

The Innovation Mix[®]



Essential ingredients for effectively fostering
innovation in your organisation.

 Rachel Audigé



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Why innovation?

Organisations need innovation – not just the type that fuels the product pipeline but the sort of inventive thinking that permeates every activity of the business: running meetings, strategy, rethinking processes, problem-solving, dealing with unhappy customers, new product development... you name it.

Innovative organisations are likely to be better at coping with change, taking risks, responding to disruptions to their segment, attracting and retaining talent, harnessing first-mover advantage, increasing productivity, enhancing morale and proactively shaping their business for the future.

The problem is that developing and nurturing a sustainable innovative culture is not simple. All too often, organisations pursue a half-hearted – or wholehearted but ill-informed – innovation initiative with dubious results.



Professor Daniel Samson, Professor of Management (Operations Management), University of Melbourne.

A vast range of writers (De Bono, Kelley, Boden, Godin, Utterback, Finke, Ward & Smith, Gladwell, Robinson...), bloggers, consultancies and business people around the world have explored the area of innovation in general and organisational innovation in particular. Many focus on creativity while some are more interested in its imperative or its paradoxes. After 10 years driving innovative thinking in a corporate environment internationally, what I have sought to do is to create a simple model that could serve both as a diagnostic tool and a guide to organisations interested in effective innovation.

What's happening out there

What's going on? When you speak with people in organisations of all sizes you hear the following:



"We're told to be 'more innovative' and someone painted a wall red and brought in the odd bean bag and a consultant but nothing changed."

"There's a guy they call 'The Innovation Lead', he's the one who drives innovation. No one else really has time for it."

"Innovation is bandied around as our strategic pillar but it's the first thing to be dumped when the budgets get tight."



"We are told to bring innovation into everything but I'm not creative, so I haven't got a clue what I should be doing..."

"I have ideas but no one wants to hear them. I wouldn't even know who to share them with."



What's behind this?

When you talk with business leaders and leads of public organisations, what is going on behind the scenes is pretty telling.

They speak of a fear of not knowing where to start. They talk about it feeling as though innovation is bit 'token' or even trivial: "Beyond fuelling the pipeline, what does it mean and where does it sit on the balance sheet?" There appears to be a fear of failure or of risk-taking associated with innovation initiatives as well as an inability to attribute the innovation activities to any traditional function. Some have set the bar too high and lose heart when comparing themselves with the likes of the mighty Apple. Many question the return on investment. Some define it too tightly (this appears to be the case with the Australian Government's current innovation initiative).

Most are wondering HOW they could go about upskilling their workforce to foster innovation more effectively.



It's a bit like teenage sex.
Everyone is talking about it
but few are doing it and, in
fact, few know how.

How innovatively effective are you?

How likely are you to be ‘effective’ in your innovation aspirations?

The 5-point scale works in a heatmap where the **warm** colours are problematic and the **cooler** colours suggest that things are looking good. The scale starts with red where innovation is little more than corporate speak and ends with blue where things are “chilled” and where innovation is integrated across the board.

Scale	Innovative effectiveness	Ideal focus
Integration	10x	Momentum & measurement
Implementation	7x	Mandate
Instigation	5x	The mindset
Investigation	2x	The methodology
Inertia	1x	The minefield obstacles, know thyself, culture etc.

The ‘Innovation effectiveness’ ‘currency’ is simply indicative.

1. Inertia

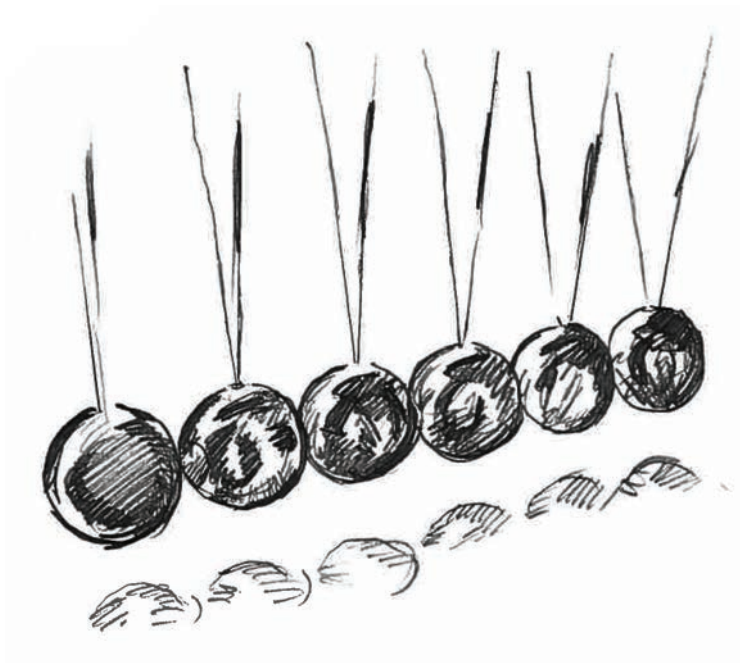
You are starting out. You probably have no ideation methodology or process for capturing ideas.

