

Intangible Innovation

The "obvious" value of innovation is easy to

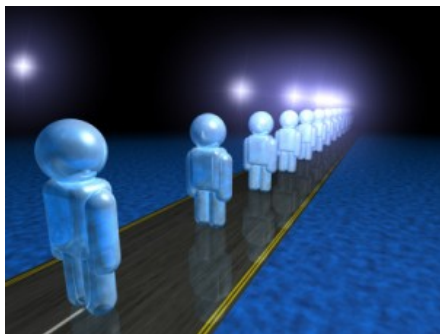


see and communicate. The unique products, business models, customer services and other "tangible" innovations are usually enough to justify the existence of an Innovation program. But what about justifying an Innovation program when you don't have an existing track record? When times are hard, budgets tight and groups are fighting for survival, fledgling Innovation teams and programs may be an easy target for "right sizing".

So if your Innovation team isn't delivering the next iPod, "name your own price auto insurance" or Nintendo Wii, what value are you providing? To answer this question, we need to take a step back and look at a typical corporate culture.

The Typical Corporate Culture

Most organizations develop processes, forms and tools to drive consistency. On the surface, this seems like a good thing. But what tends to happen is that processes layers on top of processes until every action is scripted and people stop thinking. Ask yourself if the process has become a roadblock to getting things done. If it's impeding the work that it was designed to streamline, then it's almost guaranteed that it's blocking creative ideas from being acted on. It's certainly preventing people from doing their jobs in ways that "stretch the envelope" (unless that stretching is focused on circumventing your processes).



Organizations would like to think that they encourage creative thinking. "Creative" solutions are at least somewhat unique by definition. Since they've never been tried before, predicting the outcomes, quantifying the ROI and limiting the risk can be difficult. Ask yourself how your board would react if an associate came to the table with a "weird idea" that had a 50% chance of failure and no quantified ROI. Would they even take the time to listen to the potential business benefits? Now ask yourself how you reward risk-taking in your managers? Is failure rewarded as a learning exercise or punished as incompetence? Does that attitude propagate down to the people on the floor? Do you look to your internal associates for ideas or do you hire high priced consultants? All of these things add up to a major deterrent for anyone who has a creative thought. Without exposure to brainstorming, innovating and thinking outside of the box, the skills either won't develop or will wither away.

Organizations talk a good game about developing leaders and decision makers. But do your associates really have the ability to make decisions? Do they have control of budgets, deliverables and timelines or are they at the mercy of a handful of middle managers, project managers or executives that have to approve every change or decision? In an organization where the process is to defer decisions to someone else, associates never develop accountability, decision making skills or leadership skills. The ones that

do develop these skills have probably done it by circumventing your existing decision making and escalation processes.

Deliberate Practice

Studies have shown that excellence in any field is a result of [deliberate practice](#) and not something determined by any sort of innate talent. On deeper evaluation of prodigies and other individuals that demonstrate exceptional aptitude in a field, it's been found that early exposure and various forms of deliberate practice were at work and not some in-born talent. With some exceptions where physiological or psychological restrictions come into play, we essentially all have the same potential for greatness. That includes greatness in areas such as creativity, decision making, leadership and other traits that we often assume "you've either got it or you don't".

One of the key differences between the those that excel and those that just get by is the nature of deliberate practice. While we may "practice" our jobs on a daily basis, most of us simply repeat the same actions, processes and procedures over and over again. However, Deliberate Practice differs from simple repetition in a few very important ways:

Deliberate Practice has to push the envelope. If your repetition isn't forcing you to stretch beyond your current abilities or comfort zone, you'll just be reinforcing your current level of achievement or expertise.

Deliberate Practice needs to include some form of feedback. You need to be able to



measure (subjectively or objectively) if you're doing better. Without that feedback, you have no way to judge if your repetition is working towards a higher level of mastery or if you're practicing yourself into a hole. At some point you'll find that you need outsiders to provide that feedback. Even if it's someone with a lesser mastery than you, they'll have the advantage of seeing the situation from the outside. They'll bring objectivity that you simply can't have about your own performance. Even people like Tiger Woods, Yo-Yo-Ma or Michael Jordan that stand out far ahead of their peers can benefit from that outside viewpoint. In fact, it would be difficult for them to push their own envelopes without that input.

Deliberate Practice involves lots and lots of conscious, focused repetition. If you're just letting yourself run on autopilot, you aren't pushing the envelope or paying attention to your feedback. This is one of the main reasons why people can work in a job, doing the same thing over and over again, and never become truly exceptional at what they do.

Innovation Programs to the Rescue

Innovation, by definition, requires and encourages creative thinking. It rewards the behaviors that most corporate cultures inadvertently crush or drive underground. Sanctioned brainstorming sessions, tools to capture and refine ideas and forums for open dialog create those "stretch goal" opportunities for creativity and thinking outside of the box. Even people that say that they "aren't creative" can be encouraged to participate and develop those mental muscles over time. That creativity flows back into their daily jobs and encourages them to question and improve the way that they work (even if it's only at a relatively subconscious level)



The value of an idea is directly tied to business benefits. People aren't necessarily going to question the ROI or risk when they're proposing an idea that they instinctively think has value. As ideas are proposed, discussed and refined, your associates learn to quantify that hunch and to start thinking in terms of business value. Instead of a simple "no", they're part of the process for justifying a course of action. They develop a practical understanding of costs vs benefits and they push themselves into areas of financial and business responsibility that they may never be exposed to in their daily job. When associates understand "business value", they begin to instinctively look at other areas of their job in those terms. This leads to questioning "non-business value" activities and more ideas for improvement. It also prepares your next generation of leaders by drilling into them the basics of financial decision making.

With a funded Innovation program, you encourage experimentation. People will have ideas that fail at various points in the process. But by limiting the time, scope and financial investment, they can do it safely and with relatively little risk. Politically, even the failure itself carries little risk if its understood to be part of the process. It's often said that we learn more from our failures than from our successes. But associates rarely have an opportunity to take risks or accept failure without it being a career-crushing event. It's better to take those risks and learn from small projects or initiatives than to try to develop those skills in multi-million dollar projects.

Your Innovation program can provide opportunities for cross-functional and cross-organizational brainstorming. The default is for projects and ideas to cross boundaries by being "thrown over the wall" in a fully formed state. By embracing ideas earlier in the process and encouraging teams to brainstorm in a more inclusive and open environment, you'll develop stronger communications skills, a better understanding of how organizations interact and you'll develop those personal connections that may currently be nothing more than an impersonal handoff through existing tools or processes. In addition, by bringing it under the "Innovation" umbrella, you can encourage risk taking and more open thinking than you may have in your project or proposal processes.

Finally, there's a sense of ownership with ideas and innovations. Since the expectations start low, the initiator can run with it with coaching rather than taking the idea and handing it off to some initiative manager. If done properly, these ideas can be used as an opportunity to provide "on the job training" and expose the initiator to responsibility and leadership opportunities that don't exist in their current role. These are skills that will help to grow your associates and may help to identify your next leaders, project managers, engineers, product managers, etc. Doing this under the umbrella of an Innovation program is often much more cost effective than instituting formalized job rotation programs. Much of the value can be captured without a lot of the disruption or risk.

Conclusion

So even if your Innovation Program isn't delivering the next game changer, the existence of a formal, supported program can provide significant value by developing, growing and maturing your workforce, culture and company as a whole. While the short-term benefits may be intangible, they can have a huge cumulative effect that can radically enhance your associates, company and the way that you do business. Keep that in mind when you review your next budget.