Harnessing the Power of Innovative Organizations

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Innovation means new ideas, new products, new approaches… and hard work! But how to incorporate the innovative approach into the everyday decisions, actions, and execution of your company? Learn about some great ideas for building on the innovative impulse and harnessing its power to increase your chances for success.

6 Characteristics of an Innovative Organization

By Dr. Carl Robinson and Bryan W. Mattimore

Innovative organizations have built into their structures several practices that serve to perpetuate innovation, says Vistage speaker Dr. Carl Robinson.

1. Challenging Traditional Business Activities

Habitual behavior can be a massive business problem. "By continuing to do what we always have done in the same way, we stifle creativity and innovation," says Mattimore.

Are your meetings boring and generally a waste of time? Then consider an alternative. Perhaps regularly scheduled meetings can be eliminated by distributing information and having participants sign off that they've read the pertinent material.

For essential but uninspiring meetings, have the group ask themselves, "What do we need to do to have challenging dialogue?" The best companies do this routinely, to avoid mind-numbing routines.

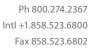## 2. Training for the Competence of Creativity

A climate of innovation isn't enough. People need to continue to develop their skills.

"Creativity is not magical. It can come in small ways and big ways. We tend to think of creativity as the R&D idea, the big marketing success," says Robinson. "But creativity is a competence that needs to be developed in people, like leadership and technical skills do."

How do leading companies do that? They bring in unconventional speakers to stretch the minds of the organization's thinkers. They may tap poets, writers, painters or musicians for management forums. Or, the company might bring in an improvisational artist to push comfort zones for serious executives.

By exposing people to new ideas from seemingly unrelated arts and disciplines, they can often make unexpected connections that help them see their issues and opportunities in a new light.

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3. Encouraging Playfulness and Blue-Sky Thinking

Companies that encourage a certain quality of playfulness, where wild ideas can be shared without fear of being judged, create the kind of environment where breakthrough thinking and innovation occur naturally.

"For example, we have an annual meeting in our consulting firm, and typically we talk about some of the most successful work done in the year," says Robinson. "One of my partners turned that around and suggested we discuss our worst work of the year. From that, we had a four-hour candid discussion about mistakes we had made and embarrassing moments."

The experience was at once incredibly humbling and empowering, he says. "It reminded us that mistakes come from people who take chances, and that you learn much more from your mistakes than you do from success."

As a result, Robinson's consulting firm is now faster and more responsive to its clients. Without a willingness to share vulnerability, that improvement would have been unlikely.

4. Sharing Best Practices

Innovation should never be conducted in a vacuum.

"Is your organization learning from and sharing best practices internally?" asks Robinson.

Does your sales staff share ideas with customer service, and vice versa? How much do seemingly unrelated departments communicate and collaborate? If you have more than one location, do the people in different offices trade sales information and insights?

"We worked with a distribution business that had a large, decentralized sales force," Robinson explains. "The sales people thought of themselves as competing, although they weren't. We helped them see that they were in fact a knowledge community. Their job was to get themselves smarter."

Once the sales people started sharing information, it had a formidable impact on their bottom line, and the company became known as an industry leader in terms of its sales practices.

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5. Celebrating Successes

The best organizations make this a habit, rather than something that happens occasionally or by accident. In fact, Vistage speaker **Bryan W. Mattimore** recalls that one company was using a creativity-enhancing technique when the word 'gong' came up. That's how they decided to ring a gong to celebrate their successes.

6. Inviting 20/20 Hindsight

Now that the job is done, the project completed, the task checked off — what could we have done differently? Implementing an after-action review following any significant event in an organization's day-to-day existence opens the door to continuous improvement.

"Holding this conversation with major stakeholders can be engineered easily into an organization," observes Robinson. Simply pose this question: "If we could do it over again, how could we do it differently?"

