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A Study on Creation of Innovative Ideas through Rediscovering Corporate Values in Kitakyushu City

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〈要旨〉

古くから「ものづくりのまち」として栄えてきた北九州市には、製造業から卸業、IT 企業に至るまでさまざまな業種がある。一方で、働き手不足や、労働生産性の向上といった地方都市ならではの課題は恒常的に存在し、イノベーションの創造と推進が喫緊の課題となっている。本研究では、120年以上の歴史をもつ北九州市の一企業を事例として、MIT 研究者による新しいイノベーションのコンセプトと LEGO ブロック活用した研修を通して、企業価値の再発見と課題解決が可能か検証する。

<Abstract>

Kitakyushu City, historically known as a 'manufacturing city', hosts diverse industries ranging from manufacturing and wholesale businesses to IT. At the same time, the city faces a constant challenge typical to regional cities such as labor shortage or productivity improvement. To resolve such challenges, realizing innovation has become an urgent issue. This study examines the possibility of rediscovering corporate values and solving problems, by utilizing a new innovation concept developed by MIT researchers leveraging LEGO bricks. The case study focuses on a company in Kitakyushu City which has a history of over 120 years.

<Key Words> Innovation, Small and Medium-sized Enterprises, Regional Development, LEGO® SERIOUS PLAY®, Corporate Value Rediscovery

I. Introduction

1. Small and medium-sized enterprises and Innovation

Companies, regardless of their size, are expected to respond appropriately to the changing business environment. One of the most promising options for companies to respond to the environmental changes around them is to change the products and services they handle. The creation of new products and services is sometimes expressed to a word as "innovation". In short, innovate to create new products and services, which could lead to acquiring new customers or the new market development.

The Oslo Manual 2018, the international standard on innovation statistics by the OECD, states that "An innovation is a new or improved product or process (or combination there of) that differs significantly from the unit's previous products or processes and that has been made available to potential users (product) or brought into use by the unit (process)." [OECD, 2018: 20]. According to this definition, in addition to developing new products and services and offering them to customers, innovation also includes efforts to change production methods and business practices to increase effectiveness and efficiency of corporate activities.

From this perspective, it is worthwhile to question how many companies are engaged in innovation. According to the "National Innovation Survey 2022" conducted by the National Institute of Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, "During the three years from 2019 to 2021, 51% (229,725 firms) of the target population (448,348 firms) were engaged in innovative activities (product innovation [new or improved products introduced to the market] or business process innovation [new or improved business processes introduced in-house]) ". [MEXT, 2023:4]. Of the target population, 32% of the companies reported that they had realized innovations.

When analyzed by company size, of all the small companies (10 to 49 employees) in Japan, 49% of the innovation participation rate, while their innovation realization rate is 29%. As for medium-sized companies (50 to 249 employees), the participation rate is 57% and the realization rate is 40%. For large companies (250 or more employees), the participation rate is 69% and the realization rate is 55%. It is clear that the smaller the size of the company, the lower the rate of innovation participation and the lower the rate of innovation.

Additionally, the number of companies that succeed in product innovation is 10% for small, 13% for medium-sized firms, and 24% for large firms. On the other hand, the realization rate of business process innovations is 26% for small firms, 37% for medium-sized firms, and 50% for large firms. Product innovation has a lower realization rate than business process innovation. Generally speaking, a tangible product is more visible and its changes can be perceived easier than changing business processes. These date indicate the

smaller the company, the more difficult it is to achieve innovation both in product innovation and business process innovation.

2. The reality of innovation in small and medium-sized enterprises in Kitakyushu City

From the perspective of medium to long-term regional maintenance and development, it is critical for Kitakyushu City companies to innovate. According to the "2022 Survey of Small and Medium-sized Enterprises in Kitakyushu City," the most common management issue cited is "poor business performance and declining sales" (48.4%), while the most frequently adopted management policy is "maintain the status quo" (55.7%). It is obvious that many small and medium-sized enterprises feel that their business is in a slump, but have not found an effective way to cope with it. The next most adopted management policy is "business restructuring (review business, develop new business areas, etc.)" (9.0%), followed by "business expansion" (8.7%). Compared to the national innovation participation rate in the National Innovation Survey 2022, the percentage of companies in Kitakyushu City that adopt proactive management policies, and the tendency to engage in innovation activities, would be even less.

