

Book Notes: Making Innovation Happen

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Innovation is more than a good idea. Innovation is the process that takes a good idea, improves it, develops it and implements it. Making innovation happen describes the four key elements that are essential for any business to sustain innovation.

The first key element is Purpose. Innovative companies have developed a common purpose shared by everyone.

The second key element is Commitment. Innovative companies have demonstrated that they are totally committed to innovation and all that it involves.

The third key element is Ideas. Innovative companies encourage and welcome ideas. They train people in creative thinking skills and allow people time to think.

The fourth key element is Support. Innovative companies understand that ideas and the people that have them need support. They need policies and procedures that work for them, not against them. They need the moral and financial support needed to take an idea from concept to finished product.

What are the right things to juggle with in the innovation process? They are:

(i) Purpose (ii) Commitment (iii) Ideas (iv) Support

Purpose: There is a common purpose Dragon boats, for example, don't get very far if everyone is paddling in different directions. Whenever I work with a group of people from a single organization, I always ask what the organization's purpose is. In most cases, you would think everyone worked for different organizations!

Commitment: commitment is showing your support for something. Commitment is what people actually do each and every day. Commitment is saying you are going to do something and then doing it. Commitment is how you behave.

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Ideas: it needs people who are good at implementing ideas and getting things done.

Support: for an organization to become innovative, you need to get everyone involved. To get everyone involved, innovation needs to be built in to the way people work day to day. People need a support structure to make it happen.

On IT company I worked with created a number of special “innovation positions”. The top position was Director of Innovation. That job was to guide the overall innovation process and to implement policies and procedures that supported innovations. In Making Innovation Happen we will look at Purpose, Commitment, Ideas and Support in turn.

Needless to say, I ran straight into resistance. When I eventually did get a reply from head office, I got the usual barrage of objections. I was told, ‘it wont work’, ‘its too expensive’, ‘no one will come’, ‘we tried it once before’ and ‘we cant afford it’. What really annoyed me about these comments was that they were coming from people far removed from the action.

The four P’s of Innovation:

1. **Procedural innovation:** procedural innovation refers to improvements in how the business operates internally. It might include changes to accounting procedures, purchasing and stock control, internal communication systems, payroll procedures and office layout and design. For example, using Internet and tele-banking to cut down on the number of cheques written; computerized stock control and re-ordering systems to cut down on inventory e-mail and intranet facilities to speed up communication and creative use of office space to encourage free thinking.
2. **People innovation:** Innovation can effect the ways people in your organization work together – cross functional teams, virtual teams, reward and incentive schemes, pay structures and promotional policies are all areas in which ‘people innovation’ can be made.
3. **Process innovation:** ‘Process’ is how the product is produced and how it reaches the customer, from manufacturing to marketing. Examples of process innovation are increased efficiency, simplified and streamlined operations, new marketing and positioning campaigns and process reengineering.
4. **Product innovation:** Products are what customers actually buy. Examples of product innovation are product enhancements, product redesign and new product development.

The invention of the wheel changed the course of history. The Wright brothers, Edison, Archimedes, Aristotle, John Lennon and Gandhi all had ideas that have left their marks on history. Other people have created great symphonies, written novels, made epic films and done things that have affected the lives of millions.

Innovations that Hop: innovations that hop are small innovations that happen everyday and often go unnoticed. They are innovations like a new way to make a sauce, to cut meat, to fold a letter, to water plants, to hit the ball, to undo the screw, to fill out the form, to beat the rain.

Innovations that Step: These are innovations that people take notice of. They are ideas like getting cash from the supermarket, having a television in every seat on the plane, creating a new customer service strategy, a new procedure, a new way of washing cars.

Ideas that Jump: These are the innovations that change the world, turn industries upside down, alter lives and affect a lot of people.

What are you trying to do?

- Dragon boat racing and F1 racing are about winning.
- Playing in an orchestra is about the performance and getting it right.
- Surgery is about healing and wellbeing.

Doing things on Purpose

“Profit is like oxygen, food and water for the body. They are not the meaning of life but without them there is no life.”

For most of the people who work in the organization they are meaningless aims and provide little or not motivation. Sometimes they can actually de-motivate employees and work against you. Organizations need to make money. We all know that. They would not be in business if they didn't.

‘Create better business through better thinking’

‘Create a better world through better thinking’

3M drives innovation with the statement that “Our real business is solving problems”. American Express wants to provide “Heroic Customer Service”. Boeing wants to be “On the leading edge of aeronautics, being pioneers”. Johnson and Johnson exists to “Alleviate pain and suffering”. Disney seeks “Continuous progress through creativity, dreams and imagination” and Sony wants to “Be a pioneer, not by following others but by doing the impossible”.

A clear sense of Purpose is:

- Simple
- Memorable
- Magic
- For everyone

‘Helping put a man on the moon’. A good statement of purpose has to hook people emotionally. “Heroic Customer Service” has magic.

Make your purpose a statement that unites everyone: ‘On the leading edge of aeronautics, being pioneers’ works for the CEO and the design engineer.

