

Innovation – let the good ideas flow

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Recently, when visiting our Engineering Team for a review meeting, our Engineering Manager Chris Browell recounted an interesting anecdote which left me pondering. He said, “To the optimist, the glass is half full. To the pessimist, the glass is half empty. But to the engineer, that glass is likely twice as big as it really needs to be.”

Beyond the irony of his teasing our engineers, when his statement sunk in it made me contemplate how companies that are driven largely by an engineering focus (as is the case in our industry) can structure themselves to react to what customers really expect from them. It left me wondering how some companies seem to get this right all the time.

Today it is quite common for most companies to talk about being ‘innovative’. However, most businesses continue to be dominated by a historical product-line and/or a manufacturing or channel focus, which generally places little value on understanding the real needs of the customer. This leads to a product or channel development cycle independent of customer requirements or expectations, leading at first to slow evolution of the market, but with the potential for rapid dissonance when change does take place.

To be truly effective through innovation, successful companies learn how to first develop an understanding of the core needs of their customers and then alter their product, manufacturing, service, distribution and pricing strategies to meet these objectives.

I was fortunate enough to be a part of a similar process we launched at Mack Valves recently, which involved a European industrial gas major in the Asia-Pacific region. Our customer

required us to develop a product we had never manufactured before. The product not only had some uniquely technical cryogenic specifications, but would be produced to a small order quantity. We chose to put in place a working-group that would fully understand the challenge and make the decision on how to proceed.

The customer-centric innovation process that we implemented relied on a working group of cross-functional teams spanning all of our business-lines and functional departments. This group worked closely with the customer through focus-group exchanges in person

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and through video and teleconferences, to develop a healthy understanding of what our customer really cared about. Despite being a customer of ours for many years, our working group endeavoured to forget what we knew about one of our most important customers and instead chose to view this as a first date, or first romance – a first time opportunity to get things right!

The result was that we not only were able to develop an exceptional new cryogenic valve product, but also one that closely followed and delivered on the needs of our customer. These were a unique set of technical cryogenic specifications, delivered in small quantities at a cost-effective price that did not disadvantage their project and finally, were delivered on time, built to last and operate safely. More importantly, our own objectives of developing a closer relationship with our major customer

and at the same time launching a new product line were met. The project not only allowed us to earn the confidence of a major customer, but more hearteningly brought our teams closer together – helping us make the spirit of innovation an intrinsic part of the Mack Valves culture. Internally, in jest, we refer to this as Mack 2.0

Creating a culture of integration

It is true that ‘culture eats strategy for breakfast’. No new initiative in any organisation can really be successful if the culture of the organisation does not allow for its success. Our working-group helped launch our Mack 2.0 effort as it entailed people from all our cross-functional areas working together, both in Asia and Australia, to understand our customer intrinsically, under promise, but deliver well over their expectations.

We learned that working in a close environment of trust with our customer allowed us to implement a new mechanism for rapid prototyping. We invited our customer decision-makers to each milestone review meeting, including the virtual design proof of concept and the physical prototype testing. An environment was created where failures were an acceptable part of the process and meant to be learned from. We also learned that keeping our customer close during the design innovation process meant that we saved months during the prototyping and validation phase.

Our product launch happened ahead of schedule, at a design cost far lower than we had anticipated, and allowed us to roll out the manufacture partly in Australia but also at our new factory in India – something we had not anticipated to be able to do so early in the lifecycle. Our lessons in sustainable innovation were breathtakingly simple, but so easy to forget as an organisation grows. At Mack Valves, it has helped us to *Let The Good Ideas Flow*. 