

# Keys for advancing a culture of innovation

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**Creating a culture of innovation is necessary for success, but setting the process in motion across the organization is not so easy.**

If you're an executive, entrepreneur or manager, you probably want your company or organization to have a sustained impact on the market, to be quick to seize market opportunities and to provide creative solutions to existing and future problems. All these relate to the ability to innovate - to introduce new ideas that add value for customers, society and the company itself. To be effective, this must be done on a continuous basis.

In his article "Setting Out Innovation Guidelines in Business: Road Map Towards a Fully Innovating Culture," IESE Prof. Joaquim Vilà addresses the keys for advancing a culture of innovation.

## Changing mindsets

To begin with, you must be willing to take a leap away from what was done in the past. Drawing on conventional business experiences is of little use as a future guide to innovation. Thus, the first step towards innovation is to change the beliefs and values of your people with regard to what is permitted in the company. It is necessary to mobilize people in favor of an agenda for change. This is not easy, since it means people must venture outside their comfort zone and into unfamiliar territory.

Given how hard it is to change mindsets, many executives prefer to get rid of reluctant people and bring in new people with a positive attitude to change. To Vilà, however, the mark of a good leader is an ability to create the conditions for achieving the desired results with

the workforce you already have. According to the author, the key lies in changing how you manage, putting into action new management practices that promote the innovation-friendly behavior you seek.

Next you need to institutionalize innovation, ensuring that the new practices of your company endure beyond the people who originally promoted and implemented them. To do this, Vilà suggests assembling specific management guidelines and formal elements that will ensure the procurement of objectives. Examples include: creating a project and initiative portfolio to record contributions from different management spheres that serve the company's key objectives; implementing in-house systems, tailored to the company's needs and goals, to ensure the continuity of the process over time; and changing values.

## **Management characteristics**

The success of a cultural change depends on the continuous, growing contribution of agents who are favorable to innovation, such as the members of project management teams and other people with ideas and initiative. In this regard, management must be founded on four basic pillars.

*Ambition.* Without this, there can be no innovation. If the company is complacent regarding its results, it will not see the need for change. Management will tend to remain passive and reinforce practices that have worked in the past. The active players will not feel they are in a position to question, alter or innovate management processes and schemes.

*Trust.* Management must not simply rely on the members of the innovation team and other people with initiative, but must also boost confidence through values, principles and practices directed at the entire organization.

*Strong Support.* This is essential for overcoming resistance to change. It is also important to provide resources for innovation, weighing the importance of innovation against other, more urgent investment options.

*Commitment.* If innovation means transformation, management should give its unreserved support to the changes inherent in new proposals or ideas. To act otherwise is to undermine the faith of the innovators.

## Organizational aspects

Next, it is imperative to have clear guidelines for innovation. Without them, says Vilà, creativity will create confusion. Once ideas are generated, the best ones can be selected according to established guidelines, which cover project definition and planning, as well as aspects of organization and leadership that lead to the desired market impact and completion of the project. The author highlights four basic aspects for organizing the work.

*Innovation Committee.* This should have a healthy representation of senior executives, who act as the principal organ of governance and leadership and take a leading role in resource allocation and in the approval of the projects-and-initiatives portfolio. They must serve as the chief advocates and stewards of innovation, amending basic management processes and systems to ensure innovation will thrive. Without such a committee, innovation will gradually lose ground in the face of strong counterforces, ranging from everyday pressures to political infighting.

*Operational Units.* To perform a specific innovation-related task, more and more companies are creating the position of project coordinator, who seeks the support of the members of the different departments involved. The more complex the project, the greater the need for high-level coordination. The more removed the requirements of the project are from the company's daily operations and current culture, the more independent the team must be.

*Internal Operational Standards.* To ensure the continuity of innovation, it is also necessary to establish the ground rules and basic responsibilities for all the new people in charge of innovation.

*Criteria to Guide Change.* Progress towards an innovation-friendly culture requires the parallel coexistence of two systems: one that governs daily tasks, and the other, innovation. As difficult as it may seem, Vilà says that, in practice, it really is a matter of common sense.

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