It is important for small and medium-sized enterprises that are trying to break out of their current situation, not only to stop at pointing out these trends and problems but to propose concrete and practical support measures. In this study, we focus on "The Third Way of Innovation" advocated by David Robertson. Besides, we suggest that a workshop using the LEGO® SERIOUS PLAY® method and educational materials is a promising method for conveying and practicing this The Third Way of Innovation concept to managers and employees of such companies.

II. Theoretical framework: The Third Way of Innovation

1. The concept of The Third Way of Innovation

The Third Way of Innovation is a method of innovation proposed by David Robertson. Through his analysis of companies that have succeeded in competitive business area, he categorizes three ways of implementing innovation based on its process of it.

According to his classification, the first type of innovation is incremental innovation. Incremental innovation refers to the improvement of the current manufacturing process or technology underlying the product. For example, this could mean improving the fuel efficiency of an engine or increasing the maximum engine displacement so that a vehicle becomes more attractive to customers. Incremental innovation also involves increasing the variety of products through minor modifications and improvements. Incremental

innovation is an activity that is easy to undertake because it improves products in line with existing technologies that the company has been dealing with, but it involves a reasonable cost of development. As the number of product variations increases through innovation activities, the complexity of the manufacturing process and the difficulty of product management shall increase as well. This cost accumulated could impact the company's profit if not managed properly.

The second type of innovation is disruptive innovation, according to his classification. Disruptive innovation is proceeded from a different technology or system of thought than the one underlying the previous manufacturing process or product offered. This type of innovation can drive major changes in an existing market and sometimes displace customers. A company's attempt to engage in disruptive innovation requires money, time, and human resources, and there is no guarantee that it will be successful. This disruptive innovation places a much greater burden on the firms that engage in them than do incremental innovations.

In any case, both the first and second type of innovations place a heavy burden on the companies that try to tackle them, mainly in terms of product changes and new developments though there are differences in burden. Robertson points to the possibility of The Third Way of Innovation as a new way around these problems. In the third type of innovation, unlike the first and the second innovation, the product or service itself does not change. Instead, the third type of innovation activity focuses on the environment and processes that provide the product or service, and seeks to improve the value customers receive from the product or service by adding or changing related elements that enhance its value. By not changing the product or service itself, the increasing costs and associated risks of the first and second type of innovations mentioned above are avoided.

2. Implementation process of The Third Way of Innovation

Robertson's book, The Power of Little Ideas, presents specific steps for advancing The Third Way of Innovation. Figure 1 shows the four decisions to proceed it. It is based on the following 4 questions: (1) What is your key product? (2) What is your business promise? (3) How will you innovate? (4) How will you deliver your innovations?

In implementing The Third Way of Innovation, the first decision is the core product or service of the company. A company may have a number of product variations or diversified its business to handle multiple products. Firstly, you have to decide which is the most important core product or service for the company. This core product or service is what Robertson calls the "Crown Jewel" in The Third Way of Innovation symbolizing that it is the center of value for the company.

Figure 1: Four Decisions in The Third Way of Innovation

DECISION1 What is your key product?	DECISION2 What is your business promise?	DECISION3 How will you Innovate?	DECISION4 How will you Deliver your Innovations?

(Created from Robertson (2017))

The next decision is the "Business Promise". The Business Promise is defined as "a commitment to solve a pressing problem or satisfy a customer's unmet need". What this definition shows is that the Business Promise cannot be defined without a thorough understanding of the customer's mind and their reaction to the Crown Jewel.

Based on these two decisions, you determine what kind of innovations are needed around the Crown Jewel. The core product will be untouched to do this, and a number of related products and services that would enhance the Crown Jewel need to be considered. You also need analysis of the customer's mind and reaction to them. After that, you can choose the idea that best suits the customer's unexpressed expectations. Robertson calls such ideas "complementary innovations".

As the last step, you decide how to incorporate these complementary innovations into the company's business. The most important factor is that the complementary innovations should work to increase the value of the Crown Jewel to customers. It is necessary for crossfunctional understanding to permeate the organization, as complementary innovations are inherently created across the boundaries of a company's lines and staff departments. In addition, while complementary innovations increase the value of Crown Jewel and increase sales, they may not be profitable on their own (e.g., support in the use of core products or service, or after-sales care operations). Therefore, it is also necessary to establish a method for evaluating complementary innovations and to develop managers internally who understand the concept of The Third Way of Innovation, who is different from that of ordinary department managers.

