

## WHITE PAPER

# FIVE WAYS TO MAKE YOUR INNOVATION CULTURE SMELL BETTER

BY BRADEN KELLEY, AUTHOR AND INNOVATION INFRASTRUCTURE SPECIALIST



## Is Your Organization Committed to Innovation?

Innovation is everywhere. You can't go an entire commercial break during the World Cup or The State of the Union Address without hearing the word innovation at least once or twice. Companies are adding innovation to their company value and mission statements in accelerating numbers but each organization goes about innovation in different ways. Some organizations implement idea management systems to help generate and evaluate product ideas. Others are willing to spend large sums of money on design firms and innovation consultants to help them create, architect, and deliver products and services that will engage new or existing customers.

Based on these efforts, it is safe to assume that most companies and their leaders are committed to innovation, right?

## When it comes to fostering continuous innovation, most organizational cultures *stink at it.*

Industry research provides some interesting statistics which highlight that innovation is not easily obtainable and that companies are not innovating fast enough to repel the unrelenting threat posed by new market entrants with declining barriers to entry.

- Over the last 50 years, the average lifespan of a company on the Standard & Poor's (S&P) 500 has dropped from 61 years to 18 years and is forecasted to shrink further in the future (Figure 1)<sup>1</sup>
- Executives cited "promoting continuous innovation" as the most difficult goal for their company to get right. "Structurally, many companies just aren't set up to deliver continuous innovation"<sup>2</sup>
- 84% of approximately 2,200 executives agree that their organization's culture is critical to business success<sup>3</sup>
- 96% of respondents say some change is needed to their culture, and 51% think their culture requires a major overhaul<sup>3</sup>

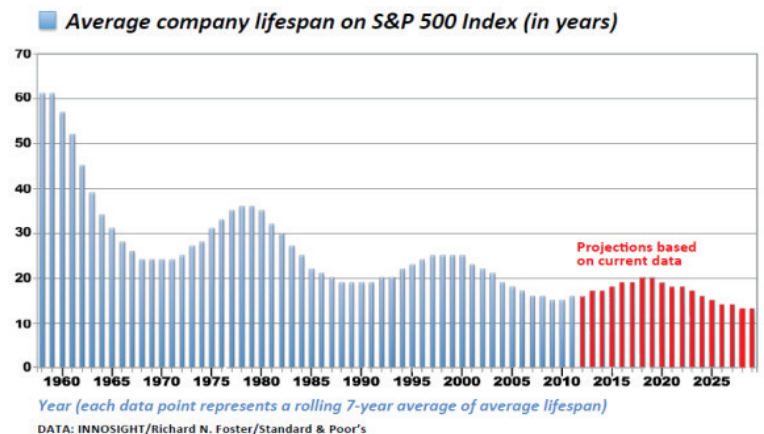


Figure 1

"When it comes to innovation, ideas are the easy part. The cultural resistance learned over 30 years of efficiency is the hard part."

– Innovation Excellence contributor, Jeffrey Phillips

Employees in most organizations are slaves to execution, efficiency, and improvement. While those things are important (you can't have innovation without execution), organizations often fail to strike a balance between efficiency and innovation. As a result, their most creative and entrepreneurial employees leave.

It's not enough to talk about innovation, or to invest in trying to come up with new products and services. Instead, more organizations should commit to making sure their innovation culture doesn't stink.

For starters, companies must understand what kind of culture they currently have.

One framework for determining a company's culture comes from Kim Cameron, PhD. and Robert Quinn, PhD. It breaks organizational cultures into the four types highlighted in Figure 2.<sup>4</sup>

