

Roadmap to Scale-up: Growth that makes an impact

As part of their innovation strategies, large companies are looking to start and scale new business ventures to deliver radical innovation. Historically, the success rate is low. Ecosystem-thinking can stimulate radical ideas and LeanScaleup used to nurture business startups and generate new growth at a significant scale.

How can companies in the current business environment choose the growth they want?

Many companies find that they are not able to scale-up new technology in-house and achieve the business impact they expect. Statistics speak loud and clear: According to Capgemini, only 10 per cent of Automotive companies have mastered the basics of Smart Factories and only 13 per cent of companies have deployed AI in production.

If one looks outside the company walls, firms are not successful in building new technology-enabled businesses. According to McKinsey, 85-90 per cent of corporate startups fail and do not create a meaningful business impact: worse than that they are burning investor cash.

Where do good ideas come from?

The Institute for Manufacturing at Cambridge University has a suite of front-end innovation management approaches. The first is business ecosystem-mapping that identifies sources of value exchange between ecosystem members. By understanding the ecosystem members and how value exchanges between them, we can harness, exploit and grow solutions to capture more value for the company. The second approach is strategic roadmapping that can be used in exploratory mode to generate ideas and the necessary capabilities and create a narrative for investment in these new venture ideas. These combined approaches together formulate a toolbox for corporate innovators to potentially identify "On Demand" viable new venture ideas and nurture them from start-up to significant scale.

Nurturing the baby business to impactful scale

There are significant challenges for corporate startups to run the gauntlet and to satisfy its corporate investors. An approach known as the LeanScaleup can be used to nurture start-ups to a scale that delivers meaningful returns to the parent company.

To understand the challenge it is helpful to understand that under one company roof you find two engines or management systems. The first system is designed to

execute day-to-day operations. It comprises today's core business and the space of incremental innovation. This system is designed to flawlessly and efficiently execute on a chosen business model. The underlying business logic puts predictability front and centre. The second system is designed to explore the innovative use of new technology and the chances to build a new business which is adjacent to today's core business. This is the innovation space which plays out in "blue oceans" in which new, untapped value pools are to be found and the search for repeatable, profitable business models sought.

The problem statements raised are quite common. From 2017 a peer group of more than thirty leading companies shared practices and common themes emerged to enable a framework to solve the Scaling-Up problem.

Three pillars of the LeanScaleup framework are,

1. **Methodology:** how to validate if an idea is worth scaling, testing if it is ready to be scaled and knowing how to go about managing the Scaling-Up journey.
2. **Leadership:** how to set the leadership tone and how to get the organization to think outside the box and prepare for the decisions through the Scaling-Up journey.
3. **Culture & Collaboration:** how to embed Scaling-Up in the planning systems and how to structure the agreement between existing Core business and the scaleup and enable collaboration as a driver for cultural transformation.

Want to know more?

I can help you to create ideas for new business ventures and nurture them to scale. See my previous articles on strategic roadmapping and the front-end innovation system.



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