

POINTERS

Creating Strong Support Up & Down the Org Chart

EXPERT GUIDANCE ON
INNOVATION STRATEGY



LETTER FROM THE EDITOR

How do you build a more innovative organization—and who do you need involved? In this issue of Pointers, we sought out advice on creating strong support for innovation activities, from the C-suite to the front lines. We asked the experts at Innovation Leader’s strategic partner firms to send us their best tips, from getting buy-in across the organization and fostering an innovative culture to setting up frameworks to maintaining support for innovation initiatives. This issue is filled with actionable advice and ideas that you can put into practice right away.

We’re grateful to our strategic partners for contributing to Pointers and supporting Innovation Leader’s editorial mission—at our online and in-person events, in our website’s Thought Leadership section, and in this series of PDF e-books. You can find prior editions of the Pointers series—covering topics like “Adjusting Your Innovation Portfolio for Success,” “Innovation Do’s and Don’ts,” and “The Corporate Innovation Toolkit”—on our website, at innovationleader.com/pointers.

We encourage you to share this document with others who might find it useful. And if you have topics you’d like to see us cover in future editions of Pointers, I’d love to hear from you at the email address below...



Kate Priddy
Assistant Editor
Innovation Leader
editor@innovationleader.com
@innolead



TABLE OF CONTENTS

- 5** **What's In It For Me? A Clear Value Proposition for Active Participation in the Innovation Process**
CHRIS SOMMERFELD, DELOITTE CONSULTING LLP
- 7** **Always Start with Engagement**
JACK SELMAN AND ROBERT TOON, EDISON365
- 9** **Building Organizational Support for Innovation: Start with the Fundamentals**
DAVID DABSCHECK & JOSHUA COHEN, GIANT INNOVATION
- 10** **Innovation Top to Bottom**
PATTI MIKULA, HACKWORKS
- 12** **Building Your Innovation Team to Thrive During Storms—and Beyond**
HUSSAM AYYAD, HIGHLINE BETA
- 14** **Four Ways to Strengthen Enterprise-Wide Support for Innovation**
DAVID R. JARCZYK & ANU PUVVADA, KPMG LLP
- 16** **Creating an Innovation Engine**
VIDHYU RAO, PA CONSULTING
- 18** **Innovation Tug-of-War**
LUDWIG MELIK, PLANBOX

TABLE OF CONTENTS

- 20** **Harnessing Human Psychology as a Tool for Getting Management Support for Innovation**
AHI GVIRTSMAN, SPYRE GROUP
- 22** **Process, People, Platform: An Innovation Framework for Leadership Teams**
ROSEMARIE DIEGNAN, WAZOKU
- 24** **Domains of Innovation Intent**
GINA O'CONNOR, BABSON COLLEGE
- 26** **Be Better Together: Why a Culture of Creative Intelligence is an Innovator's Advantage**
JEREMY BROWN, SENSE WORLDWIDE
- 28** **Want to Accelerate Innovation? Change Your Velocity**
DAVID R. JONES, EZASSI, INC
- 30** **Building a Culture of Innovation: A Sanford Health Case Study**
CARSON WALKER & ABBY CARMODY, IDEAWAKE
- 31** **Fostering Corporate Partnerships with MIT Startup Exchange**
MARCUS DAHLLOF, MIT
- 33** **How a Startup Ecosystem Works**
MICHAEL GOLDSTEIN, SWITCHPITCH

What's In It For Me? A Clear Value Proposition for Active Participation in the Innovation Process

BY CHRIS SOMMERFELD, SENIOR MANAGER, DELOITTE CONSULTING LLP

While the innovation imperative may be self-evident in the C-suite, the value proposition of participating in your firm's innovation process may be considerably less clear for many potential collaborators.

For many of our colleagues, active and engaged participation in the innovation process is essentially optional. True "innovation" is typically the top objective for only a small handful of employees within an organization. Yet often, the success of this small set of dedicated "innovators" requires material levels of support from a wide range of collaborators across the organization. Building and commercializing any given innovation often necessitates getting the buy-in and on-going contributions of many different functions. And while it's often not too challenging to get these collaborators to attend a workshop and to jot ideas on a sticky note (or a virtual white board), it can be a real challenge to drive deep and consistent engagement over time—that is, engagement that takes hours of someone's time for several weeks/months and goes beyond one-off conversations.

“...Ongoing collaboration requires an appreciation of the needs, priorities, and incentives of these potential collaborators.”

Turning the innovators' tools inwards can be a helpful place to start. The same human-centered, insights-driven techniques we use to uncover and solve for the needs of end consumers are also useful in better understanding and solving for the underlying needs of potential innovation

collaborators.

Looking first at the context of potential innovation collaborators, we see that the challenge has intensified over the past 18 months. The new rhythms and demands of virtual work have left many with even less capacity to carve out the time needed to support innovation efforts. The complexity of transitioning to new ways of working, current talent shortages impacting team capacity, and the urgent need to focus on core business delivery has meant that for many there has just not been the time to attend to more ambiguous and future-facing opportunities—no matter how important. And while this prioritization of the urgent over the important has its place during a crisis, there are real downstream risks for teams that habituate to these daily prioritizations as we settle into our “next normal.”

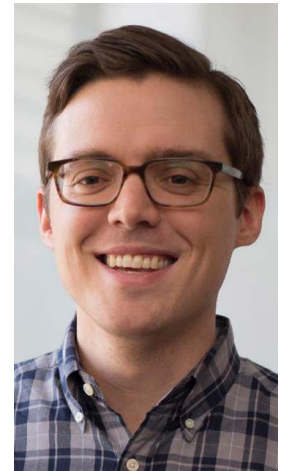
You can meet this challenge by ensuring your innovation organization solves for the needs and desires of potential innovation collaborators. Indeed, innovation requires collaboration, and ongoing collaboration requires an appreciation of the needs, priorities, and incentives of these potential collaborators. In our work with large organizations, we've noticed that successful innovation groups typically provide innovation collaborators with a spectrum of benefits:

- Access & Opportunity
- Exploration & Development
- Connection & Community
- Purpose & Meaning.

Let's look at each element of this value proposition, moving from the more extrinsic to the more intrinsic.

Access & Opportunity

Give me access to the leaders who can accelerate my career: Most motivated individuals want to see a return on investment of the extra time they spend working. Yet, few innovation leaders can directly impact the financial reality of those beyond their direct reports. Savvy innovation leaders can capitalize on C-suite support for innovation by ensuring key collaborators get exposure to, and experience working alongside, influential senior



Chris Sommerfeld
Deloitte Consulting
LLP

executives. Despite what senior leaders may say, most employees know that few organizations are as “flat” as they aspire to be, and that relationships with those more senior are likely to be useful to them.

To improve the value proposition for innovation collaborators...

- Provide senior leaders with frequent updates on the progress of priority innovations, and note key contributors
- Ensure active participation of senior leaders in key milestone events within the innovation process
- Proactively foster a culture of mentorship and coaching between senior leaders and those participating with innovation teams, encouraging executives to engage with a variety of innovation collaborators across backgrounds, levels, and functions.

Exploration & Development

Support me in taking a risk or in learning something new:

For many potential collaborators (especially those with an inclination to engage with innovation teams), supporting projects moving through your innovation process can provide them with a compelling opportunity to master a novel topic area, meet different functions within the organization, or build a new skill. Additionally, for more senior collaborators, the allure of the innovation process can be the opportunity to take on new levels of risk and uncertainty that go beyond what’s typically encouraged or “allowed” in the core business.

To improve the value proposition for innovation collaborators...

- Emphasize the potential for learning and skill development
- Communicate how the unique context and norms of the innovation process permit certain types of risk taking, experimentation, and a questioning of the status quo
- Encourage those with relevant “pet ideas” or other strong convictions to bring their ideas into the early stages of the innovation process.

Connection & Community

Connect me into a community of motivated, passionate colleagues from across my organization: Building and maintaining a supportive, motivating culture across a large organization is challenging. But as the leader of your innovation process, you can define and model a culture that will attract and retain the types of talent you want to connect into your innovation work. Indeed, this is one of the “levers” most available to the innovation leader. Even if the project topic, skill area, or leadership buy-in are all less than ideal for a given program, the types of people you gather and the culture you create are often well within your control. Indeed, as Maya Angelou often reminds us: “People will forget what you said, people will forget what you did, but people will never forget how you made them feel.”

To improve the value proposition for innovation collaborators...

- Be a constant connector and enabler of innovation-minded collaborators, amplifying the “network value” of those who chose to engage with the innovation process.
- Create a warm, distinct culture that draws people in and makes them feel a part of something special and unique within the context of the larger organization.
- Foster an enduring sense of community for fellow innovators by telling shared stories and creating group names, matching swag, and team traditions.

Purpose & Meaning

Connect my individual impact into a broader effort to advance the greater good: When it’s all said and done, driving “engagement” often comes down to coming out on top when your colleagues must make decisions about how they’ll spend their limited time. In our experience, we’ve seen that collaborators are most likely to “show up” for those innovation efforts that connect to their personal passions and that make a broader impact that matters. Yet projects need not necessarily solve world peace. Clear examples of the impact one’s work has on people’s careers and lives can be quite compelling. This is a call for innovation leaders to connect dots for collaborators, and to create compelling narratives about the work of your innovation teams—but not to inauthentically and flimsily tie your work to the latest trend. Doing that can do more harm than good.

