ARCHITECTS OF INNOVATION

SOWING THE SEEDS OF BUSINESS CREATIVITY

PADDY MILLER
Professor of Managing People in Organizations, IESE Business School

THOMAS WEDELL-WEDELLSBORG
Lecturer at Managing People in Organizations, IESE Business School

Professors Miller and Wedell-Wedellsborg reveals some of the key ways in which organizations can foster an atmosphere of innovation and creativity.

INNOVATION AND CHANGE • CREATIVITY • ENTREPRENEURSHIP • LEADERSHIP AND PEOPLE MANAGEMENT

Organizations tend to treat innovation as a sort of adventure holiday in which staff are sent off to perform a series of activities and play games designed to make them more innovative. However, these one-off adventures are no more likely to imbue an organization with innovation than a day's paint-balling is a cure for bad management.

When managers decide they need more innovation, they often turn to their favorite tool: communication. "Our people are not innovative," they think, "because they haven't really understood how important innovation is for our business." This is when the PowerPoint presentation proclaiming "Innovate or die!" traditionally enters the picture. Unfortunately, most employees have heard it all before.

The problem is not that people are not innovative. People are highly creative, they have ideas all the time. The real problem is how do you as a manager create a space in which your people can be more creative. To do this, managers need to become innovation architects.

After years of research we have concluded that a culture of innovation is best conceptualized as a business culture in which various creative values and behaviors interact to weave innovation throughout an organization. It is not limited to one-off projects, but rather is generative, ongoing and, most importantly, sustainable.

CREATING THE ENVIRONMENT

A living, breathing culture of innovation is one where innovation is implemented, not just talked about, a culture in which the creative behavior and individual values of employees are set in motion by the organization, providing an infra-

TO DRIVE INNOVATION RIGHT ACROSS THE BUSINESS WE NEED TO LEARN A NEW SUBSET OF COMPETENCIES AND ONE OF THE SKILLS LEADERS NEED IS TO BE AN INNOVATION ARCHITECT

structure for innovation. The organization does this by signaling the desired creative behaviors that it expects from its employees, and then providing information and guidance on the process. The two main sets of behavior are creativity and improvisation.

So the question is how do we drive innovation right across the business? To do this we need to learn a new subset of competencies and one of the skills leaders need is to be an innovation architect. Innovation architects are like doctors who must get the diagnosis right before they operate. If you decide to foster a creative culture in your workplace, you must first take the time to explore a key question: Why isn't it happening already? What is stopping our people from being more creative?

People have good ideas but they have to feel their ideas are going to be welcomed by management. Often the message people get from the organization is that they're paid to do a job, not to think. The challenge is to permeate the organization with a culture of innovation: how can we do this job better, faster, safer?

Another obstacle to innovation is that we are brought up to obey. From the day we are born we learn to do as we are told – by our parents, at school and at work – with the result that the top-down relationship is totally conditioned. This process generates conformist instincts that discourage us from challenging the status quo and encourage us to accept things are they are. For this reason it is all the more important to create a culture in which people will feel that thinking outside the box will be welcomed and not viewed as talking out of turn. We need to help people to think differently about the matrix they are in.

Some people are educated to change their environment while others have learned to adapt. Do people feel they can control their environment or do they feel they are victims of their environment? Can they influence the future? Are you fitting in with the status quo or

do you want to change it? Cultures have an impact on how people operate – is a culture more individualist or collectivist? If a person's status in an organization is determined by who they are and where they come from clearly this is an obstacle to innovation. Organizations and cultures that reward performance are more innovative.

BE WARY OF THE "GOOGLE MODEL"

The core issue lies with the way we think about creativity and innovation. Simply put, if you ask people to explain what a creative workplace looks like, they inevitably describe something that looks like a cross between Google and a kindergarten – with spectacular decor, artsy vibes, football tables and bring-your-pet-ferret-to-work policies. But that model, while working well for creative agencies and Silicon Valley strongholds, is often wrong for regular companies, where trying to "go Google" runs too contrary to the organization. The truth is that driving innovation is not about changing your culture to become Google; rather, it is to change the perception and the practices of creativity so they fit into your existing culture.

