INNOVATION LAB
DISCOVER • EXPLORE • CO-CREATE
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WHAT IS AN INNOVATION LAB?

A space destined to optimize innovation in a company by setting up a creative, collaborative environment where new knowledge is exchanged and ideas are developed. The space is designed so that it creates the most favorable conditions for innovation to take place.

The lab team is usually composed of handpicked professionals who may already be company employees or are outsourced, depending on the lab’s needs. A combination of both scenarios is suggested for better outcomes.
WHAT IS IT FOR?

From a practical standpoint, a lab like this will serve as an internal “playground” where new business solutions can be prototyped at a low cost before being implemented. The lab will provide a holistic view of the problem, meaning that solutions can be thought from different angles while always keeping the end-user at the center of the entire process. In this “playground” mistakes can be made and are even welcome. Early mistakes will speed up the learning process, quickly making way for the best solution to be found. This will ensure that a project has a high chance of acceptance before being executed in the market.

An innovation lab aims to generate new products, services or guide the reformulation of processes; through improvements that maybe be incremental or disruptive. An incremental enhancement may be finding a way to boost internal productivity, for instance, or improving customer experience. In contrast, a disruptive idea may lead to the development of a whole new business model for a product or service.

Having a space designated for innovation can also bring gains to company culture and internal communications, since it is a hub that will be disseminating the knowledge acquired from each project and thus spreading innovation culture.

Being in constant contact with new ideas and providing your departments an opportunity to exchange and interact with different projects is a fine way to oxygenate inspiring solutions.
WHAT DOES THE LAB NEED TO BE LIKE?

Before getting into technicalities, we must ponder one thing: if the lab will be built for people, what do human beings need it to be like? What will bring the best out of their work performance? Clearly, these questions do not have a generic answer. Each lab should be designed to meet the needs of each company and its heterogeneous body of employees, and an in-depth study should be done to understand those needs.

However, if we stop to think about human nature, how the ever-changing technology industry affects behavior and, consequently, work performance, it is possible to start designing a solution that seeks to foster conversation, exchange and learning in a dynamic environment. This is what an innovation lab should essentially be about.

We are social creatures moved by engagement, be it during work or outside of it. There are tremendous psychological gains that come from working together, feeling resourceful and making a change. According to a recent PSFK report entitled “Building Tomorrow – Trends Driving the Future of Innovation”1, architecture and design play an important role in building connections in the workplace, as well as in other situations.

“Congregating and connecting with other people has always been an important function of architecture, but today’s public and private spaces are changing to reflect a greater desire for shared experiences and environments. This focus on creating social-centric and dynamic designs for homes, offices and beyond fosters conversation, collaboration and community.”

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So to finally answer the question, an innovation lab must meet a few requirements in order to fulfill its purpose.

- It must be spacious, open and strategically located so that a considerable volume of people can interact with the lab and also see and be part of what’s happening inside.

- It must stimulate creativity by having movable and colorful furniture, which creates a sense of dynamism and adaptability to different contexts.

- There should be whiteboards and open walls to facilitate the sharing of ideas, as well as inspiring decoration such as quotes and technological concepts.

- The lab must have technology available to allow real-time exchange with remote workers or other offices, which will speed up decision-making.

It needs to be an organic space: a rotating hub that converges all innovative initiatives taking place within the company.
So what defines an innovative space? To create a room that inspires and guides innovation, three elements should be available: company culture should encourage innovation, technology and tools should be within reach, and processes need to exist so they can gear the activities and measure the results. This combination will influence the experience.

“Innovation relies on managed serendipity”

Source: “How Place Fosters Innovation”
http://www.steelcase.com/insights/white-papers/how-place-fosters-innovation/
Considering the space’s role in guiding interactions in the workplace, tools should be provided to enable collaboration when possible, but also privacy when necessary. **Flexibility is key. Adaptability is paramount.**

A book by Nonaka and Takeuchi, “The Knowledge Creating a Company”, discusses four ways of working in the Information Era:

1. **CONCENTRATION**
   Work focused on tasks such as thinking, studying, creating strategies and processing

2. **COLLABORATION**
   Working with one or more people, co-creating content and brainstorming

3. **LEARNING**
   Acquiring knowledge. When a thought is shared visually with others, learning becomes quicker

4. **SOCIALIZING**
   Casual settings that welcome the exchange of experiences and build trust between colleagues
The authors divide these work situations into two categories: explicit and tacit learning. The analysis is done from the perspective of the Japanese approach to knowledge, emphasizing that a company should be viewed as a living organism as opposed to a machine.

