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Innovation Unplugged!

GE, Ford, eBay, Genetech and Toyota - what gets them together under one umbrella? It is neither their size nor their products. It's their approach to business that puts them under one banner. These corporate greats are a blend of the old and new generation business models. However, despite the generational differences, their spirit of innovation and reinvention binds them together. Companies that have been applying the rule of "most familiar route to success" often find their achievements shallow over a period of time. The role of innovative business models and technology processes in business success thus cannot be denied. Companies that continuously reinvent themselves and innovate strategically are the ultimate winners.

Successful innovations are a combination of technology and business models. Mastering the art of integrating the right kind of business model with technological platform available is indeed the only secret to successful innovations. Ford's production line and eBay's auction site are examples of an integrated business strategy that combines technology with business model. The combination of business model and technology is unique to every organization and varies with the macro level business objectives.

Effective innovation is an integrated process that results in value-addition. Resorting to new and different business innovations randomly without aligning them with business objectives, technology and business model can be a corporate disaster. True innovation requires a tailor-made strategy with a unique set of management tools and strategies in a pre-determined time frame with the right business model and technology in place.

It is thus understandable that in today's technology intensive work environment, the role of CIOs is rather critical. To drive the process of innovation, the top brass, primarily the CIOs and the CEOs have to work in sync. CEOs would be expected to provide strategic insights while CIOs, the right technical platform for innovation to build upon. Such a combo can deliver the desired results.

The know-how of innovation

To better understand the process of corporate innovation, it is necessary to analyze the components and stages it encompasses.

Inputs

The process begins with defining the supportive strategy, complimentary systems and structure. Further, strategies to enhance employee commitment and involvement also have to be deployed in the initial stage of innovation implementation.

Processes

After providing the right inputs, the innovation strategy focuses on the quality of innovation portfolio and execution of the strategy.

Outputs

Effective project execution and balanced innovation portfolio are then studied to gauge



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the output of the entire exercise. The probable outputs could be measured in terms of product performance, technology leadership, employee retention, most-preferred employer status, and performance improvement.

Outcomes

The final outcome of the exercise would validate the output of the innovation process. This can be measured in terms of sales growth, enhanced consumer base, employee loyalty, employee turnover and value-addition.

Leaders must inculcate the ability to comprehend the process of innovation to deliver the desired results. Corporate leadership also needs to transcend the concept of innovation across organizational levels so that every employee irrespective of his corporate status contributes to the process of innovation. Companies need to frame their own rules of innovation to build a common perception of innovation. These rules need to percolate through the hierarchy. Seven universally applicable basic principles initiate the process of innovation.

The seven pillars!

Innovation should:

- Result in value-addition
- Be positioned as a core business competency
- Be aligned with the business objectives
- Be able to maximize the ROI without compromising on its inherent creative potential
- Encourage people to move from their comfort zones
- Establish that people and knowledge networks are critical to the success of innovation process
- Help institute the right performance metrics to reward innovation. This would keep employees motivated

These guiding principles apart, innovation revolves around three basic corporate priorities: networks, balance and metrics.

Networks-These include both internal and external corporate networks. For successful innovations it's important that they work in unison. The internal networks comprise various functional departments, managers and leaders, while the later comprises suppliers, manufacturers and consumers.

Balance-Striking- The right balance must be struck between creativity and value-addition. The process of innovation starts with idea generation and culminates in value-addition. Any misalignment between these two can disturb the entire sequences of activities.

Metrics-Work that gets measured gets done. Thus, for incorporating innovation into the corporate culture and employee mindset, it's important to formulate a fair and reliable



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system of rewarding innovation and gauging its success. The metrics system should be such that it measures individual contribution as well as the overall deliverance of objectives. An ideal performance measurement system would be a blend of financial and non-financial components.

The principles and priorities listed do not provide a foolproof structure for successful innovations. In fact, there is no foolproof system for delivering successful innovations. However, adherence to these principles can assure a greater rate of success with innovation.