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Innovation Mindset

BY JORGE WIENEKE

If you are always trying to be ordinary, you will never know how amazing you can be. Today I am going to talk about the INNOVATION MINDSET in business, but before you can successfully shift your mindset, it's important to learn how to focus.

Let me give you an example.

Every year the Earth revolves around the sun and it delivers billions of kilowatt electricity. Wearing hats and using sunscreen, you can sunbathe for hours without having to be afraid of its effects on health. The energy source of the laser beam is very weak.



But with a laser beam, you can pierce a hard object such as diamonds or possibly destroy a cancerous cell.

Such a similar effect will also occur when you focus on one company. You will create the same strength as the power of a laser beam to be able to govern the market.

That is the purpose of focusing on business. If the focus is lost, the company will lose its strength. Then it will look like the sun, scattering strength for too many types of goods and markets. A successful company usually starts with focusing on a highly specialized type of goods, services, or markets. Over time, the company gradually became a lack of centralized business due to the provision of too many types of goods and services for too many markets at different prices. The company loses its mainstream direction, does not know the development in any direction and for what purpose. Statements about the company's mission become meaningless. So if you want to succeed in business, focus first, then have the innovation mindset.

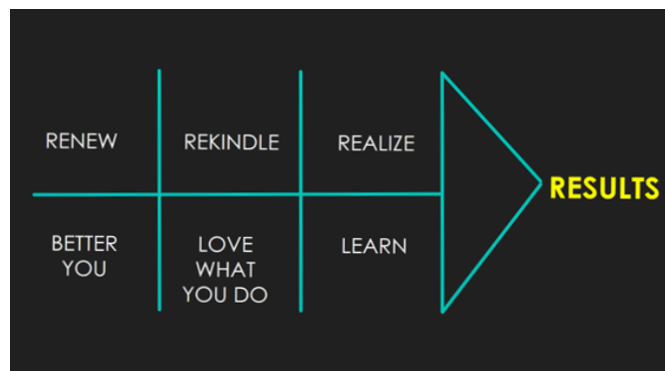


PRODUCT DEVELOPMENT

Now, let's put things into perspective. The so-called new normal will be an uphill journey for most entrepreneurs and entrepreneurs to be. Even some of the world's biggest companies are struggling like AirBnB, Dunkin' Donuts, Airlines...what more micro and small businesses? The brutal fact about the situation is that we are in the season of crisis...

but let's not forget that this can also be a season of kindness. Why kindness? Because you can see how people exchange encouragement and wisdom with each other, exchanging goods and services these days. It's also the season of self-discipline because we need to wear masks, wash our hands, sanitize everything, , and keep distance from others. But most of all, it is the season of survival and self-preservation.

As I said earlier, the brutal fact is we are now in a crisis. And in times of crisis, creativity flourishes. Why? The natural reaction of a person experiencing a crisis is to look for a resolution. Also, in times of crisis we think of ways to survive. That's why in times of crisis, we need to be creative. The partner of creativity is having a strong mindset. What is a mindset? It is the mental state of a person...mental state to win, to survive, to get out of a crisis, to be victorious. What is your mental state now, amidst this crisis, Amidst Covid-19? For some of us, a strong mindset is natural But sometimes, it needs to be ignited. We have to ignite the fire within each and every one of us.



How do we support a strong mindset?

This may help. Let me take you through this table. In order to support a strong mindset, you have to renew yourself by rediscovering yourself, by revisiting the things you used to do before. It might be useful to you at present, it might even save you in your present situation. Once you do that, you will discover a “Better You” and rekindle your interests and passion for what you used to do and learn to love them again. Then you will realize that you have so many learnings in the past that gave you results. As I said, one of the tools that can drive a strong mindset is pain...The driving force to success is pain. When you are in pain you move aggressive to find a solution to the pain. However, the enemy of having a strong mindset is fear. Fear stops entrepreneurs from taking action. It's the voice inside your head that discourages us. We must control fear.

If we cannot control fear, we cannot have a strong mindset. It is important that we do rationalization. If you look at the meaning of rationalization, there are a few key words in its definition.