Innovation is being used as a 'buzz word'; perhaps it's a 'strategic pillar', but relegated to the guys in lab coats; it's all about the pipeline. If you have gone beyond R&D or product innovation, you may have succumbed to the clichés and invested in a couple of beanbags.

Fixedness, fear of risk and failure is prevalent if not pervasive.

There is no formal awareness of the inhibitors to innovation inside the organisation.

You would expect to see a great deal of cognitive fixedness at this level and you'd expect to hear that 'we can't do that because we've always done it another way.' To move out of the **Inertia** stage, the focus should be on waking up the organisation to the minefield of obstacles that is holding it back from innovating. This may be fear, lack of empowerment, a highly regulated environment; pressures of all sorts.



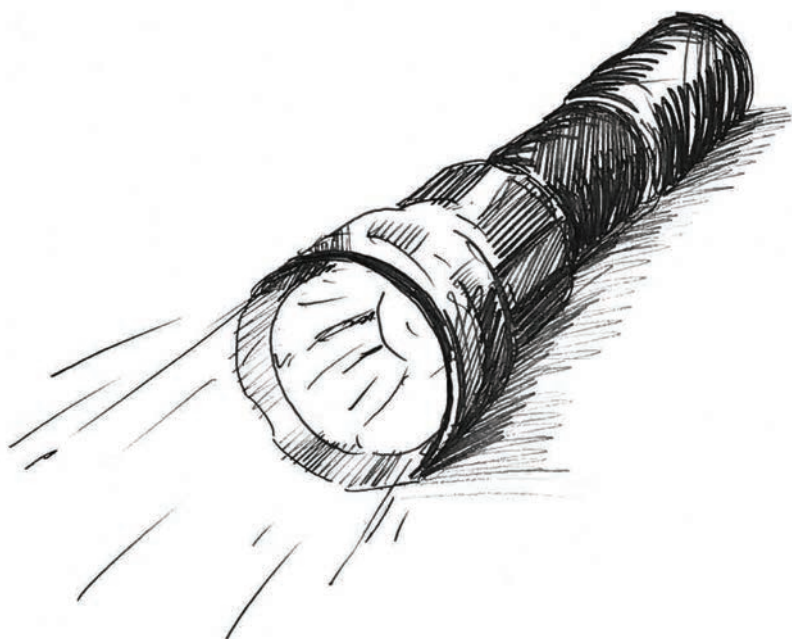
2. Investigation

The organisation is receptive and on the lookout for a more concerted innovation approach.

You have gained some awareness of the things that are holding back the innovative juices in the organisation. You may have explored less strict ways of developing ideas with brainstorming. You may have a number of ideas, but there was little ownership of them and there appears to be little implemented. You are probably looking for the 'next big idea' and drawing on consultants for different parts of your business: How could we partner better? What is our strategy for value capture? Is there an alternative business model?

The priority at the **Investigation** stage is to identify an innovation methodology that is fit for purpose and pilot it in the organisation. Ideally, this should be something that appeals to intuitive and rational employees. It needs to be something that draws on resources inside the organisation and brings skills that employees can develop and share. The chosen methodology needs to be applicable for problem-solving, processes, new product development... and needs to allow you to work at different resolutions, zooming in and out.

Training is crucial. In the bigger organisations, innovation methodologies need to be included in the broader HR Learning and Development program and should be made available from induction on.



