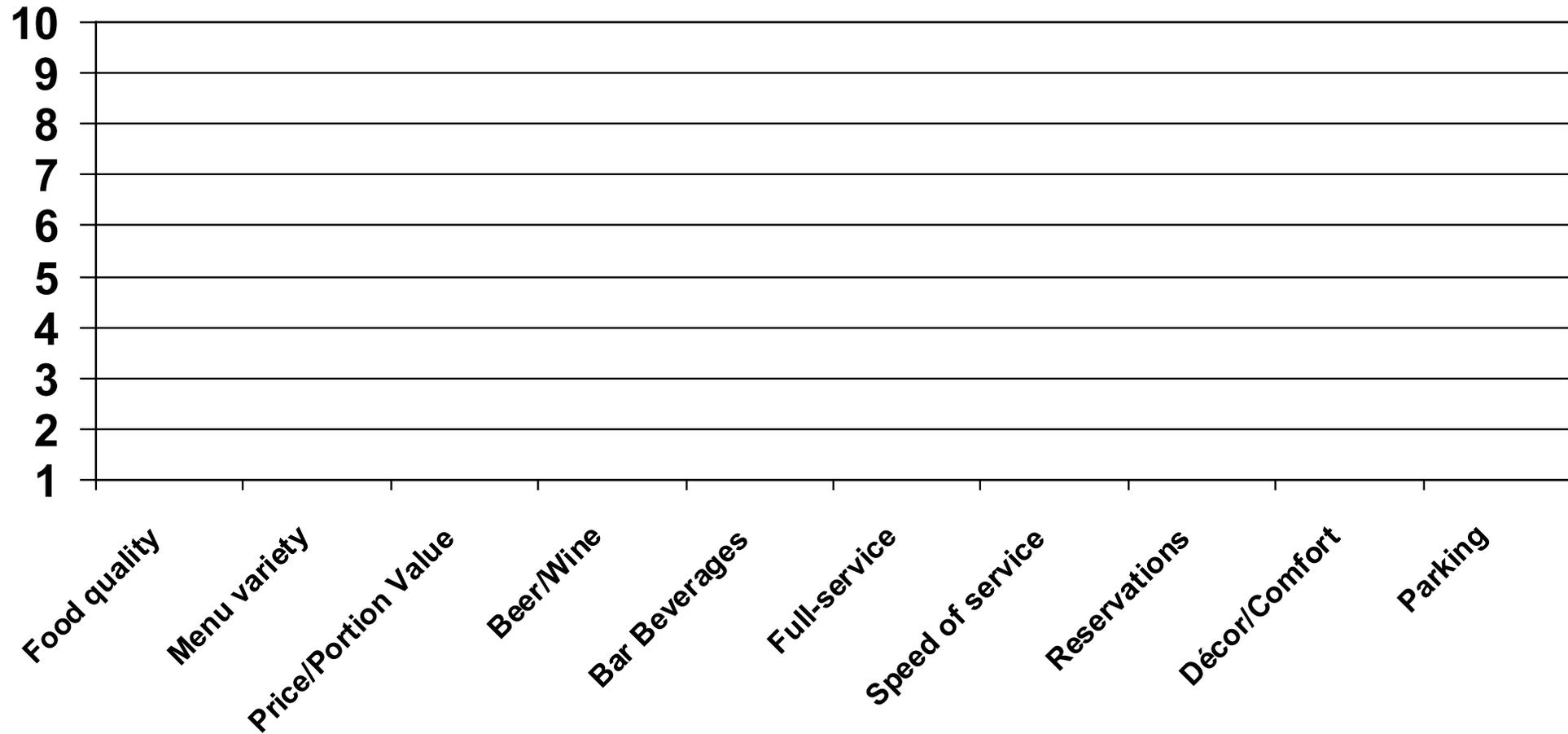
1. Identify key value aspects of your market



2. Label them along the X axis of a graph

- Food quality
- Menu variety
- Price/Portion Value
- Beer/Wine
- Bar Beverages
- Full-service
- Speed of service
- Reservations
- Décor/Comfort
- Parking