3. Revitalization of small and medium-sized enterprises through The Third Way of Innovation

Every company must have core product or service that generates its revenue to maintain

and survive in business. However, that core product will reach the end of its life cycle over time. Or demand may drop off due to changes in the business environment, such as the introduction of another company's product. Therefore, innovations could be an unavoidable challenge for small and medium-sized enterprises.

On the other hand, trying to make innovations are also a heavy pressure for small and medium-sized enterprises. Failure to make modifications to their products is an extremely risky endeavor that could lead to the survival of the company for them. Therefore, it can be assumed that not a few small and medium-sized enterprises choose the "status quo" policy in view of the risks involved, even if the company's performance is deteriorating. Adopting a "status quo" policy in response to a business environmental trend of declining sales means engaging in a business withdrawal battle while depleting the company's assets.

This is why The Third Way of Innovation, advocated by Robertson, could be a promising option for small and medium-sized enterprises, as it modifies the surroundings without changing the core product or service.

III. Implementation Framework: LEGO® SERIOUS PLAY® Method

Firstly, it is important for management and employees to understand the concept of The Third Way of Innovation to implement it in small and medium-sized enterprises. This is because The Third Way of Innovation needs for employees to collaborate each other beyond the border of department as mentioned in the previous section, such as decision of Crown Jewel which means the most important products or services, and discussion about complementary innovations that makes the Business Promise realize. It is necessary to drop something or focus on something specifically, when a company focus on its Crown Jewel and its complementary innovation activities. Spreading an understanding of The Third Way of Innovation among all employees and involving them in cross-departmental decision-making is crucial to minimizing backlash or resistance. We suggest here the methods of LEGO® SERIOUS PLAY® (LEGO SERIOUS PLAY) can be useful.

1. What is the LEGO SERIOUS PLAY Method?

The LEGO SERIOUS PLAY is a method for dialogue and co-creation, which was perfected by Robert Rasmussen under the LEGO® Corporation in 2001 (Kristensen and Rasmussen, 2014). In this method, a question is posed by the facilitator to all participants in the discussion firstly. In response to the question, the participants create a model using LEGO bricks, then the dialogue are proceeded with the explain based on the LEGO models which they created.

In a typical discussion, we start from exchange of opinions directly, instead of making LEGO models each other. In such cases, if you are not confident in your opinion on the subject, you will probably first listen to what others have say. If you are not clear about your ideas, or if you feel that you cannot fully express them in words, you will leave the discussion to others who have strong opinions. If this happens, the discussion is likely to be dominated by those who clearly have an opinion. It will be difficult to create a space in which the opinions of all participants can be drawn out evenly.

In addition, the dialogue using of LEGO SERIOUS PLAY is characterized by the expression based on the LEGO models. When we use LEGO bricks to express your answer to the question, each block contains the elements of (A) color, (B) shape, and (C) position. Participants can construct their LEGO models by giving meanings on each part by assigning explains to these elements.

Figure 2 shows an example of a LEGO model. This model shows the story as follow: "I have a problem, so I set out on a journey to solve it. However, I cannot reach the solution because of incomprehensible barriers in front of me". And this explanation corresponds to the relationship between the elements and elements that LEGO model has, as the table in Figure 2 shows. Although this model consists of only 5 bricks, each brick has a meaning and the whole model shows a unique story made by the creator. In the actual LEGO SERIOUS PLAY workshop, more bricks are used, then it becomes more information, experiences and thoughts by the creator are reflected into the model.

Figure 2: Examples of relationships between LEGO model and explanatory expressions



No	word	block that indicates meaning (element)	
1	I	facial block (shape)	
2	worries	red transparent block (color)	
3	have	② on top of ① (position)	
4	solution	yellow transparent block (color)	
5	journey	gray bridge-shaped block (shape)	
6	go on a journey	① on top of ⑤ (position)	
7	difficult to understand	black block (color)	
8	wall	black block (shape)	
9	be prevented	8 between 1 and 4 (position)	
10	cannot get there	① and ④ are far apart (position)	

Furthermore, using LEGO brick makes it easier for participants to express even sensory ideas that are difficult to verbalize. For example, a red transparent brick was selected to show "worries" in the Figure 2. You can choose gray or black bricks instead of red according to the sense that the creator wants to express. Participants in the LEGO SERIOUS PLAY workshop can express the subtle sensations beyond the word, by color, shape, and position of a brick. In particular, color and emotion can be easily connected, this is why using LEGO brick which contains color as an element make the participants easier to show the more sensory expression and communication among them.

