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Innovation

From the Editor

Pablo Picasso once observed, “Computers are useless. They only give you answers.” In some ways that comment from him is predictable. This was an artist who deconstructed how we looked at the world; his interest was in finding a better question. If a computer could help find new ways of thinking, Mrs. Picasso’s son would have less disdain for the purveyor of 1’s and 0’s.

Finding a good question requires imagination and a spirit of adventure — imagination because we have to allow ourselves to think beyond what we already know; spirit of adventure because we have to deal with people who have found past answers perfectly satisfactory and have a wish that we might conform.

At LIVE Consultants, we engage with our clients in finding the best questions because we believe that the better the quality of the question, the better the quality of the solutions that emerge.

Marilyn Baetz, editor

About the Author and the Article

Sometimes creative and innovative are used in the same breath. After all they are part of the same cloth. However if we were to be more precise, creativity is a process of coming up with new ideas without any consideration for practical application and innovation is finding and using new ideas so they result in an improvement or a gain.

In this article, Stephen offers seven ideas of how to foster innovation within an organization. He has written this article because of a series of recent dialogues he has had with our clients who are concerned about the unintended impact of creating organizations where standardization has become so dominant.

Stephen Baetz is a partner at LIVE Consultants Inc., the organization which sponsors this publication.



Stephen Baetz

Beyond Conventional Wisdom

Wisdom and wit are often packaged separately. Some people are wise and have this marvellous capacity to couple experience with knowledge and apply them judiciously. Others are witty and can make clever, apt, and insightful observations that delight the audience they seek to entertain. On rare occasions, they come together in the same individual. John Kenneth Galbraith is one of those. Born in 1908 in Iona Station, Ontario, he went on to a fabulously varied career: FDR's price czar during WW II, professor at Harvard, activist against the war in Vietnam, and author. His writings have warned us against the follies of deregulated markets, pointed to the dangers of corporate greed, and highlighted the jeopardy in "private wealth and public squalor."

Evidently he coined the phrase "conventional wisdom" and delighted in being the court jester who challenged power. In all of this he accomplished what few thought would be possible in Western culture that craves simple solutions and quick resolution: he became a best-selling *economist*.

Yes, wise and witty he was. On the political front he once offered, "Nothing is so admirable in politics as a short memory" and relative to his own profession he quipped, "Economics is extremely useful as a form of employment for economists." The truly wise and witty are inevitably self-deprecating. And with tongue firmly planted in his cheek he has remarked, "It is far, far better to have a firm anchor in nonsense than to put out on the troubled sea of thought."

But here's the Galbraithian observation that caught my attention recently: The conventional view serves to protect us from the painful job of thinking.

I read a lot and I have often wondered why particular observations are more striking for me at some times than at others. My suspicion is that it has to do with what is going on in my head at the moment I read it or hear it. If it matches with something I am currently musing about, I call it relevant; if it doesn't I dismiss it.

The reason that Galbraith's comment captured my attention is connected to the work I've been doing recently with a number of our

clients. They find themselves in a commoditized world (as many do, given the global nature of our economies) and have dedicated themselves to standardization: standardization of processes, standardization of policies, and standardization of procedures. All of which is designed to help the organizations be more cost-competitive. They find it difficult to rationalize developing multiple systems to deal with local conditions.

The unintended problem this has created, however, is that standardization fosters a conventional view of the world — this is the way we do it here — and that, in turn, stops many within the organization from thinking. Okay, I should be more precise: it stops *innovative* thinking. Analytic thinking still happens as process re-engineers run their numbers and seek ways to standardize processes and systems. But innovative thinking has evaporated as quickly as a dream does at dawn.

I've had more than a few discussions lately about the costs associated with not having innovative thinkers in an organization and the list is substantial: inability to develop new products and services that customers value, loss of competitiveness, lack of ability to transfer useful solutions from one context to another, diminished capacity to leverage existing resources, to name but a few.

All of this has set me to thinking about whether it is even possible, in an environment of standardization, to develop a critical mass of innovative thinking. What I offer here, therefore, are some beginning ideas of what has been done and can be done within our organizations to keep the light of innovation going.

Idea: Hold Case Competitions

Identify a thorny, complex business problem your organization currently faces, write it up as a case study, and hold a competition (with lots of recognition and prize money) for the person (or team) who comes up with the most innovative solution. Run the competition out of the President's office to send a message about

the value of innovation to the organization. Use external judges to ensure objectivity.

Idea: Set Targets

Few set out on a journey unless there is a clear understanding of the destination. As a leadership team, define what percentage of next year's revenue you'd like to have from a product or service that hasn't been invented yet. To begin, the target doesn't have to be dramatic (2-3% of total revenue might be a good start) but it has to be clear and significant.

To make this work, members of the leadership team have to agree that the budget for innovation can't be tampered with when the going gets tough for the established operating businesses.

Idea: Be clear about where innovation is valued.

Declaring that innovation is important to the ongoing life of an organization should not give carte blanche to everyone to innovate and improvise. There are compelling reasons why standardization is important when your product or service is playing in the commoditized or core space. Therefore, be definitive in what context and places innovation is needed and when it is not. In some organizations that may require that a separate organizational unit has to be established.

Idea: Don't invite the devil or his advocate.

The two quickest ways to kill innovation is to invite the devil and his advocate to the table too early. Yes, the devil is in the details and considering the possibilities and probabilities of what could go wrong (as devil's advocates are prone to do) can be time well spent. However, they must be banned from early innovation dialogues when options are being explored, prototypes are being developed, and experiments are being run. Rather, invite the innovation angels: those who are willing to defend and give life to hopeless causes and who, despite the early evidence, are able to

know what is right with an idea and what the positive possibilities are.

Idea: Talk with people who don't know your business.

Other organizations, quite unrelated to your business, could be using technology, processes, or practices that could be applied, quite readily, to your organization. The approach may not be able to be transplanted as is but, with appropriate modifications, a useful solution could be found.

This requires leaders to speculate about what somebody else may know that you don't know and then to connect with those people and find out how they do it. Imagine if each person in your organization were to bring one idea from another organization how full the innovation pipeline might be.

Idea: Hire people who have a track record of innovation.

Bring in ideas from the outside by hiring individuals who have been innovative in other settings. These are individuals who are comfortable with ambiguity, who like to experiment, who are open, who have built networks, who can adapt, who can withstand the pressure to conform, and who delight in making something work.

In some cases, this may mean creating an organizational cocoon so they can do what they do best and not feel the pressure of the organization to fall in line with "how we do things around here."

Idea: Put your best talent on the innovation portfolio.

Innovation has to be led by people who have credibility so that people within the organization come to the conclusion that "innovation is a priority for us because look who they put on the file." This person doesn't have to have all the ideas but they do have to possess an ability to inspire, focus the innovation effort, and make progress relative to the targets.

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