Controlling Fear

1. Acknowledge Your Fear
2. Understand Your Fear
3. Strategize
4. Internalize
5. Create an Action Plan

Here's how you can rationalize. Weed out unwanted, unnecessary thoughts from your mind and use logic and reason. I asked a psychiatrist friend a long time ago, how do we really control fear?



There are 5 steps: First, you have to acknowledge your fear. And then understand it. It is really understanding the reality and consequences of decisions. A person who will put up a business, his fear is “baka mawala ang pera.” Without acknowledging it, some will just set aside their plans to put up a business. They are just assuming failure. Once you know what your

fear is and understand the consequences and strategize, you will avoid failure. Third is understand your fear. Next is internalize. And lastly, create an action plan so your pathways are clear of unnecessary thoughts

KINDS OF MINDSET

GROWTH MINDSET

- I can learn everything
- I am open to change
- I can try new things
- I can try harder
- I am determined to do my best

FIXED MINDSET

- I am not smart
- I am not good at anything
- I always fail
- I lack the skills
- “Pangmayaman lang yan”
- “Ito na ang kinasanayan ko”

I’ve also learned the different kinds of mindset a person normally has. Ladies and gentlemen, you have to reflect and be honest if you have a growth mindset or fixed mindset. A growth mindset has a “can-do” attitude: I can learn everything, is open to change, willing to change and embraces change, determined 100% committed to doing his best. Individuals who believe their skills can be developed through perseverance, practice, and mentorship have a growth mindset. Debbie Millman said it best: “If you imagine less, less will be what you undoubtedly deserve.” Having a growth mindset makes you imagine and achieve more.



If you have a strong entrepreneurial mindset, you are now ready to innovate. Innovation mindset is the twin brother of product development.

The foundation of a successful product or business concept relies on the balance of these 2: a strong entrepreneurial mindset and a product that has a strong unique selling proposition (USP) and differentiator.

The one who can change and adapt to the situation is the one who will most probably succeed. It's not the most intelligent, nor the strongest or the most influential but the one who can respond to change.

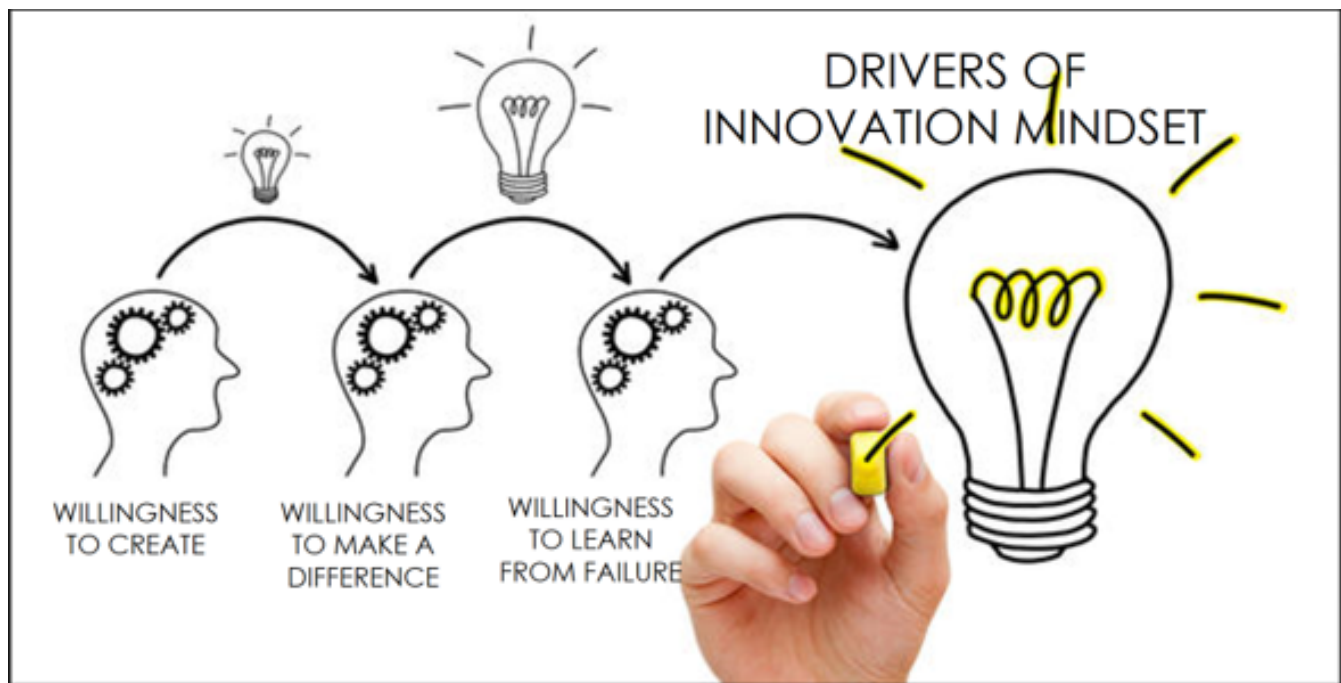
For example, when we talk about smartphones, two brands come to our minds: Samsung or Apple.

