



Reader ROI

- The value to an organization of being “continually innovative” has recently been well quantified.
- Despite the value and associated desire for innovative ideas, many organizations struggle with the process of innovation.
- The critical hurdles to innovation, beyond the “good idea,” are speed to market and organizational engagement.
- Here we discuss a proven process for innovation that clears these hurdles.

Innovation: More than a “Good Idea”

Significant attention has been focused on the topic of innovation. Indeed it seems almost impossible to open a business-oriented publication without finding some reference to the topic. There is good reason for this interest. One *BusinessWeek* survey claimed that top innovators have seen a median annual profit margin growth of 3.4 percent when the mean growth for the S&P Global 1200 companies during the same period was only 0.4 percent.

The same article noted that the number-one obstacle to successful innovation was slow development/implementation times. Many organizations simply took too long to introduce an innovation thereby missing the opportunity window. The second largest hurdle was a lack of coordination. The lack of coordination not only impeded time to market, but also constrained the quality and impact of the innovation.

So how do you create a process for continuous innovation that overcomes these major obstacles? The answer lies in the fusion of two powerful and proven approaches. One method focuses on idea generation and testing; the other on methods for achieving large scale organizational change.

The good idea

While creating the “good idea” is only the start of the innovation process, it is certainly a key step. The major problems that most organizations face in this area are in combating compartmentalized thinking and the inability to separate the barriers from the opportunities. This form of “devil’s advocate” paradigm is what really needs to be broken in order to achieve true innovation.

Several good techniques for idea generation and testing have been articulated in the books by Tom Kelly based on his work at IDEO. These techniques include structured brainstorming and methods for closely observing (potential) customers operating in the focus area. These works also expound on the notion of “faces” or personnas that participants in the innovation process can adopt as a lens through which to consider the focus area in novel ways. For example, one face is that of the “cross-pollinator,” a persona that continually looks for analogous situations and solutions in parallel environments, e.g., how could Southwest Airlines flexible staffing model be adopted to our problem?

Another key idea-generating technique is to engage external experts to challenge the status quo. These experts can be engaged to provide insights, trends, and best-practices that are either directly related to the solution area or that come from analogs.

Cross-functional collaboration

The fundamental challenge that many organizations face is how to effectively engage and mobilize many people from different organizations in shaping and implementing the innovation.

An effective way to achieve this objective is embodied in a large stream of industry and academic work in the field of large-scale organizational change. One key technique for managing large-scale change is to get the “whole system” in the room for a compressed session of focused learning, exploration, design, and planning. The “whole system” is typically a large group of people (40 to 100) representing the decision makers, the solution builders, and the solution operators.

Having all participants collaborate in a highly structured environment provides many benefits including:

- Huge time compression by not having to traverse and negotiate up and down the organizational hierarchy via piecemeal meetings
- Inherent organizational buy-in by asking for and incorporating multiple viewpoints
- A higher quality solution that has been “bullet-proofed” through the lens of all participants

The innovation process

An effective innovation process should include the following high-level steps:

- **Research:** Intense analysis and research into the area of focus in order to fully understand the current state and to identify issues and constraints. This may include some highly focused observation of the target customer in the focus area.
- **A large-scale group collaboration event that includes the following phases:**
 - **Learn:** Participants explore a broad collection of information and knowledge that is both directly and indirectly related to the area of focus. Participants assume specific learning “faces” that provide new lenses through which the problem may be viewed. Participants engage with experts and specialists to further build mental models of emerging trends, best practices, and analogous situations that expand their horizons.
 - **Explore:** The best ideas are summarized into potential solution paths. Scenarios are developed and simulations of potential futures are conducted. Through these exercises, participants test, combine, and rebuild solution paths.
 - **Design:** Throughout the process the best solution paths are developed. The group reaches a common vision of the optimum solution. Participants expand on the detail of the selected solution to fully develop the output. By the end of the design phase, participants have a clear vision of the route they will be taking.
 - **Plan:** The group devises action plans for implementation. The plans are detailed enough so that participants have a clear understanding of what will happen next and their respective roles
- **Implementation:** Following the large group collaboration event, output is made immediately available and teams begin executing their plans.

Sometimes, for larger initiatives, the above process is repeated several times as the implementation workstreams split and require their own more detailed design and planning steps.

Conclusion

This approach dramatically reduces the time typically required to develop innovative solutions and craft implementation plans. Engaging the whole organization and customers at the same time can bring unexpected results that take organizations in innovative new directions. This approach causes the alignment and involvement of the whole organization in a very compressed timeframe and results in higher quality solutions.



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