To improve the value proposition for innovation collaborators...

- Speak authentically to the underlying challenges a given innovation program is working to solve.
- Tell compelling stories of the human impacts of your innovation teams’ work.
- Place teams’ work in a broader context, connecting their efforts to core strategic narratives and broader “movements” where relevant.

While no doubt commercial outcomes are likely the first order priority for your innovation process, repeatable success requires a more holistic perspective on innovation that considers not just the needs of the business, but that of its people as well. Remember—Melwin from Finance, Bonnie from Legal, Todd from HR—they wake up and come to their work each day not as “potential innovation collaborators,” but as humans with their own needs, desires, hopes and fears. Taking an intentional approach to defining and communicating the value proposition for potential innovation collaborators will drive increased engagement, and pay dividends in the overall success of your innovation efforts.

[Learn more about Deloitte at www2.deloitte.com.](http://www2.deloitte.com)

Always Start with Engagement

BY JACK SELMAN, HEAD OF OPERATIONS & DELIVERY, EDISON365
ROBERT TOON, INNOVATION AND PORTFOLIO MANAGEMENT CONSULTANT, EDISON365

Most employees want to know that their voice is being heard, but whether or not they take part in innovation initiatives depends on the attitude of their leaders.

Industries and companies are built by people, and innovation relies on engaging with these people as fellow humans. While you certainly need C-suite buy-in if innovation is to become part of the main strategy, you also need a critical mass to engage to really get things off the ground. Creating a connection between individuals from across your organization can help give your strategy wings. The most successful innovation leaders put their people first.

Because of this, we have a mantra for innovation strategy: **Always start with engagement.**

To do this, you need three key elements in place:

- Understanding
- Communication
- Nurturing

Start with Understanding

Before you start, take a step back and listen.

To get buy-in from people across your business, you need to get to know them in the broad sense. You need to understand their motivations and they need to feel that you are on their side.

Innovation works best as a top-down and bottom-up approach—it requires buy-in from leadership to make changes, but engagement from the bulk of employees to keep up momentum.

Frontline workers represent the largest group of people, but have far less influence than those higher up in the company. In some industries, such as construction or manufacturing, many of these people will not have an email address or access to digital tools. To get to know them, you need to go and see them in person. The relationship between frontline workers and leadership is reliant on the latter listening to the former. Additionally, while people higher up the business can gain career benefits and hit KPIs for thinking up new ideas and taking an interest in strategy, this is not the case for those on the front lines. To encourage them to take part in innovation, you should consider offering rewards, such as money or vouchers.

People in the C-suite tend to be more results-based in their approach—they want to know what innovation can do and how it can help them. You need to become a known ally of the board room: someone who listens and understands them.

Finally, don't forget about middle-management! Office workers need a blended approach. They appreciate strategic goals that can be trickled down through teams, such as KPIs related to the number of ideas created in a month. Sit down with them, let them know that you need their help to get innovation off the ground and ask them for input into the strategy. Make them feel involved, and they could become useful champions.

“People are ‘meaning monsters’ and need to know why you are innovating and how it will benefit them...”

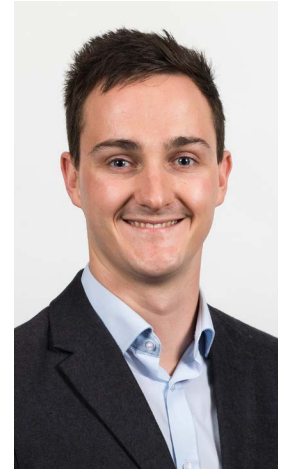
A core theme throughout all these levels of the business is purpose. People are “meaning monsters” and need to know why you are innovating and how it will benefit them, as well as being reassured that they have a voice that will be listened to.

As you get to know your company, you will inevitably find pockets of change-makers—people working to enact change in their corner of the company. Like middle managers, they could be champions for your innovation strategy, so be sure to bring them in and involve them.

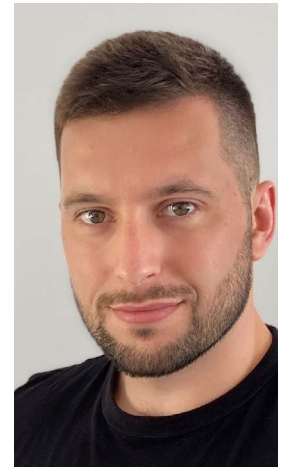
Effective Communication

Not everyone cares about innovation. People care about their jobs and their working environment; they don't tend to feel motivated by the idea of pushing the company forward. So, you need to find a reason for innovating that people can connect with. There are two ways of doing this:

- Build your strategy off the back of an employee engagement survey. Grabbing key themes from the results will show that you “get” your people and want to improve their working lives.
- Use your existing company values. These values are a recognizable brand that your employees will already connect with.



Jack Selman
edison365



Robert Toon
edison365

When you kick off plans for innovation, you may need to introduce people to the concept and do so in a way that doesn't alienate them.

Some people are put off by the term "innovation" itself; it can conjure images of creating elaborate technology or overengineering. If this is the case, you can find other ways to talk about it. For example, if your company has a value linked to change, growth, or development, you could lean on this instead.

Running workshops to show people different ways of addressing problems creatively is a great way to get employees into the innovation mindset. It's important that the only goal of these workshops is learning—you shouldn't expect to come up with any new ideas at this point. We've run sessions like this with engineers, and it has been wonderful to see them move from the black-and-white world of "yes" and "no" or "right" and "wrong" answers into the Technicolor realms of innovation. It gives them a sense of freedom and ownership over what they do.

When asking people questions or setting challenges, think carefully about your wording. So, instead of putting them on the spot and asking what their ideas are for the business, try asking "what can we do?" One of our customers asked this question and was told that they could provide workman's boots, as employees were currently having to buy personal protective equipment (PPE) themselves. Just as in Maslow's hierarchy, you need to make sure you are providing your employees with fundamental support (e.g., safety equipment) before you can ask them to provide you with help.

Nurture Innovation

Innovation is a journey. So, if things don't quite go as planned, just keep trying!

Once you get going, the key to success is keeping up the momentum and removing barriers to participation.

Repetition is key to keeping engagement levels up. You can have the greatest strategy in the world, but if you don't keep involved, it'll die off. Make sure that there is always a challenge for people to contribute to, keep asking simple questions and maintain a level of visibility. People need to feel a sense of belonging and believe that you care about their opinions and will listen to them, or they will soon disengage from the process.

Perceived risk is a real blocker to people sharing their ideas. We need to make innovation less of a personal and professional risk if they are going to take part. For example, employees may worry that putting forward an idea that then fails could affect their chances of getting promoted. Others may be concerned about how they'll be perceived by their peers.

If employees feel that their business culture supports innovation and is comfortable with accepting failure, then they are more likely to engage in the process.

Final Words

To create strong support for innovation across your organization, you need to focus on engagement by:

- Understanding your people and how they work.
- Communicating the reasoning behind your strategy, introducing the concept of innovation, and ensuring fundamental needs are met.
- Nurturing your people's creativity by ensuring that they feel safe putting ideas forward.

edison365 can support your organization with developing and implementing an innovation management strategy, including holding kick-off sessions and mapping stakeholders. Our Microsoft-based software provides a seamless end-to-end innovation process, designed to encourage collaboration, and enable greater transparency.

[Learn more about edison365 at www.edison365.com.](http://www.edison365.com)

Building Organizational Support for Innovation: Start with the Fundamentals

BY DAVID DABSHECK, CEO, GIANT INNOVATION
JOSHUA COHEN, MANAGING PARTNER, GIANT INNOVATION

Many organizations focus the majority of their innovation efforts on a small “special forces” network of innovators, safely nestled within their own group or department. But building the innovative organization requires a minimal innovation ecosystem within the organization so that everyone—from procurement to sales to marketing—becomes either an enabler for your most bold innovation initiatives, or better yet, a source of new and exciting approaches to business challenges of their own.

In short, you need to start by building an army of **Everyday Innovators** across your entire organization. Here are a few tips you can share with anyone in your organization:

Focus on the Challenges

At its core, innovation is about solving problems in new and unique ways. This can be as simple as looking at an existing process and trying to figure out how it can be changed for the better. For example, one of our clients, a large financial services institution, learned that their expense reimbursement process was time-consuming and inefficient; by talking to employees and understanding their frustrations, they were able to develop a much more efficient solution.

If you can get to the needs and challenges of those around you, you’re already presented with opportunities to innovate. Try posing a question or two to your colleagues, stakeholders, or customers to understand where they could use some help or where they’ve run into obstacles, like “Tell me about the last time you were challenged by an existing process,” or even “What keeps you awake at night when you think about your job?”