In addition, LEGO bricks have a variety of parts of shapes. These parts work as metaphors that evoke images of what the LEGO model creator want to say in explaining. Metaphors are also said to be effective when grasping and conveying an understanding of some larger thing (Lakoff and Johnson, 1980). For example, there is a sentence that "Argument is war". This works by bringing up the metaphor of "war" in a sentence as to deepen or convey to others an understanding of the characteristics and structure of "argument" from the ones of war. Similarly, the model of Figure 2 includes a part with a shape reminiscent of a "wall", and the word "wall" is also used in the explanation. A wall is something that makes it difficult to see the other side, then refuses to move to somewhere else. The metaphor of "wall" may also evoke the idea that if you have the tools, you may be able to overcome or destroy it. In this way, the versatility of LEGO bricks fosters metaphorical thinking, enabling participants to share broader ideas with fewer words and inspiring collaborative creativity.

We have explained about the unique characteristics of LEGO SERIOUS PLAY. By using this method, it is possible to create a forum for discussion in which all participants equally and fully express their opinions, rather than only some people's ones are exchanged. You can proceed the discussions by using LEGO SERIOUS PLAY, even if the topics are sensory ones that are difficult to put into words. In addition, explanations with LEGO models facilitates the incorporation of metaphorical expressions, which leads to a deeper and broader understanding of each other's ideas. Moreover, metaphoric expressions stimulate participants'ideas, then you can expect lively discussions with heightened imagination.

2. How to use the LEGO SERIUOS PLAY method in The Third Way of Innovation

As mentioned above, The Third Way of Innovation proceeds through four major decisions. In the four decisions the second decision to formulate the Business Promise and the third to create complementary innovations are particularly difficult. We suggest that the LEGO SERIOUS PLAY method can be useful for these two decisions.

Firstly, the second "formulation of the Business Promise" requires analyzing the

customer's mind and reaction to the product, then putting it into words while being aware of the customer's unsatisfied needs. Usually, behavioral observation and depth interviews with customers become candidates for this purpose. However, these methods require sufficient time and budget to conduct the research, as well as the skills of the person in charge to carry it out. In situations where enough time is not available, the experience of employees who are in contact with customers on a regular work may be a candidate to imagine what is on the minds of customers based on employee's experience at daily work. In this case, employees do not consciously collect such information in their regular work, so they have to pull out elements to consider from their own past experiences what is in the customers'hearts and minds. The LEGO SERIOUS PLAY method is expected to be useful in this case, as it allows employees to reflect themselves firstly, organize their thoughts, and then express them in the LEGO models. In addition, the LEGO SERIOUS PLAY method's strength in expressing emotions and images will also be demonstrated by expressing the customer's mind.

In order to make realize formulation of the Business Promise, it is necessary not only to have each participant express his or her own ideas, but also to grasp the overall image and converge them into a single statement, as the various elements that each idea has are included. At this point, the LEGO SERIOUS PLAY method's characteristic of being able to promote thinking and dialogue using metaphors is considered effective in capturing the overall image of the Business Promise as well as converging the discussions among participants.

Next, in Desicion3 "creation complementary innovations", participants must think about ideas to combine with the Crown Jewel of the company from the perspective of realizing the Business Promise defined in Decision2. Crown Jewel means the core product or service of the company which contributes the top sales in the whole portfolio. We raise a cab company here as an example of the process. If the cab company's Crown Jewel is "transportation services via taxi," the Business Promise could be "eliminating the stress of not being able to arrange a cab", then complementary ideas such as "developing a dispatch center that works with other cab companies" and "developing applications for smartphones" are needed to realize its Business Promise.

