

# Your Random Acts of Innovation aren't working

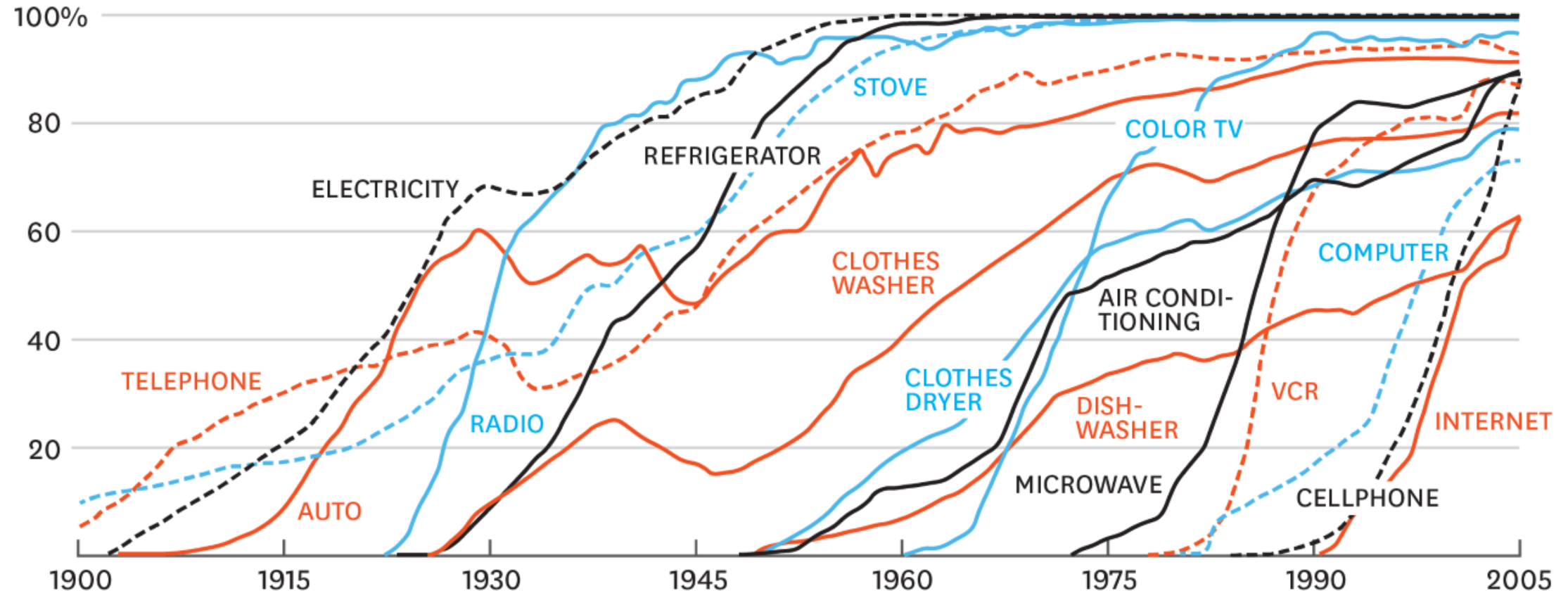
*A discussion on building an  
Innovation System*