The typical innovator is seen as someone who fights the system; idealistic young firebrands who abhor the very idea of playing politics. But companies are inherently political, and innovators ignore this at their peril. This is where the concept of stealthstorming comes in. Stealthstorming, in essence, is about making innovation happen under the radar. It is guerrilla warfare, waged with ideas. It is a radical thinker dressed in a suit and a tie. It is when you abandon all the usual trappings of creativity and sneak under the corporate defenses to make it happen. Stealthstormers don't dismiss politics as being beneath them; rather, they proactively deal with them from the start – because if used right, politics can work for you instead of against you.

If you think something is good for the company, you have to understand the political situation, you have to get

traction on your ideas and build up stakeholders before you do the PowerPoint presentation. If you have all this in place, you've got a much better chance of making your case.

Successful stealthstormers follow some simple, if counter-intuitive, rules when they make innovation happen. They embrace organizational politics; they seek mandates from the middle; they don't think art is the answer; they are skeptical of the spectacular; and sometimes, they deliberately avoid any mention of the word innovation.

Stealthstormers don't use flamboyant techniques or methods that require special tools: they rely instead on very simple tools and habits, small tweaks to procedure that can make a big difference. For example, Procter&Gamble implemented a simple rule in meetings: when discussing an issue, the most senior manager speaks last. This minimally disruptive idea made meetings much more innovative by making sure that junior people with novel ideas were also heard.

Stealthstorming, through which you build up a "fan base" for your idea, helps you to avoid the risks of going straight to the top of the company with your initiative. Top-level managers are exposed to lots of untested ideas, and routinely reject the more innovative ones because they seem too risky or intangible. And even if you do gain the support of a senior sponsor, the complicated game of thrones taking place at the top can mean that your project is suddenly sidelined or is taken hostage in a political in-fight.

COMMON MYTHS OF INNOVATION

These days the word innovation is bandied about so much there is a risk that it will lose its meaning altogether and go the way of the already debased "sustainability." So it is timely to highlight four myths about innovation.

● **Being creative and innovative is fun**. Actually innovation involves facing up to some hard truths and enduring both criti-

cism and self-criticism. After all, if someone has come up with a better way of doing something, why didn't you think of it?

● **All ideas are good ideas**. The problem is that good ideas are often counter-intuitive and as managers become more risk averse as they climb the ladder, they may lose the ability to recognize a good idea when they see one.

● **Innovation is the same thing as entrepreneurship**. Unfortunately, many people who have great ideas have no business sense whatsoever.

● **Innovation is good in itself**. It is risky and expensive and must be weighed carefully against all the other priorities of the company.

The Googles of this world have led many people to equate innovation with technology, but innovation comes in many guises that don't involve designing a fancy website or developing an app. Many Asian countries have brought innovation to the airline and hospitality industries simply by providing a better service than their counterparts in the West. It isn't necessarily a new product but innovation happening all the way along the value chain. All Starbucks did was update the model of the Viennese coffee shop by introducing WiFi. If you look at FedEx compared to the Post Office, or Amazon compared to a normal bookshop, what you see are people who saw a better way of doing the job.

It can be the simplest thing. Just ask **Bernard Sadow**, who holds U.S. Patent Nº 3,653,474. It was his bright idea to put wheels on a suitcase 40 years ago. But that too was upstaged when **Robert Plath**, an airline pilot, invented the Rollaboard, the prototype of the now ubiquitous two-wheeled model with a retractable handle that sent **Sadow**'s four-wheeled model off to the museum of superseded innovations.

To paraphrase **Hamlet**, there are more things in heaven and earth than are dreamed of in your organization. All you need is to create the space for people to dream them up.

INNOVATION INVOLVES FACING UP TO SOME HARD TRUTHS AND ENDURING BOTH CRITICISM AND SELF-CRITICISM