

# Product Innovation for Financial Institutions

## The Course

This 2 day interactive workshop aims to equip the people within your organisation responsible for innovation and product development with the frameworks and tools necessary to initiate, direct and lead a successful innovation program.

We are able to share with our clients a wealth of insights and examples from 20 years of experience helping UK financial service organisation to develop a 2-day programme for up to 20 people, which can be tailored to your specific needs and to the seniority of the audience.

## The Benefits for your Organisation

As financial institutions emerge from the last 3 years of recession they face a dilemma: On the one hand, many markets are still flat as stock markets are volatile, individuals and firms are deleveraging, protection is seen as a cost to be avoided if at all possible and saving offers little reward. On the other hand, competition is fierce and the need to build revenues and avoid undue focus on price is ever-pressing. There is a real need to develop better, cheaper, more differentiated products and services.

This workshop can help you to structure the intervention you require - whether you want to introduce a new approach to innovation or to refresh a tired process already in place.

Beyond presenting a solid theoretical foundation to product development, the workshop covers:

- The strategic context for innovation, as well as many practical skills required to set up and manage an innovation initiative
- The consulting skills necessary to navigate inside the organisation
- The opportunity for participants to practice the skills covered throughout the programme
- A multitude of case studies drawn from our extensive experience with UK financial service organisations

## Who Should Attend?

The course is intended for Directors and Senior Managers, who are either directly responsible for innovation, or whose department's collaboration is necessary for successful innovations to be developed and launched, or whose staff will be involved downstream in the implementation of changes.

Lawrence Somerset is a specialist UK-based management consultancy and research firm. We offer robust advice on revenue growth, innovation and proposition development to banks, asset managers, insurers and other financial services businesses and their suppliers

John Lawrence has advised many leading financial institutions on growth strategy and innovation. He has worked with strategic decision-takers for over 25 years, over 20 leading the creative and analytical thinking as a founder director of Lawrence Somerset. He has been extensively involved in developing and delivering training programmes in consultancy skills, innovation and decision taking to executives and to both internal and external consultants.



# Product Innovation for Financial Institutions

## Day 1: Developing Winning Ideas

Day One will take a detailed look at:

- The strategic role innovation should play in your business,
- How to generate and build ideas for potential product innovations
- How to test these against the market opportunity

### Session 1: Adding value to an existing business – What is innovation in a commercial context?

- Dissecting the meaning of product innovation: purpose, scope and challenges
- History of product innovation in financial institutions
- Comparison with other categories
- The customer perspective
- Introduction of the concept of added value to the host firm and how value can be lost
- Analysing the notions of differentiation and sustainability

### Session 2: Getting the direction right: Strategic frameworks for setting the product innovation agenda and adding value through product Innovation

- Examination of several frameworks for framing the innovation agenda including Porter and Christensen and their applicability to financial services markets
- Evaluation of the respective roles of Leader and Follower
- Defensibility of product innovation
- Application of these lessons to some case studies to determine whether the innovator derived value added from the exercise
- The role of other factors to amplify the role of product innovation: Service - Management Information - Training - Relationships

### Session 3: Developing great product innovation ideas and refining, stretching and building them into great products

- Where do ideas come from?
- Gaining insights into the processes for generating ideas and for refining stretching and building ideas
- Practical aspects of facilitating successful creative workshops

Every session includes:

- Detailed case studies drawn from the UK financial services industry
- Practical exercises to practice the concepts covered

### Session 4: Evaluating market opportunities and testing ideas

- Identifying the opportunity - 'The gap in the market versus the market in the gap'
- The use of market research: asking people about things they have not experienced
- 'Killer Facts'
- Using proxies
- Piloting
- The role of segmentation - strategic segmentation
- Ongoing learning and feedback

## Day 2: Managing an Innovation Programme

Day Two will build on the ideas from Day One to consider:

- Managing a programme of innovations
- Presenting information at each stage of the process in a way that is appropriate for the stage of development to take necessary decisions
- Avoiding common pitfalls

### Session 5: Designing the portfolio of ideas: Managing the innovation process

- Evaluating the pipeline process for managing product innovation
- Decision making criteria and stage gates
- The role of testing: evidence vs judgement
- Balancing the flows, pruning and prioritising
- Short term versus long term goals
- Organisational issues: central versus distributed

### Session 6: Developing convincing recommendations for decision-making at

- Presenting ideas: 'Sizzle versus Beef'
- Ethics - selling versus evaluating - the roles to cover
- Staged decision making and staged analysis - fitting analysis to the job in hand
- Four stages of the evolving blockbuster: Idea - Opportunity - Proposition - Business Case
- Being clear about what is at stake at each stage
- Balancing effort and reward: The role of financial analysis

### Session 7: Why innovation goes right, why it may go wrong

- Examining the three types of reason why innovations may not yield the required return on investment
- Spotting the signs to diagnose the problem
- Discussion of what can be done in each case

### Session 8: Putting it all together: Ideas for participants' own businesses