What is an Innovation Challenge?

A structured, scalable pathway to unlock real-world innovation

What is an innovation challenge?

An innovation challenge is a structured, open, and time-bound call to action that invites individuals or teams to generate creative solutions to a clearly defined problem. More than just a brainstorming exercise, it provides a framework that channels creativity toward real, actionable outcomes. It is an incentive-driven approach designed to stimulate fresh thinking and diverse participation—often from both inside and outside an organization—to deliver novel ideas, prototypes, or products. Innovation challenges are grounded in purpose: they focus on problems that matter to an organization, market, or society.

At the core of every innovation challenge lies structure, purpose, and intent. Unlike open-ended ideation processes that often risk innovation theater, challenges present a clearly framed problem, defined success criteria, and a stage-gated process to surface, refine, and advance the best solutions. This disciplined approach enables organizations to access a broader pool of ideas and systematically filter the most promising innovations toward impact. The model is highly adaptable, supporting a range of efforts from internal improvement initiatives and community engagement to public-sector transformation and breakthrough innovation with the potential for global impact.

Why use an innovation challenge?

- Innovation challenges provide a **structured yet flexible** and scalable framework for purposeful innovation, moving beyond unstructured ideation to deliver measurable results.
- They engage diverse participants and unlock creativity from within and beyond organizational boundaries.
- They reduce the time it takes to move from idea to implementation.
- They lower innovation costs by replacing resource-heavy internal development with faster, leaner processes.
- They activate cultural change by promoting experimentation, collaboration, and risk-taking.
- They align teams around solving business-critical challenges.
- They build innovation capacity and help leaders scale innovation programs effectively.
- They offer a starting point for smaller organizations without formal R&D to access fresh ideas and co-develop practical solutions.

Who can benefit from innovation challenges?

- **Corporations** seeking to accelerate product development, improve operations, or create new services.
- **Government agencies** aiming to solve public-sector challenges more efficiently and inclusively.
- **Academic institutions** fostering real-world problem-solving and interdisciplinary collaboration.
- **Startups** and **SMEs** looking for visibility, partnerships, and validation of ideas.
- **Cities and regional ecosystems** striving to drive economic development and civic innovation.

When to use an innovation challenge?

- When facing a complex, ambiguous, or high-priority problem that needs fresh perspectives.
- When seeking rapid insights and solutions beyond traditional internal brainstorming.
- When looking to engage a broader ecosystem of employees, customers, startups, or external experts.
- When needing to stimulate a culture of innovation and cross-functional collaboration.
- When aiming to develop and test early-stage ideas or prototypes quickly and cost-effectively.

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Where are innovation challenges applied?

- Business Innovation: TD Bank iD8, Microsoft Garage.
- Workforce Activation & Internal Talent Development: TD Bank internal challenges.
- Public Sector Innovation: Startup in Residence (STIR), NHS Innovation Accelerator.
- Education and Talent Development: MIT Solve, Community College Innovation Challenge (CCIC).
- Community and Regional Development: NYC BigApps, UNESCO Creative Cities Challenge.
- Breakthrough Innovation: XPRIZE End Destructive Wildfires Challenge.

How to get started?

Innovation challenges provide a proven, structured pathway for unlocking creative solutions that move organizations from problem to impact. They help teams overcome innovation theater by aligning creativity with clear outcomes and a scalable process.

Ready to deepen your skills and confidently design your own innovation challenges? Join our "Design and Run Innovation Challenges Like a Pro" learning experience. Scan the QR code to learn more and enroll today!