Value Curve Analysis



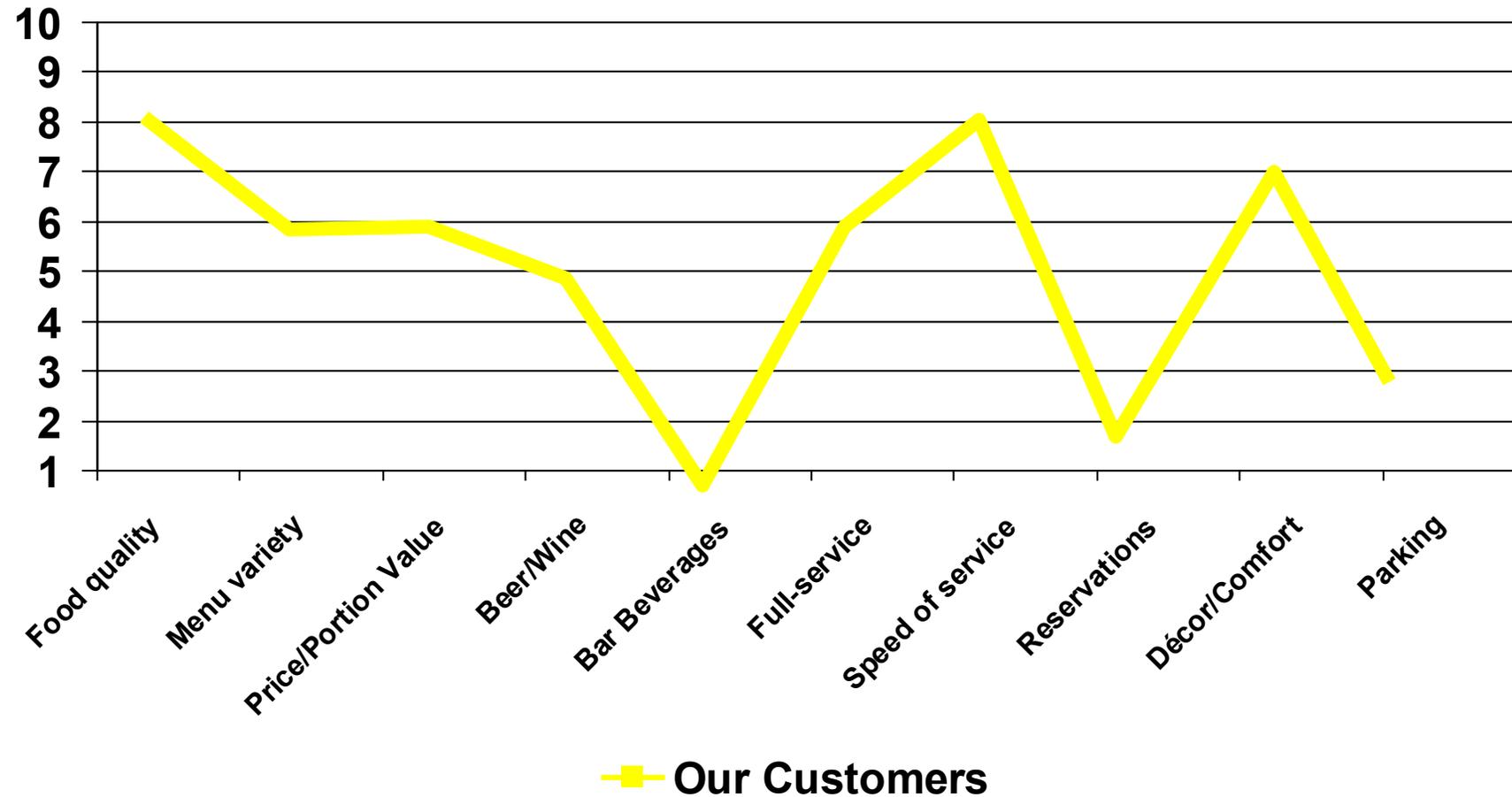
Benchmarking Your Value Curve

3. Objectively score how much relative value your customers place on each of these aspects of their dining experience



4. Graph each point

Value Curve Analysis



Benchmarking Your Value Curve

5. Repeat by objectively evaluating how your operation delivers on each of these aspects...Better yet, get your customer's opinions

