

# 1.4 The Innovation Quiz

The chart below poses some key management, market, technical, and financial questions. These are the four main areas associated with most innovation projects. Complete the quiz and consider your results. There is no scoring involved with the assignment, but the outcome may help you identify areas of strength and weakness and provide some “food for thought.”

CRITERIA	QUESTION	YES	NO
<b>MANAGEMENT</b>			
Entrepreneurial team	Strong in key areas?	<input type="checkbox"/>	<input type="checkbox"/>
Stress tolerance	Thrives under pressure?	<input type="checkbox"/>	<input type="checkbox"/>
Risk/reward tolerance	Cuts in salary, long hours acceptable, calculated risk taker	<input type="checkbox"/>	<input type="checkbox"/>
Strategic fit	Opportunity fits with the overall mandate of the organization	<input type="checkbox"/>	<input type="checkbox"/>
Flexibility	Able to adapt, commit and de-commit quickly	<input type="checkbox"/>	<input type="checkbox"/>
Strategic alliances	Partnerships and relationships formed to offset management weaknesses	<input type="checkbox"/>	<input type="checkbox"/>
<b>MARKET</b>			
Market	Market driven product, generating recurring revenue	<input type="checkbox"/>	<input type="checkbox"/>
Customers	Easily reachable and will buy	<input type="checkbox"/>	<input type="checkbox"/>
User benefits	Payback to customer is quick	<input type="checkbox"/>	<input type="checkbox"/>
Value added	High and advanced impact on market	<input type="checkbox"/>	<input type="checkbox"/>
Market structure	Limited competition	<input type="checkbox"/>	<input type="checkbox"/>
Market growth rate	Market exhibits medium to strong growth	<input type="checkbox"/>	<input type="checkbox"/>
Market capacity	Market is undersupplied	<input type="checkbox"/>	<input type="checkbox"/>
Pricing structure	Pricing offers good profit margins	<input type="checkbox"/>	<input type="checkbox"/>
Manufacturer's control over costs, prices, and distribution	Moderate to strong	<input type="checkbox"/>	<input type="checkbox"/>
Proprietary protection e.g. strong patents and trademarks	Have or will gain	<input type="checkbox"/>	<input type="checkbox"/>
Contacts and networks	Well developed and accessible	<input type="checkbox"/>	<input type="checkbox"/>
Distribution channels	Networks in place	<input type="checkbox"/>	<input type="checkbox"/>
User needs and wants built into product definition	Research demonstrates strong market demand for product	<input type="checkbox"/>	<input type="checkbox"/>
<b>TECHNICAL</b>			
Product timing	New to market	<input type="checkbox"/>	<input type="checkbox"/>
Technology	Leading edge	<input type="checkbox"/>	<input type="checkbox"/>
Has technology been assessed / evaluated	By a qualified 3rd party	<input type="checkbox"/>	<input type="checkbox"/>
Technical risk factor	Manageable level of risk	<input type="checkbox"/>	<input type="checkbox"/>
Patentability	Free of infringement issues, etc.	<input type="checkbox"/>	<input type="checkbox"/>
Development cycle	Reasonable time frame for given industry	<input type="checkbox"/>	<input type="checkbox"/>
Compatibility	a) Is your technology compatible with other related systems? b) Is the technology being developed considered "Platform" technology?	<input type="checkbox"/>	<input type="checkbox"/>
Spin-off products	Technology from which other products can be developed?	<input type="checkbox"/>	<input type="checkbox"/>
<b>FINANCIAL</b>			
Time to positive cash flow	Reasonable time frame according to industry standards	<input type="checkbox"/>	<input type="checkbox"/>
Capital requirements	Reasonable considering company's financial strength	<input type="checkbox"/>	<input type="checkbox"/>
ROI potential for project	Acceptable level for investors	<input type="checkbox"/>	<input type="checkbox"/>
Projected sales growth	Sufficient to sustain and grow operations	<input type="checkbox"/>	<input type="checkbox"/>
Financial partners have committed to invest in project	Investors lined up	<input type="checkbox"/>	<input type="checkbox"/>
Owner/entrepreneur has cash available to finance operations	Demonstrated cash flow available	<input type="checkbox"/>	<input type="checkbox"/>