*February 15<sup>th</sup>, 2024*



# Change is the only constant

PERCENT OF U.S. HOUSEHOLDS



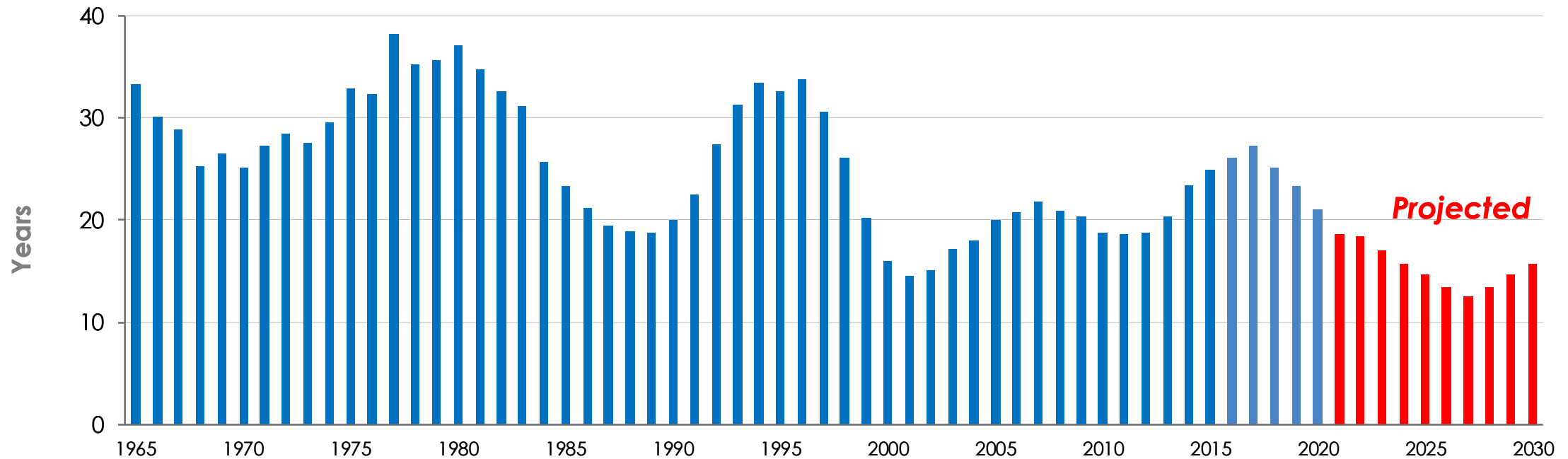
SOURCE NICHOLAS FELTON, THE NEW YORK TIMES

