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To the edge

FORMER KIMBERLY-CLARK VICE
PRESIDENT CHERYL PERKINS
CHAMPIONS BREAKTHROUGH
IDEAS WORLDWIDE WITH
INNOVATIONEDGE

A Billion idea

NEW ARIENS TECHNOLOGY AND
EDUCATION CENTER A MODEL
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Profitable growth

INTEGRYS CHIEF LARRY WEYERS:
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CALUMET COUNTY/ENGINEERING &
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TO THE Edge

Cheryl Perkins brings depth of experience, network of great minds together to help inventors and companies champion breakthrough ideas Margaret LeBrun



Cheryl Perkins has no qualms about walking into a Fortune 50 company and telling the top leaders how to make big changes. Indeed, they invite her.

First she listens to their story. Then she and her team from Innovationedge chart a roadmap to help steer the company down a path for breakthrough success. Often, they help forge that path and build the roads that can take them there.

The journey can be intensive, complex, sometimes painful. But today, forward-thinking business leaders accept that the quest for innovation is key to growth — even survival, says Perkins. As the former senior vice president and chief innovation officer with Kimberly-Clark, Perkins is so passionate about this that she launched her strategic consulting firm in January.

“Regardless of the industry, topline growth is an imperative,” she says.

When Business Week named Perkins one of the “Top 25 Champions on Innovation in the World” in 2006, it described the necessity for innovation in today’s companies:

In an era when Six Sigma controls no longer guarantee competitive advantage, when outsourcing to China and India is universal, when creeping commoditization of products, services, and information hammers prices, innovation is the new currency of competition. It is the key to organic growth, the lever to widen profit margins, the Holy Grail of 21st century business.

With K-C, Perkins built a vast network of innovation leaders worldwide. Before leaving the company last December, she was in demand from other companies.

“People were saying, ‘Cheryl can you take a vacation day and help us for a day or two?’ There was a lot of pull because there’s so much need out there.”

Today, from a bright and creatively appointed office on Commercial Street in Neenah, she and six employees connect with

a global list of some 25 clients as well as a nationwide roster of associates who help them deliver consulting services to companies big and small in the food service, clothing, consumer goods, financial services and health care industries. They also work with inventors and startups. One new client is in fact a government: The Russian Federation recently tapped them to help connect its top inventors with resources and markets in the U.S.

Clients say Perkins’s credentials bring clout and a voice of authority to the table that opens doors and brings results.

“She’s been so high in the K-C organization that she can sit across the table from a senior executive and say, ‘Let’s play this out,’” says Bill Perell, managing director of PopPack, a San Francisco-based packaging company working with Innovationedge to bring patented inventions to market. “She is magical with these things and she’s very fast.”

Ace innovator

Perkins holds 10 patents developed at K-C, where she ran the company’s innovation and enterprise growth organizations, including research and development, engineering, design, new business, global strategic alliances, environment, safety and regulatory affairs, and oversaw innovation processes, systems and tools. She serves on the Board of the Product Development Management Association and the Consumer Goods Research Advisory Board. She is also on the Board of Directors of the Governor’s Wisconsin Technology Council, the Fox Cities’ Performing Arts Center and the Georgia Institute of Technology External Advisory Board.

She’s in great demand as a speaker these days. In the last two months, she spoke at conferences on innovation in Miami, Denver, Scottsdale, Cincinnati and London, England. In January she will address a group of more than 50 chief executive officers from companies in South Africa.

She sees a great need among companies

Cheryl Perkins, former senior vice president and chief innovation officer with Kimberly-Clark, was named one of the “Top 25 Champions on Innovation in the World” in 2006 by Business Week magazine. She launched her strategic consulting firm, Innovationedge, in January. Photo by Shane Van Boxtel, Image Studios

that have watched their growth curves rise over the past couple of decades, only to flat-line as global pressures chew away their once comfortable market shares. Many are teetering on the edge of that line, on the verge of dropping off, spiraling downward. Perkins' goal is to meet them on that flat line and help boost that line back up — potentially in a vertical position.

"Companies are struggling, especially mature businesses in the United States, because of commoditization," Perkins explains, showing a slide from a presentation she gives on the innovation life cycle (shown on this page). "They are at this point of the peak (high), but then they don't have the next big thing. So they start to go into cost savings, head count reductions. They're losing volume and they're not growing. What we're trying to do is say, 'Let's start to think what's new and breakthrough.'"