It is important to note that in addition to thinking about the complementary innovations that connect the Business Promise and the Crown Jewel, participants must also rethink what kind of obstacles it will face from the perspective of the Business Promise from customers and what kind of response it will elicit from them. The question is what kind of impression a "dispatch center linked to other cab companies" or a "smartphone application" will make on customers, and what kind of feelings and evaluations they will

have toward the company as a result of using such new applications. At this point, LEGO SERIOUS PLAY method, which gives shape to images and feelings, is considered to be effective.

For the reasons stated above, we decided to make use of the LEGO SERIOUS PLAY method for Decision2 to formulate the Business Promise and Decision3 to create complementary innovations, in this study with high expectations.

IV. Objectives

There are three objectives for this research. Firstly, using a company in Kitakyushu City as a case study, we conducted The Third Way of Innovation workshop to examine the possibility to create ideas that will be the core of innovation for a small and medium-sized enterprise. Secondly, the purpose of the workshop was to verify what kind of changes can be brought about in employees by conducting the first half of the Third Way of Innovation workshop. The third one is to foster employee awareness through the visualization of it using LEGO SERIOUS PLAY method.

V. Method

Yamaju Corporation (Yamaju), based in Kitakyushu City since 1903, cooperated in this study. Yamaju is a trading company that is engaged in wholesaling and installation of building materials for the construction of public facilities, commercial facilities, houses, and stores. They have distributorship agreements with manufacturers then delivers these materials to construction companies, house builders, and contractors. In addition, it has a 100-year-old contract with glass manufacturers, and nearly half of its employees are responsible for on-site work related to windows. This research was conducted on September 6, 2024. Table 1 shows the attributes of the participants.

Table 1: Attributes of Participants

	Gender	Age	Years of service (year)	Department	Job Title
1	male	30s	8	_	CEO
2	male	60s	39	_	Councilor
3	male	40s	14	Housing Sales	Sales Manager
4	male	40s	11	Special Sales	Chief of the Engineering Department
5	male	30s	8	Housing Sales	Chief Engineer
6	female	30s	4	Special Sales	Clerical work

Table 2 shows the flow of this program. After conducting a preliminary questionnaire, participants were asked to briefly introduce themselves, and then the first part of the program was led by a lecture-style overview of The Third Way of Innovation. The second part of the program was conducted in a workshop style, using sticky notes and LEGO bricks to encourage participants to take initiatives. The second part of the workshop was based on LEGO SERIOUS PLAY as mentioned above. Usually, it is necessary to conduct an exercise called "Skill Building" to familiarize participants with LEGO bricks before going into the main agenda of the workshop. However, Yamaju employees are used to LEGO SERIOUS PLAY, so the "Skill Building" exercise was omitted. Therefore, the program shown in Table 2 was conducted in 4 hours. It also shows the actual time required this time.

The lecture and the workshop about The Third Way of Innovation were conducted by Shimoda and Kikima who are certified facilitators of LEGO SERIOUS PLAY and The Third Way of Innovation paradigm with the LEGO SERIOUS PLAY method.

Table 2: Program of The Third Way of Innovation at Yamaju

	Agneda/Contents	
1	Preliminary Questionnaire	
2	Ice breaker/Greeting	15
3	Part 1: What is the "Third Way Innovation" (Lecture)	20
4	Part 2: What is the ""Third Way Innovation"" at Yamaju (WS)?	
5	1) What is the "Crown Jewel" for Yamaju?	10
6	2) Company overview by Yamaju's CEO	15
7	3) Determination of "Crown Jewel" through employee discussion	10
8	4) What Yamaju offers to its customers as a company	10
9	5) Who is the "Customer" for Yamaju?	5
10	6) What is the "Business Promise" that Yamaju offers to its customers through the Crown Jewel?	50
11	7) From the perspective that the business promise is realized through the Crown Jewel, what are obstacles for customers?	25
12	8) Complementary products and services that eliminate obstacles for customers and bring them closer to realizing their Business Promises.	40
13	Reflection for today	20
14	Post-event Questionnaire	10

VI. Results

The following sections describe the result of each agenda of the workshop along the program flow shown in Table 2.

1. What is the "Crown Jewel" for Yamaju?

After the lecture on the concept of The Third Way of Innovation, we asked the participants to describe on sticky notes what the Crown Jewel for Yamaju is. All participants identified "glass/sash" as their Crown Jewel. Thus, we determined it to be the Crown Jewel for Yamaju in this workshop.