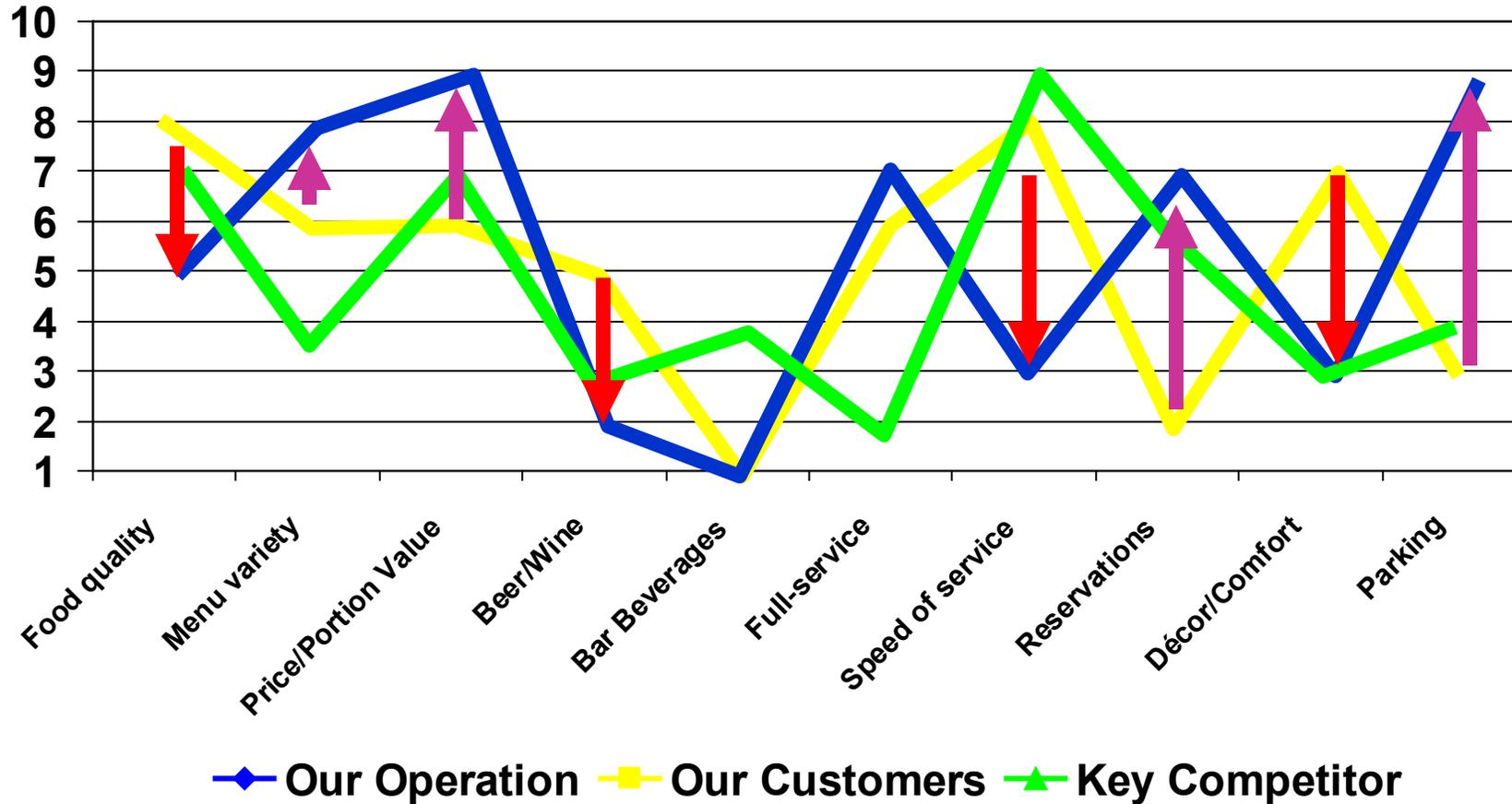


6. Again, graph each point

Value Curve Analysis



Value Curve Analysis



Benchmarking Your Value Curve

The key is identifying what value aspects your customer's find relevant...

And being objective about your evaluations!





Customer Values?

Healthfulness

Customization/
personalization

Menu ethics

- Antibiotics
- Hormone-free
- Sustainable
- Locally grown

Flavor
excursions



Best Practice #3

Assemble Diverse Innovation
Teams That Can Develop
Ideas Concurrently





Culinary Art and Innovation

Food Science and Technology

Menu Research and Development

Operations And Food Delivery Systems

Marketing and Consumer Behavior

Commercialization



**Food Science
and Technology**

**Menu Research
and Development**

**Operations
and Food
Delivery Systems**

Commercialization Pressures

Industry capacity
(over-capacity?)
favors consumer
buying power -
leading to
competition and
price pressures

Thinning margins
encourage scale and
consolidation

Price pressures are
stimulating new
technologies and
efficiencies in supply
chain and
operational
procedures