Adopt an Experimental Mindset

Every interaction is an opportunity to test new concepts and ideas. Do you have an idea for a new way to run the sales meeting? Try it once. Let your team or your colleagues know that this is going to be experimental and you’re open to feedback.

Harvard Business School professor Amy Edmundson talks about the idea of intelligent failure; structured experiments in which a “failing” outcome helps us learn. A concept originally coined by Sim Sitkin, [intelligent failure](#) can be a powerful source of information. When people embrace this

type of failure, they can learn faster and create more room for innovation.

Get a Cup of Coffee

No idea is born in a vacuum. Consistent research has shown [that the more contact and interaction you have with others](#), especially with people from different backgrounds, the more likely you are to come up with new and inspiring ideas. This is one of the reasons why diverse teams tend to be much more creative than homogenous teams. This is also the reason why diverse cosmopolitan cities tend to be fountains of new creative ideas.

In fact, a [Boston Consulting Group survey](#) found that organizations with above-average diversity earned 45 percent of their revenue through innovation, compared with just 26 percent for companies with below-average diversity.

Steve Jobs knew this, designing Apple’s new HQ to maximize the amount of contact people would have with others around them. You can leverage this by exposing yourself to as many people as possible within the organization. Working in procurement? Go get a cup of coffee with someone in sales. Find out what their challenges are, what they’ve solved, and what they’ve learned as a result. You never know how this might inspire you.

Remember That Innovation Starts Small

We often tend to think that the goal of innovation is to create the next iPad, the next cell phone, or some other revolutionary device. Nothing could be further from the truth. Innovation is not some distant goal on a faraway mountaintop requiring a multi-month journey, a backpack, and a guide.

Some of the biggest successes we’ve seen have been those in which organizations have started small and looked for quick, simple wins. For starters, consider breaking down any of the above into an “innovation tip of the week” (or month). Get people to talk about the results and successes they’ve had.

It’s an easy first step on the path to building an organization of **Everyday Innovators**!



David Dabscheck
GIANT Innovation



Joshua Cohen
GIANT Innovation

Learn more about GIANT Innovation at www.giantinnovation.io.

Innovation Top to Bottom

BY PATTI MIKULA, CO-FOUNDER AND CEO, HACKWORKS

Relegating innovation to a small portion of your organization is like pinning your hopes of winning the Stanley Cup on your first line and ignoring the rest of the team, coaches, trainers, scouts, and the rest of the staff. A winning team has strength top to bottom, on-ice and off, and is built over years, from scouting the right junior talent, nurturing their skills, and ensuring they are supported at all times. The winning goal of the final game is the one that makes the highlight reel, but it is just the final moment of years of preparation and hard work.

Innovation is a similarly collective mission. And the more that innovation is embraced as a culture and mandate, up and down the organizational chart, the higher the chance that your company will come out on top. So how do you build an innovative organization? It's all about the five Cs: Collective understanding, Culture, Competency, Confidence, and Champions.

Understanding the Assignment

Building an innovative organization starts with building a foundational understanding of what innovation is, and more specifically what innovation looks like in your organization. This necessitates a collective understanding of where the organization is headed. It's critical for everyone to know the destination so they can contribute to the journey. The larger the organization, the more difficult this is to achieve. The more levels and divisions an organization has, the more abstracted an individual's goals and objectives become from the overarching goals and objectives, but that collective understanding will empower them to connect their contributions to the greater goal. Often in organizations, discussions about goals and objectives are relegated to annual reviews, where employees really only want to talk about their next salary bump. Decoupling discussions about goals and how an individual can contribute to the company's objectives is really an important step in building an innovative organization.

Creating a Culture of Innovation

It is also important to ensure your organization has a culture conducive to innovation. What does that look like? The most innovative companies that we have worked with celebrate innovation, reward the successes and also the failures, and are continually celebrating taking risks (safely).

It's easy to celebrate a win—a new product that is killing it in the market, or a radical new approach to service delivery that is increasing margins. But we all know that for every killer new product that makes

it to market, there is one (or 10!) that were killed along the way.

“The most innovative companies that we have worked with... reward the successes and also the failures...”

If you want your organization to be comfortable in thinking outside the box, in revisiting the status quo, or sticking their neck out to attempt something new, they need to know that their efforts will be rewarded, regardless of the final outcome. In practice, this can be leadership highlighting key learnings from failed programs at an all-hands meeting. Or hosting a party to celebrate the (fast) failure of a project. Or building a “Brilliant Failures Wall of Fame” that celebrates the ideas that were ahead of their time, or not right for your customers, or just outright bad after more thorough consideration. We naturally celebrate successes, but we need to practice celebrating the failures along the path to success with as much ease.

Building Innovation Competency

Training for innovation competency doesn't need to be overly complex. While there are entire Master's degree programs dedicated to becoming innovation experts, those programs are designed for people whose primary role is driving innovation. Not everyone needs to be an expert to contribute to the success of an innovative organization. If you are looking to build basic innovation competency across your organization, there are lots of concepts that are easily learned in smaller, standalone sessions. User-centered design principles and journey mapping, for example, are great starting points for individuals that are new to innovation. One of the biggest barriers to innovation is thinking everyone else thinks like you, and relying on the status quo not because it's great, but because it's comfortable.

User-centered design and journey mapping are two tools that can help individuals see their role, the products they contribute to, and the services they provide from the perspective of someone other



Patti Mikula
Hackworks

than themselves. Depending on your budget, these concepts can be rolled out as on-demand learning modules and open to anyone who is interested, or, if there is more budget available, interactive learning sessions are great for more in-depth understanding and guided learning.

Instilling Confidence in Our Teams

Another critical requirement to building an innovative organization is to ensure people have the confidence to leverage their skills. This in part comes from the culture, as discussed above, but it also comes from having the opportunity to exercise their innovation muscles. This is where hackathons are a great tool. They provide the opportunity to practice being innovative. That may sound silly, but especially in heavily-regulated industries, or in legacy industries that haven't seen much change over the years, employees are used to saying and hearing "no." Giving them the opportunity to say "yes" and try out something new in a safe environment is a way for them to practice being innovative. Depending on your company, that might look like giving your developers the opportunity to try out new technologies in a sandbox environment, away from client data and deployments. Or it might be giving your frontline staff the opportunity to design a new point-of-sale system based on their experience as users. Sometimes you get great ideas, products, or IP out of these activities, but the most important outcome is a new crop of employees who feel confident in their ability to contribute to the future of your company.

Innovation Champions

If you have ever wondered how you can be in 10 places at once—because that is the number of meetings you could be in and add value to at any given time—your answer isn't cloning, it's building a community of Innovation Champions. In a larger organization, it's next to impossible to train and transform your entire workforce into an innovation powerhouse overnight. Many organizations have training and development programs that identify leadership potential and train for the next generation of leaders. The same approach can be applied to building an innovative organization. Instead of building a siloed innovation lab or division (or at least in addition to it), select and train employees from across and around the organization. These will be your Innovation Champions. They will be your eyes and ears around the company, and will also help drive innovative practices and mindsets at all levels. They will be the person asking "But does that solve the problem for our customer?" in the customer service team's meeting, or "Is there a way to automate that task in a way that adds value and decreases overhead?" in the tech review.

[Learn more about Hackworks at www.hackworks.com.](http://www.hackworks.com)

Building Your Innovation Team to Thrive During Storms—and Beyond

BY HUSSAM AYYAD, CHIEF ACCELERATOR OFFICER, **HIGHLINE BETA**

Clearly defining what makes innovation teams successful is an ever-evolving endeavor. COVID-19 emphasized the fundamental importance of rapid innovation to the future of our society, from health care to connectivity and next-generation eCommerce. It also added more complexity to what innovation means to different organizations and how innovation teams can be built and managed successfully, especially in changing work environments and settings—the latest being the (relatively new) work-from-home phenomenon.

We consistently get asked by clients and partners about the challenge of building and maintaining support for innovation teams; at first glance, this challenge seems to have an additional layer to navigate, now that remote or hybrid work is here to stay for various organizations. However, we believe that, in most cases, how work is conducted and delivered should not make a considerable difference in a team's performance, as long as you have strong leadership buy-in, a clear strategy, and well-communicated techniques in place.

How do you build and maintain strong support for innovation teams—from the front lines all the way up to the board of directors?

Regardless of the existing environment and culture an organization has, support for innovation teams is most influenced by top leadership support and buy-in.

Whether you are trying to obtain top leadership support for your initiatives, or you are the CEO sharing your vision with your board of directors on how to execute on your innovation goals, we believe that certain strategic and tactical techniques can help your efforts:

(Strategically) Create and Maintain...

1. Psychological Safety

Creating and maintaining psychological safety around innovation initiatives and efforts is paramount to boosting the motivation and engagement of your innovation teams at all levels.

Innovation as a practice inherently comes with higher uncertainty of success, as it heavily relies on experimentation and investigation into areas of opportunity that were not explored previously, or were explored under different market conditions.

Creating psychological safety starts by officially declaring to your teams (and continuously reiterating) that you are granting them the **freedom to fail** as they explore different ideas. We have seen it happen in different forms: from CEOs disseminating company-wide communications, to senior leadership promoting measures for encouraging employee experimentation through different incentives.