The SECI Process of Knowledge Spiral describes four modes of knowledge conversion: Socialization, Externalization, Combination and Internalization.

The spiral suggests that in order to amplify knowledge, its aspects must be fully engaged. Although explicit and tacit learning are codependent, the authors feel tacit learning - or learning by experimentation and collaboration - is more efficient when aiming for innovation.

Therefore, when thinking of the structure of an innovative space, there are various possibilities that can be applied depending on the company's needs, what is already available and what is viable technologically and economically.

MODELS OF INNOVATION

There are several ways of approaching innovation. However, as we’ve previously discussed, creating an environment that favors serendipitous discoveries needs to be done in a strategic way. The myth that formidable ideas just come out of the blue has been far deconstructed. Mind-blowing ideas result from research, collaboration, trials and errors. The more creative references are available, the greater the chance of having a “eureka!” moment.

As far as strategies go, there are eight main models to base an innovation project or lab on, ranging from a more centralized structure to a totally decentralized approach:

Source: Adapted from How Place Fosters Innovation - Steelcase
When picking one or more models to approach innovation, a few aspects should be considered:

1. **The extent to which innovation culture is developed in the company**

If the company is looking for outside help because innovation is not one of its main abilities, a totally decentralized approach will probably not be effective. It would be best advised to centralize innovation efforts in a systematic and integrated manner.

2. **What portion of your budget will be reserved for innovation?**

When trying to build innovation culture, companies sometimes don’t put all their investments in one basket. An in-house marketplace model is less likely, since it would demand a lot of effort and reallocation of resources to focus on innovation. However, if that’s the way your company wants to go, by all means go for it! It surely will be a great investment if it’s one you can make. This model injects innovation culture into every part of the corporation, making it the top priority.

3. **How fast do you want to go?**

If a company wants to start with specific innovation projects, a consultancy model is one of the ways to go about it. This way, an outside specialized team will take care of executing projects before a company decides to implement an in-house innovation department or lab. This model is also a great option when the company wants specialized guidance through projects, bringing a fresh perspective to the organization. As far as the space goes, there should be an inspiring room inside the company where both sides can come together and discuss ideas as well as test prototypes.

**Consultancy Model:**
4. How involved do your employees need to be in the innovation projects?

Sometimes companies seek an outside perspective that is unbiased or “unscathed”. If this is the case, an off-site model should do the trick, so that the inner workings of the company and its “dogmas” won’t affect the outcome of the projects.

On the other hand, it just may be that the company is trying to look inward to help solve problems outward. In this case, an in-house share or center model will probably be the best alternative!

**In-House Center Model:**

In this model, a highly specialized team is responsible for innovation and is in constant contact with other departments in the company. According to the study, the innovation space becomes a sort of “oasis” that is connected to other projects that may be going on, much like the innovation hub that was mentioned earlier.

**In-House Share Model:**

Innovation initiatives are divided into teams, and each has their own space for when private time is necessary. However, the space is flexible and allows them to be close enough so that collaboration between teams is always within reach.

Now that we’ve been through various types of innovation spaces and discussed the relevance that a lab can bring to a company, let’s talk about the people responsible for making the lab a living organism and bringing innovation to life.
THE TEAM

The lab team must be multidisciplinary; ideally composed of designers, researchers and business specialists, among others. This team should be carefully curated so that complementary talents can create synergy in the workplace.

The team will be responsible for research; being in charge of analyzing qualitative and quantitative data and keeping record of this data. Then, this information will be compiled to serve as fuel for the generation of ideas and the development and execution of prototypes.