Culinary Art and Innovation

Food Science and Technology

Menu Research and Development

Operations And Food Delivery Systems

Marketing and Consumer Behavior

Differentiation

**Culinary Art and
Innovation**

**Menu Research
and Development**

**Marketing and
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Differentiation Pressures

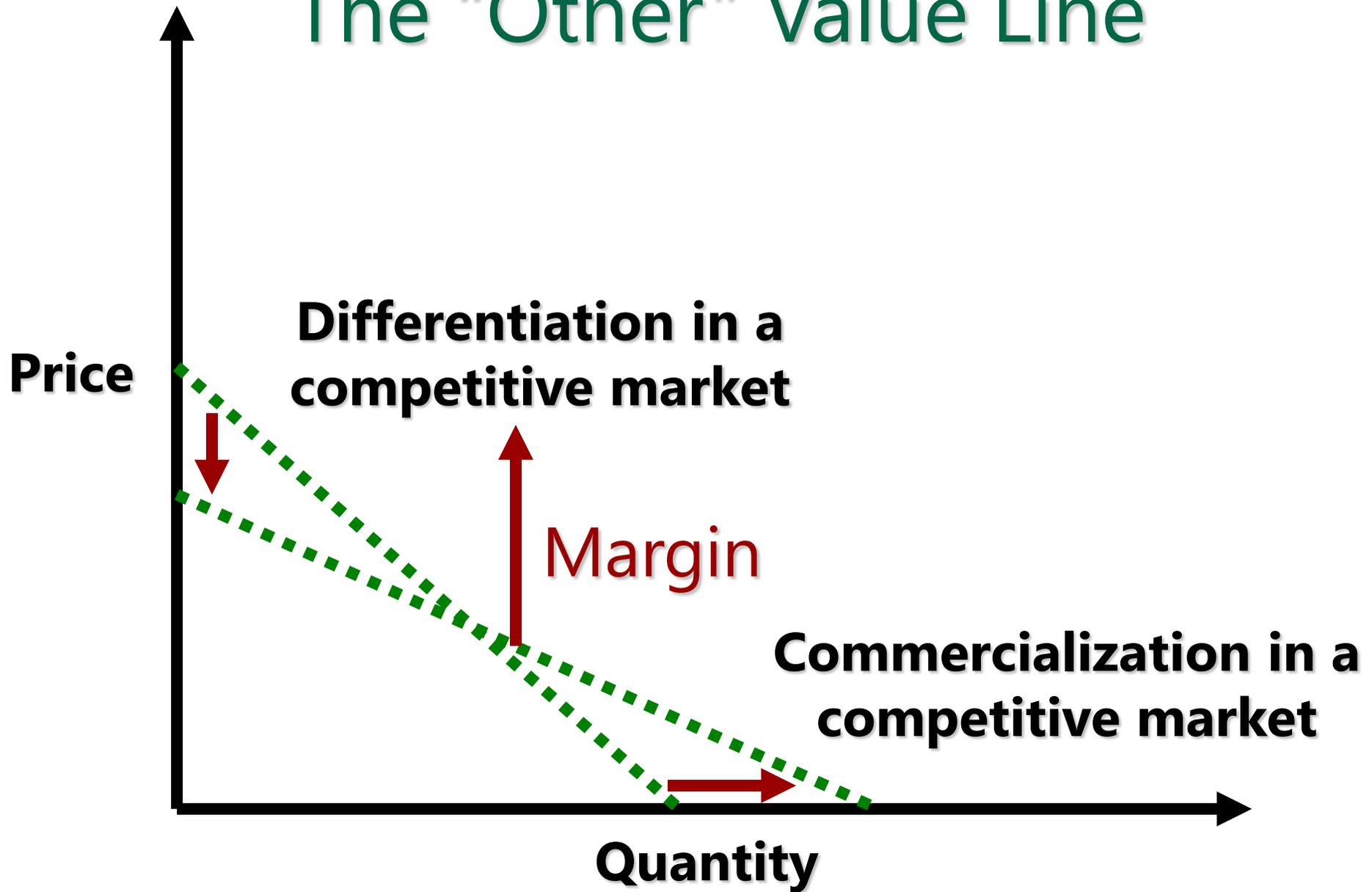
Increased level of consumer food interest and dining experiences

