Batterii spoke with Jean-Claude Junqua, an innovator who started and developed R&D activities for Panasonic Corporation in Silicon Valley. As Vice President of Innovation and Product Development at Panasonic, Junqua has a passion for developing new approaches to innovation and determining how to accelerate the pace of innovation. We spoke to Junqua about some of the must-know, big picture differences between lean startup, design thinking, and open innovation for the enterprise.

**Trends Encouraging a Customer-Centric Approach to Innovation**

It is no secret that global companies are faced with decreased brand loyalty and an increase in customer power today. It’s market forces like these that support the importance of focusing on the user experience, said Junqua. Where speed-to-market alone used to be much of the formula for success for market leaders, today’s most revolutionary innovations are about user and business model innovations, says Junqua, citing examples such as Airbnb and Uber.

“It’s all about business model innovations, and the emphasis is on understanding what people want—user centered innovations,” he said, suggesting that companies need to take advantage of principles such as design thinking to discover those unmet needs.

**Design Thinking for Discovering Ultimate User Clarity**

“What is really increasing today is user power, and design thinking forces user [centricity].” Large companies know that people purchase and use products for deep, complex, and ever-changing reasons; design thinking, therefore, is the way to continually innovate the most relevant ideas that can speak to those motivations and impulses.

Those companies seeking to find this balance between industry viability, feasibility, and desirability of new products/services, find design thinking extremely compelling, explained Junqua.

For innovation leaders looking to maximize the chances of success in design thinking programs, diversity is extremely important, Junqua said. Whether that diversity comes in the form of users and partners involved, observations, other research gathered over time and utilized, idea generation, or with concepts, the crucial idea is that to find viable, feasible, and desirable ideas, you have to be able to bring together deep insights about humans. “People care about solutions, not about the particular technology, and so by definition, design thinking is going to require diversity.”
Junqua said innovation built on design thinking principles is optimally used for:

- Continuously finding new meanings to products and new usages for products
- Answering the question of why a customer will buy (or why they will change behavior)
- Making sense of things
- Bringing insights and concepts together

Junqua said that in its most simple form, design thinking can be thought of the conversion of needs into a solution.

**Lean Startup for Testing & Iterating**

Lean startup, an agile process that incorporates user feedback and early experimentation, is a methodology known for embracing its “fail early to succeed sooner” philosophy.

As Juanqua explained, this approach to innovation is focused on finding out what the customer wants before finalizing, and doing so with rapid iteration throughout the process. For innovators implementing lean startup methods (often called “customer development”), “failure” is seen as building something that no one wants.

“Lean and design thinking are both customer focused,” explained Junqua. “They say, ‘Start with the customer, and integrate the feedback from the customer.’ Both are also iterative and they are based on learning—integrating the feedback you know or the insights of the customer. That is the commonality.”

Brands that can attest to lean startup’s concepts of failing fast and pivoting (though not examples mentioned by Junqua) include PayPal, Twitter, Instagram, and Android.

PayPal saw an opportunity, but had trouble finding market resonance initially. Twitter was first described as “a sort of ‘group send’ SMS application” before it more fully separated from its parent company Odeo, a podcast aggregator. Instagram started as a check-in app. Last, the Android operating system first started as a platform for cameras.

“Both design thinking methods and lean startup methods look to customer needs, and they are customer focused. But the speed in practice can be much different,” explained Junqua when asked about the core difference between the approaches.

Traditionally used in a startup company environment, lean methodologies have been adopted by young companies where the survival of the company often depends on its ability to innovate as rapidly as possible.

In this setting, urgency is what drives innovation; after all, a startup has yet to prove a viable
business model, a somewhat unfamiliar setup for the majority of corporate teams. Another way of looking at it is what Junqua calls the “assumption of speed.” Startup companies have a limited amount of time, and if they don’t find success or traction, they know they will fail. “Startups have limited runway: [in the sense of] time, and usually not so much money.” Junqua explained that in a large corporation, traditionally there is not that same form of a runway.

That’s a fundamental reason why innovation processes in startups are different than in large corporations where that same kind of pressure, and underlying sense of urgency, can’t always be manufactured.

As Steve Blank says, startups are not smaller versions of large companies and nor are companies larger versions of startups.

Additionally, the lean startup method is typically guided by the founder’s vision, whereas design thinking often starts with a question guided by customers, suppliers, users, and the market. Even if a global company implements lean startup methods to encourage a sense of urgency, they may lack the impetus of a founder who has much personal stake built in to any results.

For corporations looking to implement lean methods, including customer development, it’s important to assess where an idea/concept/prototype is at within the innovation lifecycle, said Junqua. “There are different levels, in the sense that possibly at the beginning you are in a search phase.” In a more divergent, search-oriented phase, lean startup tactics may be utilized because a hunch or an idea is not yet integrated into the larger process, or framework, being used within a corporation. At this point, you can still be fast and quickly iterate. This scenario would be an example when you have a dedicated “startup team” within a large organization.

Large companies also have to assess their own DNA and their pre-existing process. If a team is considering adopting lean startup tactics, three questions should be considered:

- How do ideas or concepts traditionally get support within the company and how will they in this distinct, and possibly detached, setup?
- How do you integrate the new idea within the larger DNA of the organization?
- How can you be positioned to “win” within the company, but also within the marketplace?

“If you neglect these questions, then you have a big chance of failing,” says Junqua.

Open Innovation for Leveraging the Mobility of Knowledge

As an idea that has been generated and iterated using lean startup methods progresses into the innovation phase, incubation may follow. It’s here where design thinking and open inno-
vation are likely to be a fit for the enterprise, according to Junqua.

Open innovation is what can “make the world your laboratory,” said Junqua, who explained that, “You don’t need to do everything inside.”

Open innovation is used to share resources and leverage knowledge, stemming from the recognition of how capital and knowledge have become distributed and mobilized today. Other forces leading to open innovation include an increasing complexity in R&D processes and an increased ability to share risk and pool complementary competencies.

"Open innovation is a tool, and a means to be able to bring solutions about quicker. It is about accelerating time to market, and bringing in experts that you don’t have. You see that—we need a solution, and we need an insight—and you see that you need some kind of expertise," explained Junqua. The open collaboration mindset has a bias for action, he added.

The benefits of open innovation include validation of product/market fit and the ability to integrate discovered knowledge from co-innovation with any given ecosystem.

Today, global companies are applying design thinking behaviors and methods to their open innovation models. “It really allows you to focus on the problem, the issue, the user, and then finding the means for a solution.” For many, this approach combines different viewpoints and customer-centric concepts, and it increases speed of their innovation.

No matter the methods used, it comes down to people and diversity, said Junqua. “It is about the user. That is why lean startup and design thinking are so important: it allows you to achieve speed, create new usage, and new solutions that people want.”

All opinions expressed in this interview are those of the interviewee and they do not reflect the opinions of any organization.

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