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## Focus on Innovation

Focus on Innovation is a monthly electronic newsletter designed to provoke thoughts and ideas on how to bring innovation to life within the organizations in which we work.

### For Those on the Run

Are you in need of an extreme innovation makeover? If so, read this month's newsletter to identify strategies to boost your organization's innovative capacity starting today.

### In Need of an Extreme Innovation Makeover

*"An established company which, in an age demanding innovation, is not able to innovate, is doomed to decline and extinction."*

*- Peter Drucker*

It is a given that innovation is a key growth driver for organizations of any size. The sad news is that most companies don't have the leadership, systems or tools to successfully and consistently innovate. According to a McKinsey report published in October 2007, "although more than a third of top managers (senior VP level and higher) say innovation is part of the leadership team's agenda, an equal number say their companies govern innovation in an ad hoc way."

Another problem is that in order to innovate, you must have creativity. Innovation without creativity leads to only surface-level change, the kind of change that won't deliver long-lasting value in today's volatile business environment. Creativity in many organizations is most often stifled, e.g. ideas are not solicited or knocked down, assumptions and stereotypes about the way things should work get in the way, etc.

If your organization is in need of an extreme innovation makeover, here are 10 strategies that if implemented, will certainly help boost your innovative capacity.

### Start Your Innovation Extreme Makeover Today

1. **Conduct a network analysis.** A network analysis can identify where the capacity for innovation already exists in your organization and can help build more innovative networks. *A typical social network analysis uncovers and tracks the number of links among individuals in any of these networks, the frequency with which people communicate, the relative significance of their communication, and the number of people through which a message passes. Looking at these maps of informal networks,*

you start to see how the network itself has an intelligence, more than the sum of its parts and beyond the cognition of any one individual." (For more ideas, read *Focus on Innovation, vol.2, no.1, January 2005, The Power of Social Networks to Drive Innovation*).

2. **Facilitate creative collaboration.** Collaboration is an essential element of organizational innovation. Real collaboration is more than taking a meeting. It's about pooling ideas, experiences and resources to create solutions that are more than the sum of their parts. Facilitate collaboration by providing collaboration tools, including message boards, instant messaging capability, and chat rooms.

Set aside space in your office areas for "idea boards." One team, within Bell-Northern Research, put up a huge whiteboard in an open area where staff could post technical problems to be solved and to gather ideas. Other teams dedicate "war rooms" where not only all information about a project is held but where team members gather to discuss ideas and solve problems as they arise.

3. **Encourage Social Networking.** Encourage employees to tap into their social networks for insights and ideas towards a problem they are trying to solve. There are many examples of organizations using social networks to boost innovation. The Australian Graduate School of Entrepreneurship (AGSE) has set up the CEI network to help corporate executives develop their ability to drive innovation within their companies. Healthcare professionals use social networks to manage institutional knowledge and share best practices and ideas.

Research conducted on inventors supported the idea that an organization can be more innovative if it is highly networked. The key is to identify and nurture the highly connected "gatekeepers" (i.e. prolific technical contributors (usually with advanced degrees) and they work and communicate with many people, both within and across disciplines and organizational boundaries) to maximize your ability to innovate while minimizing the competitive risk, i.e. becoming more exposed to information leaks or "spillovers" that might benefit competitors (Source: Lee Fleming & Adam Juda, *A Network of Invention*, Harvard Business Review, April 2004).

4. **Dedicate time for creative thinking.** A recent study on "The 20 Best Small Companies to Work for in Canada" revealed that these companies not only create mechanisms to gather employee's ideas but allow time for creative thinking. Google Inc.'s 20-per-cent rule allows engineers to spend one day a week working on ideas that aren't in their job description. Gmail and Google News both grew out of ideas conceived during 20-per-cent time. Such structured programs acknowledge that something's missing from the status quo for most office workers - time for creativity and strategy, uninterrupted by a smaller tasks and electronic communications. Companies such as Loblaw, Intel Corp. and U.S. Cellular Corp. and Nestle Rowntree are enforcing e-mail free days to facilitate creative thinking time.

5. **Make Innovation a Formal Agenda Item.** Leading companies for innovation make innovation a formal agenda item at regular leadership meetings, followed by modeling behaviour that encourages innovation. That signals to employees the value management attaches to innovation (Source: *McKinsey Quarterly*, October 2007). Determine what you wish to achieve through innovation, translating this into a series of short-term and long-term goals, and communicate and monitor these goals regularly.

6. **Exercise Employee's Brains.** Provide employees with resources to stimulate their thinking, e.g. articles, newspaper clippings, books, etc. on topics either related to or not to their job/area of expertise. Give them all a notebook to capture their ideas, thoughts and observations.

Provide employees with creativity tools, such as The Creative Whack Pack, which consists of 64 cards, each featuring a different strategy. Some highlight places to find new information. Others provide techniques to generate new ideas. Some lend decision-making advice. And many give you the "kick" you need to get your ideas into action (click on

<http://www.creativewhack.com/product.php?productid=64> to learn more about this tool).

7. **Set up a new division.** For example, General Mills help set up a new Food Science division, which is to draw on the expertise of retired scientist and engineers to fuel innovation within the firm - and in the food industry in general. They envision potential projects stemming from this new division to include product commercialization, product innovation and technical problem solving. When the program was launched in April 2007 a spokesperson for the firm said, "*a focus on open innovation has been a critical competitive advantage for General Mills. We believe the next big advance, which may reshape the food industry, has already been invented by someone outside the company, and our goal is to be the first to find it.*"
8. **Establish a "Creativity Practice Field."** Consider designating a room where employees can practice using creative techniques, test out new ideas or just throw ideas around. Stock the room with creativity toys, games, idea generating tools...anything that will "spark" creative thinking. Have available creativity "coaches" trained in creative problem solving techniques to work with employees and help them develop their creativity.
9. **Welcome failure.** Innovative leaders encourage a culture of experimentation. Teach employees that failure is a step along the road to success. To be truly innovative, leaders must give people freedom to innovate, experiment and to succeed. To do this, employees need to be given permission to fail, too.
10. **Establish a rewards and recognition system.** Rewards increase motivation for employees to continue to develop and share ideas. Rewards can vary from public recognition to work related benefits such as time off, attending conferences, etc. Whatever system you choose, ensure that it is consistent and fair. For example, substantial cash awards for ideas should be avoided since they inevitably lead to greed and perceived unfairness

3M, for example, relies primarily on peer recognition to encourage innovation. 3M wants to avoid employees hoarding new ideas and failing to collaborate. Instead, 3M employees share ideas for peer recognition. This recognition includes the Technical Circle of Excellence award in which innovators, selected by coworkers, receive a trip to the company retreat in Minnesota

## What's the Bottom line

Recognizing that your organization needs an extreme makeover is just the beginning; actually doing something about it is what will make a difference in driving innovation.



Please feel free to pass this newsletter on to others.  
 If you would like more information about the ideas and topics listed in this issue, contact Judy Laws, Ph.D. at [jlaws@foursightconsulting.com](mailto:jlaws@foursightconsulting.com).

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