

# Innovation Imperatives in Large Organizations

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## Clarity of Meaning and Purpose

- Senior leaders must discuss and align on what is meant by “innovation” - both the **what** and the **why**
- Align on what’s in scope and OUT of scope for the innovation program (e.g., New products/services only? All types of innovation? Organization culture and capability?)
- Consider if the organization is prepared for the implications of these choices (talent management, compensation, funding, etc.)
- Develop the right measures to track progress
- Define who is accountable and how governance will work

## The Right Infrastructure

- Identify key innovation processes to support the strategy and **where** it’s best for each process to be managed (centrally, dispersed within BUs and/or functions, outside)
- Assess the skills and mindsets required; ensure the right talent is in place (it will be different for sustaining vs. disruptive projects) and plan to manage them differently
- Innovation is not a part-time job or rotational assignment
- Ensure linkage with annual business processes (strategic planning, operating planning, etc.)
- Think about the physical space for innovation work

## Foresight

- Invest in an ongoing process of collecting and synthesizing a variety of trends, creating plausible scenarios and discussing implications for the business
- Develop a template for how an emerging opportunity area or growth platform will be researched and evaluated for further study
- Design the decision-making process by which opportunity areas will be prioritized and resourced

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## User-Centered Design

- Invest the time necessary to determine who the target consumer/customer/user is and do a **deep empathetic immersion** into the target's life
- Live in the target's shoes, look at the world through their eyes, study the extremes, search in related worlds; a creative and varied learning plan is key to discerning fresh insights and the "jobs to be done"
- Insights are essential, they are the jumping-off points for ideas; ideas need to be brought to life quickly and cheaply

## The R Word

- Radical  $\neq$  Risky . . . risk is a function of level of uncertainty and financial exposure; it has nothing to do with novelty.
- De-risk the project by developing hypotheses, being clear about assumptions, and articulating what would have to be true for the assumptions to hold; then design inexpensive learning experiments to test hypotheses and assumptions
- Pace project spending to coincide with learning
- Build in "innovation density" – not just a new product or service, but layer in other types of innovation to improve chance of success and impact, e.g., a new go-to-market strategy

## Sustaining Commitment

- Treat innovation as an emergent corporate function and ensure that talented innovators have an innovation career path
- Success depends on patience, persistence and unwavering leadership commitment in the form of resources and accountability (tied to their compensation)
- Plan for multiple iterations of the organizational model to execute

**"Innovation has a thousand enemies: inertia, ignorance, resistance to change, stupidity, etc. etc.  
... if innovation were easy, more people would do it." - Guy Kawasaki**