Make INNOVATION Work in Your Workplace

By Jeff DeGraff and Pete Bacevice

THE AURA OF INNOVATION IS EVERYWHERE. As you sip your coffee at Starbucks, drive your hybrid Toyota, or search with Google at your office, it is clear that innovation is an intersection of objects, styles, techniques, and knowledge that makes something new or improved. It is this elusive quality of innovation that makes it so difficult for companies to become innovative—a task that often falls on the HR director's desk.

How do you teach employees to see, think, learn, and act in an entirely new way? How do you convince people to work together across departments and divisions?

There are seven principles for leading innovation that Fortune 500 companies have successfully used for years, and they should be part of your corporation's training and development programs.

Innovation bears the fruits of collective learning.

1. How you innovate is what you innovate. The way in which management leads innovation will predict the result. The Innovation Genome is a map that describes the basic terrain of innovation. It illustrates the different approaches that should be taken to implement innovation.

One size never fits all. To understand which method, or combination of methods, is suited for your company's needs, you must first

know the results that you seek. When a company is not innovative, it is because it is focused on only one of the four approaches to innovation. Competition among all four creates the positive tensions that are needed to produce fully functioning organizational innovation. Homogeneity and apathy are the death of innovation. Creative diversity is the key to developing sustainable innovative competencies.

2. Enlist your "creativizers." Companies known for their innovation obsess over identifying and cultivating innovative talent. Apple Computer had Apple Fellows project teams dedicated to innovation during its fast-paced, start-up years. 3M offers its prestigious Carlton Society of highly practiced innovators to serve as strategic advisors throughout the firm. W.L. Gore takes an open-source approach. Cross-functional communities will search and reapply the best ideas from anywhere. These are routinely integrated with existing business practices.

Innovation often proves to be less about formulating winning strategies and processes, and more about identifying and harnessing the talents of people in the organization who already innovate. Identify who really makes innovation happen in your company (not who should), and then create opportunities for these innovators to mix frequently throughout the organization. Identify these creativizers through their ingenuity, sense of ownership, and ability to add creativity to routine functions. Their self-authorizing behavior typically makes them highly practiced facilitators for launching a wide array of innovation-focused projects.

Sometimes creativizers are hidden from the spotlight. These people may include administrative support staff, line workers, or middle managers. Yet they are often at the pulse of the company and really know how even the smallest changes can have the greatest impact.

Ask them what projects they would like to tackle and work to align them to strategic opportunities. Convene your creativizers regularly to search and reap-

ply best practices and to establish a community of innovation practitioners with a prestigious identity like Apple Fellows or Carlton Society.

3. See one, do one, teach one. Talent and practice are enough to develop basic competency in leading innovation, but insufficient to master it. The more proficient you become in a craft; the more you require diverse and repeated experiences to develop your fluency under the watchful eye of an accomplished master. Artisans even have a slogan for this approach: "See one, do one, teach one."

For example, first-year Julliard students attend numerous performances and receive intense classroom instruction. With each of the succeeding years, the emphasis shifts to performance in multiple ensembles and genres. The instruction becomes increasingly experiential with personalized coaching to hone technique.

Finally, upperclassmen are expected to assist their junior colleagues in developing their latent abilities. Leading innovation in any company requires that your master innovators train your novices, who, over time, become your next generation of master innovators.

Identify your innovation masters and pair them with high-potential novices. Give the novices ample opportunities to work on action learning projects and provide the masters with sufficient time to suggest improvements. The "see one, do one, teach one" approach is one way to create a true learning organization.

It is more effective than inundating people with excessive information and PowerPoint slides. Learning occurs when knowledge is gained, and knowledge is gained when information is absorbed and understood through practice and socialized interaction. Companies that recognize this learning opportunity will thrive as learning organizations and innovators.

3. Show, don't tell. In 1987 Apple Computer made a short video, *Knowledge Navigator,* which chronicled a day in the life of

an uptight university professor in the not-so-distant future. By focusing on the professor's daily grind of conducting research and preparing for classes, the video showed how we would use a new online interface technology and demonstrated how the Internet would work years before any of us had ever heard of it.

How did Apple know what the future would look like? It didn't. By telling a story where we could witness how we would work in the future using these technology tools, Apple created an expectation and helped drive applications and uses in its direction. There is no data on the future, but that's exactly where innovation fully emerges. People need to see a clear picture of what happens next. Visions don't always come true but they engage the imagination by providing a compelling dream and destination that persuades us to take the innovation journey.

