

Overcoming the hidden barriers to innovation

The authors reveal the main barriers that will stymie innovation, grouped according to your ability to know, understand and use market information.

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“We all know what the customer wants,” yells the president and CEO of a business-to-business plastics manufacturer.

Of course we do,” agrees the sales director. “We deal with them every single minute of every single day. We couldn’t sell a dime otherwise.”

The company’s senior managers are gathered for an all-day meeting to discuss the findings of an external survey on how the firm uses market information.

The survey was requested by the general manager following growing concerns that the company is simply catering to clients’ everyday needs without actually putting together a clear, organization-wide, customer-based strategy.

Needless to say, emotions in the meeting are running high and relations strained, as many of the board members reject the survey’s findings – perhaps unsurprising given that they call into question the market information systems they use. Still, the general manager is struck by the knee-jerk defensiveness of many of his colleagues.

“Isn’t it true that all we ever do is respond to day-to-day pressures, constantly adapting our manufacturing operations to the next set of customer orders?” he asks.

“So what? That’s what the customers want, isn’t it?” fires back the sales manager.

“But how can we be proactive as an organization? How can we possibly learn and improve if all we ever do is react to daily pressures?”

Admittedly, strained boardroom relations are a common occurrence. But so, too, is the problem that prompted the row – namely, the failure of companies to share market information and use it effectively.

The sad truth is, while companies tend to do rather well at accumulating relevant market information, they are not so good at sharing that information across the organization or agreeing on its broader implications for decision making.

Our latest research has shown that companies are insufficiently attuned to the ebb and flow of their respective markets, and often fail to process the market information they gather adequately.

As we will show in this article, these two problems represent major barriers to innovation. After all, if you don’t properly understand the market, how can you possibly know what it wants or needs, never mind how to deliver it?

Overcoming these barriers is only possible if you have the right organizational attitude or mind-set. Companies must continuously question their purpose, their *raison d’être*, by asking themselves: Why do customers buy from us? Why do we want customers to buy from us? What is it that makes us different?

These are the questions that each manager should have at the forefront of his or her mind, and that must be asked daily across the entire organization. Indeed, they must be so deeply ingrained into a firm’s operational and management culture that “being different” becomes the main driver of its activities.

This article is based on research we have conducted on information-sharing processes at 20 multinational firms from a broad range of sectors. In it, we will describe and categorize some of the hidden barriers to innovation, and then propose some practical ideas for managers to innovate more successfully.

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