Consumers demand for flavor variety, stimulation, authenticity and satisfaction

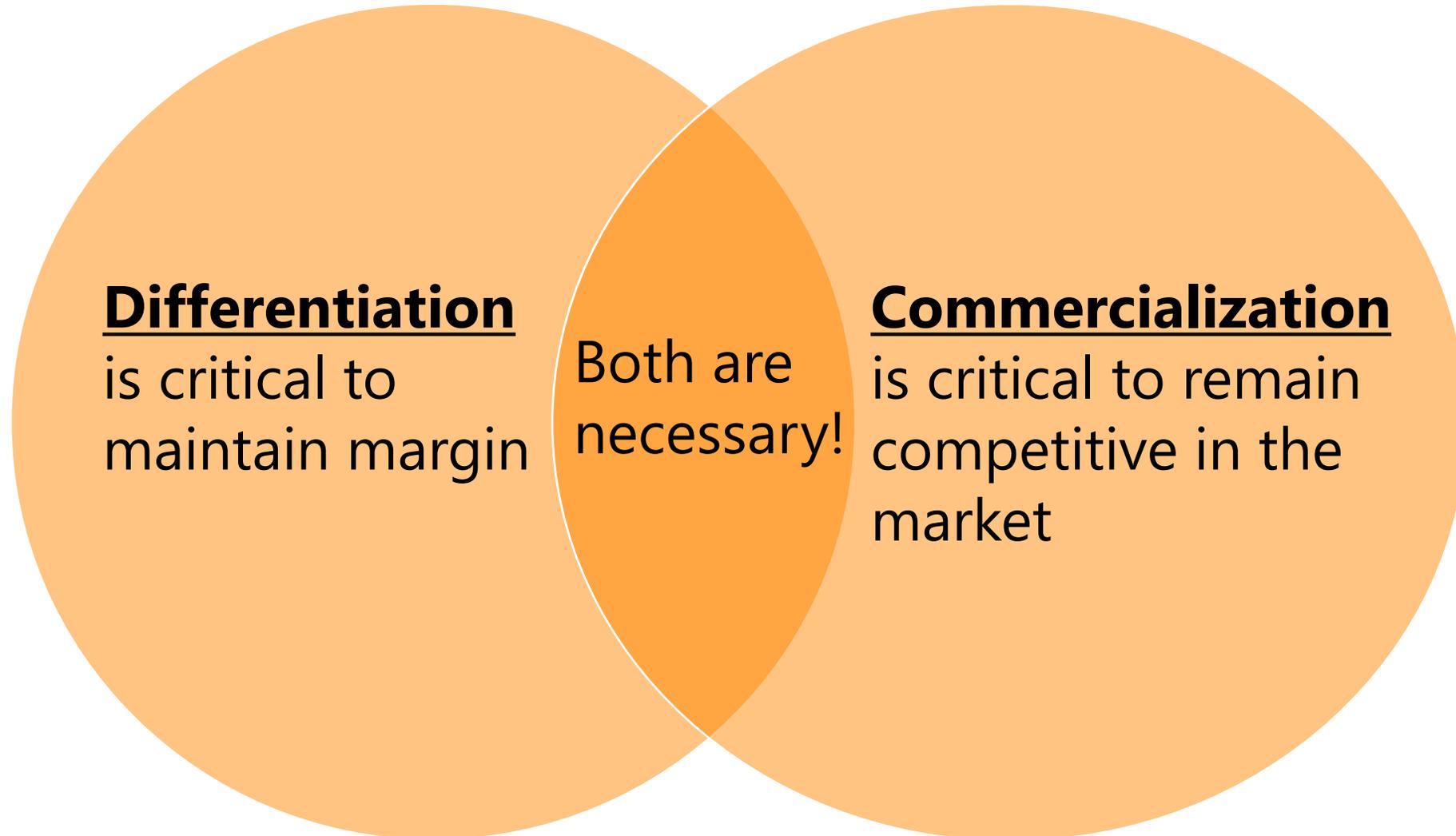
Consumers' desire to be "connected with"

Increased competition leading to food ubiquity and menu diversity

The "Other" Value Line



A Question of Balance





Best Practice #4

Balance Your Team's to Include
Analytical and Interpretative
Thinking



Analytical

Left Brained

- Participants listen to the voice of the customers.
- The focus is a project which has a well-defined end.
- The thrust is to solve problems (convergent thinking).
- Managers set goals.
- Managers convene meetings to resolve disagreements and eliminate ambiguity.

Interpretive

Right Brained

- Participants develop an instinct for what customers want.
- The focus is a process which is on-going and open-ended.
- The thrust is to discover new meanings (divergent thinking).
- Managers set directions.
- Managers invite conversations to stimulate different viewpoints and explore ambiguity.

Analytical

Interpretive



Building Your Interpretation Capability

Empathic Research

placing oneself in the customer's situation

IBWA Innovation By

Wandering Around – at the unit level where your customers are!

Ethnographic Research

observing customers while they live their lives – in the search of innovation opportunities