Work with writers and other artists to craft a well-told tale. Start by thinking like an anthropologist, and use tools, such as digital cameras and camcorders, to observe how people behave in their everyday lives using things that relate to your innovation. Use these findings to tell a "day in the life" story of a buyer or user of your innovation. Stories like these can be videos or elaborate presentations at conferences or trade shows. Use what you've got and procure the services of available talent to create inexpensive prototypes or demonstrate an innovative concept.

4. Hide innovation inside Trojan horse projects. Because innovation pervades all ordinary aspects of a growing business, no one owns it or provides it with the level of resources, time, and accountability necessary to make it happen with adequate scope or scale. However, companies are informally organized around projects that have owners, resources, and timelines. These projects often serve as Trojan horses, where innovation can travel undetected inside them. It is essential to hide innovation before it emerges as something substantial since most organizational processes are aimed at producing replica-

ble efficiencies and designed to eliminate nonconforming creative practices.

General Electric emphasizes innovation in key strategic projects called "imagination breakthroughs." These initiatives create pathways to growth that require the project teams to develop breakthrough product, service, and process innovations. By developing innovation practices through these projects, GE instantly enrolls sponsors who have a vested interest in the project itself. It also provides a proving ground to determine which people and practices really make innovation happen and which ones don't. Imagination breakthroughs provide insight into which innovation practices work at General Electric. These practices have become the foundation of integrated and scalable corporate processes for innovation because they are battle tested.

Identify projects that are strategically essential, and work with the key project stakeholders to include innovative people and practices in them. Accelerate the failure cycle of these projects—fail often, early, and out of sight—to discover which people and practices work and which ones fail.

Failure is an inevitable outcome of attempts at innovation. It is also an inevitable outcome of learning. People learn quickly when they fail and then move on. After failure, always ask "what worked and what didn't work?" The answer will help you to learn and be more innovative. Don't showcase an innovation until you have developed it to the point where its merits can be easily demonstrated to key stakeholders.

5. Use the 20/80 rule and work from the outside—in. It is easier to change 20 percent of your company 80 percent than it is to change 80 percent of your company 20 percent. All you have to know is what part of your organization is in a crisis and what part is on a roll.

Crises like failing health, divorce, or bankruptcy drive people to change. When you are in a crisis, the risk of changing and the reward of changing are reversed because the pain threshold is so high. This same rule applies to companies. In the late 1970s, Chrysler filed for bankruptcy protection and soon after introduced the first Minivan, the most significant innovation in the automotive industry in more than two decades.

The other time we really change is when we are on a roll. Consider the case of Cisco Systems, an Internet and connectivity hardware and services company. During the dot-com years of the late 1990s, Cisco had a market capitalization value greater than that of GE. It went on an acquisition tear and invested heavily in research and development. Why? Because it had the risk capital to do it. By the time the dot-com bubble burst and the plethora of high tech start-ups burst with it, Cisco had established a market leading position with breakthrough technologies and applications that helped it weather the storm and remain a market leader.

Launch your more radical innovation projects in the areas of your company that are in crisis or on a roll. Crises will need to be fixed anyway, and exceptional performance will yield the resources that can tolerate some risk.

Start a wide array of highly differentiated projects with the understanding that most will fail. By doing so, the organization will now have "risk capital" or a greater tolerance for failure, recovery, and learning. Debrief all failures and successes, and formulate simple rules and methods that can be integrated into the core of the business where failure isn't tolerated.

6. Leave room for discovery. Sometimes what you discover along the way is more interesting than what you set out to find. Accidental innovations—from Teflon to Post-It Notes to Viagra—are all affirmations.

Great painters talk about the point at which they stop painting the picture and it starts painting itself. They call this the flow state. Innovation resembles art because at its core, it's ambiguous and emergent. This makes leading innovation not only different from conventional, control-based leadership; but also the opposite of conventional leadership. The secret to leading innovation is acknowledging that it is a work in progress that almost never turns out exactly the way you thought it would. In the end, to lead innovation means increasing the quality and diversity of our own experiments and experiences to make ourselves better and new.

In the end, an innovative company is a learning organization. Leaving room to make unexpected discoveries that can lead to innovation is the same skill set needed for learning. Innovation and learning require the ability to make sense of ambiguity. Sometimes your senses will lead you directly to a breakthrough innovation. Many times your senses will simply guide you in your everyday routines, and it is those everyday routines that might house the next important innovation.

Leading innovation is not about one person or one project in a company. It is the fruits of collective learning by groups of individuals who are aware of their surroundings to the point at which they are able to recognize opportunities. **TD**

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