Developing a Purpose for Herrmann International

Why No.1: Why does Herrmann International exist?

It exists to make money and to sell consulting services.

Why No.2: Why?

It wants to make money so it can pay its people. It wants to sell consulting services because they are very good and can make a difference.

Why No.3: Why?

They are very good because they are well researched and deal with how people think. They make a difference because they improve the way people think, learn and make decisions.

Why No.4: Why?

Thinking is something we all do every day. Yet sometimes we are not very good at it. In the world today there are plenty of examples of the results of poor thinking and decision making.

Why No.5: Why?

It took us 12 months to get the wording right, but for us the answer was that our purpose is “To create a better world through better Thinking”. More specifically, “To create better business through better thinking”. And we that that our statement of purpose is simple, memorable, magic and for everyone in Herrmann International.

‘Helping people build dreams’. Another construction company moved from ‘Being the most profitable and first thought of’ to “Creating environments where others can excel”.

Having a clear purpose is critical to success. Try completing it with your organization in mind. It will help clarify and develop a sense of organizational purpose.

Everyone needs a reason to get up in the morning, a reason to come to work. Everyone needs to know what the organization is trying to do and why. Purpose can provide that reason.

Just keep asking and asking till you get beneath the surface and away from words like *profit* and *money*.

The Ladder

Top rung: How do I make the organization more innovative?

One rung down: How do I make my division more innovative?

One rung down: How do I make my team more innovative?

One rung down: How can I be more innovative?

One rung down: How can I implement one new idea?

Ask “What if...?”

You already use ‘What if...’ everyday. How many times have you asked yourself “What if it rains?”, “What if I’m late?” or “What if I win?”. Most of us already use “What if...?” to anticipate and prepare for all the everyday things we may face.

“What if...?” is a great technique to get people thinking and to get them started. Try adding it to any meeting agenda. ‘What if we got a new big client?’ or ‘What if we lost our biggest client?’. In an office meetings, ask “What if our computer network crashed?” or “What if we automated to accounts system?”. In a strategy meeting, ask “What if a new competitor came along?”. I even use it in sales calls. I ask it two ways: “What if we do something?” and “What if we don’t do something?”. It is a great way to get people to think through the opportunities and consequences of a course of action.

‘There is no reason anyone would want a computer in their home.’ – *Ken Olson, President, Chairman and Founder of Digital Equipment Corp., 1977*

‘This “telephone” has too many shortcomings to be seriously considered as a means of communication. The device is inherently of no value to us.’ – *Western Union internal memo, 1876*

‘Who the hell wants to hear actors talk?’ – *HM Warner, Warner Brothers, 1927*

‘We don’t like their sound, and guitar music is on the way out.’ – Decca Recording Co. rejecting the Beatles, 1962

‘Drill for oil? You mean drill into the ground to try and find oil? You’re crazy.’ – Drillers who Edwin L. Drake tried to enlist to his project to drill for oil in 1859

‘Airplanes are interesting toys but of no military value.’ – Marechal Ferdinand Foch, Professor of Strategy, Ecole Superieure de Guerre

Ask: What’s tempting about this idea?

What’s lacking in this idea?

What needs changing in this idea for it to work?

Step 1: Think Tempting – Think about what is tempting about the idea. All ideas have something going for them.

Step 2: Think Lacking – Think what is lacking about the idea. Few ideas are perfect when they are first thought of.

Step 3: Think Changing – Think about what can be changed about the idea to make it work. What can be altered, improved or done to make the idea even better?

The three A’s of innovative leadership:

Alighting: Employees with a sense of their own purpose

Aligning: Employees to the organizational purpose

Allowing: Employees the freedom to challenge and change the way they work\

Michael Morgan’s five “Whys”

When I asked myself the five “Why’s”, the first question I asked was:

Why No. 1: Why do I run my own business?

The answer was because I like the freedom, I like the variety and I like making my own decisions. To determine the second Why question, simply turn your first answer into a question and ask yourself why that is important.

In my example, Why No. 2 question became: Why do I like freedom, variety and making my own decisions?

The answer was because I can then work on things I enjoy and like.

Why No. 3 becomes: Why is it important to work on things I enjoy and like?

The answer was that it is where I get my satisfaction. I get satisfaction out of discovering things, of doing new things, of learning new things.

Why No. 4: Why is it important to discover new things and to learn new things?

Because to me, that is what life is about. Life is about newness, about creativity, about discovery. Give me a job that allows me to do that and I will work 24 hours at it. That is what turns me on.

In this case, four 'Whys' was enough to give me the clarity I needed. For me, life is about newness, creativity and discovery.

STEP 1: Tell everyone the Organization's Purpose

Everyone needs to know where the organization is headed. You need to openly discuss what the organization is trying to do, what its goals and objectives are and why it is heading in that direction. The more that people know about the organization the easier it is for them to 'align' with it.

There are many ways to make sure everyone knows where the organization is headed. Some companies hang posters on the walls and notice boards. Others send out regular newsletters and special publications. Others talk about it at every opportunity and every company function.