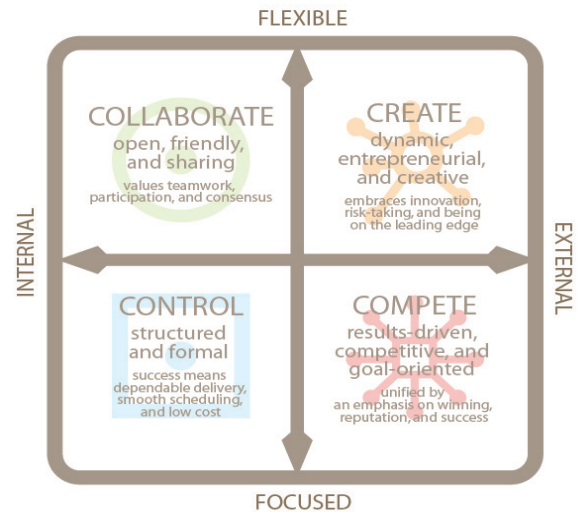


Figure 2

Any of these culture types can evolve into a successful innovation culture and any of them can also establish a highly dysfunctional culture incapable of sustained innovation. The changes necessary to move from where you are now to building a more innovative culture may be slightly different, but there are five common focus areas that can help you make positive strides toward an innovation culture that smells better.

## Five Keys to Making Your Culture Smell Better

### #1 – Focus on the Basics of Culture Change

Innovation is all about change. If you are going to invest in the work to improve your innovation culture, you are investing in change. Prepare your people for your culture change, and keep in mind some of the best practices in managing change.

Professor John Kotter of Harvard University is one of the leading voices on the topic and has identified eight key change principals<sup>5</sup>

1. Establishing a Sense of Urgency
2. Creating a Guiding Coalition
3. Developing a Change Vision
4. Communicating the Vision for Buy-in
5. Empowering Broad-based Action
6. Generating Short-term Wins
7. Never Letting Up
8. Incorporating Changes into the Culture

Kotter goes on to further describe culture:

*New practices must grow deep roots in order to remain firmly planted in the culture. Culture is composed of norms of behavior and shared values. These social forces are incredibly strong. Every individual that joins an organization is indoctrinated into its culture, generally without even realizing it. Its inertia is maintained by the collective group of employees over years and years. Changes – whether consistent or inconsistent with the old culture – are difficult to ingrain.*

*This is why cultural change comes in Step 8, not Step 1. Some general rules about cultural change include:*

- *Cultural change comes last, not first*
- *You must be able to prove that the new way is superior to the old*
- *The success must be visible and well communicated*
- *You will lose some people in the process*
- *You must reinforce new norms and values with incentives and rewards – including promotions*
- *Reinforce the culture with every new employee*

Ultimately, the organization as a whole must want the change or at least understand that the consequences of not changing will have a greater impact than adapting to change. If you cannot build a strong foundation to support change, you will likely fail. Do not underinvest in planning for change and in building a communication strategy for your innovation culture change efforts.

## #2. Build a Common Language of Innovation

Unfortunately, there is no universally accepted definition of the word “innovation”, and there have even been multiple articles written by the Doblin Group<sup>6</sup>, Geoffrey Moore,<sup>7</sup> and others about how many different types of innovation there are and how you must choose which types of innovation to focus on. When it comes to innovation, individuals speak about it differently and there are lots of misunderstanding.

A common language of innovation is the foundation of any sustainable innovation effort and is realized by putting these five building blocks in place.

### Definition of “Innovation”

Innovation means different things to different people. Every organization should consciously define what innovation means to them (and what it does not). Establishing a baseline for what innovation is in your organization is the first and most important building block in a sustainable innovation foundation.

My definition: *“Innovation transforms the **useful** seeds of **invention** into **widely adopted** solutions **valued above** every existing alternative.”*

This definition highlights a difference between useful vs. valuable and invention vs. innovation and emphasizes that something must be widely adopted to be an innovation (at the expense of something else).

Consider how company vision, strategy, goals, and infrastructure impact innovation within your organization.