Breakthrough ideas, which Perkins and her cohorts refer to as "disruptive innovations," have been less common in recent years than they once were. Such innovations turn an industry upside down, says Jeff Lindsay, a former K-C colleague of Perkins who joined her team in August as director of solution development. Lindsay holds a Ph.D. in chemical engineering, is a registered U.S. patent agent and a prolific inventor who patented 93 inventions while at K-C. He says the term "disruptive innovation" is sometimes used incorrectly as shorthand for "cool" products.

"Disruption is when your business essentially gets blindsided by a new innovation that you were motivated to ignore because it was going after your low-end customers or non-users," Lindsay explains.

The automobile was a disruptive innovation to the railroad industry. The Sony transistor radio, which put rock music in the hands of teens, was a disruptor to the Motorola console sold in furniture stores. Lindsay describes how the telephone was a disruptor to the telegraph.

"The invention of Alexander Graham Bell was offered to Western Union for

The team at Innovationedge gathers in their new office on Commercial Street in Neenah. Seated: Ashley Crikelair, design associate; and Jeff Lindsay, director of solution development. Standing, from left: Cheryl Perkins, Amy Spreeman, director of marketing strategy and communications; and Caryn Sudduth, financial analyst. Far right: Nicole Marshall, client relations manager; and Roy Luebke, director of capabilities development. Photo by John von Dorn, Image Studios



Innovationedge

A management consulting firm that specializes in strategic innovation and growth, providing comprehensive, innovative and targeted solutions to internal and external business challenges.

President: Cheryl Perkins, former senior vice president and chief innovation officer at Kimberly-Clark

Founded: January 2007

Employees: Seven

Web site:

www.innovationedge.com

\$100,000 a little over 100 years ago and the president of Western Union said, 'Who on earth would want that? It just lets you talk to someone across town.' Their business model was focused on rapid communication across the country, and when the telephone came out, you couldn't talk across the country, just across town. It didn't threaten their business. So they ignored it.

"You ignore these low-end innovations that siphon off a tiny end of your business, but these low-end innovations offer new convenience and low cost. That lets a competitor get a foothold. They keep improving that low-end innovation ... and that guarantees your death in a few years."

What's 'below the iceberg'

A given technology is not necessarily disruptive on its own, he says, it depends

on how it's positioned. Innovationedge works with companies to bring inventions and new products to market, strengthen intellectual asset strategies and improve innovation systems. Lindsay also advises inventors on patent applications and saving money on them through publications.

"Innovation is tough, it's painful, difficult and it takes dedicated, passionate people to really have a chance," says Lindsay. "But if we can help them position it in the right way by understanding the theory of disruptive innovation, by understanding the marketplace, by understanding the competitive forces, then I think we can really offer something to our clients by helping them position it."

Lindsay has been surprised to find that many inventors face obstacles they cannot overcome between developing a new product and bringing it to market.

"We talk about completing the circuit of innovation, as one of our themes, especially in the intellectual asset area," he says. "There are all these gaps that inventors face; they have this energy source or this great component, but if it's not connected to the market, not connected to the right channels, not connected to a good business plan, not connected to intellectual assets and a broad, 360-degree, holistic approach to intellectual assets, a circuit is broken. And if you don't close the circuit, all that energy sits there untapped. The potential is unused."

Some companies suffer "innovation fatigue." The inventions coming out of their research and development departments may not be aligned with their business needs. Patents gather dust on shelves. Or companies lay the groundwork for innovation, but fail to move forward.

Take the company WD-40, which



tapped Innovationedge to help with portfolio management of its diverse product mix, ranging from automotive oil to Lava soap and Carpet Fresh. The San Diego-based company, which employs fewer than 300 people and has annual revenues of about \$300 million, had created a team for new product development. Stephanie Barry, director of global innovation for WD-40 (also a “Top 25 Innovator” last year), says she was seeking software to help set priorities when she met Perkins at a conference in Boston. Perkins helped her see that deeper issues needed to be addressed.

“She brings the larger strategic vision, as opposed to just the tools,” says Barry, whose team is now working with Perkins on not only project management but also innovation strategies and the development of disruptive innovations. “It was clear to me that she’s been in the trenches, she knows the tools. But she has also done it. I found her assessments very insightful and very quick.”

The assessment process has the potential to be painful, because a company that needs help is asking for an honest, potentially harsh critique, Barry says. She says Perkins goes about it like a good dentist, easing the patient into the chair, applying the anesthetic and deftly pulling the bad teeth before the patient realizes what happened.

“She puts it in a way that is palatable for us and even for our executive team,” Barry says. “The value of Cheryl is, you bring her in and she walks you through it.”