Creating psychological safety—especially in new working environments where in-person interactions are more limited, and many of the team members are in relative isolation during work hours—offers a much needed boost to your team members' confidence to think freely and express their ideas, and hence continue to engage.

2. Authentic Incentives

Time and time again, financial incentives and rewards get questioned on whether they motivate employee performance. As much as we would like to believe that financial incentives don't motivate, our experiments have shown otherwise. However, there are stronger motivators, such as achievement, advancement, and growth. Creating incentives that combine both financial and non-financial motivators can be very powerful.

As you strategically define your annual and quarterly goals, ingrain innovation-related goals as part of your organization's priorities and objectives.

No matter how "flat" or "horizontal" we believe some of our "new org structures" and teams have become, the reality is, with good leadership and management, clearly set organization-wide goals and objectives always cascade throughout the organization, starting with top leadership.

As support from the top trickles down to the rest of the organization, it will not only reassure your innovation team, but it will incentivize every employee to deeply think about and define how innovation (or supporting innovation) can help them achieve, advance and grow, and be financially rewarded.

3. Collaboration Groups Among Your Mid-level Executives

Regular collaboration between mid-level executives to share their teams' challenges and problem statements not only improves



Hussam Ayyad
Highline Beta

communication across your organization, but significantly raises the potential of collaboration and consolidation efforts to solve common challenges. This significantly helps your teams overcome a siloed work environment, and improves the likelihood of success of your internal and external innovation initiatives to tackle common (internally-validated) problems.

An actionable step in “creating and maintaining authentic incentives” is to make the demonstration of cross-team collaboration part of your performance evaluation criteria and reported KPIs to drive genuine activity across the collaboration groups. This will avoid the perception that these groups are optional/supplementary.

“Becoming truly innovative starts by overcoming the fear of failure.”

Tactically...

1. Introduce your own leadership concepts that promote thoughtful risk-taking through day-to-day activities and expected behaviours

The Amazon leadership concept of “one-way and two-way doors” exemplifies how psychological safety can be created. The concept is used to describe the two types of decisions we make on a daily basis: “one-way door” decisions are consequential and irreversible, and “two-way door” decisions are changeable and reversible. The Amazon philosophy is that most decisions we make are two-way door decisions, and should be made faster and in small-groups to avoid **slowness, risk aversion, and failure to experiment sufficiently**. One-way door decisions, however, must be handled with a careful, deliberate, and consultative approach.

If such leadership concepts hardly apply to your business model, spend time reflecting on your processes. Becoming truly innovative starts by overcoming the fear of failure. Find ways

to address the stigma associated with failure to empower your employees. Do so by experimenting with new concepts, starting with your innovation team. Test their effectiveness and grow their adoption.

2. Empower innovation at every level and every team by providing practical and instantly-usable tools

Creating and maintaining “authentic incentives” can sound easier said than done. Providing practical tools to encourage action can empower your innovation teams to execute ideas.

Amazon’s PRFAQ, a press release with FAQs, is a great example of a practical tool. The PRFAQ is used by any Amazon employee to suggest an innovative idea. The employee writes up a plan by working backwards from a hypothetical launch of that product, envisioning that it is already released. This tool helps the interested employee take a customer-centric approach by suggesting or building new products. This concept is now used by product teams across various organizations.

What tools do you think you can create to incentivize your team to get started and take action?

3. Recognize

Employee recognition fuels employee engagement and affirms the seriousness of your support of all the priorities, values, and behaviors advocated by your leadership.

What’s your current mechanism for recognizing innovation-related initiatives or successes in your organization? Are you recognizing specific champions, teams, members, or staff in your company meetings, or in other methods of communication? Are you recognizing failed attempts at new initiatives in a positive way?

Are you aware of how your team members/leaders like to be recognized? Learn from them, show real empathy, make them feel valued, and then watch them innovate and thrive.

Learn more about Highline Beta at www.highlinebeta.com.

Four Ways to Strengthen Enterprise-Wide Support for Innovation

BY DAVID R. JARCZYK, PRINCIPAL, ENTERPRISE INNOVATION GROUP, KPMG LLP
ANU PUVVADA, MANAGING DIRECTOR, ENTERPRISE INNOVATION GROUP, KPMG LLP

There is no debate that enterprise innovation is a crucial capability in business today. New business models. New ways of working. New customer behaviors. New regulations. New social demands. New technologies. Change is unavoidable and it's coming faster than you think. Organizations that unlock new paths to growth will survive; those that don't will be out of business.

Although the need to push for innovation couldn't be clearer, many large organizations struggle to engage their people in innovation work. Innovating fails more often than it succeeds, and that fact is difficult for many to accept. Resistance to change may be especially high in large, complex organizations with entrenched ways of doing things and strong aversion to risk.

What can innovation leaders do to build and maintain ongoing support for innovation efforts? KPMG's enterprise innovation efforts—within our own firm and alongside our clients—unearth four keys to sparking creativity across the organizational chart and getting big ideas flowing.

1. Create a Structure for Innovation

Driving innovation requires more than just funding. Success relies on a strong support structure that incorporates commitment, vision, and messaging.

The dedication of top company management to innovation efforts is paramount. While running the business will always be their primary day job, nothing can substitute for their leadership in driving innovation throughout the enterprise.

C-suite executives, as well as business-unit and function heads, should commit to meeting regularly with the innovation team. If bosses don't participate, no one else is likely to. But when they join together in innovation activities, it implicitly shows that this is a priority that cannot be ignored.

Company management should have a strong vision for innovation and ensure everyone in the business understands and aligns with it. The business case is clear: With disruption coming from all angles, innovation can save the business from obsolescence and allow it to thrive in the emerging reality. Regular messaging from the top about the importance of innovation—especially how innovation activities support the long-term business strategy—goes a long way toward building support.

KPMG's internal innovation networks are

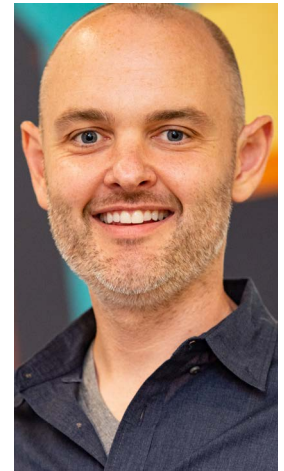
structured to support innovation firmwide. Organizational leaders—the heads of each business service, function, and hub—hold key roles: They are responsible for nurturing new ideas from their own people and spreading them across the firm. Each leader works closely with a dedicated innovation liaison—an “intrapreneur” who both understands the leaders' objectives and has access to people working on the front lines of the business.

2. Open Multiple Avenues for Ideas

Successful innovation may depend on management support, but great ideas from all levels are the lifeblood. The organization's own innovation professionals are typically quite passionate and even personally invested in coming up with new ideas and creating new things. The people in the field who work closely with clients and customers and understand their pain points are also key idea sources; with ears on the ground and a direct connection to the market, they intimately understand the challenges customers face and what solutions they will ask for next. Fresh ideas also come from those newest to the enterprise, who can bring an outside perspective on what works and what doesn't.

“Employees are most likely to engage in innovation when they know their ideas are valued, easily shared, and not destined to end up in a black box.”

Organizations that succeed at innovation usually have a robust process for finding, nurturing, and funding ideas from within. Employees are most likely to engage in innovation when they know their



David Jarczyk
KPMG



Anu Puvvada
KPMG

ideas are valued, easily shared, and not destined to end up in a black box.

Enterprises lose out on a great set of ideas if people don't know how to share them or what happens when they do. Give everyone a voice by regularly inviting people to participate in innovation, whether through formal or informal means, and have a clear, published plan for idea intake, review, follow-up, and rewards.

Employees need to be confident that not only is it impossible to have too many ideas, there are also no bad ideas. Develop a "constitution" or code of conduct that officially states how to behave while innovating; this helps reduce uncertainty and encourages employees at every level to bring their ideas forward.

KPMG stages internal challenges to seek out bright ideas from the entire workforce and then actually incubates those with the highest potential, supports them with talent, tools, and other capabilities. This is a chance for creative thinkers anywhere in the firm to get out of their day jobs, flex their creative muscles, and ultimately see their ideas become reality.

3. Foster Consistent Engagement

Putting up an innovation website, sending the occasional email seeking new ideas, or having the CEO talk about innovation once a year are not enough to build support for innovation activities. For innovation to really succeed, innovators need to be deeply engaged with the market and each other. That takes a lot of time and energy.

Start by embedding the innovation team at the front lines of the business. Innovating in a vacuum rarely succeeds; companies need a strong grasp on their market and customers to develop new products and services fit for their needs. Day to day, try to get as close to clients and customers as possible, leveraging a variety of research approaches and direct touchpoints.

Keeping the conversation going—especially when innovation isn't everyone's primary role—is all about consistency. Don't let innovation go too long without attention. The hands-on team responsible for building new products and solutions should meet frequently to move research and development work streams forward. Try to loop in higher-level leadership at least monthly.