## The Power of Language

A recent survey by Doug Williams of Innovation Excellence Research found that<sup>8</sup>:

- **Corporate Messages Focus Employees**— 81% of respondents found their mission statement helpful in keeping them focused and aligned on what’s important to the company overall.
- **Few Firms Have Clear & Consistent Definitions**—Only 29% responded that their company has a clear and consistent definition for the term “innovation” that applies across the entire organization.
- **Talking About Innovation in Companies is Difficult**—Communication about innovation within the organization is most difficult with colleagues from different departments (61% reporting difficulty) and conversations with senior leaders (63% reporting difficulty).
- **Communication Problems Have a Real Impact**—When asked what issues communication problems were caused around innovation, 68% of respondents reported feelings of frustration, 57% felt employee time was wasted, and 55% reported that significant delays were experienced in moving an innovation initiative forward.
- **Language Helps Build an Innovation Culture**—The survey showed strong support for investments in communications, with 63% supporting education of employees about the importance of innovation, 52% supporting the adoption of a clear, company-wide classification system for innovation initiatives, and 48% supporting the establishment of a single, company-wide definition of innovation.

Ultimately, building a common language of innovation enables alignment. It helps reduce the chance of miscommunications, missed opportunities, and missed deadlines.

**John Kotter, as part of his change principals, highlighted six key characteristics of an effective vision:**

- Imaginable: Conveys a clear picture of what the future will look like
- Desirable: Appeals to the long-term interest of those who have a stake in the enterprise
- Feasible: Contains realistic and attainable goals
- Focused: Clear enough to provide guidance in decision making
- Flexible: Allows for individual initiative and alternative responses in light of changing conditions
- Communicable: Easy to communicate and can be explained quickly

## Vision

Employees need to know why innovation is important and what leadership's vision is for the innovation direction of the organization so they apply their efforts in a manner consistent with the vision.

Your innovation vision should ask and answer:

- **WHERE** are we focusing our innovation efforts?
- **WHY** are we pursuing innovation?

## Strategy

When it comes to setting an innovation strategy, organizations should ask and answer the following questions:

- **WHAT** are we doing to try and realize our vision?
- **WHO** is expected to participate?

Determine who and what you are going to focus on as part of your innovation strategy and its goals.

"P&G has incredibly talented employees – employees who are proud of the work they do. Moving from 'only invented at P&G' to 'proudly found elsewhere' required a change in mindset. It was important that employees realized that 'Connect+Develop' was not another name for downsizing and outsourcing jobs, but instead a strategy to ensure sustained business growth for the company."

*– Chris Thoen, former head of the Connect+Develop program at P&G*

## Goals

When it comes to goals, the S.M.A.R.T. framework states that goals must be:

**S**pecific

**M**easurable

**A**chievable

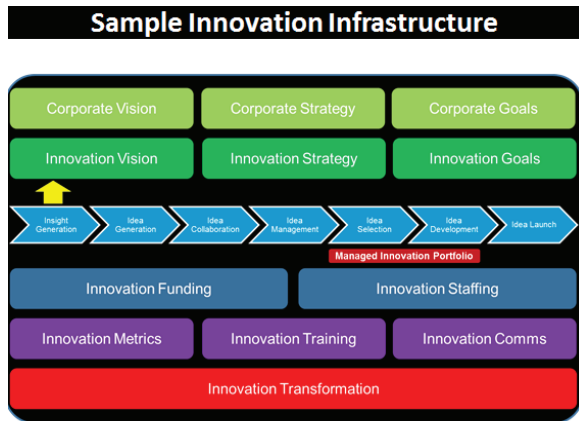
**R**ealistic

**T**ime-bound

When created thoughtfully and consistently with S.M.A.R.T. goal principles, your innovation goals should tell everyone how you are trying to execute on your innovation strategy and vision. One of P&G's innovation goals was to source 50% of the company's innovation from outside. This was measured by looking at the source of new product launches and other variables.