HBR.ORG

# Disruption is accelerating. Corporate lifespans are shrinking

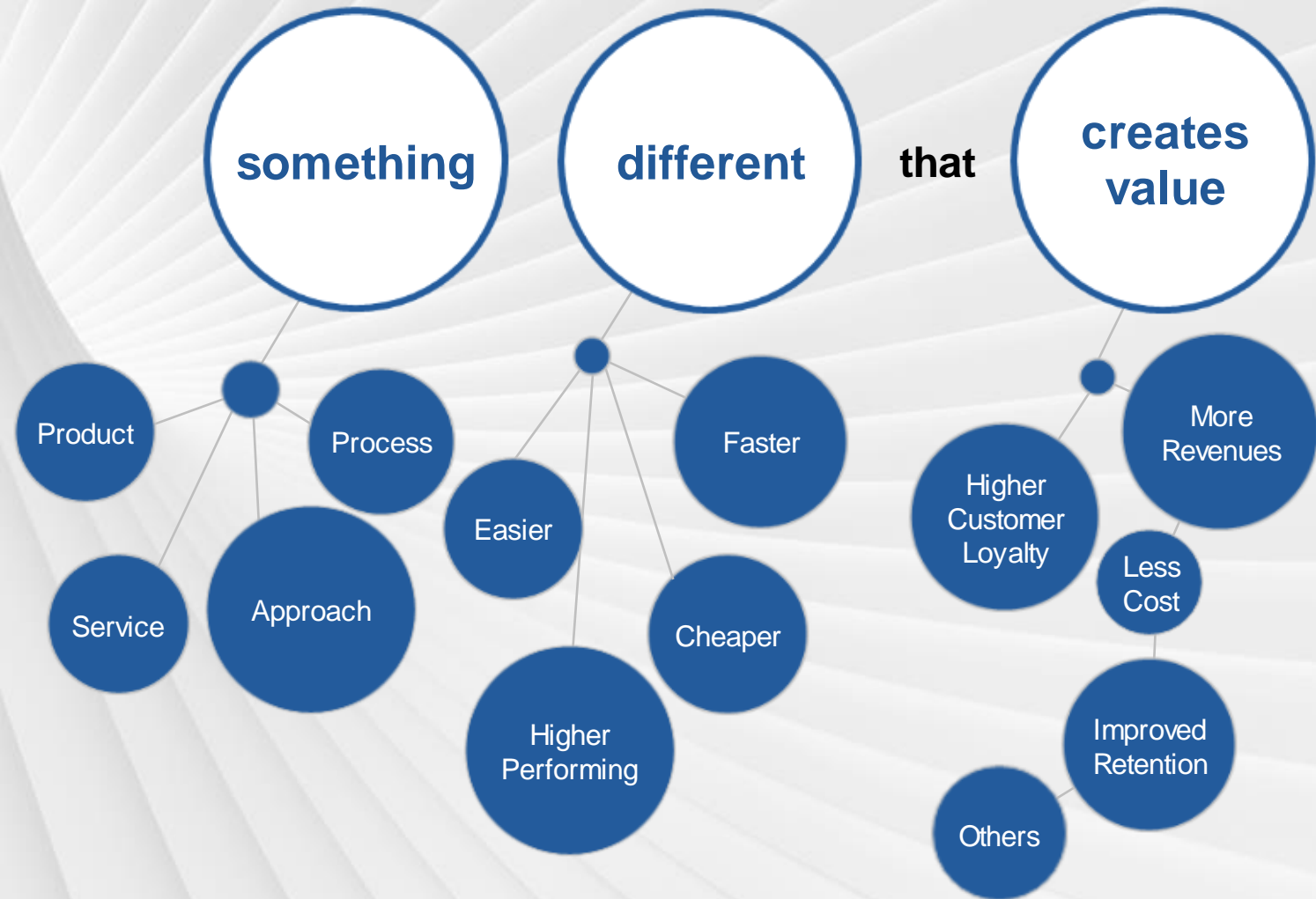
## Average lifespan on S&P 500

Rolling 7-year averages



*Projected*

# Innovation is...



## Individual Innovation Initiatives

## Predictable Failure Modes

1

**Develop an Innovation Strategy**

Misalignment between enterprise strategy and innovation strategy leads to a portfolio of ideas that are never prioritized for meaningful investment and scaling.

2

**Run a Hackathon**

No appropriate governance to oversee decision making and resource allocation means great ideas have nowhere to go or are inconsistent with strategic priorities.

3

**Create an Innovation Fund**

Leaders put pressure on funds to be reallocated toward core initiatives with clearer short-term return on investment (ROI).

4

**Build an Innovation Team**

Flawed interaction model between the innovation team and the core business results in the team getting sucked into incrementalism or pursuing opportunities that are ultimately rejected by the business.

5

**Implement Lean Startup Sprints**

No mechanisms to transition the post-sprint projects into business units.