STEP 2: Help people develop a sense of individual purpose

In his book, *Creating*, Robert Fritz says that a sense of individual purpose is the driving force that all creative people have in common. It is the one thing that separates them from the less creative.

STEP 3: Combine organizational and individual purposes

Chris was the CEO of a retail company. He stood in his office one day and said, 'My job is to have the biggest impact I can on this company. I cannot do it by sitting in this office.' So he spent most of his time out of the office taking to people and working directly with his staff. He was highly effective and everyone knew exactly why they were there and the contribution they made.

With no common purpose, everyone will be charging off in different directions. To get anyone to do anything, you need to introduce some pretty effective controls.

Remember, it took the Wright brothers over 805 attempts to get it right. Even then they only flew a matter of meters.

The IDEA Process

The IDEA process is built around the acronym IDEA:

- **I** stands for Initiating. It means anticipating the future, being one step ahead of the market, solving small problems before they become big ones, creating new opportunities, out-thinking the competition, designing innovative products, being ahead of the game, being first, setting the pace, creating the future.
- **D** stands for Defining. It means dealing with the right issue at the right level, having many points of view having lots of problems to work on, being spot on, dealing with the cause, settings yourself up for creative solutions, having many different descriptions of problems, seeing problems, positively.
- **E** stands for Exploring. It means having lots of ideas, solutions and perspectives, listening to intuition and insight, building ideas on ideas, selecting interesting ideas, keeping your thoughts together, brainstorming, day dreaming and think tanks.
- **A** stands for Acting. It means keeping the energy going, overcoming barriers, gaining commitment, implementing ideas, taking innovation to market, managing the idea to completion, making it happen.

“Who Do What”

Who	Do	What
How can we	increase	Sales by 10%?
1. Customers	decrease	profit
2. Suppliers	speed up	delivery
3. Teenagers	slow down	competition
4. Parents	improve	customers
5. Males	expand	costs
6. Computers	communicate	image
7. Machines	enthuse	stock

8. Pensioners	negotiate	product appeal
9. Accountants	motivate	new products
10. Government	stop	performance

The Ladder:

How can we make the entire organization more profitable?
 How can the entire organization increase sales by 10%?
 How can we increase sales in all products by 10%?
 Going down the ladder might be...
 How can I increase my sales by 10%?
 How can I increase my sales to a specific customer by 10%?
 How can I increase sales of one specific product?

Seeing the Finish Line

What does the idea look like now it is finished?
 What are people doing with it?
 What does it feel like to have developed a winning idea?
 What's a good picture or symbol for the finished idea?

Ask the People!

STOP Doing: Asks questions such as

What is getting in the way?
 What is stopping ideas from being implemented?
 What is slowing the process down?

START Doing: Ask such questions:

What should we start to do?
 What can we do to have more ideas?
 What can we do to encourage others to have ideas?

CONTINUE Doing: Ask such questions as

What are we currently doing that is working?
 What should we do more of?
 What is working?

Measuring Success

Bottom line results: (a) Return on investment (b) Actual Cost (c) Actual returns (d) Amount of dollars allocated to R&D (e) Number of people involved (f) Amount of time allocated

Progress and Performance:

(a) Number of ideas submitted (b) Number of ideas implemented (c) Progress of ideas through the system (d) Time taken to get ideas into the market (e) Risk / exposure involved in each idea

Contribution and Culture:

(a) Employee surveys (b) Climate surveys (c) Skills audit (d) Amount of team work (e) Levels of collaboration

Perceptions and Direction:

(a) Customer surveys (b) Customer feedback (c) Industry assessment (d) Employee surveys (e) Market perception (f) Positioning

Do you actively select for such things as:

(a) The ability to develop and hold a point of view (b) Independent decision making skills (c) Initiative (d) Networking skills (e) Resilience and Determination (f) Enjoyment of achievement?

SUPPORT CHECKLIST

Question 1: Who is responsible?

Is there one person who:

- Is the champion of innovation?
- Publicly commits to making it happen?
- Can get the resources needed?
- Will put their own time in to keep it going?

Question 2: Why do it?

Do your employees: (a) Know why innovation is important? (b) Know why it is vital for the business? (c) Know how it will help them?

Question 3: What will it look like?

Do people: (a) Know what the vision is? (b) Get excited about it? (c) Know innovation when they see it?

Question 4: Who else needs to be involved?

Does everyone: (a) Know how to get the support they need? (b) Know how to network with others? (c) Have the ability to get things done?

Question 5: How will we do it?

Do people: (a) Understand and value the difference and diversity that individual people bring? (b) Understand the innovation process and what is involved? (c) Have creative thinking and problem-solving skills? (d) Know how to implement ideas and follow the through? (e) Know how to be part of project teams?

Question 6: How will you keep it going?

Do you know how you are going to: (a) Measure it? (b) Reward people for it? (c) Recognize ongoing achievements? (d) Link it with the other organizational systems? (e) Make it part of everyday life – the way we do things?