

# Shaping Stryker's innovation culture

Boston Field Study June 19-20, 2014

# What is culture?

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The set of values held in common by a work unit displayed in cultural forms



**Symbols**

Uniforms



**Language**

Jargon

Metaphors



**Narratives**

Stories

Myths



**Practices**

Rituals, Meetings

Hiring Processes

# What is culture?

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## Culture is Rooted in Abstract Forms



Values

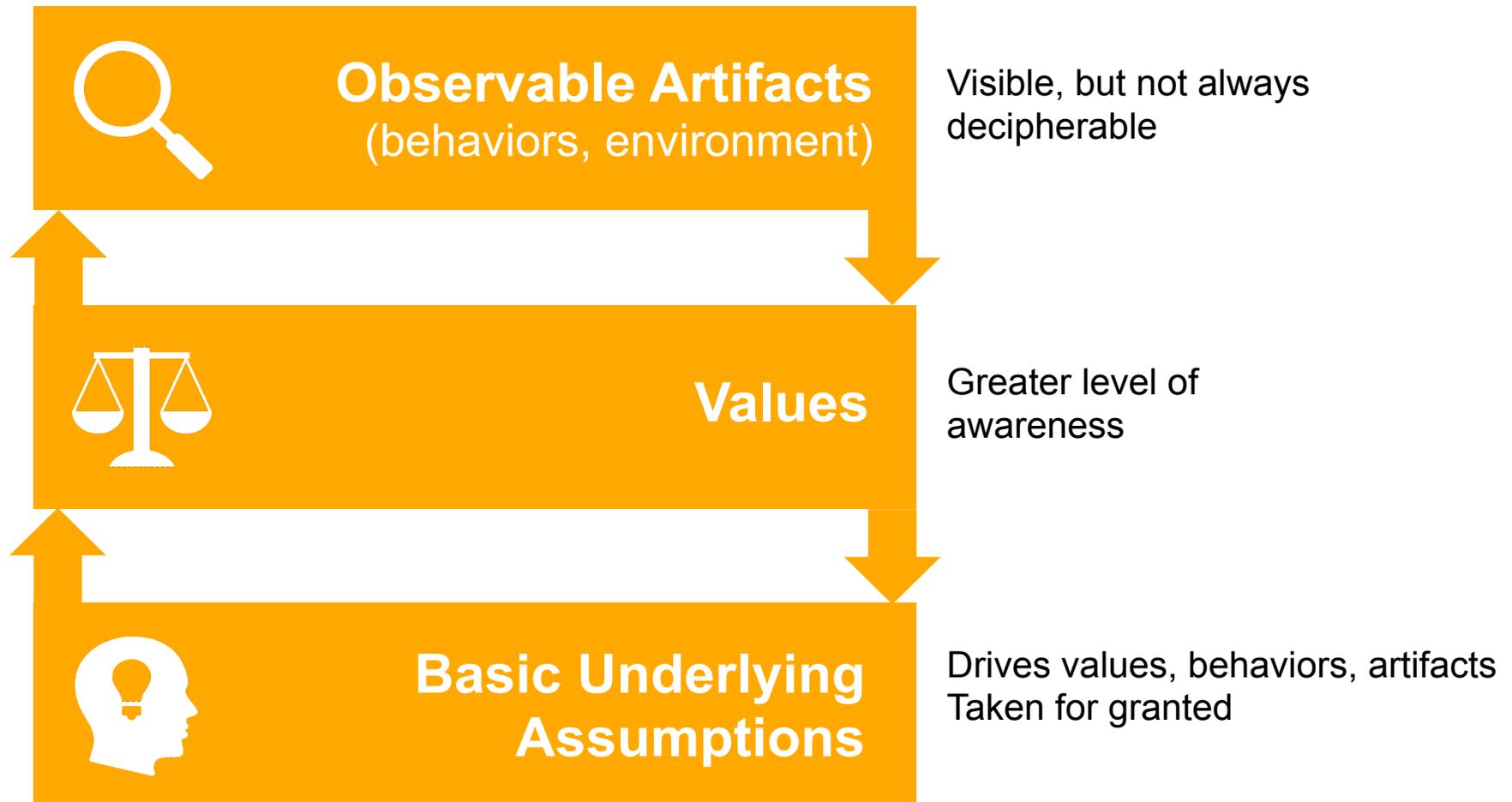


Norms



Traditions

# What is Culture?





# Culture Strength

Culture strength is the extent of agreement on values held by members of work groups and their organizations.