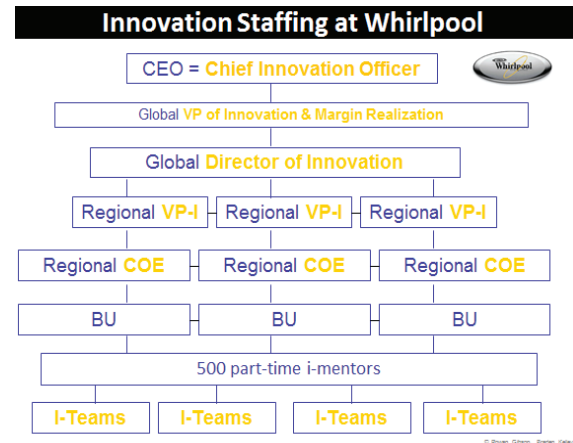
## Infrastructure

The final building block is achieved by building a framework and a methodology for innovation that your organization can embrace; followed by putting the financial and human resources in place to help innovation projects emerge, get funded, and be brought to market successfully. Below in Figure 3, you'll find a sample innovation infrastructure highlighting some of the areas you'll want to develop. Figure 4 provides a real world snapshot of innovation staffing at Whirlpool and how deeply their innovation focus is embedded throughout the organization.



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Figure 3



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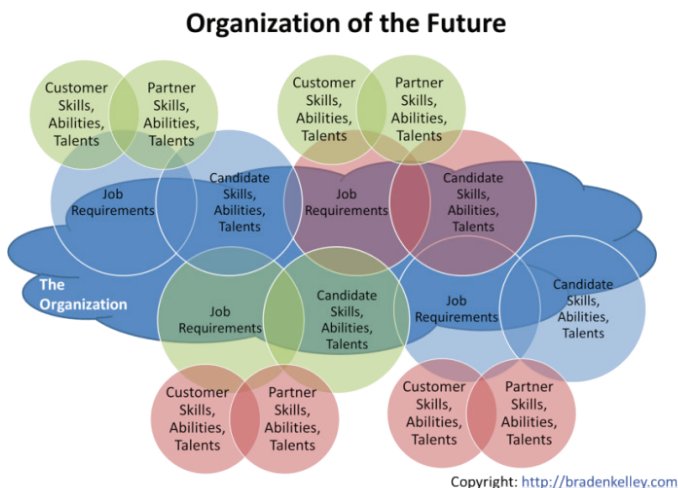
Figure 4

If you create an innovation definition, vision, strategy, goals, and infrastructure you will be well on your way to creating a common language of innovation, which will help to drive alignment, and ultimately, success!

## #3 – Create a Connected Organization

Most organizations waste talent, instead of unlocking employee potential. The fact is that most employees have more than one skillset, so it's important to give people space to innovate. Find a way to strike a balance between what employees *need* to do for the organization and what they *want* to do for the organization. Otherwise, human capital is being wasted, and flushed down the drain.

Have honest conversations about the unique talents, skills, and abilities each individual possesses. We must fight against the traditional job description centered thinking that dominates the typical organization. Find out what your employees are interested in and design programs that tap into other skills that don't fit into their job descriptions.



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Figure 5

CISCO has a program that allows departments to post internal internships (small, discrete part-time projects they need help with) that individuals can participate in as part of their career development. This program helps to both harness the latent skills of the employee base and to build more connections across the organization. At the same time it provides the department with a set of fresh eyes to look at the status quo of their operations, and possibly tap into a new source of ideas. Programs like this help organizations move from being a typical job description driven organization, toward the organization of the future, the connected organization, which is pictured in Figure 5.

To be successful at creating a connected organization, you must prepare an effective plan to attract and engage customers, partners, and employees to increase employee retention, strengthen partnerships, increase customer lifetime value, and most importantly – engage in collaborative innovation.

In Figure 6 you'll see one view of connected culture from Dan Pontefract<sup>9</sup>.

While focusing on harnessing the untapped talents, skills, and abilities of our employees, we must not forget that our partners (and even customers) have skills too, and the organizations of the future (pictured in Figure 5) will stand ready to unlock those as well.

Finally, as you look to create your own organization of the future, you will notice early on that there are lots of different organizations that you are already connecting with (or should be). Invest in better organizing your efforts and wrapping a strategy around them, instead of letting them exist as a collection of one-off tactical relationships. These relationships can help to form the foundation for your new connected organization



Figure 6

#### #4 – Find out Who Gives a #@!&

In every successful organization there is a healthy tension between the entrepreneurial mindset and the executive mindset. While the entrepreneurs and revolutionaries in your organization might seek change, not everyone loves change or is energized by it. According to a recent Booz & Company study of more than 2,200 executives, 65 percent have experienced some sort of change fatigue<sup>3</sup>.

