



**home innovation**<sup>®</sup>

consulting network

**Innovations spawn trends,  
trends spawn innovations.**

**The genesis of innovation**



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Which came first, the chicken or the egg? Was it the trends or the innovations which kicked things off or did some other development lead to an innovation, in which case, how did such innovation come into being? Almost all trends have a history that records their origins – they do not simply emerge out of thin air.

Within a company, market and opinion researchers, as well as economic and marketing experts, are tasked with promptly detecting or anticipating developments and potential needs, while developing predictions for the future based on the past. So-called external trend scouts seek to scrutinise the big industry picture from outside the box, constantly moving among creative epicentres or constructing analogies of other areas of life based on their own observations.

***And to recognise the sign of the times  
in time an early-warning system is crucial,  
providing that decisive time advantage  
in the headlong market race.***

Every minute sees a wealth of new trend reports, and all kinds of design publications and economic studies. However, the trends described are often ongoing events or have no relevance to those in receipt of the information, since they do not meet the needs of their clients. Recognising this is the first key challenge for companies when they are not proactive in establishing new trends themselves through either innovation or the awakening of latent needs, but yet still want to leverage the same.

***In the Internet age,  
the volume of data is increasing exponentially –  
seemingly to a barely manageable extent.***

The questions which first have to be answered: what am I looking for, or how do I find the needle in the haystack? To this end, the important thing is to know who I am, what do I do best, and where do I want to go? Visions, corporate objectives and strategies, and above all abilities should help generate selection criteria which can then function as a matrix to be applied to identified trends, helping you avoid jumping onto every passing bandwagon, so to speak. Setting up such a filter may involve some one-off expense, but will prove well worth the effort when selecting from many trends.

***Thus, a “dragnet investigation”  
does not elicit a regulatory/political end result  
but is rather an economic instrument.***

Using nature as an example, identified trends can be like a tsunami, moving quickly, without warning, and possibly having some extreme effects; or they can be like flat and permanent waves, generating barely perceptible yet continuous movements. Have I caught the right wave and is the selected strategy the one which will bring my ship to its destination? Again, there is a need for critical self-reflection on one’s own capabilities. Consequently, the perception of the opportunities presented by trends must always be balanced against personal capabilities and the power of innovation.

***The formation and trajectory of trends  
also lend themselves to various analogies with nature.  
Herein, innovations are driven as well as being drivers.***

As well as being linked to capital and time, booms also carry corresponding risks in their wake. Examples here include the dotcom bubble or the property hype which triggered the crash of the financial industry. Billions were won and lost in a flash; but even so, it didn’t stop many investment bankers from seeking out the next wave and developing new models.

***Detecting trends and innovations  
inevitably also means balancing  
opportunities with risks.***

The world of mobile telephony, which is comprised of a synthesis of software and hardware, has seen the Blackberry and Nokia brands marginalised because they overlooked the need to develop a “touch-screen display”. This was a case of an innovation creating a trend. Looking beyond in-house technologies, acknowledging the developments of rivals who are providing customers with a whole new world of experiences, means accepting external solutions.

***Innovations become trends  
when they open new beneficial  
dimensions to customers.***

Those who lag behind trendsetters cannot usually overtake them. The answer is to become a trendsetter yourself through innovation. However, the innovation must always have such appeal to customers that they derive significant rational or irrational benefits from it. As such, new colours or colour combinations may often turn out to be no more than a fad rather than a trend with sustained relevance. In the textile market, however, there are very real trends which correspond to the corporate objective set by manufacturers and the trade of achieving short-term seasonal goals. In this way, colour becomes the innovation which, in turn, creates trends.

***Low innovation steps usually achieve only short-term effects.***

In the market for durable goods however, colour is just one aspect of a product. A danger often overlooked is not just the possibility of having to sit on goods that don't sell and that might need a balance sheet write-down, but rather failing to recognise that the cost of the complexity of production through to marketing could be disproportionately high.

***This makes colour a risky foaming crest on the trend-wave.***

To optimally exploit trends, being patient and catching the wave at the right time is thus crucial. Sometimes, being a so-called "early bird" simply beats a path for a better, more developed product, as per the motto "better is the enemy of good." As a general rule, however, those who create the market keep a hold of it, determining the rules and forcing competitors to follow.

***Although the icebreaker may reach the destination first, it requires proportionally greater force to clear the way than for the others to follow.***

If you follow a trendsetter but do not personally initiate a trend, you must ensure you master a key idea better or find and occupy a unique position therein. From conception, development and production, through to the very implementation of the innovation process, there are numerous ways of enhancing an idea or finding distinctive features that are attractive to customers. An informed strategic corporate decision may be to refrain from setting trends, instead saving energy in the slipstream. When this position is deliberately chosen, being the number two can still bring great success by providing a tangible and appealing alternative for customers as they navigate their way through the market. This visible and varied profile may be founded upon existing innovations or by establishing a foothold in the trend with a differentiated offer.

***A “follower” can create additional ideas during the innovation process to successfully adopt a differentiating position.***

It is not a question of whether trends generate innovation or if innovation creates the trend, but more about whether ideas result in targets being set which, once achieved, generate a benefit. Trendsetters use innovation to create new trends which, in turn, provide stimulation for new things, thus acting like a turbocharger for additional innovation. Moreover, each trend generates a counter-trend, from where new opportunities can emerge.