6

**Build a Culture of Innovation**

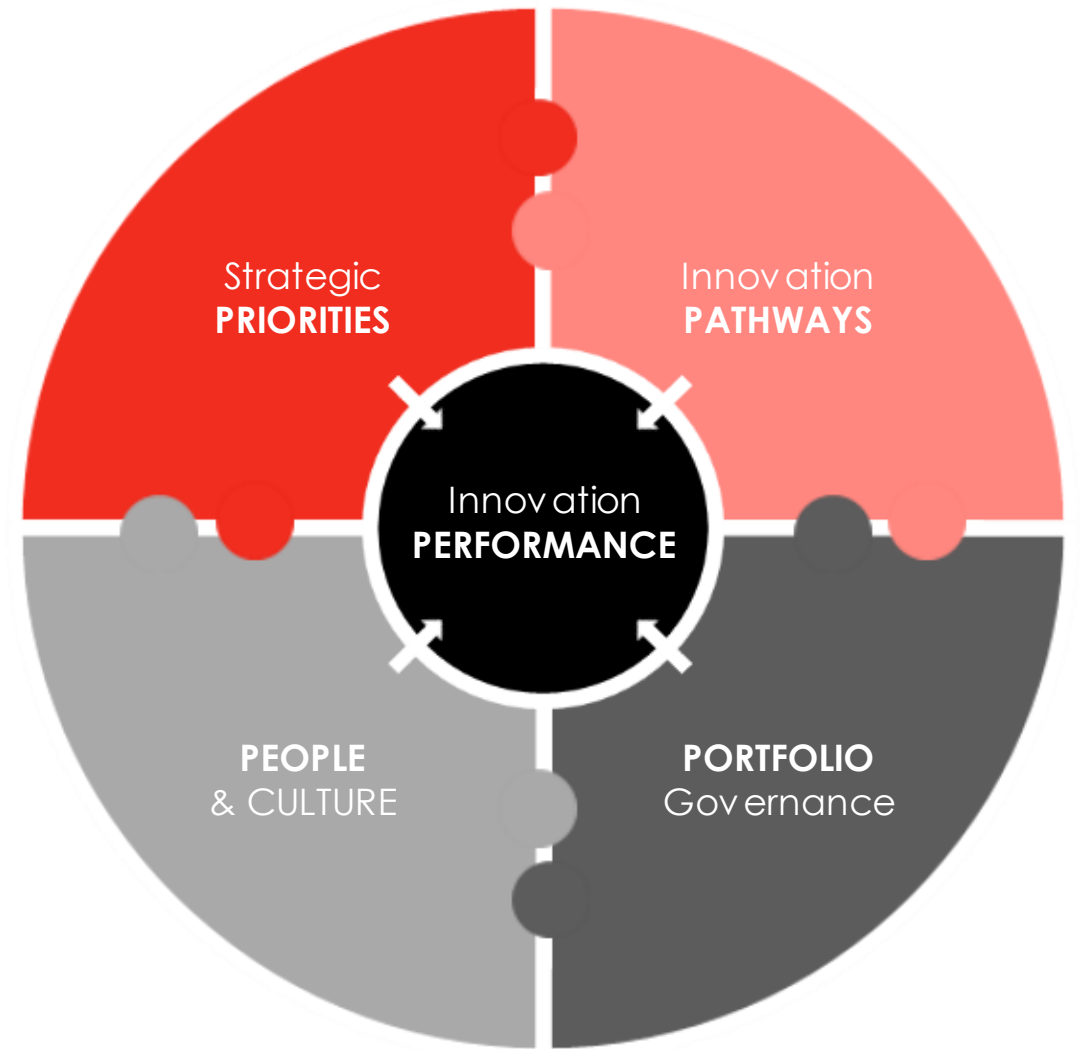
Underlying beliefs about what it takes to be successful create resistance to behavior change, leading to increasing cynicism about the organization's ability to innovate.

7

**Appoint a Chief Innovation Officer**

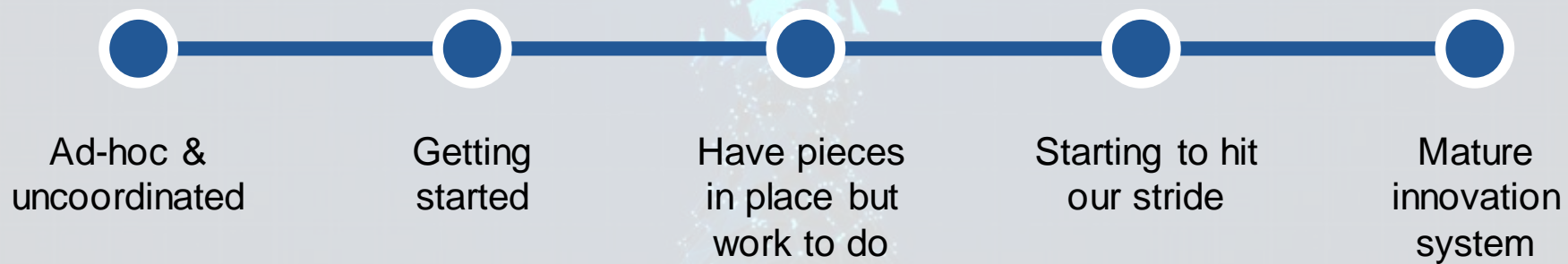
Organizational confusion and frustration are created when the new role isn't clearly integrated into strategy and resource allocation decisions.

It takes an *innovation system* to drive innovation performance





## Poll: How would you characterize your company's innovation approach?





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