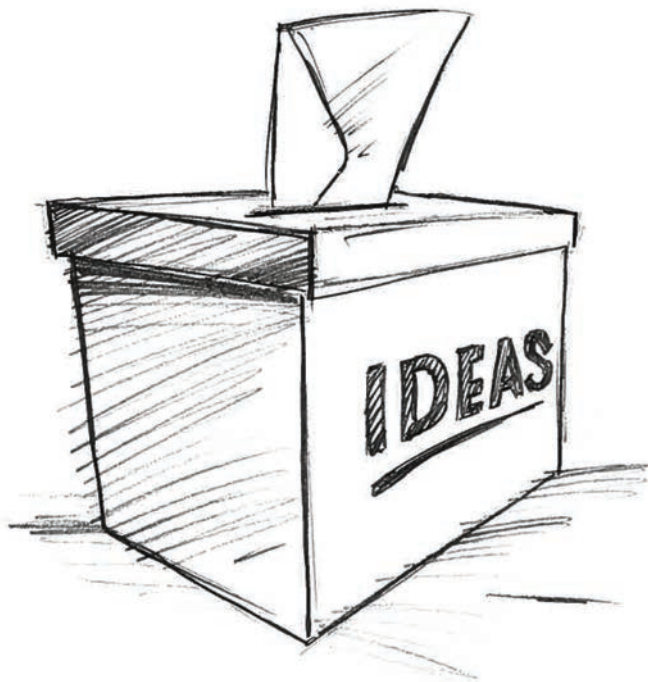
3. Instigation

A turning point has been reached: you have adopted a methodology that will help everyone across the organisation be more innovative – or at least tap into their latent creativity. This is being piloted in selected areas. It may or may not be effective but it is creating some momentum.

An independent champion may have been appointed. He or she is the 'innovation' go-to guy or 'gal'. Innovation activities are a separate activity owned by this person – or one department, possibly divorced from the rest of the business.

There is a notional process for idea generation and implementation.

If the methodology is good and widely adopted, it will shift mindsets across the organisation as employees become more ready to think counter-intuitively and take risks. It is important to reinforce this shift and encourage the risks associated with trying new things.



4. Implementation

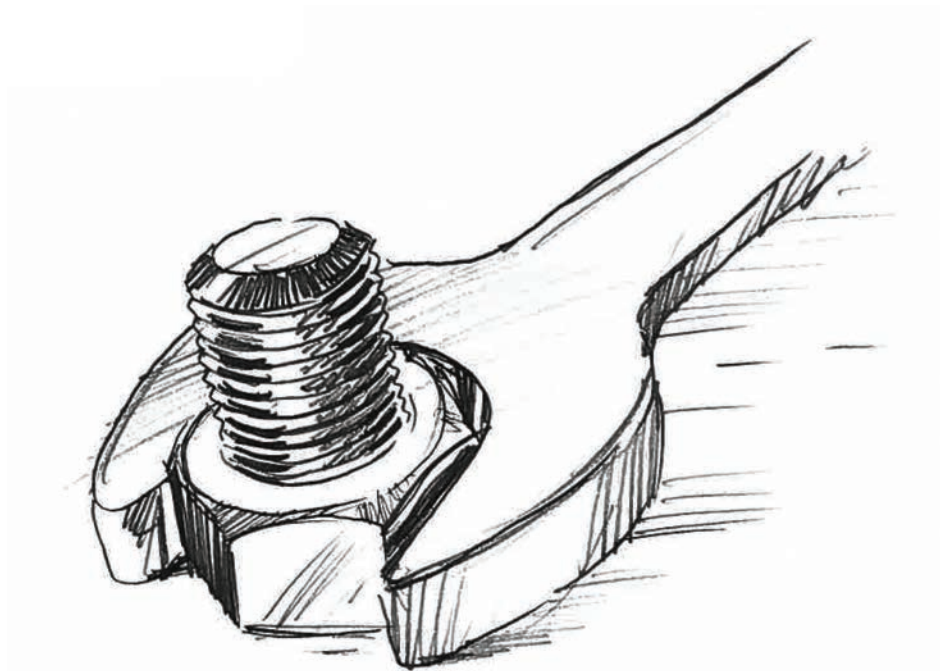
You are slowly gaining momentum. Other divisions are watching you with interest and your efforts are starting to show on the outside.

