



WHITE PAPER

Digital Innovation Best Practices:

EARLY PARTNERSHIPS ENSURE SUCCESS

According to Forrester, financial firms recognize the need to undertake a digital transformation but fail to take a disciplined approach to do so. This digital innovation best practices series will deliberate on four key steps to successfully jumpstart the process.

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By now, leaders in the financial services segment know they must start innovating to survive.

With the advent of new, nimble competition and rapidly evolving technology upgrades over the past several years, consumers have come to expect even greater convenience and efficiency. But awareness doesn't necessarily mean action, and many are unsure where to start when it comes to bringing their companies up to modern-day technology standards.

That's where we can help. **Our recent Forrester** study recommends four best practices for making that journey easier and more efficient: idea generation, structural evaluation, incubation and implementation. This article offers tips on removing the structural barriers that could be hindering your innovation process.

The dynamic duo

In many financial service organizations, siloed product and technology teams lead to missed opportunities, project delays or sometimes straight-up project failure.

When such teams are not aligned in process and execution, differences in vision and capability are not recognized until time, money and brainpower have already been spent. That's far too late to discover they don't see eye to eye on a product's feasibility or potential value to the company. Unfortunately, that misalignment can occur in a variety of ways. In some companies, friction occurs when engineers begin dictating features of a new release, or product people overstep their roles and attempt to give technical direction to engineers.

In effective working relationships, product managers are empowered to take responsibility for establishing the rationale for the new product, creating a road map or strategy for its development and delineating problems to be solved as clearly and specifically as possible. Engineering departments, conversely, are charged with identifying and leveraging the technology that can make those plans reality. Then both sides jointly determine how to solve the problem and the timeline for such innovation.

All too often, however, organizations kick off development of new products by starting with products (perhaps backlogged inventory) already in the company arsenal. That's the wrong way to go about fostering true innovation: New products should derive from customer demand and from a product vision generated by both IT personnel and business personnel, allowing for reality checks from both sides of the table.

So what are some ways of ensuring such collaboration?

- Very early on in the innovation process, product managers must partner with technical experts who can provide a real-world perspective into the scope of a proposed new product.
- Innovative companies must place a strong priority on distributed decision making whereby many people with skills in different areas are employed to come to a consensus on which products to pursue and how to proceed. Be forewarned that such processes require highly skilled technical personnel and a clear plan for how the group will come to actionable decisions. Establishing a highly competent product owner who can serve as a linchpin in the product lifecycle, removing organizational gaps and ensuring a more comprehensive product vision is realized, can help facilitate that process.
- An agile culture must be established. A disconnect can occur when business teams don't buy into agile, which can be used as a communication tool to set expectations and affirm that the project team understands business team goals.
- To reinforce day-to-day working relationships, work spaces for the two teams might be reconfigured to be closer.
- Monthly ideation sessions or hack-a-thons might be scheduled, whereby the groups learn more about the intended customer and discuss updates in the marketplace and technology.
- Companies should establish technical road maps for making each product come to fruition, creating each one as a somewhat flexible "innovation track" that allows room for adjustments along the way as the rapidly evolving marketplace continues to change.
- Organizations must stop thinking of new products as projects and instead think of them as elements of strategy that must be considered in relation to each other.

Partnership perks: How will all this pay off?

In most scenarios, you can expect the visions for your new products to become much more holistic as they meet troubleshooting from two perspectives and encompass the goals of both project management and engineering. Often, such collaboration leads to better employee support across the board. Perhaps most importantly:

- Your company saves time and money. Closer alignment at the enterprise level means each group communicates and resolves issues faster, platform needs are understood years in advance, and the scope of the project is fully understood.
- Your solutions have a better shot at market success. When product departments are empowered to solve problems and work with technology departments in entrepreneurial ways, the solutions derived jointly can exceed expectations and lead to market differentiation.



Ask for help

If your company is struggling with organizational silos when it comes to product innovation, **Magenic** can help.

Talk to us about our product innovation and design offering, which creates:

- Quickly aligned multidisciplinary, cross-organizational teams on product vision.
- Rapidly generated and focused ideas.
- Customer and business problem validation.
- A clear vision of product strategy and the value it will drive for your business.



About Magenic

Magenic is a leader in business technology consulting. We understand the barriers to innovation companies are facing and apply the right technology to transform their business.

Visit us at magenic.com or call us at **877.277.1044** to learn more or to engage Magenic today.



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