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**Article Title: "Target Areas For Change "**

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A properly primed work force can come up with plenty of new ideas and solutions to improve a company. But no company can be innovative everywhere at the same time.

So it's important to target your efforts carefully. That way, you avoid wasting energy in areas less likely to produce profits or a market splash. While no capability or function of a company should ever be ignored, sometimes relying on a best-practice solution will work.

Deciding what to change can be trickier than one might expect. What's strategic to one company may well be less critical to another, even for those in the same industry.

**Stephen Shapiro**, consultant and author of "24/7 Innovation," covers this subject extensively when coaching executives.

In one exercise, he calls on participants to consider a typical set of capabilities common to insurance companies - things such as underwriting, claims fulfillment, new product development, customer service, managing revenue, managing distribution channels and marketing.

What function should get priority? It all depends on the company, **Shapiro** says. He explains his point using Unum Insurance, Progressive Insurance and USAA as examples.

While claims processing is core to all insurance companies, it's a standout for Progressive, which has used its skill in that function to become one of the most profitable firms in the industry, **Shapiro** says.

Meanwhile, Unum, a leader in disability insurance, makes its mark with its skill in assessing and pricing risk, so underwriting would likely be the capability most worthy of its innovation efforts.

And USAA, which targets mostly military servicemembers and their families, would probably be better off targeting customer service due to the special needs of its often "mobile" clientele.

**Shapiro** suggests that when choosing a target for innovation, keep the following points in mind:

You can always improve on great. Some capabilities key to a company might be low on the list for improvement, as they are already performing well. Still, these should be subjects of a constant quest for innovation, because a well-performing capability will deteriorate if left alone.

Avoid the squeaky-wheel syndrome. Some companies target those functions that make the most noise. They rush to fix the problem, believing that just because a wheel squeaks it must need oil the most.

"When oil is a scarce resource," **Shapiro** said, "there may be better uses for it than the mere removal of

an aggravating noise."

Don't play it too safe. Some companies set out to improve a function that's safe, or not of sufficient value to matter if things go badly.

"The problem with this approach is that it also won't matter if the improvement goes terribly well. Nobody will notice," **Shapiro** said. "And even if they do, chances are that they will think that the capability is of low value and therefore unimportant."

Think big picture. Changing one task is bound to have an effect on others. Once you've selected the area for change, try to identify at an early stage how it's going to fit in with other operations and with the business as a whole.

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