INNOVATION DILEMMAS: GENERATION VERSUS SELECTION OF IDEAS

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Google has generated dozens of products but have they all been them a resounding success? Nothing could be further from the truth: see the list of products abandoned by Google. Even the best companies in the world have difficulty selecting ideas to bring to market...

Although it is necessary for companies to encourage the generation of ideas, it may be even more critical to manage their prioritization and selection: management of the *pipeline*, of innovation it is a key activity in an innovative organization. Companies face the challenge of knowing how to choose which ideas to develop, how to prioritize them, what investment effort each one requires and how to test them in the market at the lowest possible cost. **Today there are revolutionary management methodologies that integrate the selection and prioritization of ideas in the execution of projects.** These frameworks are of great value in the execution of truly innovative projects, where uncertainty is very high.

In this sense, the classical theory of project management offers some methodological bases, but unrealistic in the current environment of enormous uncertainty. Classical methodologies are based on a waterfall approach (waterfall methodology) in the an idea is chosen, a project is established with fully defined requirements and **the execution of the project is fixed almost exclusively on the fulfillment of these requirements**. This scheme, largely derived from the civil engineering and architecture sectors in which the assumptions remain constant throughout the project **are not of great application in much more dynamic projects as is often the case with software generation. , e-commerce projects or mobile applications**, in which the result of the product-market combo is usually much more uncertain. A software project does not work when it does not give errors, as many engineers think, but when it reaches the market for which it is oriented: hundreds, thousands or millions of users depending on the case. This is true in general for any innovation project, in which there is usually a high degree of internal (in terms of technology, process, etc.) or external (in terms of the market, user experience, etc.) uncertainty.

In the evolution of these theories, **models such as the stage -gate are most applicable in true innovation projects**. The stage-gate model forces the project to be divided into successive phases of execution, establishing at the end of each phase an evaluation of the continuity and orientation of the project. The process can be as sophisticated as desired, establishing sets of independent criteria at each "door": based on market tests, trends, investments, times, costs, etc... This model seeks to minimize the effort invested in ideas and innovation projects of uncertain success.

Evolving this concept further, appear the **lean entrepreneurship methodologies , the customer development**, or in the field of software the agile development, scrum, extreme programming... These are methodologies that seek to change the classic management methodologies used in engineering, **incorporating in one way or on the other, the market variable**. These methodologies tell us engineers: "*No, you can't code a function and think that if it doesn't fail you've done your job. You have to go all the way, try to understand why the user doesn't like it, and change your programming over and over again until the function really works, that is, in the market. And you must do this in the shortest time and with the lowest possible cost*"

In these models, **the selection and prioritization of ideas is not a phase that is executed**

before starting a project, but rather a task that is more embedded in all phases of a project. Many theorists get goosebumps, but yes, **an entrepreneurship or innovation project can start out as a software for architects, for example, and end up being a B2C portal to decorate houses...** .

The basic question is that in truly innovative projects, uncertainty is very high and the project's main objective is to continuously test the product on the market until it achieves this *product-market fit*: the product-market fit. PayPal began as a student loan network, Groupon a website oriented to the performance of social groups, Facebook a website to choose the most attractive girls, etc. In these projects, the founders did not sit down making strategic proposals on the first day until they chose the final product. **On the contrary, they executed the prioritization of ideas and concepts continuously, throughout the execution of the project until they designed a successful product.** The paradigm shift is essential.

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