

DECALOGY OF COOPERATIVES MANAGEMENT

3

**MANUAL ON
INNOVATION
FOR COOPERATIVES**

ABSTRACT

The Innovation Manual aims to join cooperatives in their journey in pursuing innovation within their organizations. It intends to normalize the idea of innovation and give cooperatives more confidence in purposively searching for various gaps and opportunities in improving or developing its products, processes, systems, and/ or technologies. The framework used is an approach called Design Thinking, which is composed of five main steps: (1) Empathy, (2) Challenge Definition, (3) Ideation, (4) Prototyping; and (5) Testing. The manual not only guides the entire process of problem-solving but also formalizes and documents the step-by-step implementation of the prototyped and tested solution through the second section of Innovation Management. It allows cooperatives to record all their innovation efforts with the intention of putting systems in place in order to establish the innovation culture and processes of the entire cooperative. After learning and accomplishing this manual, cooperatives should have been able to develop and implement more innovation efforts, and hopefully, this would just be the beginning of a continuous improvement mindset in the organization so as to better serve their intended members and customers.

ACKNOWLEDGEMENT

This manual was written by **Melissa Anne DS. Balmaceda and Aaron Angelo C. Frio**, under the supervision of **Dr. Eduardo A. Morato, Jr.**, Chairman and President, Bayan Academy for Social Entrepreneurship and Human Resource Development, Inc. The authors also acknowledge with much gratitude the assistance and guidance of members from Bayan Academy and NATCCO. This is part of the NATCCO Knowledge Resource Center Project from April 2018 to May 2019. Copyright 2019.

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I. FOREWORD

The Innovation Manual for Cooperatives was commissioned by the National Confederation of Cooperatives (NATCCO) to the Bayan Academy for Social Entrepreneurship in pursuit of its vision to build a Knowledge Resource Center which would aid cooperatives that are part of their federation. The manual follows the framework and process of the Design Thinking approach, as popularized by the US design company, IDEO. It also gives credit to many valuable resources, such as readings and publications by Dr. Eduardo A. Morato, Jr. (A Trilogy on Entrepreneurship, 2013), and articles on Innovation Management. It contains both international case studies from various industries, and local examples from cooperatives under the NATCCO network which have shown tremendous moves in the field of innovation. The manual serves as a step-by-step guide in which any member of the cooperative can consult, accomplish, and be guided by as a means to improve the business. The goal is for every cooperative member to take a more proactive role in searching for improvements and innovations that could create more value and a better member or customer experience.

The Innovation manual is included in a ten-part series developed for cooperatives by Bayan Academy for Social Entrepreneurship in partnership and coordination with NATCCO. This learning material is also complementary to the programs and courses facilitated by Bayan and could be a source of foundational concepts which would be apt for anyone who intends to develop Innovation initiatives, both students and employees alike. The key is to follow the steps in the manual in order to develop customer-centric and effective solutions, whether in the form of new products or services, improved processes and systems, or creation and adoption of new technologies.

II. HOW TO USE THE MANUAL

This manual is designed for cooperatives to adopt and purposively practice innovation as part of its processes and functions. It intends to introduce the process of innovation to cooperatives and to present a structure in brainstorming and conceptualization for their members through the Design Thinking process. By following its five (5) steps, the creativity, problem-solving, and critical-thinking skills of cooperatives and its members will be harnessed. On the other hand, the second half of the manual, aims to aid cooperatives in documenting their efforts and innovations. Having an organized and proper documentation process - especially in practicing innovation - allows for a professional and efficient process, one that they can continuously build on for succeeding innovation efforts.

The Innovation Manual follows a step-by-step process of Design Thinking, but allows for several rounds, especially for the ideation, prototyping, and testing stages. As cooperatives maneuver through the manual, it is presented with three (3) main components:

- a. Design Thinking Process – This part of the manual takes the cooperative through a creative and problem-solving process, which will allow them to identify gaps and opportunities for various innovations to spring. It includes different frameworks, strategies, and processes that would facilitate and guide the brainstorming, prototyping, and testing of the cooperative's innovation efforts.
- b. Case Studies – The case studies narrate brands who are likewise hoping to expand its products or deliver better services. Their stories present best practices which NATCCO cooperatives could take inspiration from, iterate, and contextualize for their respective situations and cooperatives.
- c. Exercises and Forms – Numerous exercises are included to guide the cooperatives as they undergo the creative process and implement the ideas afterwards. It takes the cooperatives through every necessary step and provides guide questions and examples as a means to aid the them in each stage. Templates of the forms to be accomplished and how-tos on managing the innovation efforts are also included for cooperatives to be able to adopt innovation in its processes as seamlessly as possible.

The Innovation Manual is intended to be an ongoing effort of a cooperative, one that continuously grows, changes, and gets build on throughout the years. It is hoped that by the end of accomplishing this manual, the cooperative and its members would have a better grasp of what innovation is, how it is done, and what entails to implement the brainstormed ideas. As the cooperative purposively continues to practice innovation, it is hoped that innovation would be made second nature to every member and that they will adopt a growth mindset moving forward.

MANUAL ON INNOVATION FOR COOPERATIVES

Innovation is a word often associated with large multi-national companies and well-known conglomerates. But, innovation – no matter how small – is essentially “making changes in something established, especially by introducing new methods, ideas, or products”¹. What this means is any effort that an organization or cooperative puts into improving any part of its business – whether its product, service, procedure, or technology – is basically a product of innovation. Therefore, innovation should not be a daunting task for the cooperatives but should be treated more with an open and inquisitive or curious mind to always pursue to better or improve the workings of your organization.

Innovation is a rather *new* or still unexplored space in cooperatives. Not many cooperatives have this function and practice this as extensively yet. Therefore, this manual aims to plant a seed of curiosity among cooperative members and to let this be a starting point in which cooperatives can push for better products, services, and procedures. Through the proposed 21st century approach called Design Thinking, the reader is expected to be more intentional in finding the gaps or the problems within the workings of the cooperative and to seek for the most suited solutions and innovations to address these identified needs.

This manual is meant to be a step-by-step guide which will take the readers through the process of Design Thinking and aid them in structuralizing the cooperative’s journey in managing innovation. It will also include various frameworks, strategies and worksheets that would document the entire innovation process.

¹ Oxford. (2019). Retrieved from Oxford Living Dictionaries:
<https://en.oxforddictionaries.com/definition/innovate>