Decades ago, the company Nokia was a one of the major market share holders for the cellphone industry, but now it's not even a contender. When Microsoft acquired the company, Nokia CEO tearfully said, "we didn't do anything wrong, but somehow, we lost," The

truth is, they did something wrong - they did not innovate. They stuck with what they were doing while the competitors regularly offered something new and unique.



Innovation has a big factor or role in product development. Let me tell you the meaning of the innovation mindset. It empowers a person to search for a better outcome every day, to look for a much better way, a more unique way.



Let's revisit the drivers of innovation mindset. There are 4 drivers in my opinion that I have encountered in my past 30 years as an entrepreneur. Innovators are those who must be willing to create new things, new ways, new products, new system. Willingness to make a difference. Willingness to learn from failures, and "hindi matraumatize."

HOW TO IMPROVE YOUR INNOVATION MINDSET

- Take risks
- Change one's perspective
- Be passionate
- Challenge assumptions
- Challenge the norm



How do we improve our innovation mindset?

Someone has to take the risk or the founder or the proponent must change their conservative “playing safe perspective.” They should be passionate and hard-working and committed to making the idea into a reality. They must not be stopped by assumptions and must remove all “what ifs” in their minds, challenge assumptions, must go against the norms in order to challenge existing norms.

We are all exposed to different generations. Somehow somewhere, you were able to adapt a certain mindset from the older generations. Do you have a critical mind? Do you not accept arguments and question everything? Are you the person who sticks to the old ways? One must also be open to a creative mindset. One must also have the ability to consider something new in terms of system or process in approaching a problem.

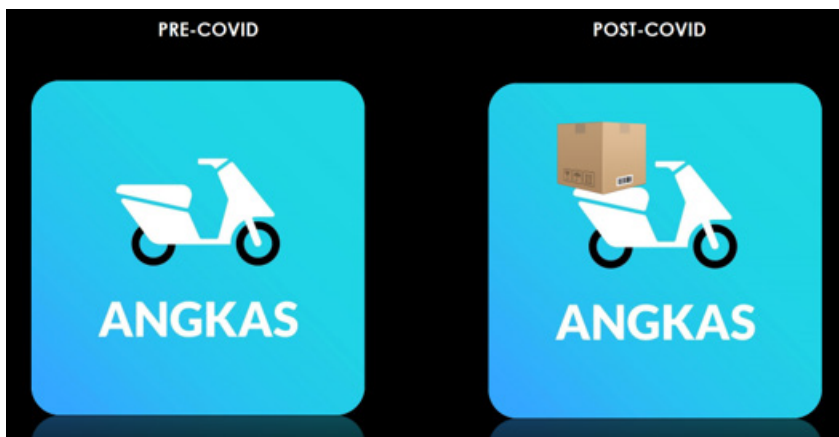
CRITICAL MINDSET

- Avoid Change
- Using Tested Method (Kinasanayan)
- Doing Everything Because You Have To
- Following the “Manual”
- Reacting
- Seeing Failure as Failure

CREATIVE MINDSET

- Adapting to the unexpected
- Discovering new ways
- Having Fun
- Re-inventing the “Manual”
- Anticipating
- Seeing Failure as Learning

Product development is the creation of a product with new or different characteristics that offers new or additional benefits to the customer. It may involve modification of an existing product or its presentation or formulation of an entirely new product that satisfies newly defined customer wants. In other words, if you change the way your product looks, feels, tastes or sounds based on the wants and irritants of your customers then that is product development. However, the key to great product development is innovation which is defined as changing or altering established norms and standards, thinking outside of the box and looking at things from a creative lens. In product development, innovation is important because it increases your chances to react to change and discover opportunities. It can also help your business stand out from competition.



