Introduction

If you've read any of my articles, blogs or white papers before you'll know how passionate I am about reinforcing the importance of culture as a driver of innovation. It's a fundamental part of the innovation ecosystem. And it’s in the word ‘ecosystem’ that CEOs and executive teams should begin looking for the best example of how corporate cultures around innovation work.

"An ‘ecosystem’ is a biological system consisting of all the living organisms or biotic components in a particular area and the nonliving or abiotic component with which the organisms interact, such as air, minerals, soil, water and sunlight.”


Just like the ‘ecosystem’ we live in, an organisation culture, especially one focused around innovation is subject to the same level of influences. Culture permeates throughout the very fiber of an organisation and because such, is subject to positive and negative influence from every corner. Culture can't be controlled but can be influenced so when innovation is on the agenda, the drivers of an innovation culture need to be constantly reinforced. But, take note. Once you switch your organisation on to innovation, there’s no turning back, no switching off!

The right cultural focus defines an organisation’s values, how people should behave, what’s important, what direction to aim for. It defines the organisational common purpose and aligns the effort, collaboration and contribution from everyone involved. A culture of innovation can be the aphrodisiac that differentiates one organisation from another. It’s what inspires your existing people to do things differently and attracts the talent of the future to want to work for you. It’s also what compels customers old and new to see you as the ‘no-brainer choice’ and brand you as the undisputed innovation leader.

21st Century competitive advantage is no longer about ‘WHAT’ your organisation does, it’s about ‘HOW’ you do it and that means it’s fundamentally about culture. However, that means it requires a culture that says NO! to the status quo, says ‘NO!’ to business as usual. Instead it says YES! to disruption of business models and markets, says YES! to creating new experiences and opportunities and most importantly says YES! to doing things, no, everything differently! In general, entrepreneurial start-ups and spin-outs innovate because they say YES to the above. Their immaturity as a business is, in this instance, a blessing as the rot of size, compliance and maintaining the corporate beast hasn’t yet set in. So, how do existing businesses change and build a culture of innovation in the face of these common innovation barriers?

Building a culture of innovation needs to be approached from a holistic, organisation-wide perspective. It needs to be based on a fundamental and overarching strategy, a BHAG (Big Hairy Audacious Goal) that drives everything the organisation is trying to achieve. Senior teams and especially CEOs must ‘OWN’ innovation in order to inspire action from the main gatekeepers, middle management, in order that they in turn can inspire the organisations people to fundamentally do things differently.
In almost every survey done, over 90% of senior execs say people and culture are the most important factors for driving innovation! But, with 65% of senior execs also unconfident about how to approach embedding innovation it’s easy to see why the focus remains with capability and why that narrow focus rarely creates enough momentum to positively change culture.

So, if you’re trying to change your culture in pursuit of innovation, here are my 10 biggest innovation killers:

**STRATEGY**

As a CEO you can’t simply ‘ask’ for innovation, you have to move from talk to execution. Just like any other business imperative it requires a robust strategy. If it’s to be aligned to the overall vision of your organisation you’ll need to develop an innovation strategy that defines the course of action best suited to your organisation. Building that strategy gives the change innovation requires real purpose and clarity of direction for everyone in the organisation so they can align themselves to the vision and effectively contribute along the journey. Unless you’ve got a BHAG (Big Hairy Audacious Goal) then the status quo will always be the default position.

**OWNERSHIP**

Senior team ownership and accountability for innovation is critical. But if the leadership layer of an organisation isn’t in complete alignment about innovation, what to do and how to do it, then embedding it into culture is almost impossible. Building a cohesive and agreed leadership approach to innovation is vital in order to communicate what the journey looks like to middle managers so they can confidently drive the innovation agenda throughout the organisation. Clear and visible leadership and management team ownership of innovation is key if you want your people to make innovation part of ‘HOW’ you do what you do.

**CULTURE**

If 21st Century competitive advantage is more about ‘HOW’ you do things than ‘WHAT’ you do, then innovation must move away from the traditional R&D (Research & Development) or NPD (New Product Development) teams. Building and embedding a culture of innovation is only possible if you look at the change required in a holistic way. Your strategy and framework for innovation will depend on how much you are prepared to change your existing culture so that existing operations do not conflict and counteract the drivers that innovation requires. Just like any culture change program the main contributors should be the people that make up the culture so their involvement is the key to success if you want to increase alignment, engagement and results by unlocking organisation-wide innovation capability.
CAPABILITY

What’s commonly known as ‘The Fuzzy Front End’ is where most organisations start their innovation journey. However, the likelihood of anything more than incremental from the typical ‘brainstorming’ session is remote. In order to capitalize on your people’s capacity for innovation, capability building is key. You’ll need to learn how to enhance idea generation and turn powerful ideas into commercially viable products, services, experiences and business models quickly and consistently. Understanding your customer is crucial if you’re going to apply your capability in the right way so increase your ability to look at the world differently and gather new, deeper intelligence so you can innovate in the right direction, adding value to the customer and creating growth for your organisation.