About the authors

Bryan Mattimore

Bryan W. Mattimore is the co-founder of The Growth Engine Company, LLC, the goal of which is to apply creative approaches to marketing/business issues to drive top-line revenue growth. A recognized authority on the design and facilitation of ideation sessions for business, Bryan has facilitated more than 1,500 marketing and business strategy ideations.

Carl Robinson

Carl Robinson is managing partner with the consulting firm MICA Management Resources. His firm offers integrated services in employee and managerial selection, organization assessment, and effective human resource utilization.

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3 Common Innovation Mistakes

By Holly Green

When was the last time your company came out with something really new? How long has it been since you totally reinvented a critical business process that resulted in significant cost savings or productivity increases? If you can't remember (or you can remember but it's been so long you don't want to admit it) you may be stuck on one or more of these common innovation mistakes.

1. Confusing creativity with innovation

Creativity involves coming up with new ideas, connections, and ways of looking at the world. Innovation is the process of turning them into products, services, or ways of working that add value to one or more stakeholder groups. Too often, companies invest a lot of time and resources in coming up with new ideas, but then the process stalls. Nobody takes responsibility for continuing on with the hardest part of the process, execution, and the ideas end up going nowhere.

Turning creativity into innovation requires accomplishing three important objectives:

- **Getting focused.** Companies that successfully innovate tend to focus on one or two really good ideas at a time. To select the best ideas, they have processes in place for discussing, testing, evaluating, and comparing ideas for their potential to add value to customers, generate new revenue streams, or accomplish a specific innovation goal.

- **Making sure the innovation aligns with your strategy and organizational capabilities.** If a potential innovation doesn't align with these, it could require more people, money and resources than you have available. It could also confuse rather than amaze and delight your customers. Pushing the envelope is good, but not when it stretches you too thin or doesn't fit your market.

- **Getting the new product or service to market in a timely and profitable manner and/or implementing it internally.** Once you've zeroed in on one or two good ideas, senior management has to commit the time, money and resources to make the innovation happen. This should be followed by close tracking of the business performance of the new product, service, or process as well as considering the process used to develop the innovation and looking for ways to improve it.

It also helps to recognize that creativity and innovation require different skills sets. The best practices that promote creativity have to do with teaching people how to notice, use, combine, and integrate diverse stimuli. The best practices that promote innovation involve teaching people how to take new ideas and convert them into value to customers (both internal and external).
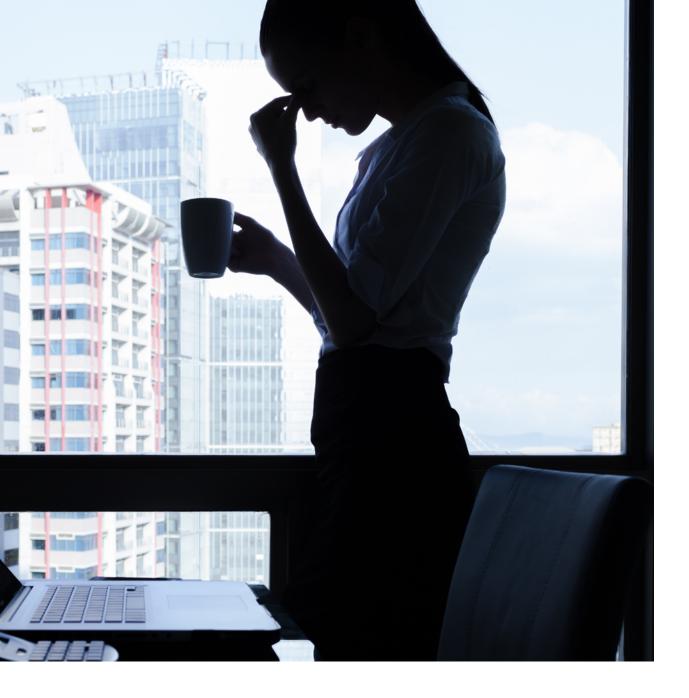
In other words, creativity asks people to think differently. Innovation asks them to *act* differently. Companies that innovate on a consistent basis teach their people how to do both. And they are skills that can be developed.