Measuring culture

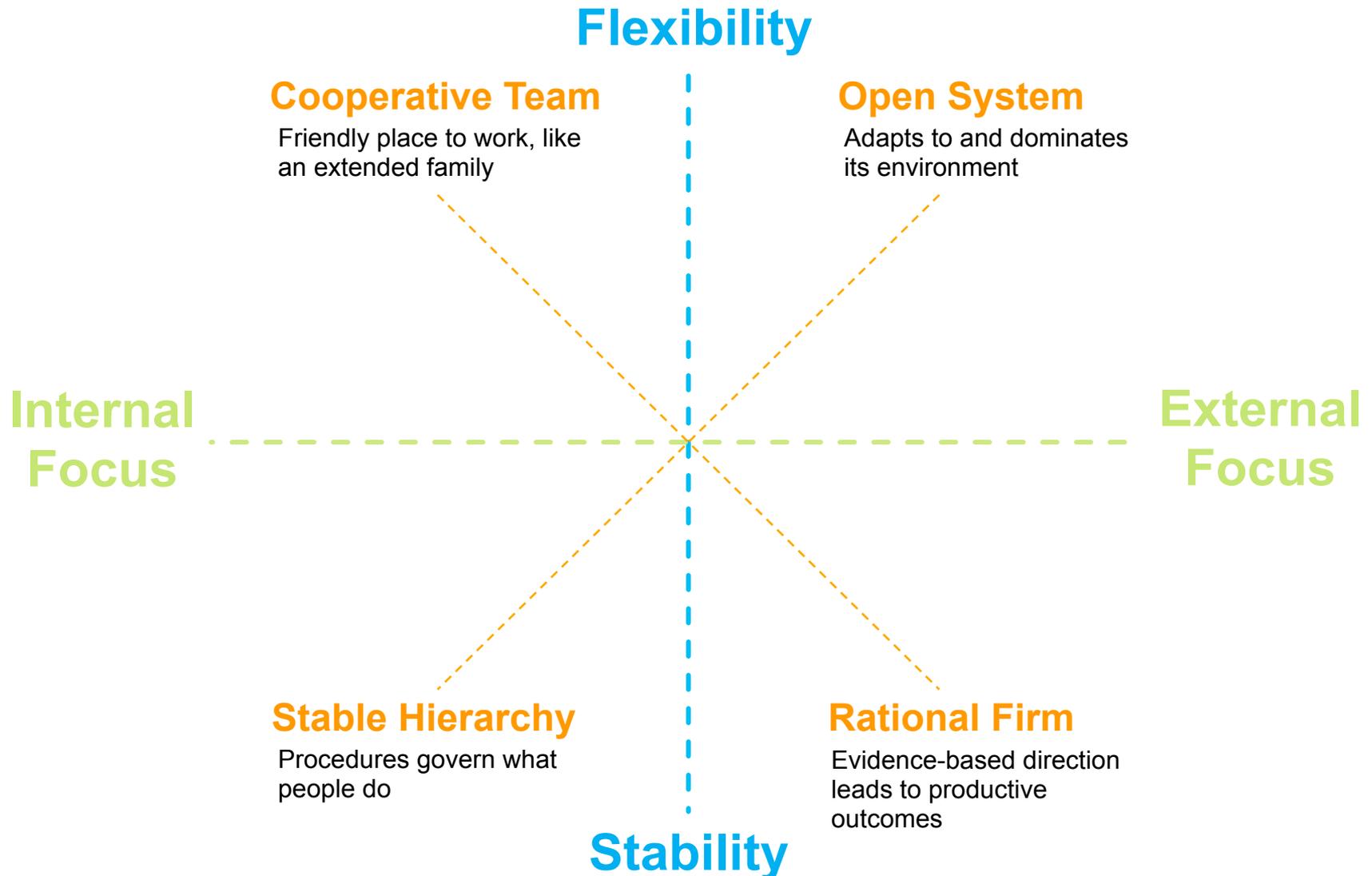
# Competing Values Framework

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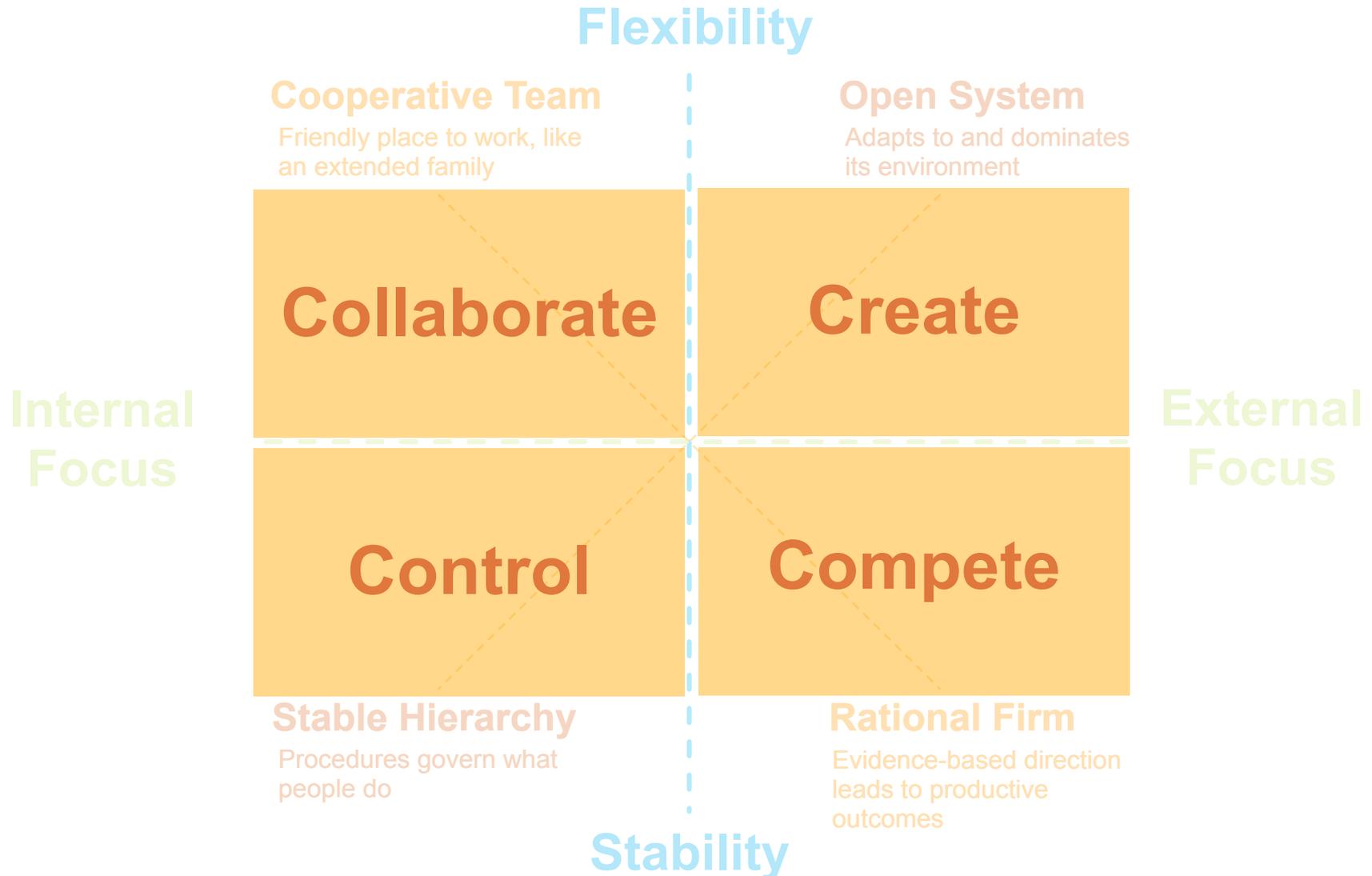
## Measure and Migrate Toward Desired Culture

- + The framework consists of four quadrants that compromise the major culture types.
- + Diagonal axis describes opposing or competing values.
- + Statistically valid questions are asked of a group to plot the strength of each of the current culture types.
- + Actions are then planned to achieve the new cultural shift.