2. What Yamaju offers to its customers as a company and Who is the "Customer" for Yamaju?

Before going into the specific process of The Third Way of Innovation, we asked all participants to write on a sticky note about "What Yamaju offers to its customers as a company". Yamaju is mainly involved in the distribution of items between companies, and its products, customers are diverse. That means they have lots of stakeholders and various range of targets to achieve to make innovations as a whole company. Therefore, the process to think about what they offer to their customers when they set up glass/sash Crown Jewel was important. Five out of six respondents indicated that the value they provide to customers is a business related with glass/sash, such as "installation and delivery of glass/sashes" and "providing comfortable space through installation, assembly, and delivery of glass/sashes". Next, we asked the participants to write about "If the Crown Jewel is glass/sash, who are the customers?". A wide range of answers came up, including "general contractors", "onstruction companies", "owners", and "general customers". After discussing with participants, we defined customers as "clients including general contractors," based on the high sales contribution to the Crown Jewel.

3. What is the "Business Promise" that Yamaju offers to its customers through the Crown Jewel?

From this part of the workshop, we used methods from LEGO SERIOUS PLAY to express their own ideas based on the theme presented by the facilitators.

The first theme was "What is the Business Promise that Yamaju offers to its customers through the Crown Jewel?". Here, we explained the concept of the Business Promise in The Third Way of Innovation, then each expressed it with LEGO bricks. After that, we asked participants to pick out of the most important part of their LEGO models and then to give a title about what they thought. The following six keywords are the titles which

participants gave on LEGO they chose.

Speed / Requests / Concerns / Customer Satisfaction / Customer's Business Vision / Gear

We asked participants to create a "shared model" by combining what they took off as the most important parts of each participant's work through discussion. Photo 1 shows the shared model which indicates their Business Promise.

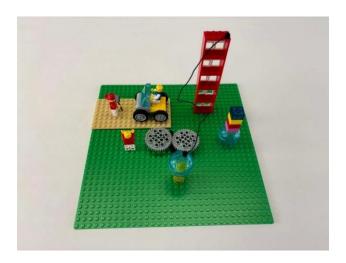


Photo 1. Shared model representing Yamaju's Business Promises to customers.

The following phrase was used to describe the Yamaju's Business Promise to customers with the 6 keywords which participants built with LEGO bricks.

The Business Promise of Yamaju to customers is to mesh the gears that represent Yamaju's thoughts with the client's vision, then to provide high customer satisfaction through proposals that understand the client's needs and prompt responses to their concerns.

4. From the perspective that the Business Promise is realized through the Crown Jewel, what are obstacles for customers?

The next step was to make obstacle models with LEGO bricks. An obstacle model describes the obstacles the participants believe could occur in realizing their Business Promise. We asked participants to create LEGO models that answer to "What are the obstacles for customers from the viewpoint of realizing the Business Promise through the Crown Jewel?". As the word obstacles looked like vague metaphorical expression, we added explanations about them in other expressions such as "dissatisfaction that customers may feel" or

"inconvenience for customers", then asked them to create some LEGO models to express them. After sharing the meaning and story of each LEGO model with others, we asked them to place their obstacle models around the shared model (Photo 1) that showed the "Yamaju's Business Promise" in the former session, around the areas that seemed most relevant. Photo 2 shows the results. Examples of obstacle models were expressed in keywords such as "understaffed", "lack of understanding customer's vision", "lacking the ability to deliver information", "differences in employee experience and abilities", and "budgetary compromises".



Photo 2. Shared model representing the Business Promise to Yamaju's customers and models of obstacle preventing its realization

5. Complementary products and services that eliminate obstacles for customers and bring them closer to realizing their Business Promises.

As the final part of the program, we asked participants to create LEGO models that answers to "What are the complementary products and services that can eliminate obstacles and realize the Business Promise?". We explained that the complementary products and services could be fictitious or difficult to implement immediately. We also told them that they should focus on visualizing their complementary ideas that would allow customers to solve the obstacles expressed earlier. We asked them to place the complementary ideas at the most relevant point between the shared model shown in Photo 2 above, and the obstacle models that prevent its realization. Photo 3 shows the results.