Let me show you an example of a product that evolved and adapted from Pre-Covid to Covid. Angkas before Covid, its main business was transporting people and when Covid happened, it became a delivery transport business that delivers food during the lockdown.

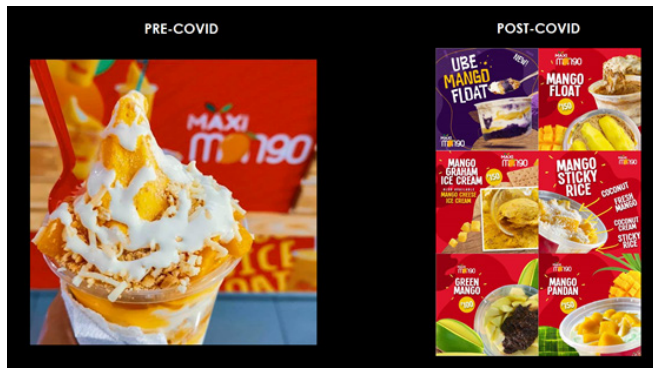
The second example is this, during pre-covid, there's this business that is called personal shopper. Personal shopper is an individual who is paid to help another purchase goods on their behalf. They are also fashion stylists.

During Covid, they innovated and evolved their business model adapting to the situation and it became a pabili

sa grocery/palengke or the Palengke Runner. They are those that you call to have them buy your essentials at the grocery store or the wet market. This helps in preventing you to contract the virus from those places.



We all know that retail shops and shopping malls were closed during the pandemic. In Tokyo Tempura, what we did was we delivered frozen goods, or what we call the Tokyo Tempura Home Kit which consists of 80pcs frozen shrimp, 1 pack of batter mix, 1 pack of flour mix and 1 liter of tempura sauce to the houses for them to cook their favorite tempura. Again, we evolved the product based on the present situation of the market.



It is also the same with this brand called Maxi Mango that has over a hundred stores nationwide. Their soft-served ice cream with fresh mango and graham crackers has become really famous to the younger generation. And the Covid happened, they had to innovate their products to something else that still consists of mangoes like the mango sticky rice or the green mango with bagoong.

These days, companies are shifting their services to virtual services to stay afloat.

That's why innovation is very important in adapting with the situation of the environment. Because if you don't innovate you will die. Your product will not be relevant, it will not stand out and sooner or later, it will die.

Let me show you products in the past that did not innovate. Let me ask you this question. Do you still see these products? You see this pager? Pager was a famous gadget during the late 80s up to early 2000s. You can see a lot of people using pagers but what happened to them? They did not evolve nor innovate. Which caused them to be out of the market today.



The other example is the film. The famous Kodak film. Because of digitalization and the new technologies that emerged, the film has no more relevance in the market. That's why it just died naturally.

The cassette tape and the cassette recorder. They were replaced by CDs and laser disks then later on, again due to the rapid innovation in terms of technology, mp3, flash drives, Bluetooth speakers, etc. emerged.



Why Innovate?

- Address Customer Needs
- Stand out from Competition
- Growth
- Survival



Why do we really need to innovate? One of the reasons we really need to innovate is to address customer needs. Because of technology and social media, more and more customers are looking for new things, new ways, to address their certain needs.

Another thing why we must innovate is for your product to stand out from the competition especially now, with the new normal. A lot of people are venturing into entrepreneurship. They are selling a lot of products. Remember to innovate in order to stand out. Of course, if your product has the so called Unique Selling Proposition or the USP and the differentiator, surely, your product will grow. It is also important to innovate in order to survive and to stay relevant.