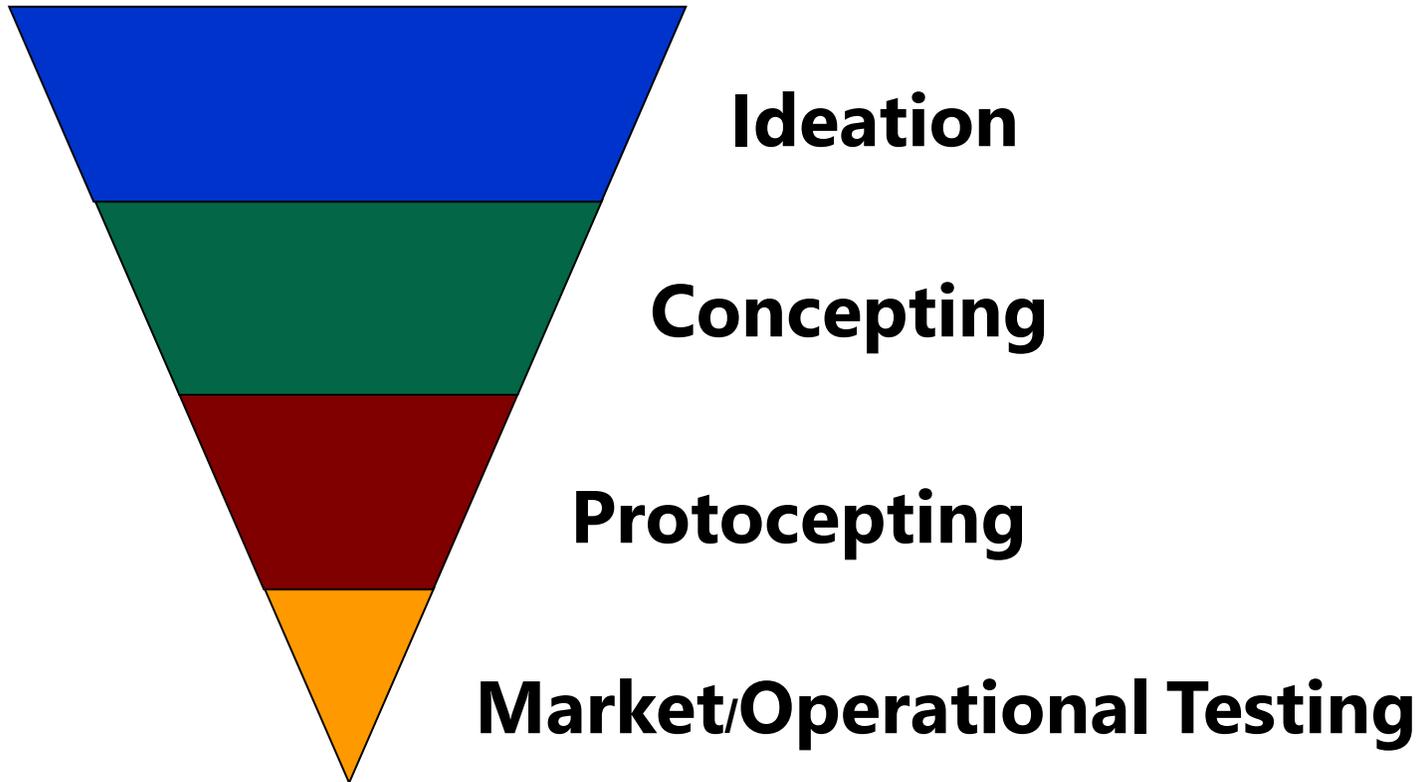


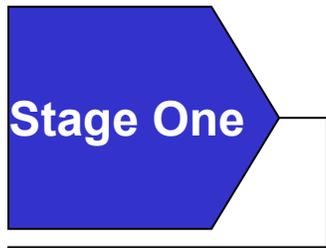
Best Practice #5

Establish and Apply a
Stage/Gate Process to Manage
Your Innovation Projects

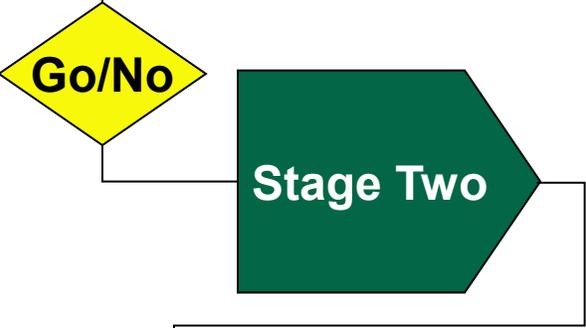


The Development Funnel

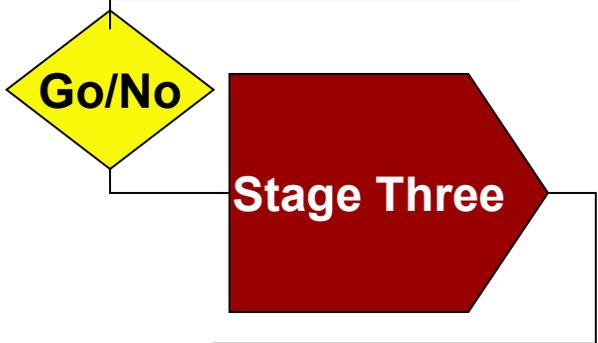




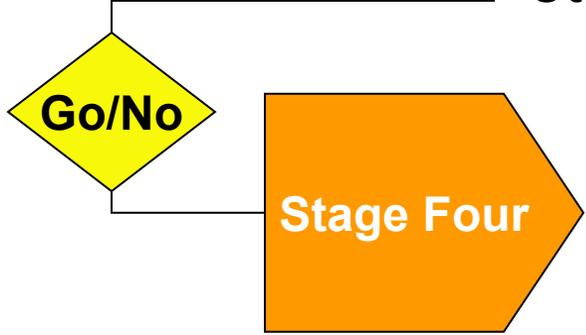
Stage One – Ideation: Brainstorming against the identified goals. Filters established to refine the ideas that will move forward. Budget and deliverables defined for stage two.