And remember: "Consistent" doesn't mean "dull." There are countless ways to connect and collaborate on innovation activities—even in the evolving world of remote work. KPMG runs innovation workshops to find solutions to specific problems and turn soft ideas into concrete plans. Innovation teams hold brainstorming sessions and pose questions to generate and capitalize on creativity. With the right technology platforms and facilitation techniques, these methods work in both physical and

virtual environments.

Finally, don't limit innovation only to recurring meetings on the calendar. The best ideas often come when we are walking, taking a nap, or driving the car. Encouraging a free flow of ideas in as many moments, locations, and channels as possible makes it easier for people to contribute to innovation.

4. Tell Winning Stories with Data

Innovation can seem like a "pie in the sky" concept, and it comes with inherent risk. These realities sometimes weaken support for innovation activities.

To overcome these challenges, innovation teams need to be able to articulate and promote hard-earned innovation wins. Having strong success stories for innovators to share with teams and leadership helps tremendously in building support for the innovation program. By demonstrating how the vision for innovation was achieved, organizations bring more innovation advocates on board, increase confidence in key decisions around innovation, and strengthen commitment to enterprise-wide innovation.

Hard data is one of the most important elements of compelling innovation stories. Actively seek out significant innovation wins, using feedback loops from both customers and employees, and then use data to clearly show the near- and long-term results of innovation activities. Take every opportunity to report success all the way up to the C-suite and board, using metrics to link innovation stories to business goals and enterprise strategy.

At KPMG, our innovation philosophy is based on the commitment to only develop a new solution after exploring the unknown elements and risk through intensive research, customer testing, and market sizing. This data-driven process tends to generate a lot of support from leadership as they seek to fully understand the financial risks and opportunities of new ideas.

[Learn more about KPMG at www.kpmg.com.](http://www.kpmg.com)

Creating an Innovation Engine

BY VIDHYU RAO, PEOPLE AND CHANGE EXPERT, PA CONSULTING

The pace of digital change has exploded, and organizations are struggling to respond to market volatility, increased consumer demand, and new ways of doing business. As a result, incremental innovation is out. Game-changing digital business models, fast-paced pivots, and a constant cadence of new products and services are in.

At its simplest level, becoming an innovative organization [requires four steps](#):

1. Leaders must develop a long-term innovation strategy aligned to their firm's business strategy.
2. They must focus their efforts on their purpose and execution strengths.
3. Organizations must set up an agile operating model that enables cross-functional collaboration, provides tools for experimenting and scaling results, and uses metrics for tracking progress.
4. People need to feel empowered to learn, try new approaches, and socialize their findings.

It is the fourth step that we explore in this article.

Creating a Collective Growth Mindset

To foster innovative thinking and continuous innovation, organizations need to change their mindset from thinking about “how” to asking “why?” With “how” thinking, teams operate within predefined structures and optimize what exists. With “why” thinking, teams are free to redefine problems and experiment with new approaches.

Asking “why?” is the approach Ørsted, a Danish multinational power company, took in the late 2000s. The company was one of the most coal-intensive power generators in Europe, and had an expanding oil and gas production business. The company's leadership realized that the future of energy needed to be sustainable and decided to transform their organization into a wind producer. Let's explore how Ørsted leveraged key structures organizationally to accomplish this goal.

Set Up Support Structures to Develop and Sustain a Culture of Innovation

At companies like Ørsted, leaders and teams need critical support to codify innovation as an institutional practice. At the highest levels, bringing in cross-industry knowledge, organizational leadership, and experience navigating disruptive change can have a profound impact.

“What leadership needs from the C-suite is the truth.”

When provided with the right information, leaders within an organization can provide strategic guidance on which priorities to set, how to overcome critical obstacles, and how to maintain momentum on multi-year strategies.

What leadership needs from the C-suite is the truth. Leadership is often on the receiving end of strategies or initiative proposals that are long on ambition but short on data. In addition, these proposals often lack thorough assessments that would enable leaders to accurately consider risk versus reward. To be effective, company leaders need accurate forecasts, upfront risk assessments, and quarterly progress reports. In addition, management teams should participate in product sprints to better understand the organization's direction and processes.

At Ørsted, the board agreed to a long-term strategy to pivot to wind production. The board was aware of the new business opportunity with renewables and the risks involved with the transformation—85 percent of the company's revenues came from fossil fuel production. However, maintaining the status quo would have meant grappling with new regulations and stakeholder pressure. They approved the updated strategy and encouraged the company to stay the course in 2012, when a [90 percent drop in natural gas prices](#) harmed revenues and threatened the new strategy's progress.

Keep the C-suite Accountable

Teams within an organization are typically brilliant at generating innovative ideas and game-changing strategies. However, they need support in the form of accountability from leadership within the organization. Simultaneously, teams within the organization need to help the C-suite ensure that innovative initiatives align to the corporate strategy and organizational goals, will move the business forward, and are clearly communicated to the workforce. In addition, C-suite leaders need to be held accountable for modelling new behaviors.

Leaders can provide support by asking probing



Vidhyu Rao
PA Consulting

questions about organizational strategies and codifying desired C-suite behaviors in their personal development plans. They can also provide support by requesting and attending quarterly business reviews and keeping conversations focused on outcomes, rather than new technology features.

Similarly, the C-suite can support the workforce. It can do so by aligning staff around purpose, sharing business and innovation strategies, demonstrating how initiatives support these strategies, and providing evidence that leadership is changing. To that end, as an example, C-suite leaders can participate in hackathons, recognize innovation champions, and even lead training courses. The C-suite can also share case studies of how experimentation can help drive the business and deliver game-changing results.

Be Clear on Your Purpose

At Ørsted, then-CEO Anders Eldrup, shared a compelling purpose with the entire organization, to tackle climate change as one of the most important problems of the era. This purpose energized staff and helped them stay focused, as the company weathered a downturn and committed to even more rigorous renewable energy targets over the years. As a result, the company was able to achieve its goal of using renewables to generate 85 percent of its energy production in just 10 years—21 years ahead of schedule.

Ørsted developed a new operating model, identifying customer value streams and aligning multi-disciplinary teams around delivering results. Teams use data-driven insights, like client usage patterns, to drive new service development. With an agile approach, they can now launch services in [as little as two months](#), which previously took up to 24 months. That means more revenues and profit for the business units.

Leaders within organizations are more empowered to innovate than ever. Their control over IT budgets has [outpaced the IT department since 2018](#). That means that they can easily purchase the outsourced services and support they need to launch initiatives and drive them forward. However, this process can easily lead to innovation in silos.

Organizations don't need to dismantle current structures if they align business units around a shared purpose, equip employees with what they need, and communicate what's in it for them. These rewards can include larger innovation budgets, the right to hire more staff, marketplace recognition, and revenue-sharing, among other gains.

Leaders within the organization can support the C-suite by actively participating in innovation programs, freeing staff for these initiatives, and championing innovation to their teams. They also can form public-private partnerships to tap new capabilities quickly, without the headaches of hiring more staff.

Train Your Workforce to Be Innovative

At Ørsted, teams were trained on new agile ways of working and digital tools as they also learned about renewable energy. In addition, they had to solve a tough challenge, driving the cost out of wind energy, which was [too expensive](#) to be commercially viable. Using data-driven insights, staff managed to cut costs by 60 percent as the company also built three major ocean-based wind farms in the UK and acquired a US company.

Organizational workforces need direction, tools, and training to innovate. They also need ongoing reinforcement that their ideas are valuable, considered, and reflected in new processes and products.

Your workforce needs help rearchitecting their thinking and skills so that they can contribute to innovation on an ongoing basis, beyond hackathons and email submissions. People and talent teams can offer training on new skills and give workers stretch assignments to gain expertise and build their careers.

Conclusion

Creating an innovation engine isn't easy. In fact, only [24 percent](#) of the executives we've spoken with are confident that they have defined the skills and activities they need to be innovative.

That's why taking a methodical approach to developing innovation strategies, areas of focus, and operating models is an important precursor to launching these programs. However, the ability to align and drive people around a shared purpose is critical to ensuring long-term success. Identifying key roles and the support they need and can provide can help organizations equip and motivate people to deliver the right results, creating exponential advantage over time.

That's proven true for Ørsted, the leader in offshore wind production, which used a galvanizing purpose, agile operating model, and analytics to [become the world's most sustainable energy company](#). The company is now capitalizing on sustainability-linked funding and customer demand to expand its market leadership in wind energy.

[Learn more about PA Consulting at www.paconsulting.com.](http://www.paconsulting.com)

Innovation Tug-of-War

BY LUDWIG MELIK, CEO, PLANBOX

For every action, there is an equal and opposite reaction. In this hypercompetitive world, you can expect your competitors to strike back just as fast and as hard as you can. The days of settling for quick responses in hopes of catching up fast are far behind us. These action and reaction forces mean that you need to be at least one step ahead as you plan a series of second acts to maintain your lead. How can you create a sustainable competitive advantage that becomes your lifetime fountain of creativity?