Find the most curious and entrepreneurial people in your organization, and engage those individuals to help drive a movement to replace fear with curiosity. The more curious an organization you can build, the more innovative it will become. One way to build organizational curiosity is by sharing stories and inspiration.

Inspiration is core to continuous innovation and sits at the center of my Eight I's of Infinite Innovation Framework<sup>10</sup>. Inspiration helps to give people courage to act, and when you get right down to it, inventors have great ideas, but innovators change the world. If you want your organization to change the world and your competitive landscape, you must work to provide a steady stream of inspiration and work tirelessly to unlock the passion of your employees. The Innovator's Framework<sup>11</sup> (pictured in Figure 7), is a tool built upon Gary Hamel's Hierarchy of Employee Traits for the Creative Economy, passion is the doorway to innovation.

Key takeaways from The Innovator's Framework indicate that you may get some level of Obedience, Diligence, and Intellect from employees by providing a pay check and some level of management. However, to truly unlock employees' initiative, managers must show respect, and to unlock employee creativity you must earn the trust of your workforce.

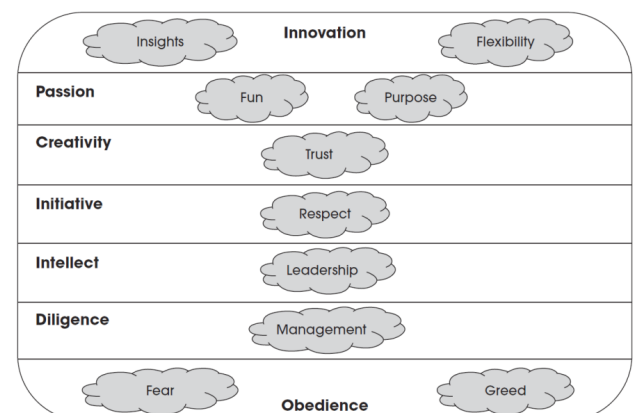


Figure 7: The Innovator's Framework



To access your employees' Passion you must do all of these things and create a sense of fun and purpose in your organization. To unlock innovation, you must provide your employees with Flexibility and Insights.

But transforming the useful seeds of invention into widely adopted solutions valued above every existing alternative does not happen unless you have people driving the effort who feel compelled to act. Your challenge is to find those people in your organization that will push past every obstacle. People like Babak Forutanpour of Qualcomm, who started a grassroots innovation program called FLUX inside the company that encourages people who are interested in innovation to come together on their lunch hour to talk about innovation topics, watch TED Talks, and even to engage in creative problem solving on members' real challenges.

*Who is passionate about creating a path forward in your organization?*

## #5 – Make Innovation a Team Sport

Innovation is about the people, and too often we treat people as commodities that are interchangeable and maintain the same characteristics and aptitudes. But, deep down we know that people have different passions, skills, and potential and that everyone is creative, in their own way. That is not to say that all people are creative in the sense that every single person is good at creating lots of really great ideas, nor do they have to be. Instead, everyone has a dominant innovation role at which they excel, and when properly identified and channeled, the organization stands to maximize every individual's innovation capacity. Everyone excels at one or more of nine innovation roles, and when organizations put the right people in the right roles, innovation speed and capacity will increase.

Below are Nine Innovation Roles featured in my book, [\*Stoking Your Innovation Bonfire\*](#)<sup>11</sup>.