The keywords that emerged as ideas for these complementary products and services included ideas for improving the skills and experience of Yamaju employees, such as "training facilities for employee development" and "a system for uniform employee

quality", as well as ideas for solving the manpower shortage and efficiency issues that are actually being faced, such as "improving the cargo lifting system's efficiency¹" and "visualizing staff availability". The ideas for external stakeholders were also shown such as "individual interviews between Yamaju and its business partners" and "public relations".



Photo 3. Shared model representing the Business Promise to Yamaju's customers and obstacle models preventing its realization and complementary ideas to solve them

6. Summary of Pre and Post-Questionnaire

In the pre-questionnaire, we asked "What do you think is Yamaju's the most important product or service?". The answers was "glass/sash"², as well as "construction techniques", "make customers feel safe", and "windows and the on-site ability to distribute them". The answers to the question "What is Yamaju's promise to customers?" were "the feeling of safety, secure construction and capability to propose" and "accurate product delivery, construction, and after-sales maintenance" as well as conceptual answers such as "adherence to agreed-upon terms" and "trust". The answers to "What kind of innovation do you think Yamaju needs?" were "expanding the scope of construction, carpentry and other renovation work", "taking action to gain recognition from a wider range of users", as well as the answers about fostering the mindset of employees, such as "each employee should have a sense of competition with other companies" and "taking on new challenges while preserving traditions".

In the post-questionnaire, we asked if "The experience of The Third Way of Innovation deepen your understanding of your company?". 5 participants, or 83% of the total, answered "strongly agree" and the reasons given were "I now understand the position of glass/sash

in my company" and "Listening to ideas from the viewpoints of various professions has revealed new discoveries and problems". Also, the answers to "Do you think it is possible to create The Third Way of Innovation at Yamaju?" were "strongly agree" from five participants. The reasons given were "I often feel in daily conversations that employees hold hints just because they do not know how to think", or "Employees, especially those in higher positions, are willing to take on new challenges so I believe we can make efforts once they set the goals to achieve".

VII. Discussion

In this section, we will reflect on the whole program then talk about the comments made during the workshop.

First, one of the objectives of this study was to verify the effectiveness of The Third Way of Innovation at Yamaju. This is why the CEO of Yamaju was also invited to this program as a participant. We were concerned that the inclusion of the CEO might make it difficult for other employees to express their opinions honestly, but lively discussions took place from the beginning. We think this was a result of Yamaju's corporate culture and the strong relationships among employees, as well as the characteristics of LEGO SERIOUS PLAY, which allows participants to freely express their own thoughts on a certain question using LEGO bricks within a uniformly given time limit, and to engage in a dialogue based on the models they built. In The Third Way of Innovation process, it is necessary to examine the company's value from all perspectives through each step of the flow, such as determining the Crown Jewel, discussing the Business Promise to customers, and creating complementary ideas. We believe that the equal dialogue among employees, including representatives of Yamaju, that transcended the boundaries of team and position, through this workshop was extremely meaningful in fostering mutual communication among them.

Next, most of the participants answered glass/sash as Yamaju's Crown Jewel, so it became clear that defining the Crown Jewel is possible even for a company like Yamaju, whose primary business is not selling goods but wholesales business. However, determining the Crown Jewel requires to think about the sales contribution and the impacts on the business. All participants are needed to have information about the company's entire product portfolio and quantitative data. The lecture about company overview by CEO was very meaningful for this purpose in this program.

We also asked each participant to think about, and present what Yamaju offers to its customers as a company by writing on sticky notes, and then to define who are the customers. After each decision, they discussed the definition of customers for them. Since

the participants were from different departments and positions, we had this discussion to unify everyone's ideas. We think that the discussion here provided the foundation for the subsequent program.

After discussing the Business Promise, each participant's idea was visualized using LEGO bricks. By taking the most important parts from each model, then showing them as keywords, each participant's concept of Yamaju's Business Promise was brought to life visually. As a result, we think that the shared model in Photo 1 and phrases to express the Business Promise made participants conscious about taking the customer's perspective as one of the most important philosophies.

The obstacles for customers were expressed as challenges for Yamaju employees, not only company-wide issues and cost problems. Although participants in this workshop imagined the inconveniences for customers, we suggest to consider these issues based on actual customer feedback, such as customer satisfaction surveys and questionnaires.