For starters, squeezing out more process efficiency from your existing solutions is not the be-all-and-end-all that is going to help you get there. The 2020s will be remembered for many reasons, but I predict this will be the decade when building innovation ecosystems will become “the thing” to do—just as significant and powerful as the Six Sigma initiatives were in the 1990s and Agile practices in the 2000s. Before you know it, efficiency and agility will be usurped by cognitive diversity. As many organizations moved to a subscription and service-based model, the upper hand belongs to those who build and leverage value-creation relationships.

“It is not about brute strength; rather, it is about knowing when to tug and when not to.”

With industry lines blurred, many organizations are reaching into each other’s businesses and fighting over the same customer. You can think of it as a never-ending tug-of-war, where the one who pulls ahead is the one with a steady grip. It is not about brute strength; rather, it is about knowing when to tug and when not to. It’s quality over quantity just as it is effectiveness over efficiency. This advantage is achieved with the strategic use of your co-innovation network. Know when and how to use them to better serve your customers and stakeholders.

The eleventh principle from the [Future-Fit Manifesto](#) states that, “The best models, methods, and concepts emerge from Community interactions.” The community, or ecosystem, consists of your employees, customers, partners, academia, and governments. You cannot depend solely on self-

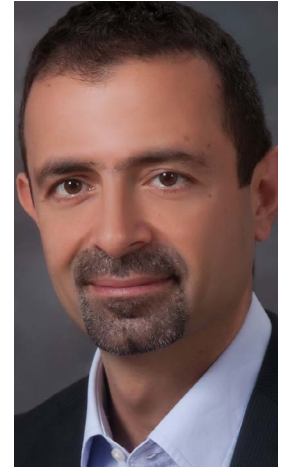
organizing teams and highly motivated individuals as agile thinking purports.

The nature of collaboration has evolved exponentially and at a scale that has become difficult to grasp. For your organization to connect and stay connected with the right contributors from the inside out and outside in, you need to design the right ecosystem model that fits your business. This means pairing up the right people to identify the right opportunities and challenges that create significant value, well beyond the efficiencies and continuous improvements realized with the Six Sigma and Agile initiatives of the past.

Getting the Right People to Join In

Constant tension and pull create motivation. Using the right rhythm to create a race against time centers on sound people strategy. Many campaigns go nowhere fast because they lack the right communication and gamification plan. With many competing priorities, community participants will be scant unless there is a compelling force that pulls them in and keeps them engaged. To achieve this, consider the following two areas:

- **Outreach Campaign:** Finding the right contributors is half the battle. Identify which ecosystem to tap into and decide on how you are going to get their attention. This means creating a clear strategy that lays out how your invitation will reach the right people and draw them in. Here, the little details come together to make it a big hit. The tagline, messaging, and any tidbits that highlight the socioeconomic, environmental, and cultural impacts should be short, sweet, and to the point. Using the 80-20 rule, this means your target audience will at best involve 20% of who you reach out to. Overestimating how many people will actually take interest in your initiative is the primary reason for failure in this area. Go wide and go as deep as you can to get to a dependable and motivated 20% group.
- **Recognition and Rewards:** How meaningful your incentives are to your community makes up the other half of the battle. Gamification is a science that often suffers from malpractice, as it requires careful planning and consistent fine tuning to deliver the results you expect to achieve, otherwise people will lose interest and pull out fast. The 80-20 rule applies here too. You need to ensure recognition extends to 80% of people, but rewards are limited to the 20% who will bring in the majority of the best



Ludwig Melik
Planbox

ideas. This means everyone has a chance to be recognized, but the key contributors are the ones you are empowering to make it worth their while and worth your investments.

Getting Ideas Over to the Right Side

We live in a world of overabundance: There is too much of everything, but not enough processing power, knowledge, resources, and time to take advantage of it all. The mistake many organizations make is to think they already have enough ideas. Instead, they should multiply their efforts to connect with and learn from new people with different perspectives. Thinking through the process of how to create positive momentum and making sure ideas come to fruition can be managed using the following approaches:

- **Head-to-Head Evaluation:** Ideas that make it to commercialization can potentially fail in the market due to the lack of feasibility, desirability, or viability (Forrester, 2020). You can avoid these pitfalls by assessing your top ideas against each other—head-to-head. While doing so, it's important to factor in the business criteria you want to use to decide which idea should be pursued. The three factors mentioned above are a great start, including other considerations such as financial impact, alignment with strategy, and level of risk to identify the different scenarios and business lenses you want to consider for various types of innovations and their value to the business. By indicating

the degree of agreement of one criteria over another, you can make quick decisions and easily consider a range of ideas depending on the different lenses you want to apply to the ideas you want to retain.

- **Collaborative Business Canvas:** Creating large, complex, and arduous financial models to justify new investment kills business momentum — especially on game changing opportunities. Instead, communicate your value proposition using a simple collaborative business canvas that allows you to be nimble and easily present your pitch to stakeholders in a concise one-page format. Business model, business innovation, lean, SWOT (strengths, weaknesses, opportunities, and threats) analysis, or flourishing canvases are great examples of models you can use to zoom in on untapped opportunities.

You can think of your stakeholders as the people who are on the sidelines in the game of tug-of-war, but make the call about when to pull and when to release.

The tug-of-war in innovation is much more than just pulling the rope, but one thing is certain: having a whole ecosystem of partners on your side will definitely stack the weight in your favor.

[Learn more about Planbox at www.planbox.com.](http://www.planbox.com)

Harnessing Human Psychology as a Tool for Getting Management Support for Innovation

BY AHI GVIRTSMAN, CO-FOUNDER & CKO, SPYRE GROUP

Every good corporate citizen understands that in order to get anything substantial done it is imperative to receive support, attention, and sponsorship from the senior management team. Over the years, standard methods of getting that support such as ROI analyses, analyst reports, and business plans have developed and are commonly used. Innovation, however, poses unique challenges in that regard. For example, how can we use an ROI projection over something that has such high uncertainty as to render its content to be highly questionable? Similarly, when identifying hidden opportunities in an adjacent market, will there be analyst reports that support an entrepreneur's vision? Probably not.

This article proposes several tools and techniques which have proven themselves to be effective for our clients over the years in getting management teams to support innovation endeavors. They are universal in their nature since they're based on various traits of human psychology; in other words, they employ tried-and-true persuasion techniques in the service of getting management teams to approve more innovation opportunities. As I like to say to my mentees, "Managers are human too."

Ownership & Control

In general, managers care more about projects and systems they own or have control over. However, we have seen numerous examples of innovation managers who make it all about themselves and how they are the ones who will bring the next great innovation to their organizations. Such attempts usually end up badly, since innovation cannot be implemented at scale without the active participation of senior management. In other words, unless the outcomes of such innovation managers' work are new business units founded from scratch, they must have product managers, R&D, marketing, sales, etc. working in cooperation with them.

With the workforce already overloaded, this can only happen if senior management prioritizes the innovation opportunity that is being promoted. Getting that prioritization starts with making it clear to management that innovation activities are here as a tool for them to achieve and exceed their vision and business goals. Mechanisms that

are put in place must give the management team a sense of ownership and control over it, in terms of the strategy that innovation should serve, which individual opportunities should be funded, and so on.

Consistency

In his book, *Influence: The Psychology of Persuasion*, Robert Cialdini talks about how humans have a tendency to be consistent in their decision-making due to many years of socialization as a species. In whatever innovation processes you create, allow your management decision-makers to gradually get exposed to innovative opportunities. Involve them in the decision-making process and also ask them to act — beyond just making the decision. For example, when innovative opportunities reach a certain stage in the process, have the decision-maker or senior proxies acting on their behalf review the project regularly with the ability to solve problems and remove obstacles. Every time a decision-maker reviews an innovation project and is involved with its progress, that increases their tendency to do so in the next meeting as well. This doesn't mean they will scale a project that isn't worthy. What it does mean, usually, is that the project won't be abruptly terminated without reason when there are a couple of bad business quarters or some customer-related emergency.

An added level would be to have the reviews of projects beyond a certain point in the process also occur at a broader management level. This reduces the reliance on a single sponsor who might move to another position or another organization altogether. If you can harness the power of human consistency at a management team level, then your innovation activities will see much higher rates of support.

Funding for Findings

We're taking a page from the playbook of venture capital funds and "lean startup" methodology in asking for an ever-increasing level of investment based on evidence and findings that the venture team can produce. A startup that only has a good-looking presentation will probably be refused when asking for VC funding that is



Ahi Gvirtzman
Spyre Group

beyond seed level, and even then the team will need to have very compelling evidence or unique insight/expertise. We have seen too many examples of teams within organizations that asked for significant funding when the only thing they had was a good idea and a slide deck.

What we like asking corporate entrepreneurs is, “If you had to mortgage your house in order to fund this project, how much would you be willing to invest at this stage, based on the case you’re making for this venture?” In other words, have teams ask for just enough funding to justify the next stage of funding. The current prevalent practice in organizations is to ask for funding that will allow a team to build something. Management teams appreciate the focus on funding for findings; it increases the quality of their decision making and findings are usually much cheaper to obtain, allowing them to endorse a lot more projects before making massive funding decisions.

