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# From Uncertainty to Impact: Innovation Management

By: [Tiago Lopes](#)

Innovation is the process of translating an idea or invention into a product or service that creates value that customers are willing to pay for. It inherently involves a degree of uncertainty regarding the problem, the solution, and the market.

In the telecoms sector, competitive threats and rapid technological change mean that innovation is not just an advantage. It's a competitive necessity.



For CEOs, monitoring innovation closely is imperative because, despite the risk, it is not optional. Innovation keeps organizations relevant in the market, enables growth, and attracts investors' interest.

Innovation is a key driver of organizational change, the adoption of new technologies, and the development of new skills. It paves the way for new products, services, and business models (see figure 1).



Figure 1

Corporate innovation: balancing horizons for long-term impact

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Corporate innovation isn't a one-size-fits-all effort but an evolving process, depending on market maturity, technological readiness, and strategic goals.

## 3-horizon innovation model

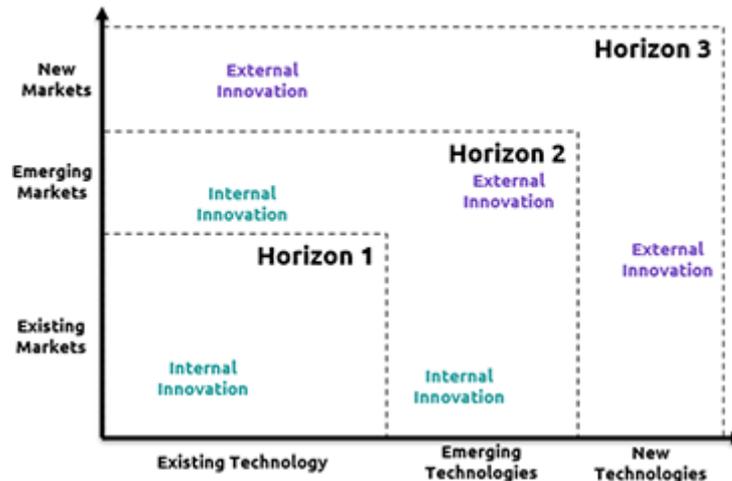


Figure 2

Each horizon represents a different level of innovation maturity:

A widely used model to guide this approach is the Three Horizons Framework, which helps companies manage different types of innovation based on time horizon, uncertainty, and opportunity (see figure 2 above).

**Horizon 1** focuses on core business improvements - incremental innovation to optimize and enhance existing products, services, and processes.

**Horizon 2** explores adjacent opportunities - emerging ideas and technologies that can create new business models or extend current capabilities.

**Horizon 3** targets transformational innovation - bold bets that may disrupt the market or create new industries.

For CSPs, Horizon 1 might involve optimizing billing platforms or customer self-service portals; Horizon 2 could explore adjacent opportunities like IoT platforms or private 5G; and Horizon 3 may involve disruptive ventures into digital identity, AI-based service orchestration, or network-as-a-service models.

Organizations that work across multiple horizons often structure themselves accordingly, with dedicated teams and strategies for each level. Horizon 1 teams typically leverage internal expertise to drive continuous improvement. At the same time, Horizons 2 and 3 require teams that can operate in greater uncertainty: scouting ventures, forging partnerships, and embracing risk in the pursuit of breakthroughs. These latter stages often involve larger investments and external funding, including venture capital..

## Navigating innovation with purpose

At every Horizon, the goal remains the same: understand customer needs, validate promising solutions, and identify viable markets while minimizing early-stage investment. As ideas move through the innovation journey and uncertainty is reduced, investment naturally scales up (see figure 3 on next page).