# Competing Values Framework



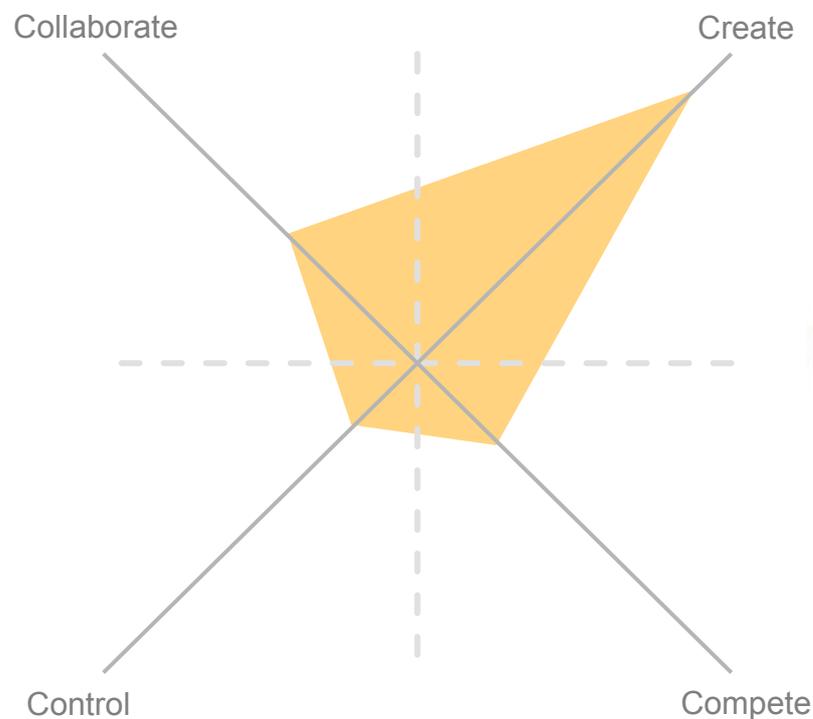
# Competing Values Framework



# Apple Culture Migration

## 1976-1982 Renegades and Crazyies

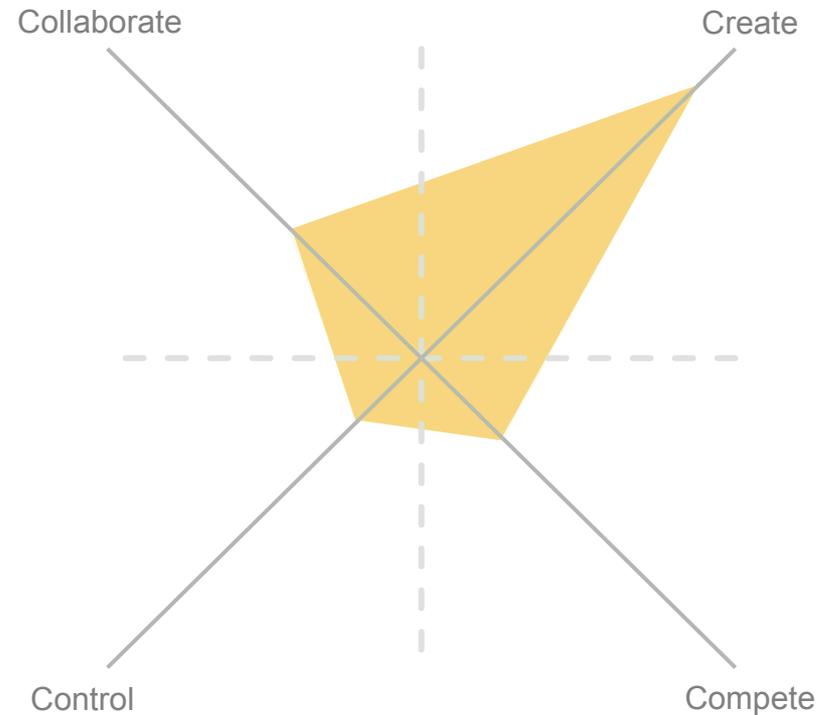
- + Jobs and Wozniak invented the first personal computer in Steve Jobs parent's garage in 1976.
- + Apple Computer Company was formed with young, dynamic, unconstrained technology enthusiasts who prided themselves on being free of policy manuals and rule books.
- + As typical of most "Create" centered cultures, a single entrepreneurial, charismatic leader was setting direction, and the company was flexible and freewheeling.



# Apple Culture Migration

## 1983-1985 Macintosh Team-Pirates

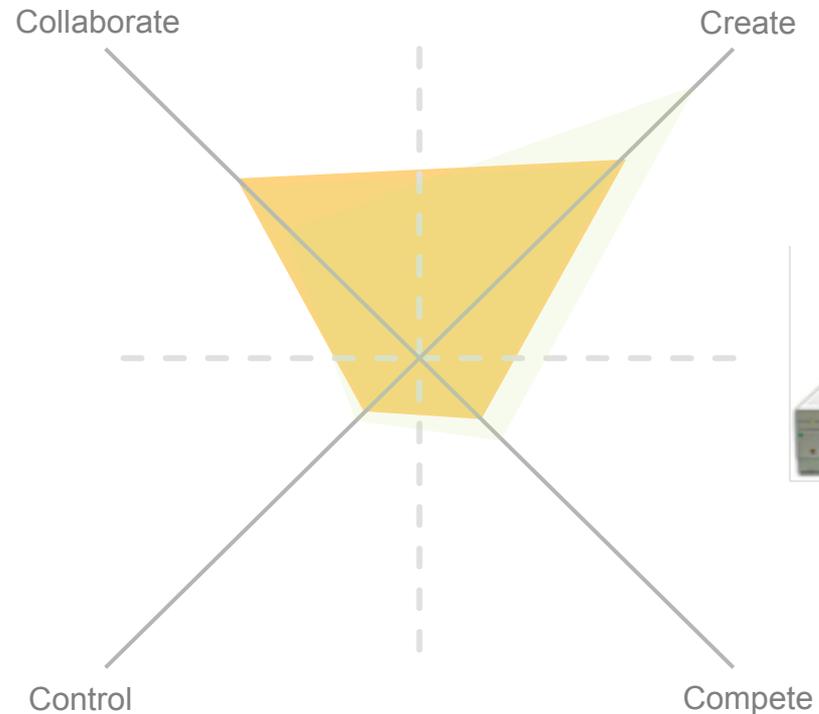
- + Apple established one of the most successful ventures ever experienced in the industry- the formation of a group of “pirates,” dubbed the Macintosh team.
- + The result was the Macintosh computer- a fun, approachable, all-in-one computer that created a new computer user experience.
- + The team was so successful that the entire organization adopted the team culture- a highly cohesive collaborative clan.