Your chosen methodology has become a competency model and is being used and trained extensively in some parts of the business. It is a basic skill all employees are trained in. The more motivated are able to delve into the programs further.

You have only undertaken rudimentary tracking, so you may still be unable to assess progress or attribute the source of ideas.

There is a greater degree of comfort with innovation.

Things are happening in the business and it is important that the leadership is seen as a supporter of the innovation activities. Innovation activities should be included in the performance indicators. Employees should sense that this is a focus area; that the finance and time allocated to it are quarantined and won't be diverted to the latest business priority. The leadership needs to make the environment conducive to innovation – or provide alternatives.



5. Integration

Innovation is no longer 'a thing'; it's just the way the organisation works.

It doesn't need to be named. Everyone does it.

There are a number of experts in your methodology across the business and they are skilled, agile, empowered beyond their job role and able to apply the methodology on call. These methods are part of the regular business cycle.

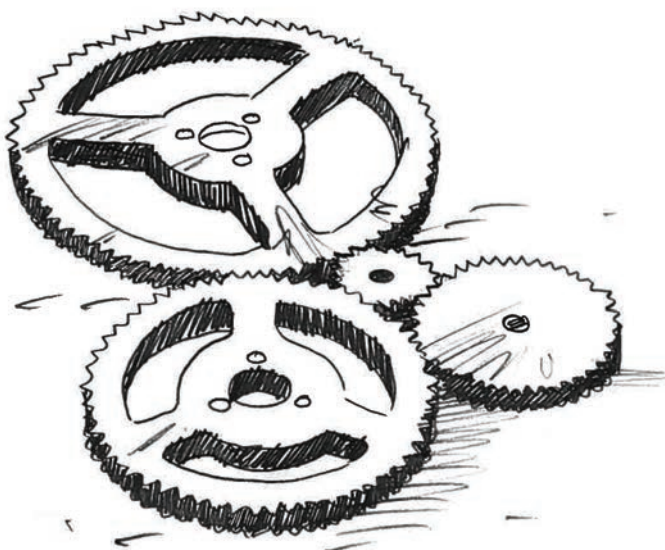
You have developed a 'train-the-trainer' model so that you have a permanent, in-house capability to teach innovation. This capability includes excellent facilitation skills. There is a formation of empowered innovation 'dream teams' with a cross-section of employees from different departments.

Your methodology allows teams to work with existing resources and vary the resolution of their ideation. For example, if working on the freshness of a biscuit, teams can consider this from a storage perspective (supermarket, delivery, pantry...) or from a packaging perspective (wrapper, label, box...).

The leadership is clearly and consistently supporting (or even rewarding) risk-taking in the organisation.

Resources for innovation workshops, training and the like are locked in.

At this stage, the focus should be on maintaining and gaining momentum. The idea should be to foster an innovation culture that will stick. Focusing on visible results, broadcasting progress and success stories and ensuring that innovation initiatives – be they workshops, projects or seminars – are not one-off.



How could you become more effective?

Once you know which stage your organisation is at, you can drive change more effectively by focusing your efforts in the right areas.

Just as Marketing has 4 fundamental Ps, I believe that there are essential ingredients to the 'innovation mix' that will make or break innovation efforts in an organisation.

I identify 4Ms: The two most crucial are **Method** and **Mindset** (the former impacts the latter provided you have the right approach). The other two are **Mandate** and **Momentum**.

Method

"Innovating" – implementing new, feasible and value add ideas – is not a talent; it is a **skill** that can be learnt. It is not enough for an organisation to make innovation a 'strategic pillar' or 'core value'. Whether the organisation has a tendency to limit the notion of innovation to those in lab coats or to the work done by the 'creative guys', if they are asking employees to be more innovative, they need to train them to be innovative. Ideally, the tools selected should be systemic and pattern-based so that they are thorough and can be taught; they will be less effective if they are random.

I have adopted the Systematic Inventive Thinking Method because it is grounded in principles that are more aligned with how the brain is wired. It is constraints-based and research shows that constraints foster creativity. Its core templates are based on the DNA of the most successful innovations, which gives them a high likelihood of predicting successful ideas. What is more, this methodology provides a more intuitive search engine for the mind that allows you to seek the benefits of an existing (virtual) form rather than the reverse. These tools need to be learnt with discipline and stewarded, and teams need to become expert in using them across a range of areas (process-enhancement, product development, problem-solving, strategy development, marketing communications...).