“...Have teams ask for just enough funding that will allow them to justify the next stage of funding.”

Pay Attention to the Messenger

One of the world’s leading life strategists, Tony Robbins, talks about six human needs as part of his life coaching seminars. One of these is the need to contribute to others. Management teams deeply appreciate it when innovative opportunities are presented to them by employees serving as corporate entrepreneurs. There’s something about the messenger being a member of the workforce who is not an “innovation professional” that increases the level of openness that management teams exhibit. Naturally, this has to be backed by solid methods and tools, but as another tool in your management persuasion arsenal, this is very effective in generating goodwill and commitment to other people’s success who happen to be reporting up to those managers. At a human level, this is perceived as a way to contribute to someone else’s success, which is a gratifying experience.

Use the Power of Analogy

In her book, *The Story Factor: Inspiration, Influence, and Persuasion through the Art of Storytelling*, Annette Simmons talks about how stories are a great way to override people’s natural tendency to criticize and be skeptical of what they are presented with. Storytelling is also a great way to have a memorable message. When presenting to managers, use stories and analogies in order for your audience to be more open to what you’re proposing. It will also make you more memorable and likable.

As an example, when presenting a technique that allows continuing a certain operation in a manufacturing line without having to reconfigure a certain tool, thereby significantly increasing throughput, a presenter we worked with recently used the analogy of a multi-colored pen that he received as a present in his childhood. This idea received the requested stage of funding and when the management team discussed it a week later, this analogy still brought a smile to their faces and helped them remember what it was about.

Managers are bombarded with information and requests on a regular basis. They have to juggle many tasks at any given moment. As an entrepreneur, you want managers to remember you the next time you meet and take as little time as possible to bring them up to speed. Using stories and analogies effectively increases the chances you will achieve that.

When tasked with driving innovation within an established organization, one cannot overlook the need to recruit senior management effectively. Too often, we encounter innovation professionals who try to avoid or circumvent this challenge — which never ends well for them. Human psychology is a great tool for this purpose, and employing it in its various aspects is a skill you should build within your team and embed into your innovative working methods.

[Learn more about Spyre Group at www.spyre.group.](http://www.spyre.group)

Process, People, Platform: An Innovation Framework for Leadership Teams

BY ROSEMARIE DIEGNAN, CHIEF STRATEGY & PRODUCT OFFICER, WAZOKU

Innovation can only happen and be successful if the organization's leadership shares and visibly reinforces a transparent and consistent framework for what innovation means and how it will be applied across the organization. To be effective, the innovation framework must start with what may seem obvious, but is often unclear: a specific and actionable definition of what innovation means to the organization. Each organization will have its own, nuanced definition, but one I like to start with is:

Innovation is a process through which new products and services are developed, or existing products and services are enhanced, to create new forms of value. Leaders must visibly reinforce a transparent and consistent framework for what innovation means.

Once innovation has been defined for the organization, you can begin to build an innovation framework that meets your specific objectives. There are three important aspects of the innovation framework:

1. Process

Too often, organizations are reluctant to create a robust process around their innovation activities because they fear it will kill creativity and new ways of thinking. The opposite is actually true. Without a clear process that everyone understands and is encouraged to work within, the innovation that happens is usually unfocused and disconnected from organizational objectives, resulting in little or no generation of new value. Instead, the leadership must provide a clear process that decentralizes decision-making and encourages and supports structured experimentation with regular stage gates and methods for killing unsuccessful projects (at least temporarily), and provides adequate resources and opportunities for those promising projects to thrive. The innovation process should encourage everyone to experiment locally and scale globally, rather than relying on a centralized team attempting to control all innovation activity. Meanwhile, the centralized team can act as an "Innovation Center of Excellence" that supports everyone throughout the organization to innovate. Through this Center of Excellence, your organization can build a portfolio of innovation capability and resources that teams

throughout the organization can tap into to deliver against the wider organization innovation goals.

2. People

People are an organization's greatest asset, but the value of this asset can only be realized if leadership actively seeks to tap into the potential of everyone—whether employee, contractor, freelancer, partner, supplier, and even customers. Leadership teams that recognize and value this asset encourage and provide opportunities for everyone to innovate—not just during annual "innovation competitions," but on a daily basis. Start small; encourage everyone to improve their day-to-day working life, and watch your workforce gain confidence and begin to see themselves as more than just employees. They will gradually see themselves as innovators. By opening up innovation to everyone, leadership teams move innovation from a hidden, unattainable activity acted upon by others without any clear understanding of how it fits within the organization, to a way of working that makes everyone feel confident in their ability to participate and contribute.

3. Platform

With a clear process and an energized team of innovators, leadership must also ensure that they have put the right tools in place to allow innovation to happen across the organization in a consistent, transparent, and coordinated way.

“An idea or project that is not right today may become the innovation for tomorrow...”

With an open platform of problems, ideas, projects, successes, and failures, everyone can learn from what has been tried but failed and what is being actively worked on, to avoid duplication and encourage collaboration. The innovation platform



Rosemarie Diegnan
Wazoku

becomes the organization's institutional memory to ensure that no idea is ever lost. An idea or project that is not right today may become the innovation for tomorrow, and being able to quickly reactivate that idea, along with all the learning, trials, and failures, will accelerate your ability to benefit from it when you are ready.

Now that you have your three P's in place, the hard part happens—you need to make sure that the organization is focused on the right things. This is where leadership has to take an active role in guiding their teams, both by setting the innovation agenda and ensuring the organization is focused on the right problems.

As leadership teams, we are usually very good at setting the business strategy and ensuring that all the functions are acting in accordance with that strategy. When it comes to innovation, however, too often there is no clear line between the innovation activities and the overall business strategic objectives. To ensure that innovation brings real value, leadership must be clear about the areas in which the organization is prepared, and able to invest. Identifying innovations that will never be implemented at scale because they are inconsistent with the overall business strategy, won't receive the necessary resources, or bring the desired value to

the organization, is a waste of time and ultimately demotivating.

Instead, leadership must clearly articulate the innovation agenda so that it encourages the right mix of explore (innovating for tomorrow) and exploit (innovating for today) activities. Getting this balance right will allow the organization to grow the core while building for future growth.

To get that balance right, leadership has to do one more big thing—stop asking for solutions and start asking for problems. This may seem counterintuitive, but to be truly successful, the organization should be identifying the problems they are trying to solve. Focus on asking the right questions that are neither too broad as to be too abstract (how can we improve the business) or too narrow as to really be solutions masquerading as questions. Take the time to really think about the problem, looking at it from many different angles, and only then start looking for solutions.

[Learn more about Wazoku at www.wazoku.com.](http://www.wazoku.com)

Domains of Innovation Intent

BY GINA O'CONNOR, PROFESSOR OF INNOVATION MANAGEMENT, BABSON COLLEGE

“Would you tell me, please, which way I ought to go from here?”

“That depends on a good deal on where you want to get to,” said the Cat.

“I don't much care where—” said Alice.

“Then it doesn't matter which way you go,” said the Cat.

“—so long as I get somewhere,” Alice added as an explanation.

“Oh, you're sure to do that,” said the Cat, “if you only walk long enough.”

- From Lewis Carroll's *Alice's Adventures in Wonderland*

Business leaders who think like Alice, and follow the Cheshire Cat's advice, will walk right off of a cliff. Ambling along with continuous improvement and doing the better, faster, cheaper thing gets you only so far. So leaders try to swing big — and they come up empty.

Many times, companies initiate innovation programs with no idea of where they're going or what they want to accomplish. “We need a more innovative culture.” “We can't get the kind of top-line growth we need if we stay on our current trajectory.” “We need moonshots/game changers/breakthroughs!” But, that's the end of the guidance. Innovators scramble to come up with the next breakthrough, but the idea doesn't excite the company's leaders. Alternatively, all ideas seem exciting so each proposal is given the go-ahead, with the caveat that the team members use their own time and almost no money to get it done.

Hackathons, contests, corporate venture capital “eyes and ears” investments, calls for ideas, and open innovation portals are all ways to stimulate new ideas. Very rarely do the projects they stimulate come to fruition. While soliciting ideas can energize the innovation culture, that culture can quickly evaporate if each idea isn't responded to in a timely way, with those frustrating words, “Thanks, but we're not going to pursue it.” This response risks alienating the associates who you were trying to encourage to innovate.

Recent data¹ on the performance of Corporate Accelerators as a way of finding cool new technologies and ideas through interaction with startups isn't much more encouraging. BCG reports² that 45% of companies who engage with startups

in any format are dissatisfied with the results. Another recent study³ reveals that 60% of corporate accelerator programs fail after just two years. The study's respondents cited these reasons¹ for their decision to close:

- Lack of major impact on growth
- Misaligned or unclear objectives
- Long times required to scale up
- Inadequate resourcing and lack of organization for new business creation
- Cultural mismatch.

Big Ambitions, Strategic Buckets, Domains, Opportunity Fields ...

For company leaders to build alignment throughout the organization for innovation that will be transformative, they need to drive not only the culture of innovation, but also its direction. They need to declare the “Domains of Innovation Intent” that the company will be targeting over the next five to seven years.