# Apple Culture Migration

## 1986-1993 Scully Focuses on Efficiency and Administration

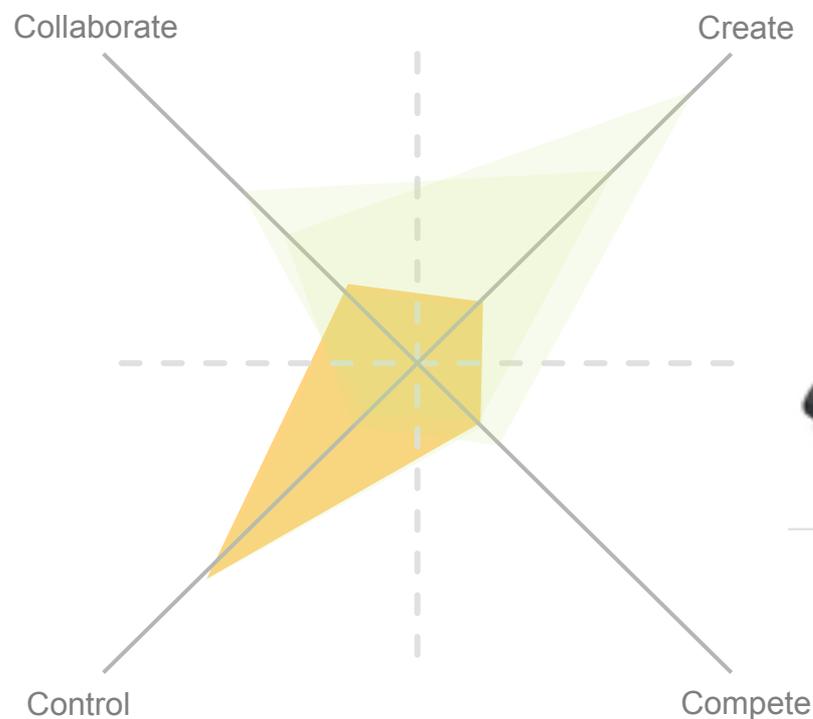
- + With hundreds of thousand of computers being sold, distribution channels expanding worldwide, and the emergence of highly competitive rivals, the freewheeling clan faced a need for controls and standard procedures.
- + Policies and regulations were needed. Accordingly, a control orientation was developed.
- + John Scully from Pepsi was hired to manage the shift to stability and control.



# Apple Culture Migration

## 1994-1996 Leadership Changes - Proliferate Portfolio

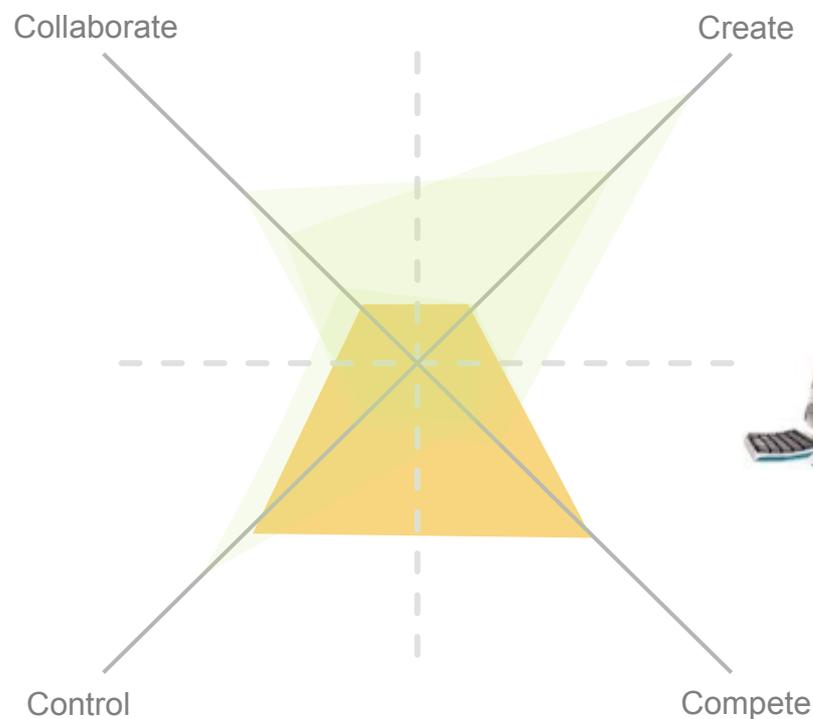
- + As Apple developed into a large, mature organization under Scully, the culture shifted again.
- + It ceased to be the agile, innovative company that had characterized the young group of renegades in its earlier life and instead committed to operational efficiency and marketing.
- + The company battled competitors from a commodity and feature basis and nearly folded.
- + The products were not differentiated and the brand value was at an all time low.