Stage Two – Concepting: Paper-based concepts are developed and tested with target audience for purchase intent. Filters established to refine the ideas that will move forward. Budget and deliverables defined for stage three.



Stage Three – Protocepting: Prototypes of ideas are developed and tested. Filters established to refine the ideas that will move forward. Budget and deliverables defined for stage four.



Stage Four – Market/Operational Testing: Project is put into test on a limited basis to validate customer response and operational success. Filters established to refine the ideas that will move forward.



Best Practice #6

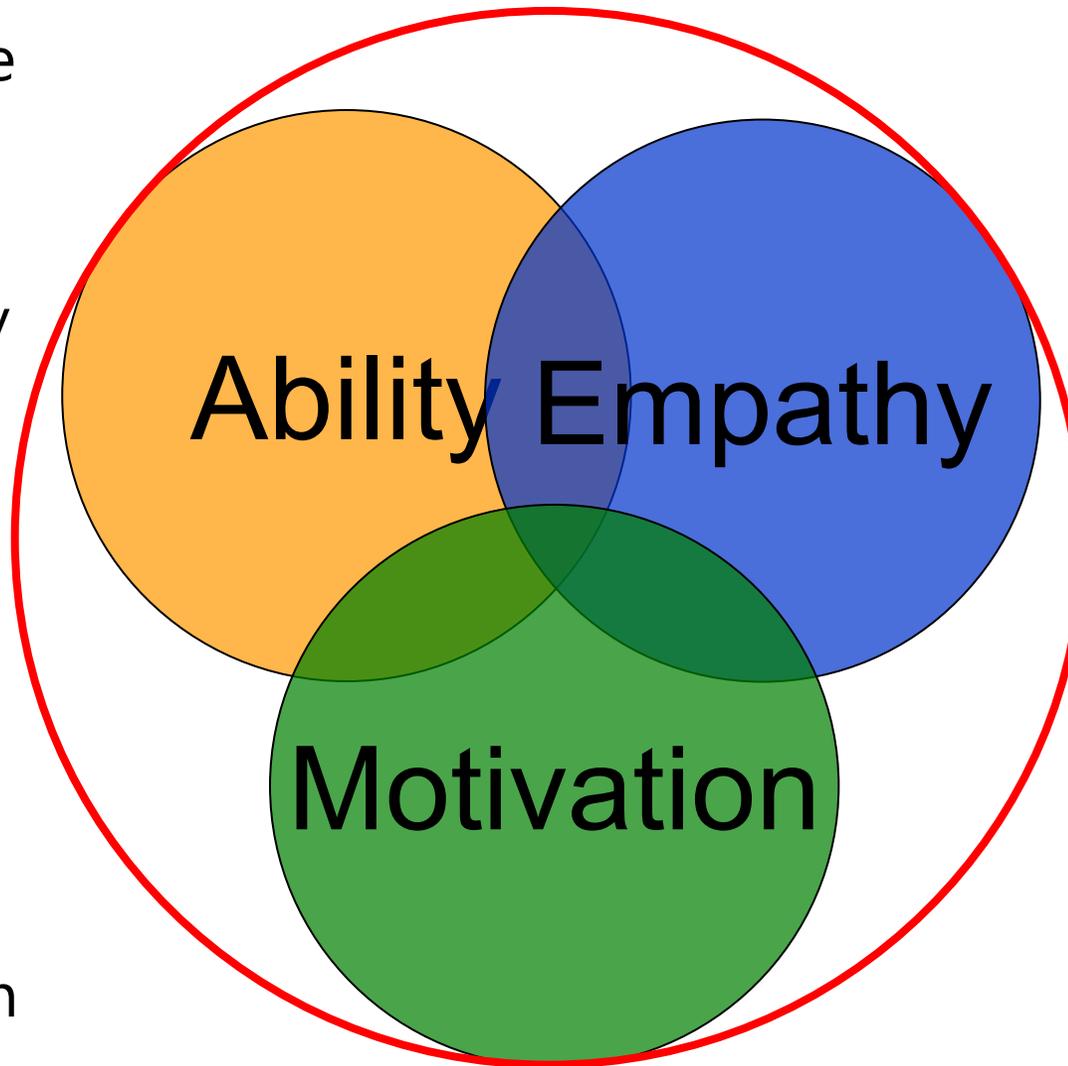
Study Effective Innovation
Management Practices