- 1. Revolutionary:** The Revolutionary is the person who is always eager to change things, to shake them up, and to share his or her opinion. These people tend to have a lot of great ideas and are not shy about sharing them. They are likely to contribute 80 to 90 percent of your ideas in open scenarios
- 2. Conscript:** The Conscript has a lot of great ideas but doesn't willingly share them, either because such people don't know anyone is looking for ideas, don't know how to express their ideas, prefer to keep their head down and execute, or all three
- 3. Connector:** The Connector does just that. These people hear a Conscript say something interesting and put him together with a Revolutionary; The Connector listens to the Artist and knows exactly where to find the Troubleshooter that the idea needs
- 4. Artist:** The Artist doesn't always come up with great ideas, but artists are really good at making them better
- 5. Customer Champion:** The Customer Champion may live on the edge of the organization. Not only does she have constant contact with the customer, but she also understands their needs, is familiar with their actions and behaviors, and is as close as you can get to interviewing a real customer about a nascent idea
- 6. Troubleshooter:** Every great idea has at least one or two major roadblocks to overcome before the idea is ready to be judged or before its magic can be made. This is where the Troubleshooter comes in. Troubleshooters love tough problems and often have the deep knowledge or expertise to help solve them
- 7. Judge:** The Judge is really good at determining what can be made profitably and what will be successful in the marketplace
- 8. Magic Maker:** The Magic Maker takes an idea and makes it real. These are the people who can picture how something is going to be made and line up the right resources to make it happen
- 9. Evangelist:** The Evangelist knows how to educate people on what the idea is and help them understand it. Evangelists are great people to help build support for an idea internally and also to help educate customers on its value

Creating and maintaining a healthy innovation portfolio requires that you develop the organizational capability of identifying what role each individual is best at playing in your organization. It should be obvious that a failure to involve and leverage all nine roles along the idea generation, idea evaluation, and idea commercialization path will lead to suboptimal results. To be truly successful, you must be able to bring in the right roles at the right times to make your promising ideas stronger on your way to making them successful. Most organizations focus too much energy on generating ideas and not enough on evolving their ideas and their people. Ask yourself:

- What kind of innovator are you?
- Which of these roles is most scarce in your organization?
- Which roles are missing on your team?
- What is the impact of those missing or scarce roles?

Your answers to these questions will help you define your areas of focus as you work to refine your team approach to innovation.

## Conclusion

Hopefully you no longer feel that you have a highly dysfunctional culture incapable of sustainable innovation, and instead see some of the changes necessary to move your organization toward a more innovative culture. Just remember the following five keys to an innovation culture that smells better:

1. Focus on the Basics of Culture Change
2. Build a Common Language of Innovation
3. Create a Connected Organization
4. Find out Who Gives a #@!&
5. Make Innovation a Team Sport

Making the investment in helping your innovation culture smell better will help your organization be better positioned to cope with the accelerating pace of corporate destruction and provide your most creative and entrepreneurial employees a constructive place to unlock their passions, while also creating a better balance in the organization between improvement/efficiency and innovation/entrepreneurship.

Finally, if your CEO is truly committed to innovation, remind him or her that for any innovation effort to be sustainable, the organization must go beyond investments in new products and services, and include committed investments in a culture that encourages and supports continuous innovation alongside continuous improvement.



## About the Author



Braden Kelley is an experienced innovation speaker, trainer, content marketer, and innovation culture and infrastructure specialist. He is the author of *Stoking Your Innovation Bonfire* and has been advising companies on how to increase their revenue and cut their costs since 1996. Braden writes frequently on the topic of continuous innovation and works with clients to create innovative strategies, effective content marketing, organizational change, and improved organizational performance. He has maximized profits for companies while living and working in England, Germany, and the United States. Braden earned his MBA from top-rated London Business School.

In his spare time, Braden is a co-founder of the popular global innovation community – [InnovationExcellence.com](http://InnovationExcellence.com) – home to 6,500+ innovation articles and also video interviews with luminaries like Dean Kamen, Seth Godin, Scott Cook, Kevin Roberts, John Hagel III, Judy Estrin, Roger Martin, Dan Pink, and more. And last but not least, he is an innovation leader on Twitter (@innovate) with 17,000+ hardearned followers.

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<sup>1</sup>Foster, R. (2012, January 1). Creative Destruction Whips through Corporate America.

<sup>2</sup>Hill & Knowlton Executive Survey

<sup>3</sup>Booz & Company Global Culture and Change Management Survey 2013

<sup>4</sup>What is Organizational Culture — and Why Does it Matter?

<sup>5</sup>Kotter, J. (1996). *Leading Change*.

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