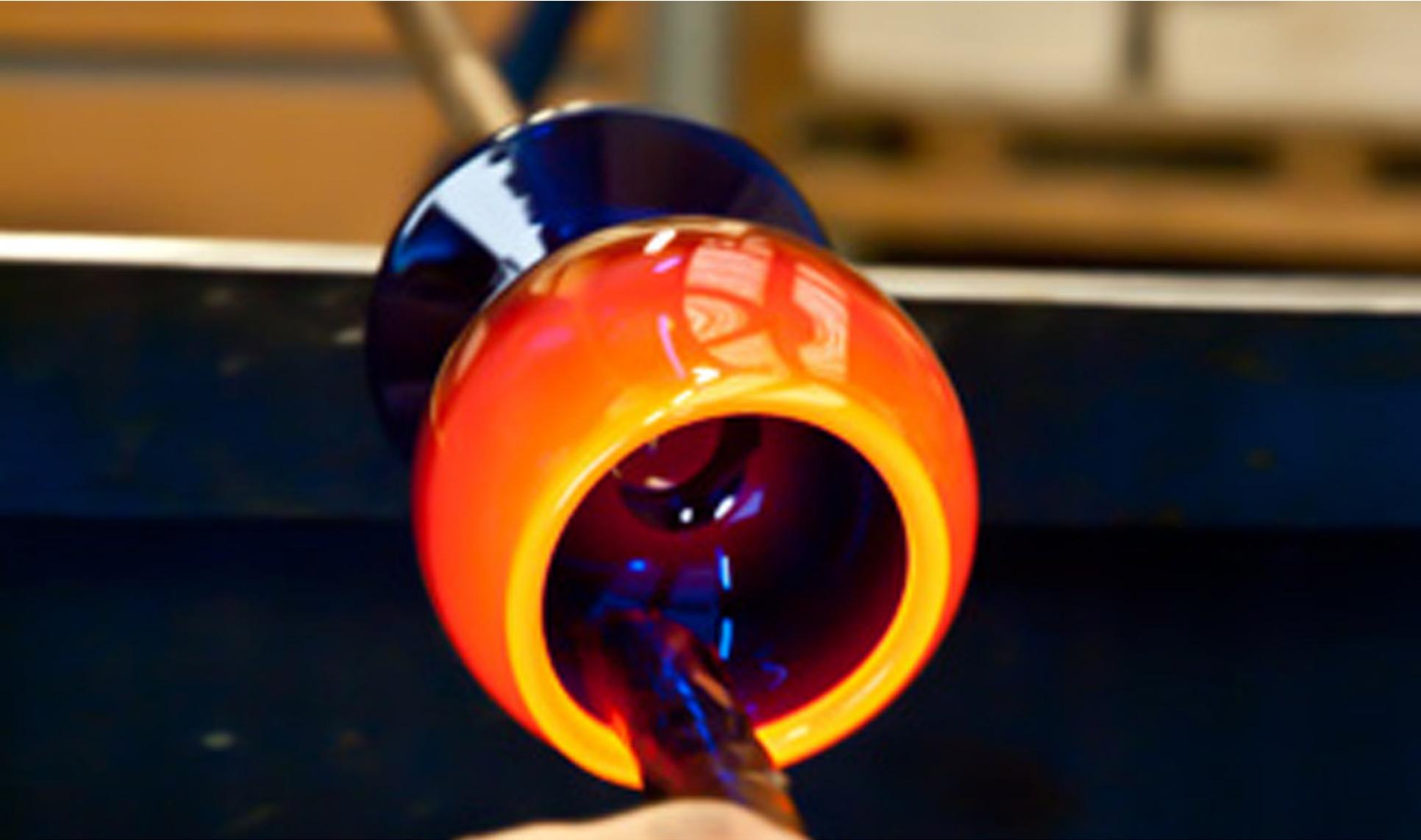


# Apple Culture Migration

## 1997-2011 Steve Jobs Returns

- + Steve Jobs rejoins Apple and slashes the product offerings and hundreds of active projects in order to focus on four new hardware platforms and three key software architectures.
- + The culture quickly changes to reinstate a “create” atmosphere via a recast vision and bold actions.
- + Apple builds their brand through aggressive and competitive marketing.
- + The company introduces a succession of new products that separate them from the commodity computer markets.
- + The leadership team makes bold and risky moves into new markets and technologies that further separate them from the original computer markets while fueling record revenue and profits.