Secondly, the organisation needs to have clear, accessible and well-communicated innovation **processes**. People need to know what to do with an idea when they have one. They need to know who can help them generate ideas. The methodology needs to be used consistently and become a competency model across the organisation.

Thirdly – and very importantly – the chosen method needs to be seen to be bringing **results**. There has been so much lip-service given to innovation and so many random methods tested and rejected that focusing on attaining tangible results is more important than ever. Teams should focus activities on result-targeted workshops where they address topics of concern with high buy-in from cross-functional teams. Attention needs to be paid to ownership, accountabilities and implementation. Without this, any long-term aspirations to embed innovation may grind to a halt.

Mindset

Shifting the organisation's mindset is a fundamental element to address in fostering an innovation culture within it. It is also a very gratifying one to witness. When people are alerted to their bias, or when they are shown ways of dealing with contradiction and turning problems into opportunities, it is at once motivating and liberating. Once this shift has occurred, the organisation not only innovates more, but it is more receptive to change and to disruption. Mindset has three important facets:

The first is ensuring that people within the organisation realise it contains obstacles to innovation – the most frequent being 'cognitive fixedness'. People need greater degrees of freedom to be creative. If they are unable to view more options and alternatives to the way they see and use things, then this will hold back the development of an innovation culture. Whatever methodology you choose, make sure it helps lift the blinkers.

The second is a move from a very limited notion of innovation (monotone and clichéd) to one that allows more **breadth**; incorporating all facets of the business: processes, idea generation, progressing in dead-end meetings, new product development, Legal R&D, etc.

The third concerns addressing a prevalent obstacle to effective innovation, which is fear of failure. Where there is a pervasive fear of making mistakes, employees will be reluctant to attempt new things or to share new ideas for fear of being ridiculed or judged – or worse, punished. Organisations that show innovation maturity encourage **courage**. They give permission to take risks and even to fail. In some organisations this might mean rewarding risk-taking or, at the very least, encouraging senior managers to share mistakes they have made rather than only focusing on the wins.

Mandate

Many organisations fail in their innovation initiatives through a lack of support by the leadership. Sometimes this is evident early in the project and sometimes it occurs once the efforts are in motion, because of budget pressures and new priorities.

Three key facets of what I am calling ‘mandate’ are:

Moving the organisation from a situation where innovation is not a strategic priority to one where it is an earnest **focus** of the leadership. Leaders need to set up organisational conditions that will encourage innovation and make it thrive. This ranges from a clear mandate to allow teams and individuals to spend time on innovative activities or inclusion of innovation efforts in the performance review process through to creating the right structure for innovation.

If innovation is a focus, this needs to be **resourced**. It requires budgets, mental space and time, and physical spaces (inside or outside the building as well as one-off events – external hackathons, etc. – and permanent areas). Some workspaces are simply not conducive to creative thought and collaboration. Various experts have highlighted the importance of including warmer hues, as this is good for morale – which, in turn, is good for creativity.

It is important that the organisation establish the **structures** and roles required to drive innovation. This includes committed sponsors at the senior leadership level, innovation coordinators (as opposed to champions), coaches and trainers to keep skills sharp and multi-disciplinary teams. Without clear roles, no one will take ownership of projects, drive implementation of ideas and sustain efforts.



*Professor Daniel Samson, Professor of Management
(Operations Management), University of Melbourne*

Momentum

It is extremely difficult to operate change in any organisation without a sense of momentum. People need to see progress. This starts with the right methodology and mindset, but the sense of momentum will only be credible and palpable if the efforts are **recurring**.