TYPES OF INNOVATION

1. INCREMENTAL INNOVATION - Small changes on the product such as in packaging, size, price, or bundle.

Let me show you the 3 kinds of innovation that I created. The first is the Incremental innovation. It is the process of a small change in the product. Normally, we use packaging, size, price or bundle. For the packaging, let me give you an example—the churros that's a hit in the Philippines ever since. But there was this one store that reintroduced the product but what she did was she introduced a footlong churros with a cone shaped packaging for a very affordable price. The combination of the huge packaging and huge product is an example of incremental innovation in packaging and the size. Another incremental innovation is on bundle and pricing. Let me give you one example. 2 years ago, a shawarma war happened in the market, we all know that Turks is the top of mind of the consumers, until a new player came into the market using the strategy of price bundle, the buy 1 take 1 shawarma. Created by Shawarma Shack. Again, Shawarma Shack disrupted the market and got a share of the customers.

2. BREAKTHROUGH INNOVATION - Reinventing the product

The other innovation that I do is the breakthrough innovation. This is reinventing an old product to create a new one. For example, Potato Corner. During the early days, French fries was a side dish for a hamburger. You only eat French fries with ketchup. What we did in 1992, was breakthrough innovation by making it into a new product. We innovated and evolved the French fries by putting different kinds of flavoring and selling it on a cart for everyone.

3. PIVOTING - Staying true to your core but looking at it from a different angle

Another one is pivoting. Pivoting is an innovation process by looking at your product on a different angle. Entrepreneur.com describes “pivoting” as a strategy intended to help a business recover from a tough period, or survive after experiencing new competition or other factors that make the original business model unsustainable.

For example, Angkas which I gave earlier. Angkas used to be a public transport but they made a pivot by offering deliveries to houses.



In creating a business concept or a new product my first advice to everyone is to center and focus yourself on the problem or the task that you are going to do. Look at the product and just focus on it. Just center your eyes on the product. The thing I like you to do is to think like a kid, or a little child again. Children are very creative. They usually use their imagination to play with their toys and normally play with imaginary friends.

Let me show you a box. Do you know that if you give this to a child, they will make so many things out of the box like an airplane, a car, a rocket ship, even a house or a robot. You know what they did? They used their creativity. They used their imagination. So, let's try to adapt on how a child uses their imagination.



HOW TO PROCESS YOUR IDEA

1. Identifying the Need
2. Finding the Unique Selling Proposition
3. Visualization
4. Feasibility
5. Research and Development

Allow me to share with you my process on how to transform a business idea to a product. I will show you one by one the Identifying the Need, Finding the Unique Selling Proposition, Visualization, Feasibility and Research and Development.

1. IDENTIFYING THE NEED

Let us start with identifying the need. In creating and conceptualizing a business model of a product, one must first identify the need of their target market. The common mistakes of people who decide to venture out in a business is not knowing what is the need of their target market.

Your customers or the target market is a group of persons who find your product attractive and relevant. We all know that there are many generations such as the baby boomers, the Gen X, the Gen Z, the millennials and the centennials, that is why you need to be sensitive and you must research what they need.



Also, by identifying the pain point of people, you will know where to sell your product. What is a pain point? Pain point is a specific problem that prospective customers of your business are experiencing.

Bill Gates once said “Your most unhappy customers are your greatest source of learning.” In other words, you can think of pain points as problems that you must solve in order to get satisfaction from your customers, remove their irritants and make their wish list come to life. By doing such, you would have to observe your surroundings.

2. FINDING THE USP (UNIQUE SELLING PROPOSITION)

The next process is finding the USP or the Unique Selling Proposition. So, what is USP? It is a uniqueness that is exhibited by the product or service that you have, for the product or brand to stand out from its competition. USP must be a feature that should be an attraction to the consumer. Well for me, you have to be different. Your product and service must be different from all the products in the market. Remember that the key is differentiator. Differentiator is the process of differentiating your product with the existing ones at the market. Try to look at your product and check, how is it different from the other players in the market?

HOW DO YOUR DIFFERENTIATE YOUR PRODUCTS FROM OTHERS?

- Size
- Formulation
- Packaging

There are ways to be different. These are few that I may suggest: one is size. For example, siopao. More often times siopaos of 7/11, Ministop, Kowloon, etc. are just all white with the same fillings but in this case, in order to be different, you introduce a siopao as big as a plate. Two is formulation, again for siopaos, there are only the common variants, the bola-bola, asado and monggo. But if you try to be different in terms of formulation, you could create a pizza siopao with pepperoni and cheese inside, or a Mexican siopao with burrito fillings, may be apple pie siopao as well. By creating so, you can standout and become different from the market. Three is packaging as it also plays a big role in differentiating. Just imagine a cake box that sings. That would attract the customers.