Meanwhile, the lab manager is responsible for being the bridge between the lab and other areas of the company, while mediating the collection of information necessary for each project by being in contact with the client and company partners. The leader is also in charge of communicating the results internally and promoting innovation culture. Consequently, this is the person who will be able to maintain a holistic view of the problems and possible solutions. This way, he or she will be capable of involving the key stakeholders who can best contribute to the project.

Possible Stakeholders

- STAKEHOLDERS
- MANAGEMENT
- FINAL CLIENT
- SPONSOR
- EVENTUAL PARTNER
- RELATED AREAS
Who selects the projects to be conducted in the lab?

The projects will be chosen according to strategic interests of the company. Managers may already have suggestions for projects based on their department needs, while insights may also surface from research done by the lab. Either way, it’s important to emphasize that the decision process is collaborative and involves all stakeholders necessary for a project’s success: managers, other employees, lab members, company partners and especially end-users. This constant interaction is necessary not only when deciding which project to undertake, but also throughout every step of the project.

How can the effectiveness of the projects be measured?

Your company will have an innovation team dedicated to creating the best solutions in order to attend to its needs. A deep immersion in the business will ease the creation of personalized metrics to evaluate the impact of the projects. This knowledge will be shared with other departments, and, with the involvement of key stakeholders in the process, measuring the reach of innovative endeavors will gradually become more and more assertive.
BENEFITS OF AN INNOVATION LAB

• Innovative solutions co-created involving different departments

• Reduction of costs

• Personalized metrics based on prototyping

• Easier decision-making

• Strengthening of entrepreneurial culture/behavior

• Increasing brand equity - being perceived as an innovative company

• Economic gains through the reduction of market mistakes
INNOVATION
LABS DESIGNED
BY MJV
Produtividade
Satisfação Cliente
Reducir riscos
Gestão trabalhist
Segurança
DESIGNING AN INNOVATION LAB

Every lab MJV designs and coordinates follows the Design Thinking methodology all the way through.

1. Immersion

We dive into the company’s context, identify user needs and perceptions and seek to understand how the lab will best serve the company and its employees. Activities and interviews are carried out with various stakeholders to get a 360° perspective and collect insights.

2. Ideation

Our project team gathers the insights collected and brainstorms about possible scenarios and solutions, often involving end users from diverse departments to enrich the results.

3. Prototyping

We carry out low-cost prototyping cycles to test out the best ideas originated in the previous stage. This way we can cross-out the possibility of implementing something that won’t work.

4. Implementation

We then proceed to designing the lab according to the most suitable solution. At this moment, we also recruit and train the team who will be responsible for conducting the projects in the lab. This is done after there is enough knowledge about how the company works and what are its needs.

The Design Thinking method is then used in all the lab projects to guarantee assertiveness in decision-making by always keeping the end-user in the center of the process.
LAB AIMED TO PROMOTE INCREMENTAL AND CONTINUOUS INNOVATION

INSURANCE COMPANY

Following the “In-House Center Model” mentioned before, this insurance company’s lab was created based on three main goals: developing new products or processes, improving pre-existing processes and providing a space for the exchange of knowledge. Due to its inspirational settings, the lab is often used by other departments for brainstorming sessions.

Mission

The lab is focused on institutional advancement, so the projects are planned this way:

- **50% of activities aim to improve current experiences**
- **40% seek to increase productivity**
- **10% of the time is geared towards disruptive innovation**

Structure

Designed to boost the already existing Innovation department, the lab is managed by the company’s Innovation Coordinator. The manager mediates the projects, being in charge of disseminating the results internally and collecting information as the lab demands it. Two innovation consultants recruited and trained by MJV help to manage the
projects and carry out the execution.

Projects

Running since 2013, the lab has executed various types of projects, as previously described. Below is a brief description of a project conducted to enhance a product’s performance.

Savings Bond Improvement

This is a product that enables the acquisition of an asset by dividing the payments throughout many years. Since it is a long-term commitment, it is very common for people to give up on the bond and stop paying.