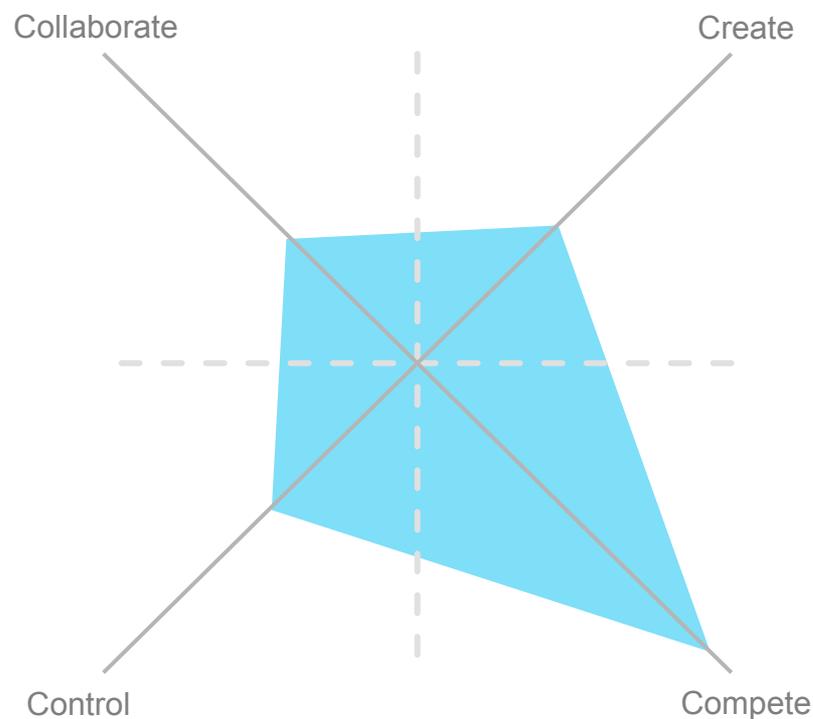
# Stryker Culture Migration

Stryker has used the Competing Values Framework to assess and plan a deliberate cultural change to drive breakthrough innovation across the corporation

# Stryker Culture Migration

## 1977-2007 20% Growth, 20 Mile March Discipline

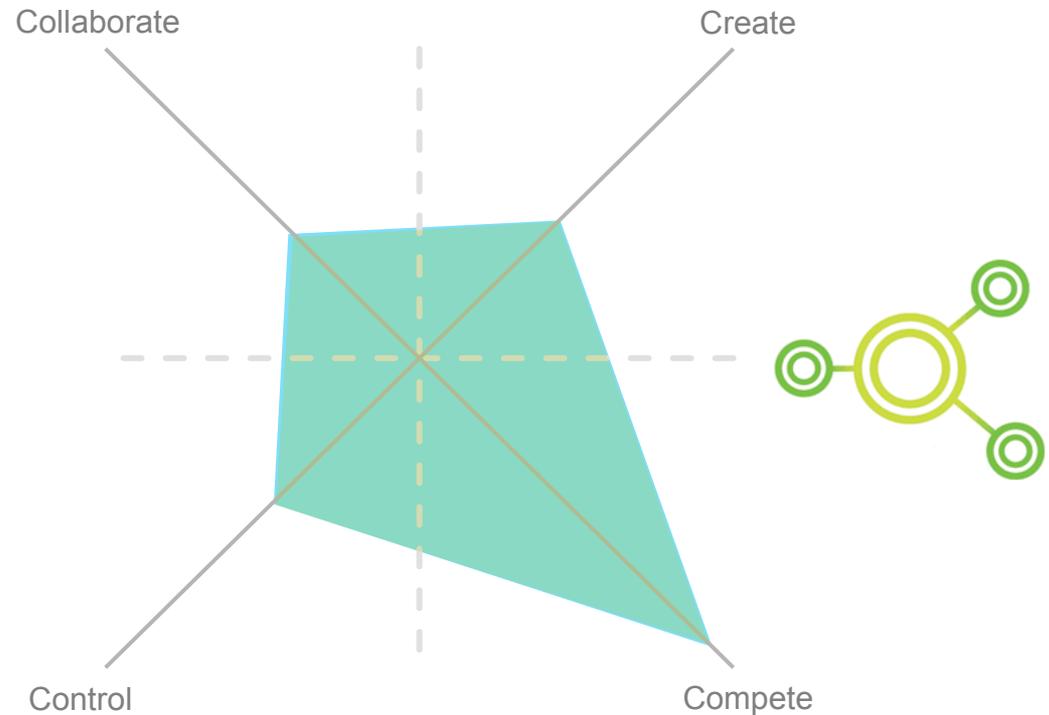
- + Early on, John Brown established Stryker as a growth company by committing to deliver a consistent 20% growth.
- + Later Jim Collins described this commitment as a “20 Mile March” for having concrete, clear, intelligent, and rigorously pursued performance mechanisms to keep on track.
- + Stryker achieved success predominantly as a fast follower rather than being the first mover.
- + A strong distribution model fueled by 100% commission sales and relentless product proliferation created a fiercely competitive culture.
- + A decentralization model for independent division performance and governance was institutionalized.