Take a look at this photo of a fried chicken. I would like you to use your imagination. Imagine that you are an owner of a fried chicken company. How will you differentiate your product? How will you stand out?

Another example that everybody knows is the pizza. There are 3M pizza, the Shakey's, Pizza Hut, Greenwich, But you, how will you differentiate your pizza?



3. VISUALIZATION

The 3rd step is Visualization. Visualization is a very fun process to me because this is where you put your idea from nothing to black and white.

This is the start of thinking of your logo, its colors and the design. This is also where your research for packaging, raw materials and suppliers will start. As Einstein said, imagination is more important than knowledge. Because, imagination is the key to visualization.

4. FEASIBILITY

Moving on to number four. The 4th process is what I call the feasibility. This is where you test idea with brutally honest people. But when testing your idea, I would like you to not fall in love with the idea yet because falling in love will eventually cage you to the concept, and you may or may not listen to what the people say anymore. This is the part where you shall listen to the suggestion of honest family and friends.

BE PREPARED TO: The reason why we need you to test your idea with friends and family is

- Switch because you may want to switch your idea and modify it. The reason may
- Refine also be you, wanting to refine the concept. But trust me, if 99% of the people
- Redefine whom you tested your product with said that it is “pangit” or that it will not
- Abandon flourish, do not think twice and abandon it. It is better to be heartbroken now than to be broke later.

WHY TESTING IS IMPORTANT:

- Lessen the cost of failure
- Build your confidence
- Find out wheather your product or idea is acceptable and attractive



You want to know why testing your idea is important? First, why we need to do this exercise is to one, lessen the cost of failure. Imagine, in 1992 I had to ask people's opinion on "how will I do this, how should I do this?" I have gathered answers from others who gave suggestions, certain opinions and procedures on how to serve the product.

During that time, we had everyone fall in love with the concept, and it built my confidence. Having confidence, you will be motivated to resume your goal and make this concept into reality. Also, you would also have to ask around and find out whether your product or idea is acceptable and attractive.

4. RESEARCH & DEVELOPMENT

The last process is RND or the Research and Development. This is the time that you have to make the concept from idea to reality. Everything from costing, to planning, to sourcing raw materials, making creative materials—all of this will one by one will come to reality.

COMMON MISTAKES IN PRODUCT DEVELOPMENT:

- No REASEARCH
- Not everything you see abroad will work here
- You are not the MARKET
- Price too LOW
- Price too HIGH
- AVAILABILITY of Raw Material

You want to know why testing your idea is important? First, why we need to do this exercise is to one, lessen the cost of failure. Imagine, in 1992 I had to ask people's opinion on "how will I do this, how should I do this?" I have gathered answers from others who gave suggestions, certain opinions and procedures on how to serve the product.

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Allow me to put this in an academe set-up. The first thing that we did was idea generation, second is idea evaluation, third is development or the time to make the idea to reality, lastly is commercialization where you would have to look for a place to sell or set up your store.

The common question that I always get from people is “how will I know if my product is doing well or is a success?” Well, I have coined a word which I normally answer. “Lifestyle.” Your product becomes successful when it has become somebody’s lifestyle. This is your indicator when a group of people patronize and buy from you at least three times a month.



When you stay true to your brand, your business will become a way of life for your customers. Meaning, your business becomes part of the people’s lifestyle.

For example, Starbucks became part of people’s lives by being the usual place to set a meeting or work while enjoying a cup of coffee.

Jollibee became the place where children go to celebrate. 7/11 became the place to wait for somebody you are meeting. The iPhone became part of our lifestyle when it allowed people to work on their mobile phones. Your brand can do that too, as long as you don’t lose your identity.

Before I end, I have one final tip for struggling entrepreneurs out there” Stay Passionate. Do not lose your passion for your business. Find a way to make it work. Like what Robert H. Schuller said: “Tough times never last, but tough people do.”

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