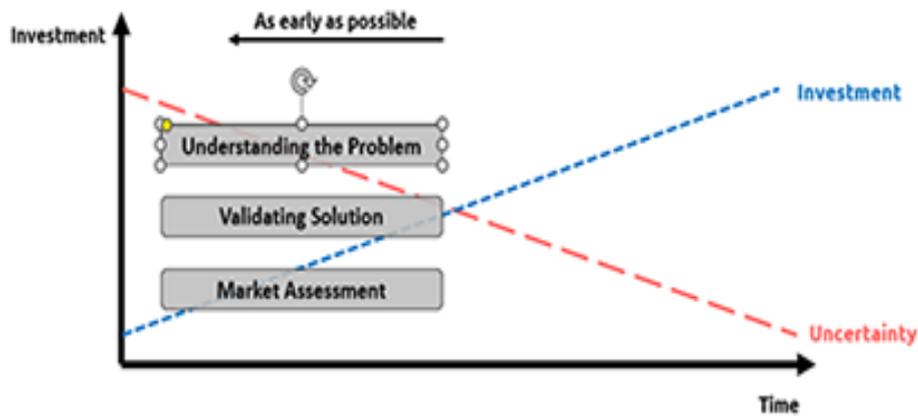


Figure 3

[click to enlarge](#)

Importantly, innovation isn't limited to product development. New services, business models, and organizational transformations can drive lasting change. Many of the most impactful innovations come from rethinking how value is created and delivered, not just what is being built.

That's why innovation management plays a central role in the modern enterprise. Establishing clear strategies, identifying focus areas, and implementing structured innovation processes ensures that creativity is transformed into measurable results. When managed effectively, innovation becomes a repeatable engine of growth and resilience.

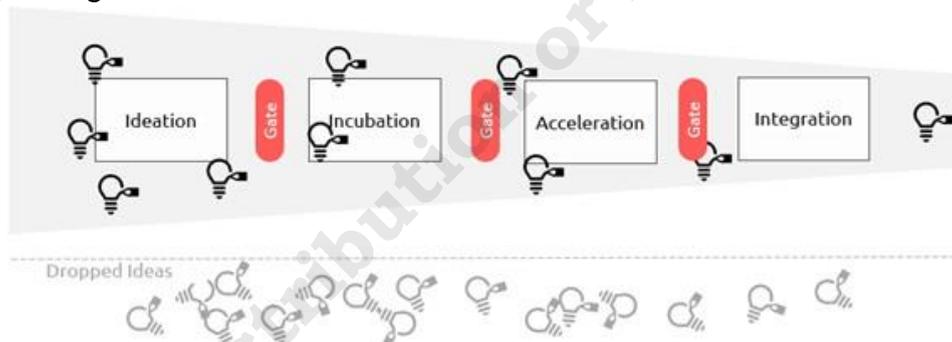


Figure 4

[click to enlarge](#)

## Innovation and acceleration funnel

Managing innovation in the face of uncertainty requires structure without stifling creativity. One proven approach uses an *innovation funnel*, a strategic framework that organizes innovation into clear stages and decision gates. It guides investment, focuses resources, and supports informed decision-making throughout the innovation lifecycle (see figure 4 above).

At a high level, the funnel typically includes the following phases:

**Ideation**, where ideas are generated and shaped into early concepts.

**Incubation**, where small-scale investments help reduce uncertainty by testing assumptions and validating desirability, feasibility, and viability.

**Acceleration**, where promising innovations are developed into products or services (e.g., MVP releases) and introduced to the market.

**Integration**, is when successful innovations are embedded into the organization by expanding existing operations or establishing new business models and units.

These phases can be tailored to suit an organization's strategy, size, and budget. Predefined success criteria at each gate ensure that progress is measured and decisions on whether to invest further or pivot are made confidently and efficiently.

Beyond the process: making innovation work

While the funnel offers a solid structure, it's more than just a series of stages and checkpoints; it's a mechanism to balance ambition with execution.

In most organizations, day-to-day business operations like sales, delivery, and customer support are optimized for efficiency, often competing with innovation for time and talent. To succeed, innovation efforts must be deliberately planned, staffed, and shielded, ensuring that each phase has the dedicated resources it needs to thrive.