Next, we asked the participants to consider complementary products and services to solve problems, which is also the key to The Third Way of Innovation. In this workshop, they suggested some ideas aimed at solving the obstacles that Yamaju employees mentioned above. The ideas ranged from solutions that could be implemented immediately, such as "individual interviews between Yamaju employees and customers," to mid to long-term ideas such as "enhance training facilities for employee development" or "visualization of human resources acquisition systems to solve labor shortages."

Finally, a comparison of the pre- and post-questionnaires shows that while the answers in the pre-questionnaire were vague and abstract, the answers in the post-questionnaires, regarding Yamaju's issues became clearer. After that, a cross-sectional dialogue was made regarding the realization of Business Promises through the Crown Jewel. Also, according to the participants, as the term "Business Promise" has become common in Yamaju, they have begun to consider ideas for solving issues in their daily work. Through The Third Way of Innovation, employees were encouraged to reflect on the company's status-quo and future direction, incorporating key data and insights. We think this promoted awareness among employees about the company's value for customers and the society, that will lead to innovation by employee's small ideas.

WI. Conclusion

This time, we evaluated the effectiveness of The Third Way of Innovation at Yamaju. The results of the pre- and post-surveys and feedback from participants made it clear that it is possible to define the Crown Jewel, examine the Business Promise, identify customer inconveniences, and generate ideas to solve these problems, even for companies that are

mainly in the wholesaling business.

However, there are some issues to address. One of the issues is that, we conducted a four-hour program this time, but the actual implementation of The Third Way of Innovation in business will require several months to a year. For this instance, we used sticky notes to examine "What Yamaju offers to customers as a company" and the Crown Jewel, but the discussion with LEGO bricks would be better to express and make participants understand more about their company. In addition, although pre- and post-questionnaires were conducted this time, it is mandatory to analyze the pre- and post-questionnaires to see how the participants' responses changed, and this will be used as insights for the next implementation. Also, it is necessary to verify the effects of The Third Way of Innovation from a long-term perspective by interviewing employees to see if their thinking has changed in their daily work after participating in the workshop.

The Third Way of Innovation program should be implemented continuously, not only for the 6 participants that participated in the workshop this time, but also for other employees at Yamaju. Having continuous discussion with employees from different departments will help them foster awareness and realize innovation in the actual business scene. The little ideas in daily work will lead to Yamaju's innovation. In the future, we would like to implement The Third Way of Innovation at other companies in Kitakyushu, then continue to verify the effectiveness of it, as well as to see if it can be replicated.

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【付録】 事前・事後アンケート票 質問項目 【事前アンケート】

- 1. あなたが考える山十株式会社の「最も重要な商品もしくはサービス」は何ですか?一つお答えください。(自由回答)
- 2. あなたが考える山十株式会社の「顧客への約束」とは何ですか?簡単に文章でお答えください。(自由回答)
- 3. 山十株式会社にはどのようなイノベーション(革新)が必要だと思いますか?簡単に文章でお答えください。(自由回答)

【事後アンケート】

- 1. あなたが考える山十株式会社の「最も重要な商品もしくはサービス」は何ですか?一つお答えください。(自由回答)
- 2. あなたが考える山十株式会社の「顧客への約束」とは何ですか?簡単に文章でお答えください。(自由回答)
- 3. 山十株式会社にどのようなイノベーション(革新)が必要だと思いますか?簡単に文章でお答えください。(自由回答)
- 4. 「第三のイノベーション」を体験して、事前と事後で自社理解が深まりましたか? (大いに深まった/少し深まった/ほとんど深まらなかった/全く深まらなかった)
- 5. 上記質問4の回答理由をお答えください(自由回答)
- 6. 山十株式会社でも「第三のイノベーション」を起こせると思いますか? (強く思う/少し思う/あまり思わない/全く思わない)
- 7. 上記質問6の回答理由をお答えください。(自由回答)
- 8. 全体を通して気付いた点ありましたら感想をお願いします(自由回答)

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¹ The term "the cargo lifting system" includes the division of labor and the establishment of a system to improve efficiency in the installation of fragile and heavy glass and sash, which requires personnel but can cause schedule delays due to the need to coordinate the availability of personnel.

² Some survey respondents used the terms "glass" and "window glass" as synonymous with "glass /sash," but in this report, they are listed as "glass /sash" in unison.

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