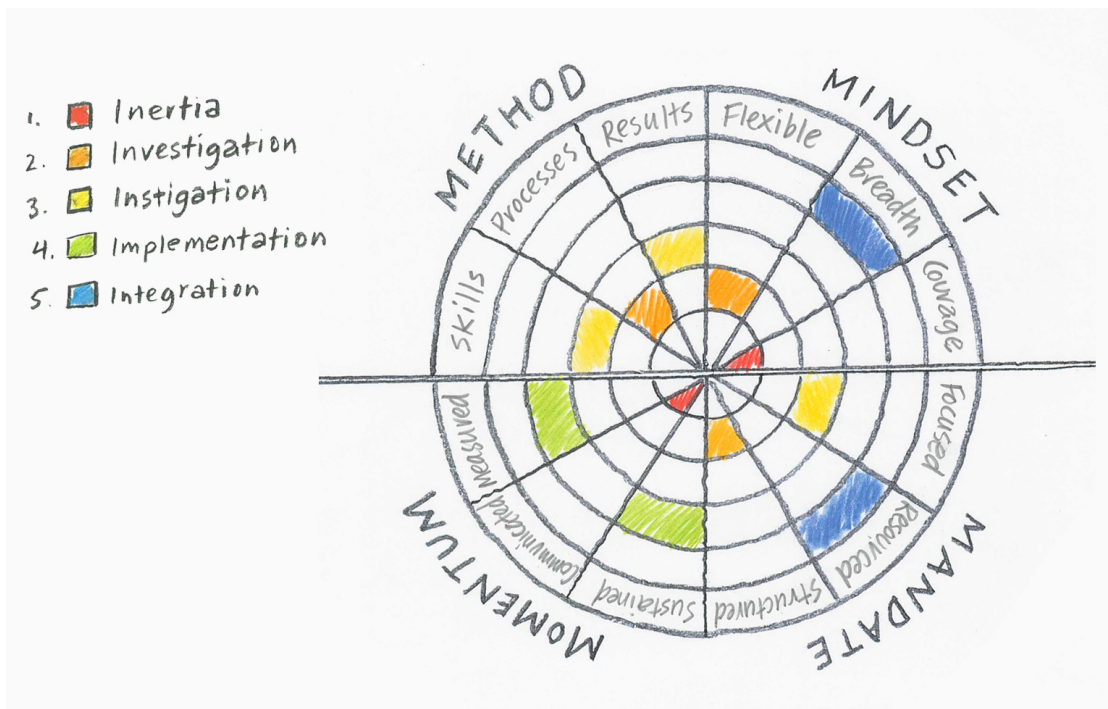
Communication plays an important part in building a culture and a sense of momentum. If the word innovation is 'bandied around', but nothing appears to have changed, this leads to cynicism not creativity. Internal communication should be motivating, consistent, engaging and fair – it cannot pick favourites. From an external standpoint, the organisation should profile itself as an innovator to build the brand and attract the right profiles. Where possible, getting involved in external innovation awards is helpful because it provides a benchmark.

Finally, too little focus is placed on **measurement**. What will you measure? The number of innovation boot camps? The number of ideas coming out of an ideation session? The number of people involved in innovation efforts? The climate for change? Two simple measures are to track ideas from ideation to implementation and to always ask: "What is the value to us of addressing this issue?"

THE INNOVATION WHEEL

With three different sets of components in play, I thought it would be helpful to create an Innovation Wheel for driving the whole process. This illustrates the 4 areas of focus and the 3 facets to watch for in each of them. Then the coloured spaces highlight the 'pressure points' that will exist at each stage on the transition from **Inertia** to full **Integration**.

"The wheel is a tool for organisations who want to go from talking about innovation to no longer needing to."



Using the Wheel

Organisations need to innovate but there is an essential mix to get right.

- Undertaking a diagnostic on the 12 facets of innovation,
- addressing the fundamental dimensions of shifting the mindset and
- providing empowered teams with a methodology and innovation process is crucial.

It's also important to track this over time. This is an exciting space to play in and I would be delighted to take you there.

About the author

Rachel Audigé is a facilitator, coach, mentor, writer and speaker who works within businesses and organisations to enhance their processes, new product development, marketing communication and problem-solving.

Her perspective in innovation is strongly coloured by her 25 years in marketing in public and private enterprise. She has noticed that marketing and innovation often – and should – go hand-in-hand. Her chosen methodology is that of Systematic Inventive Thinking (SIT).

Rachel has had great success shifting mindsets, filling the gap between marketing teams and creative agencies, driving innovative communities and upskilling teams with a vast array of backgrounds. She is a passionate and energetic facilitator whose approach can engage left and right-brainers alike.

Rachel is the author of the forthcoming book, *The Innovation Mix*.

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