Companies sometimes call on Perkins to arm them with tools to patch their problems. While she’s got everything they need in her toolbox or from her network of associates, they frequently discover that the root of the problem lies much deeper.

“Often what people focus on is the tip of the iceberg — the tools, the systems, the processes,” Perkins says. “In reality, that’s such a small piece of it. People don’t think about how important the environment and culture is. This is a really critical thing. Innovation is about changing behaviors and getting you to think and act differently, the values, the norms, the way we behave. I always say, the soft things — the way people behave, the way they act — are the hard things. All those things in the bottom of the iceberg are the really hard things to deal with.”

Hub-and-spoke approach

Perkins and her team help companies assess the way they approach innovation and help them put structure to the process. Roy Luebke, who brought credentials in Structured Innovation Planning from the Institute of Design at Chicago when

Perkins hired him in August as director of capabilities development, helps companies apply the latest tools and methods to their innovation strategies. He shows them how to incorporate them into an ongoing process.

“We are starting to see larger companies creating innovation labs and innovation centers because they have been trying to have innovation bubble up from the bottom,” Luebke says. “They’re realizing now that that’s very discom-
bulating.”

“You have to have the mindset within the company that says, ‘We have to change and evolve this organization,’ coupled with internal processes and people. You’ve got to have the right people skills, folks that are thinking creatively that are willing to adapt to the changes in the market. You’ve got to have people that are willing to look at things in a different way, to break the mold. And you have to be able to support them with internal processes that help them to be able to realize these new ideas and actually take it through the company and get it to market.”

Throughout the innovation process, Perkins taps experts in her “hub-and-spoke” approach to Open Innovation, with associates in San Francisco, Florida, Atlanta, New York, Illinois and Hawaii. For example, to help determine whether the right people are in the right positions to find success with a given strategy, Perkins calls in Dave Labno of Minneapolis-based Gatehouse Alliance, who offers communication training and facilitates group sessions for team solutions.

“Much of the research and our experience show that to create innovation, you need the right environment and workplace climate,” says Labno. “It comes down to this: people who look forward to going to work and know what to do with their colleagues’ work are much more likely to innovate.”

Beyond intensive work with companies, Perkins also offers event-driven education and training sessions. She recently addressed employees of Thrivent in Appleton.

“Hearing her speak within that context of innovation was very helpful,” says Mary Downs, director of Thrivent Financial Fitness Clubs, who invited Perkins to talk to her team. “It has allowed me to think differently with what we are doing and how we measure success and future product innovations. There’s an entirely different infrastructure that needs to work with innovation. You need a different way of thinking about your human resources, your metrics. If you use the same metrics of success that you use in other parts of your business, you will likely kill innovation.”

Innovation, of course, is fraught with threats from many angles, from lack of commitment to failure to take risks to financial losses if new products fall flat.

“One of several things I really like about Cheryl Perkins is that she takes measured risks,” says Perell, who is working with Innovationedge to bring his PopPack patented inventions to market, including methods of using air to make food and medicine packages easier to open. “She understands that risks are part of a startup company. She also understands that you must innovate, and if you don’t take the risk to come out with novelties and innovations again and again — many of which will fail — she will guarantee: you’ll never succeed if you don’t try.”

For Perkins, the risk of starting her own company has paid off quickly. Innovationedge has been profitable since mid-summer, which has allowed the company to invest in its facilities and employee training. Perkins expects to hire another three to five full-time employees by the end of this year.

She anticipates her contract with the Russian government will lead to further work with governments worldwide. She is eager to begin working with local companies, as well.

“We have a global portfolio, a U.S. portfolio and now we are trying to build a regional portfolio,” she says. She is involved in the formation of a Fox Cities alliance to partner on projects with companies in the finance, human resources and information technology industries. “It supports further what New North is trying to do and really advancing the economic development in the Northeast,” she adds.

As a wife and mother of two sons, one at Marquette University and the other at Xavier High School, she knows the challenges of work-life balance. (One of her favorite target markets for new products are “alpha moms” like herself.) Recognizing that women in leadership positions need mentors and sounding boards, she is involved in the formation of a professional alliance of women executives in the Fox Cities, called the Women’s Leadership Forum, or “Wolf Pack.”

Perkins concedes that embracing innovation is difficult for many companies, particularly those that must answer to shareholders, because they are focused on the immediate needs of the day-to-day business. But any company that hopes to survive must include innovation plans for the long-term, she says.

“What we’re trying to do is plant the seeds for the future, to help companies realize you can do a little of this seed planting ... and in three to five years you’re growing flowers and trees.” **M_P**