Challenge: to reduce the percentage of unpaid bonds

The lab conducted a project with the goal of reducing the rate of abandonment and creating more customer engagement with the bond. Through Design Thinking methodology, it was discovered that the material used was very serious and that the overall experience was dull, from sales to monthly statements. After ideation and prototyping sessions, the lab redesigned user experience by bringing gamification elements to the perception of the bond. Game mechanisms used in communication efforts created a more ludic and thus engaging experience.
CICLO 1

- SINISTRO SEM PAPEL
- FATURE ALTA COMPLEXIDADE

- AUTORIZA ANTI-FRAUDE
- GESTÃO DE REDE

BENEFICIÁRIO

- AVISO DE SINISTRO
- PRÉ - AGENDAMENTO
- CERTIFICAÇÃO DIGITAL
- CONCILIE

QUADRADANTE MÁGICO

RETORNO
LAB
DESTINED FOR
IMPLEMENTING
INNOVATION
CULTURE

HEALTHCARE GROUP

Very similar to the “in-house share model”, this lab has a fixed team allocated by MJV which works alongside the New Business department, while other teams such as IT and Products are also in constant interaction with the members and the space. MJV came up with the “empty chair model” for this lab because the company needs a rotating system of projects according to department demands. During each project, a different team joins the lab.

Mission

The lab has the objective of being a point of convergence for all innovation initiatives within the company, serving as a means to make innovation a natural part of everyday worklife.
Structure

4 Innovation consultants allocated by MJV

1 Champion a company specialist who works closely with the lab guaranteeing it has access to all the information necessary for the execution of projects and the tools needed for lab demands

1 Rotating company team that varies according to each project

Projects

The lab is in its initial phase after implementation, currently running a Design Thinking cycle to identify project opportunities and engage employees in innovation culture.
LAB THAT PROMOTES DIGITAL INNOVATION BY CROSS-POLLINATION

INSURANCE GROUP

This lab is focused on digital solutions, especially apps and websites, with a heavy emphasis on user experience. In a scenario similar to the in-house share model, the team often works with another innovation team and other departments in order to take on specific projects. New initiatives come out of Design Thinking cycles that often result in digital demands; the team then steps in to execute each project in alignment with the department that is involved.

Mission

To improve user experience of various products, services and processes by integrating the digital solutions team into different departments as their expertise is needed. The cross-pollination of ideas between innovation teams and other departments enriches the outcome of each project.
Structure

16 Innovation consultants allocated by MJV

3 Leaders
  1 UX expert
  1 Innovation specialist
  1 Design Thinking expert

Projects

The Insurance Shopping Mall - Web Portal

A virtual environment was developed to create an interactive experience with different types of insurance coverage. This project shows the relevance of each type of coverage in a ludic and simple way, informing while involving the user with the product.
Núcleo de Inovação

Parceiros

Mercado

Projetos
LAB DESIGNED TO
ENABLE CO-CREATION
AND START SPREADING
INNOVATION CULTURE

INSURANCE GROUP

MJV was asked to design a lab that could be performed by the company itself, so the lab needed to be tailored to employees’ needs. An extensive immersion in the context of the employees was done in order to understand the needs that should be fulfilled when designing an innovation lab for the company. After a series of activities, interviews and close observation, a wordmap was created to guide the development of a concept for the lab.
Understanding that the space was a key element for the stimulation of the innovation process, a concept was developed based on three fronts:

**Collaboration**

After designing the space, MJV conducted a training program to empower the lab members appointed by the company to run the lab independently. Through a series of workshops and Design Thinking activities, the “innovagents” learned how to use the lab and manage innovation projects.

An innovation lab can’t function properly if the ones using it aren’t prepared to make the best out of its tools. Without proper training or a team to guide the projects, the space becomes just a socializing lounge or a fun meeting room. Given the possibilities that a lab like this can bring to the company, we advise that it is used strategically!
In times of a growing demand for innovation due to a saturated market with overflowing competition, an innovation lab is an investment that has the potential to bring many internal and external benefits to your company.

Co-creation is an activity that builds up the innovation muscle - the more you exercise it, the stronger it gets. Having a space carefully customized and designed to deliver innovation continuously is a way to add more value to your brand while reducing the cost of making market mistakes. The lab provides structure and tools for implementing or strengthening innovation culture and entrepreneurial behavior.
To learn more about Innovation Labs and how they promote a huge impact in disseminating corporate innovation culture, please contact us.