This is why many CEOs invest heavily in sustained innovation: they understand that it is not a side activity but a strategic priority. Their involvement brings visibility and support to projects, helping allocate resources, resolve trade-offs, and keep momentum high.

For innovation to deliver tangible business outcomes, organizations must design great ideas and manage them with discipline and intention. Regular monitoring of the innovation funnel, strong leadership support, and the empowerment of innovation managers are all essential to driving consistent, scalable impact.

## Cultural foundations for innovation

Woody Allen once said, "If you're not failing every now and again, it's a sign you're not doing anything innovative."

Fostering a thriving innovation culture demands the right mindset. Two cultural foundations are fundamental: embracing experimentation and enabling confident decision-making..

Organizations that innovate successfully build an environment where experimentation is encouraged, and every idea, even those that don't make it to market, is seen as a learning opportunity. This culture recognizes creativity and effort, celebrates lessons from unsuccessful attempts, and values progress over perfection.

Innovation also requires organizations to move with agility, especially in the face of uncertainty. Teams must be empowered to act on the best information available at the time - to pivot, persevere, or pause - trusting that each step contributes to the greater goal. Fast, data-informed decision-making is essential.

To support this, organizations should clearly define success and failure at each stage of the innovation journey. By establishing gating criteria early on, teams can make confident, rational decisions about advancing or exiting ideas. This approach turns uncertainty into strength and ensures that resources are focused on where they will have the most impact.

## Design thinking as a catalyst for innovation

Innovation and *design thinking* go hand in hand because they are fast-paced, data-driven, and keep people at the heart of the process. Design thinking fosters a deep understanding of customer needs,

encourages creative exploration of solutions, and ensures alignment with market demand and business goals.

At the core of design thinking are three essential *lenses* that guide successful innovation: *desirability*, *feasibility* and *viability*.

## Desirability: the human lens

This lens focuses on understanding what people truly need, feel, and value. It helps identify the most meaningful problems and opportunities that customers are most motivated to solve and willing to invest in. Too often, organizations eager to build solutions may skip this step, leading to misaligned products that don't resonate with users. A strong emphasis on desirability helps teams design with empathy - and avoid that trap.

Design thinking's *empathize* and *define* phases allow teams to uncover customer pain points ("pains") and aspirations ("gains"), ensuring the innovation effort is rooted in real human insight.

As CSPs transform from telco to techno, design thinking helps teams understand latent customer needs, from frictionless onboarding to proactive service assurance.

## Feasibility: the technical lens

Feasibility considers whether a solution can be built and operated effectively with available technology, skills, and resources. Through the *ideate*, *prototype*, and *test* phases, innovation teams explore new technologies, challenge conventional thinking, and validate ideas through user feedback. This hands-on approach ensures that ideas are not only imaginative but executable.

Teams are encouraged to experiment with unfamiliar tools, think creatively about constraints, and continuously refine their solutions for speed, efficiency, and scalability.

## Viability: the business lens

Viability ensures that innovation efforts are economically sound and aligned with long-term business strategy. It's about balancing creativity with commercial reality.

This lens helps teams evaluate whether an idea can generate sustainable value – by analyzing target markets, customer willingness to pay, and total cost of ownership (including roadmap, support, and maintenance). Incorporating viability early helps avoid wasted investment and ensures a clear path from concept to value creation.

Design thinking empowers teams to move quickly, make informed decisions, and focus resources on the ideas most likely to succeed. Successful innovation emerges when these three lenses work together. That's why innovative organizations cultivate a design thinking mindset, where desirability, feasibility, and viability are continuously revisited throughout the innovation process.

While creativity fuels the innovation engine, this structured, human-centered approach steers it toward measurable impact and business growth.