# Stryker Culture Migration

## 2007-2010 Coordinated Decentralization Focus

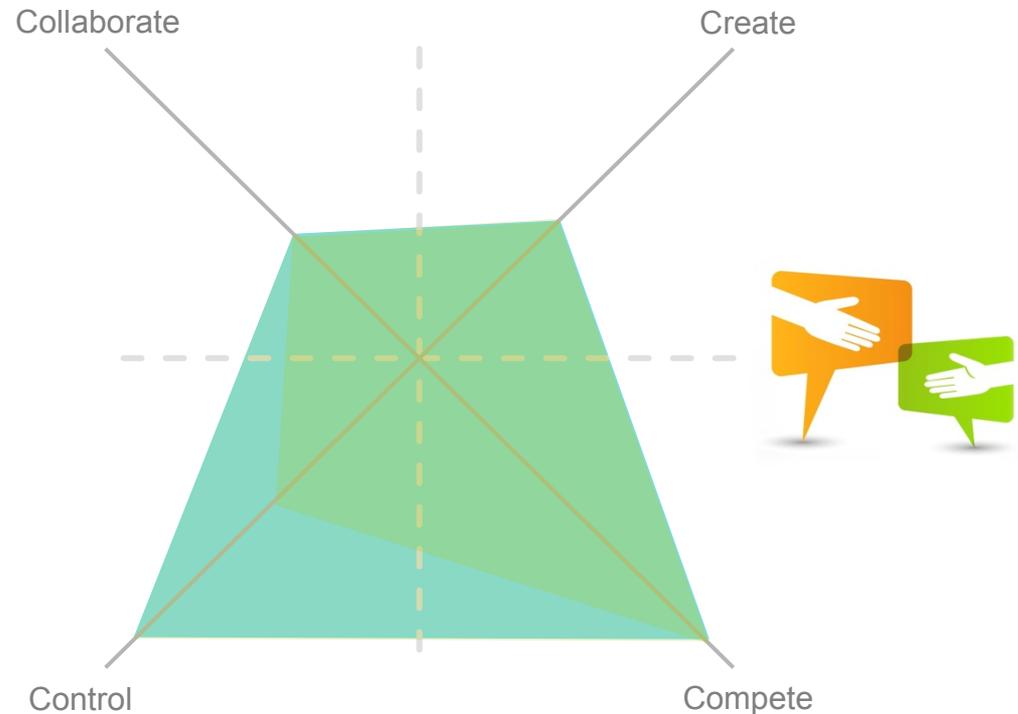
- + Due to Stryker's decentralized model and acquired businesses, regulatory and manufacturing systems varied widely and lack centralized governance.
- + The effect was inconsistent regulatory/quality systems and inefficient manufacturing operations.
- + A comprehensive effort was made across the company to align several functional groups under a corporate structure, while maintaining a divisional market focus.
- + During this time, the company culture shifted to better control critical business components.



# Stryker Culture Migration

## 2011-2013 Leadership Transitions

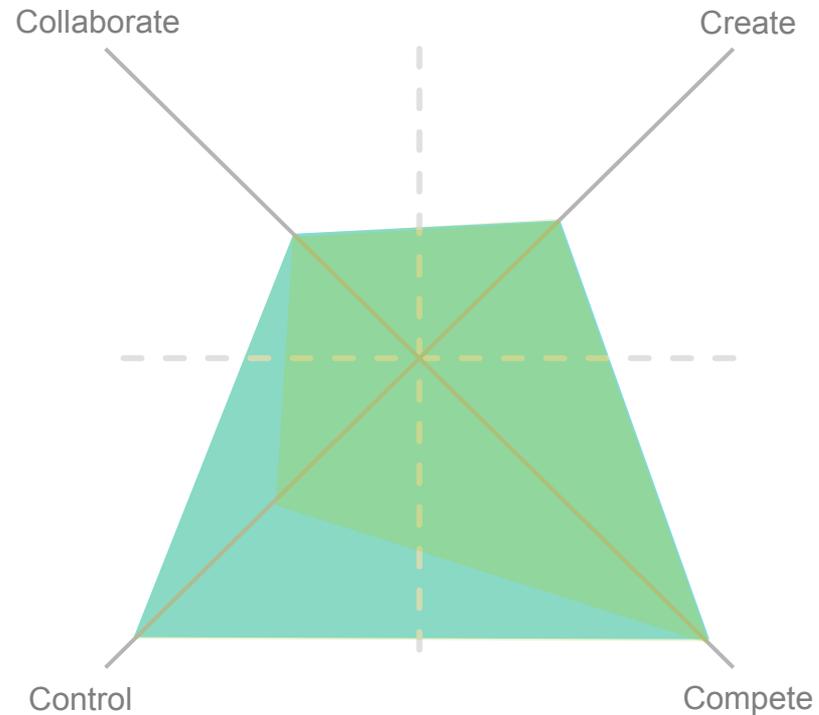
- + Through leadership transitions, Stryker maintained stability and market growth.
- + Successful compliance programs allowed focus to return to the original growth mentality.
- + A series of successful acquisitions and organic product launches positioned Stryker to again gain momentum in the market.
- + Deliberate initiatives to expand our innovation competency has started to shift the culture towards the create axis.



# Stryker Culture Migration

## Innovation Initiative Efforts

- + **Create**
  - Human centered design focus
  - Customer immersion techniques
  - Opportunity identification tools
  - Rapid modeling & prototyping
  - Business model development skills
- + **Control**
  - Non-linear, iterative processes
  - Disciplined/repeatable methods
  - Risk tolerance
  - Innovation focused metrics
  - Venture-type funding models
- + **Collaborate**
  - Co-location with external partners
  - Cross-functional teams
  - Cross divisional opportunities
  - Diversity of experiences, thinking, and skills
  - Creative and collaborative environments





Discussion