Building and Evaluating the Team

- Technically Capable
- Pursues Personal Growth
- Maintains Currency
- Maintains a Professional Profile

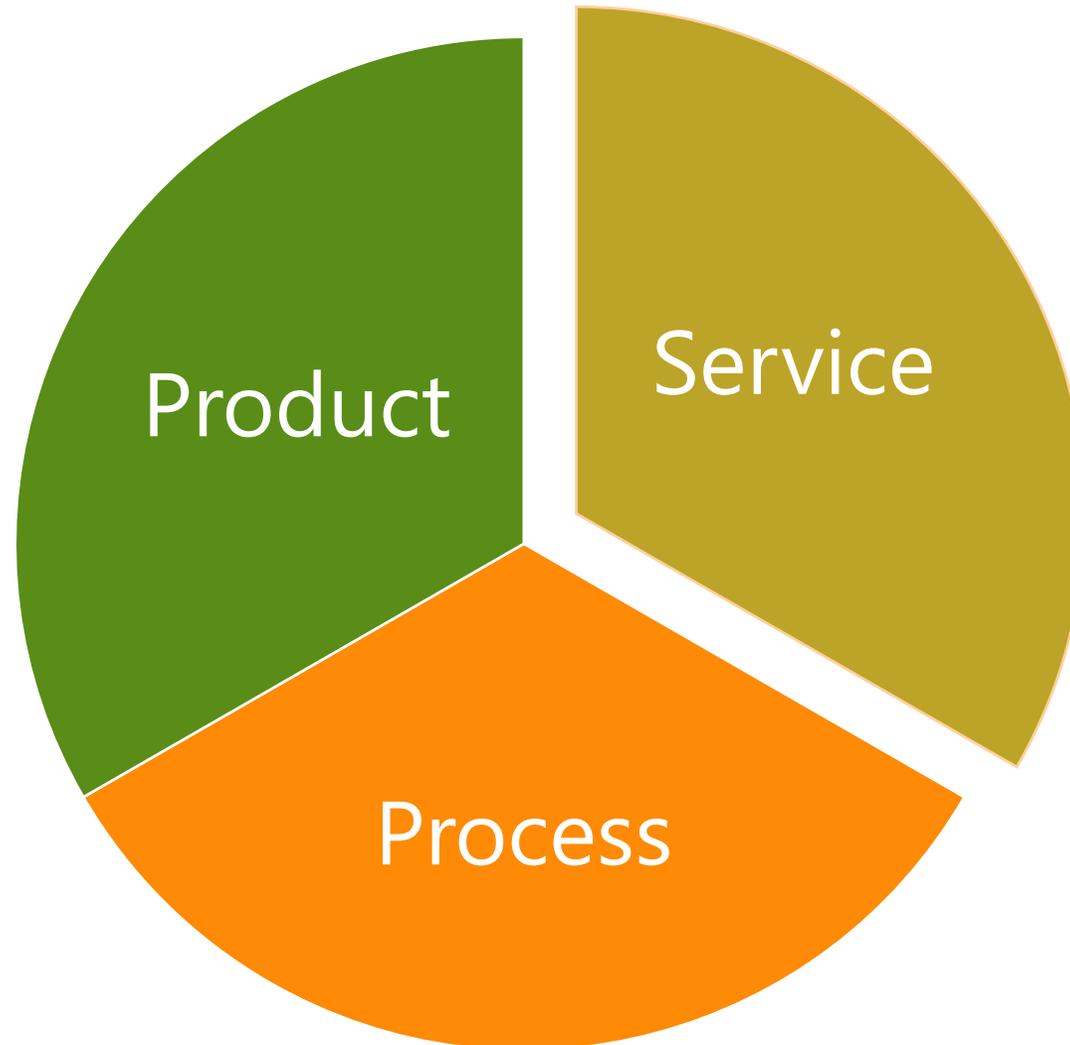
- Intrinsically Motivated
- Aligned with Organizations External Motivation Programs



- Socially Adept (plays nice with others)
- Knowledge of Other Roles
- Stands for Role While Demonstrating Empathic Understanding

Innovation Management

Balance Your Innovations Portfolio





So!



Key Take-Aways

- Understand and improve upon your innovation dimensions
- Analyze your value curve for innovation inspiration
- Assemble cross-functional teams and use co-development processes
- Explore ideas using analytical and interpretive orientation
- Establish an effective process that uses Stage/Gate discipline
- Continue to explore effective Innovation Management practices



“I was seldom able to see an opportunity until it had ceased to be one”

Mark Twain



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Any Questions?