

Guest Opinion

## Innovation will leave competitors in the dust

By CARLOS DE LA HUERGA

*Posted: May 15, 2005*

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Over the last 20 years, Wisconsin manufacturing companies have been quite effective at implementing the latest management techniques to lower costs, improve quality, speed up processes and become more customer focused. Lean companies are getting even leaner.

But your competitors have been doing the same, including your foreign competitors. While these efforts may have helped preserve your bottom line, today it's almost impossible to have a true competitive advantage.

Managing your bottom line won't win you new customers or protect your market share. In fact, the more bottom-line focused we are, the greater our competitive disadvantage seems to be.

Global manufacturing experts aren't shy in telling us that China is building sufficient manufacturing capacity to build *all* the products the world consumes - at a cost, quality level and speed that will satisfy any customer.

I'm not suggesting our foreign competitors are ready to take over everyone's business. But the clock is ticking.

Should we all close up shop right now?

Absolutely not, because I believe we still have one ace up our sleeve. But we may have forgotten that it's there, or worse, ignored the power that it has to help us win the global manufacturing game.

What am I talking about? All of us should know the answer. It is the foundation on which America and, more specifically, Wisconsin was built.

It's innovation.

I don't mean the type of innovation to repackage last year's model and call it new or just develop a better marketing slogan for an existing product.

I'm talking about innovation that truly drives customers to buy your product over all others in the marketplace.

But it seems like too many companies have ignored innovation as unmanageable, risky or something only Californians do. After all, don't innovators just cause trouble? Do we even have any?

The reality is that, if Wisconsin manufacturing businesses are to survive, we need to reacquaint ourselves with what made our great 19th-century entrepreneurs successful: iron wills to do whatever it takes to develop innovative products - true breakthroughs.

That means we can no longer continue to think that innovation is unmanageable.

Instead, we need to transform our thinking about innovation just like we did with our view of quality. It wasn't too long ago that W. Edwards Deming taught us quality had to be a management/design process and not a test and inspect process.

We need to realize that innovation can be managed and that there are specific proven practices to do so.

We also need to stop thinking that breakthrough innovations can only be the product of more hip regions of the country.

Consider the results from Malmesbury, Wilshire, England.

Malmesbury is a picturesque town of 6,000 west of London. Things could be better, the local paper is in financial trouble and they need better youth and sports facilities. Sound familiar? In spite of that, Malmesbury is the home to one of the most innovative company in the world.

This company has, in just the past five years, taken a sleepy old market and tore it to shreds with new

products and expanded its share in the U.S. from nothing to close to 20% - completely at the expense of lower and, in some cases, *much* lower cost rivals.

What company am I referring to? It's the Dyson Co., the people who make those brightly colored \$500 vacuum cleaners that sell like hotcakes.

How did they do it? One simple answer: a focus on innovation and the iron will of its management to drive innovation into the market.

If this can be done in Malmesbury, then we can certainly do it here. We have the talent, but we must also have the corporate will to use and direct that talent.

However, we need to get our thinking about innovation straight and make sure we all know the basics of managing the innovation process.

Innovation - it's Wisconsin's only hope for a viable economic future.

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