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2. Not failing (some of the time)

Like it or not, innovation requires a certain amount of risk – and failure. If you're not failing some of the time, you're not pushing the envelope far enough to develop any meaningful innovation. The trick is learning how to manage and mitigate the risk so that one failure doesn't wipe out the company or deplete all the available resources. This requires a process for evaluating the risks and making measured decisions based on the projected return on investment.

One way to reduce risk is by reviewing your decision-making processes in real time. Before making major decisions – especially in regards to new products or services – expose your thinking process and invite others to expose their thinking as well. For example, "Here's what I'm thinking about this issue and here's why. Does anyone see it differently?"

Reviewing the team process for reaching the decision can also help to mitigate risks. Ask questions like:

- Did we thoroughly consider the issue or rush to consensus?

- Did the CEO or team leader unduly influence the decision?

- Were alternative points of view encouraged or shut down?

- Have we overlooked anything that could impact the level of risk for this project?

Often, making it safe to fail requires some serious self-examination by senior management. Are you more focused on protecting current assets than exploring new ways of adding value to your customers? Is the team's mindset one of "play not to lose" rather than "play to win"? Do you talk a good game in regards to controlled risk-taking but then punish those who fail? Encouraging failure doesn't mean to disregard risk or tolerate poorly planned disasters. But if all failure gets punished, any attempts at turning new ideas into reality will never get off the ground.

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3. Treating innovation like a quick-fix add-on

Remember way back in the '90s when everyone rushed to jump on the quality/process improvement/six sigma bandwagon? What most forget is that not much happened until companies stopped treating quality as a bandaid approach and began making it a part of how they do business. It's the same with innovation. If you want to innovate on a consistent basis, you have to make it part of who you are and what you do regularly.

Start by explaining why innovation is important and how it will help your organization win. Then focus on building a culture that encourages, supports and nourishes innovation. Paint a picture of what your organization will look like when innovation becomes a way of life and how it will benefit all key stakeholders. Teach people how to think differently by providing the necessary support in the form of learning sessions, tools, and techniques.

Most people don't know how to pause to challenge their unspoken assumptions, change perspectives, or even how to consider different angles. They're not used to slowing down just a little to consider options, balance the big picture with the details, or seek new data. People are not naturally prone to constantly test and update their mental models about the world, their customers, their peers, or their organizations. If you want to build a culture of innovation, provide the tools and support to learn these critical new skills and abilities.

Encourage diversity and build teams with different skills, backgrounds, and analytical styles. Use language that encourages employees to contribute ideas and stay open to new possibilities. Link individual effort to the big picture. Make it safe to take risks and fail. Most of all, acknowledge and reward the behaviors that lead to successful innovation.

Obviously, there's a lot more to innovation than not committing these mistakes. But avoiding them will put you much further down the road to successful innovation than companies that do.

About the author

Holly Green

Holly is CEO of **THE HUMAN FACTOR Inc.**, and guides leaders and their organizations in achieving greater success by teaching you to leverage your brain and the brains of others at work. An experienced business leader and behavioral scientist, she has a rare combination of extensive academic training and in-the-trenches experience working in and leading organizations. She was previously President of The Ken Blanchard Company and a biotech start up. Her clients include Google, Microsoft, Arby's, Hyatt, as well as numerous small and midsized businesses and national associations. Holly has worked with companies and audiences around the world and is passionate about the science of thinking. She is also a bestselling author. Her newest book, *Using Your Brain to Win*, was recently released to international acclaim.

Case Study: Create an Innovative Culture

To inspire innovation, change your focus and involve your employees. Kari Prevost, H.G. Fenton Company's General Counsel and V.P. of Employee Lifestyle, discusses how her company evolved its culture from one focused on operations to innovation, and where every employee's voice matters.

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