DIFFERENTIATION

The ultimate goal of innovation is as a driver of differentiation. Every organisation is trying to be ‘innovative’ because it’s the buzz word de jour. Underneath the overuse of the word itself is the same quest that has always plagued organisations, how do we differentiate from the rest? It’s this bastardization of the word that causes organisations the most problems as most people jump straight to ‘radical’ when they are asked to ‘innovate’. In most cases this perceived jump in ‘what we’re doing now’ (Incremental) to ‘what we need to do tomorrow’ (Radical) is too big. So, position the word ‘Differentiated’ between Incremental and Radical when talking to your people about innovation and give them a natural step to take along the journey.

PROCESS

If innovation is treated with the traditional rhetoric and lack of structure then it’s no surprise that effort never yields results. You need to move people way beyond the traditional ‘brainstorming’ sessions because in their current format, they just don’t work! Innovation requires an organisation-wide approach to the tools, techniques and processes that enable and enhance it. Create processes for gathering fresh, forward-thinking intelligence, genuine customer needs, wants, problems and opportunities. Then create a funnel for channeling ideas in the right direction towards implementation. Like anything else in business, if you don’t have a process, your innovation efforts won’t have consistency, won’t be scaleable and won’t be efficient.

MEASUREMENT

Generating lots of ideas is all well and good but more so than ever we need those potential solutions to add value both internally and externally. Simply flooding an organisation with large numbers of ideas is counterproductive and doesn’t help the ongoing case for innovation when people don’t see follow through from their input. You must be very clear about how you guide the ideas people come up with and what direction they think in. Everything must be in line with your (BHAG) and with what you know about your customers, so create a process for keeping people on track. You’ll then be able to measure innovation success by the same criteria and avoid setting unrealistic expectations or wasting time searching for the next big thing.
COMMUNICATION

The unique ability of communicating through a native language clearly separate humans from all animals yet we don’t capitalize on it! Sharing knowledge, insight, stories, successes, failures and learning is fundamental to the innovation ecosystem so make sure every tiny amoeba of innovation information circulates around your organisation. Everyone must know why you exist as an organisation, what you’re trying to achieve, how innovation is helping you along the journey and why everyone should contribute. Use everything at your disposal to create innovation dialogue. Now more than ever before, we have the ability to create constant chatter through modern technology, social media and the interweb! Your innovation journey should be a story and stories should be constantly told.

ALIGNMENT

When people are unclear about which direction the organisation is going in and why, we can’t expect innovation, least of all innovation that is pin-sharp and on target. Alignment of your corporate strategy with your innovation strategy is crucial if everyone is to understand why innovation is vital, how it will push your organisation forward, how it will help differentiation and most importantly, how to contribute. Secondly, there has to be alignment between the three main layers of leadership, management and people if a community of shared purpose, accountability and collaboration around innovation is to be fostered. The right alignment creates a ‘mentoring culture’ especially between middle management and your people where, in most organisations, the majority of real-world innovation happens.

JUVENDICEED

One of the biggest killers to organisations pushing forward not just innovating is a reluctance to take risk. In an interview in December 2006 the world-renowned expert on creative thinking Edward de Bono highlighted that because the English language doesn’t have a word to describe creative ideas that just don’t work except to call them a ‘mistake’ people are reluctant to be creative and take risk. So, taking up de Bono’s challenge, we created ‘Juvendiceed’ which sums up for us what ‘smart risk’ taking is all about. “A fully justified and considered venture which for reasons outside our control just didn’t succeed”. Create your own version of ‘Juvendiceed’ so that the value of taking risk (because that’s how we learn) is understood.

Conclusion...

When over 90% of senior execs say people and culture are the most important factors for driving innovation it’s crucial that innovation barriers are identified and removed and innovation enablers are defined and enhanced. After all, the bottom line was succinctly put by the late Steve Jobs who said; “Innovation distinguishes between a leader and a follower”.

Good Luck!

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