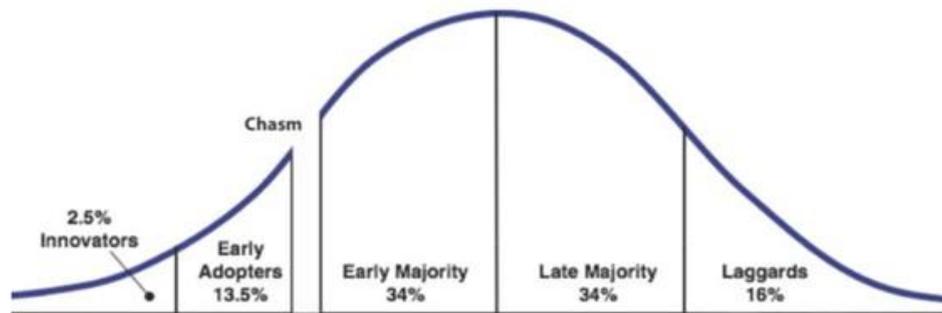


Figure 5

This is where the opportunity to create real market momentum lies.

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## Go-to\_market: Turning innovation into impact

One of the most exciting moments in the innovation journey is taking an idea to market.

Yet, bringing innovation to the market can be challenging. Most decision-makers naturally prefer proven solutions with strong references. Geoffrey Moore outlines in *Crossing the Chasm* that this is part of the adoption curve: while the majority waits for maturity, early adopters thrive on vision.

During the *acceleration* phase of the Innovation Funnel, the focus shifts from validation to action, beginning with finding your first customers.

Organizations should focus their go-to-market efforts on Innovators and Early Adopters - forward-thinking customers who are open to new ideas, willing to explore emerging value, and excited to help shape the future. These partners do more than buy a product; they co-create the experience. Their feedback is authentic, their use is real, and their investment is a powerful signal of market readiness.

In the telecoms sector, early adopters may include enterprise customers co-developing edge services or municipalities piloting innovative city applications powered by 5G and AI. At [Cerillion](#), we help telecom companies accelerate this journey through creative solutions for BSS/OSS transformation, customer experience, and monetization.

## Partnering for success: co-innovation as a launch strategy

A strong early adopter partnership can become a launchpad for success. When organizations invite these customers into a co-innovation model, they unlock several critical advantages:

**Clarifying the Minimum Viable Product (MVP)**, ensuring the right features are built for real needs.

**Bringing innovation to life**, moving beyond ideas to working solutions.

**Focusing innovation efforts**, prioritizing what truly matters to users.

**Enabling real-world feedback**, continuously refining the experience in-market.

**Creating a live customer reference**, a powerful story that helps scale awareness and sales.

Organizations generate momentum by building early traction with engaged partners, validating the market, and laying the foundation for broader adoption. Go-to-market is not just about launching but also about learning, iterating, and proving value in the real world.

## **Embracing the future: the call to innovate**

Innovation is not a destination but a continuous growth, adaptation, and transformation process. It is the nurturing force of any thriving organization, fueling progress and ensuring long-term success.

Structured innovation management is vital, balancing ambition and execution and the cultural foundations necessary for fostering a creative and agile environment. However, the true power of innovation lies in its ability to inspire change and modernization within organizations.

To truly embrace innovation, leaders must cultivate a mindset that encourages experimentation, values learning from failure, and empowers teams to make confident, data-informed decisions. This cultural shift is essential for creating an environment where creativity can thrive, and groundbreaking ideas emerge.

Moreover, integrating design thinking into the innovation process ensures that solutions are technically feasible, economically viable, and deeply aligned with human needs and desires. By keeping people at the heart of innovation, organizations can create products and services that resonate with customers and drive meaningful impact.

As you reflect on the principles and strategies discussed, consider how they can be applied within your own organization. Challenge yourself and your team to think beyond the status quo, explore new horizons, and embrace the uncertainty of innovation. Remember, the most successful organizations continuously evolve, adapt, and push the boundaries of what is possible.

Innovation is a journey that requires dedication, vision, and a willingness to take risks. It is a call to action for leaders and teams to work together, harness creativity's power, and drive lasting change. By embracing innovation, CSPs can future-proof their operations, unlock new revenue opportunities, and pave the way for a brighter, more dynamic future.