“Domains of Innovation Intent are best described as narratives about the future.”

What are the big opportunity spaces of the future that require today's attention? These are the big ambitions, the opportunity fields, the strategic buckets that drive the company's strategic innovation investments. Rather than soliciting random ideas, it helps spur creative thinking when overarching problem areas are richly described and clearly articulated as the company's Horizon 3 priorities.

Domains of Innovation Intent are best described as narratives about the future. Company leaders who have done this well start by saying “Imagine when ...” Right at the outset, this



Gina O'Connor
Babson

¹ The Next Generation of Corporate Incubators, Rick Eagar, Phil Webster, Petter Kilefors, Ingrid af Sandeberg, From A. D. Little PRISM Issue 2, 2019 <https://www.adlittle.com/en/insights/prism/the-next-generation-of-corporate-incubators>

² Most Innovative Companies 2021: Overcoming the Innovation Readiness Gap, BCG Report, April 2021.

³ <https://www.forbes.com/sites/columbiabusinessschool/2021/06/22/corporate-innovation-avoiding-the-cargo-cult/?sh=ace733c30a9b>. The original source of the data is Jules Miller and Jeremy Kagan “Designing the Successful Corporate Accelerator,” 2021.

communicates a desire to create a future, not wait to see what happens. It's about the convergence of many trends, very few of which will unfold in a predictable manner, but which will combine to create problems—and therefore opportunities—that need to be addressed.

Since the problem/opportunity domains are large, globally felt, and complex, there is plenty of room to contribute. These are not problem statements that fuel one innovation project, but rather set the table for an entire [portfolio of opportunities](#) to pursue. Populating that opportunity landscape with business concepts is the work of a discovery team. In short, these narratives must be compelling, energizing, and worth committing to for the long term.

Articulating a Domain of Innovation Intent isn't based on a one or two-hour meeting of a few senior leaders. Scouting for weak signals, working with futurists, examining trends that we would not normally attend to, and stretching the parameters of each beyond what is currently possible are important ingredients to this process. There is work involved. The description should ultimately incorporate three elements, filling in the blanks in parentheses:

1. Imagine when ...

- We will be able to (technological opportunity) ... or the world is experiencing (social/environmental/technical problem) ...

2. Our company can contribute to this domain because ...

- Heritage/Brand reputation
- Specific know-how/expertise

3. The gaps we must fill in order to contribute include ...

- New technological competencies
- New market domains
- New business models
- Regulatory influences.

Once the future domain is described, and committed to by the executive leadership team, the strategic innovation team must execute it. Backcasting (in contrast to forecasting) starts with the future in mind and works backward to make it happen. Transformational innovation within a domain starts to take place,

step by step. Many experiments, many opportunities within the domain are explored, partnerships are formed to access new competencies, and over time a strategy for how this plays out as a business emerges. As it does, senior leaders are apprised, and decisions about where and how to pivot are made.

Corning's Life Sciences Group

I had the opportunity to listen to a former Vice President of Science and Technology at Corning describe his experience, many years ago, of developing what he called “Fertile Fields for Corning.” He had taken several months to visit university labs, governmental agencies, and policy organizations around the world. His job was to identify emergent trends that he believed could fuel new businesses for Corning. He described three of them to our team, but the one that stood out the most was his description of a potential play in the health diagnostics field. Remember, Corning makes glass, so we did not connect the dots easily. But, as he spoke, we were awestruck. The year was 1995 (yes, very long ago!) and the human genome was just being mapped. He had learned enough in his travels to imagine a rich vein of opportunities for human health that this new discovery would unlock, and realized that diagnostic equipment for genetic testing would be needed. Without going into too much detail, this articulation caused Corning to begin hiring life sciences experts into their R&D organization, which, at the time, was filled with physicists. Within a few years, Corning Life Sciences was born—and thrives to this day.

Leadership's Responsibility

Research shows that creative thinking is better when people are given rich descriptions to work within, rather than a request for any idea at all. Conventional thinking about creativity is that all constraints should be removed to stimulate creative ideas, but setting some sort of guardrails unleashes creative responses. Beyond creative ideas, senior leaders' commitment to Domains of Innovation Intent helps them stay the course and fund these Newstream businesses to secure the company's future, and make a positive impact in the global economy.

Learn more about Babson Executive Education at www.babson.edu/bee.

Be Better Together: Why a Culture of Creative Intelligence is an Innovator's Advantage

BY JEREMY BROWN, CEO & FOUNDER, SENSE WORLDWIDE

Elon Musk told his staff to leave a meeting if they're not contributing: "Walk out of a meeting or drop off a call as soon as it is obvious you aren't adding value. It is not rude to leave, it is rude to make someone stay and waste their time." This came from the top and set a precedent for how the business should function. You can do this too through your actions, values, and culture.

Innovation is not just about ideas. Ideas are your seeds. Your organizational culture is the soil in which those seeds grow. The soil needs to be nourishing or they won't thrive. Think of yourself as the farmer preparing the earth; you can improve the conditions for those ideas to flourish. Use culture and values to improve your chances of innovation success.

Here are five principles that the Sense Worldwide team lives by and many of our clients have adopted. We call them the principles of Creative Intelligence:

1. **Expand your mind, to see a wider range of possibilities.**
2. **Challenge your default, to spark your imagination.**
3. **Build your creative confidence, to trust your intuition.**
4. **Seek out diverse perspectives, to uncover the unknown.**
5. **Adopt an experimental mindset, to use fast feedback and grow.**

Understanding and applying these principles across the organization will develop the openness, willingness, and curiosity to consistently push boundaries and challenge the status quo. To see things differently, think differently and innovate.

Unlike Design Thinking, which is a method for innovators, Creative Intelligence is a mindset you can adopt and apply in your day-to-day life: to your job, passion project, and personal life. The ability to think differently is universal in its value and application.

1. Expand Your Mind.

Are you aware of your own biases?

Whether you have been in your industry for a long time or are new to a role, your assumptions can prevent fresh thinking. The first step in developing your Creative Intelligence is learning how to expand your mind and open yourself up to new possibilities—leaving your assumptions at the door, overcoming your cognitive biases, and exploring outside your silos.

"In the beginner's mind there are many possibilities, but in the expert's, there are few."

- Shoshin: The Beginner's Mind, a Zen Buddhism concept

Elon Musk had no experience in space travel, yet he successfully founded SpaceX—now an industry leader. He questioned why rockets were so expensive. By deconstructing and examining the components of a rocket, he realized that much of the cost was not due to the materials but because the current design meant rockets were single use. He decided to do it differently.

2. Reframe Your Situation.

Are you asking the right question?

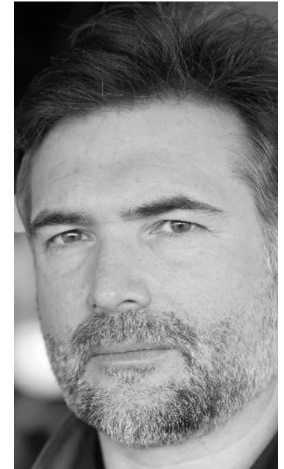
Sometimes you can get stuck in old habits, looking at the same thing and struggling to see new ways of doing things. Reframe your situation; look at old problems in new ways and let unknowns come into view.

"The mere formulation of a problem is far more essential than its solution, which may be merely a matter of mathematical or experimental skills. To raise new questions, new possibilities, to regard old problems from a new angle requires creative imagination and marks real advances in science."

- Albert Einstein, theoretical physicist

The key is not to look for the solution to your challenge. Look at the problem you are trying to solve.

What question are you trying to answer? Is there a new way of asking the question? Does this new



Jeremy Brown
Sense Worldwide

question inspire new thinking?

An owner of an apartment block keeps getting complaints about the elevator; it's slow and residents have to wait a lot. If we were to focus on the problem that the elevator is too slow, we might try to make it faster. Replace the lift or upgrade the motor.

If we reframe the problem and understand that it is the wait that annoys people, it opens up new possible solutions: Put up mirrors, giving residents something to look at. Play music, to entertain them. Install hand sanitizers, giving them a task to complete.

These are simpler solutions that are equally as effective at reducing complaints.

“Creativity is like a muscle. It must be stretched, challenged, and occasionally pushed past its comfort zone.”

3. Build Creative Confidence.

Do you trust your intuition?

Trust your instincts and find flow. It's about becoming comfortable with feeling uncomfortable. Building creative confidence is a process; it doesn't happen overnight.

“Creativity requires the courage to let go of certainties.”

- Erich Fromm, social psychologist and psychoanalyst

Studies have shown that as humans get older, we become less creative. As children, our creativity and confidence are boundless because our fear of failure is not yet ingrained in us through education and society. Adults allow this fear to prevent creative thinking and often stop great ideas before they form. We should reframe failure. Failure is a success if you learn from it.

Work iteratively and learn from your mistakes. Figure out what does or doesn't work. It is important to recognize that creativity is like a muscle. It must be stretched, challenged, and occasionally pushed past its comfort zone. Creativity gets better with exercise.

“Ever tried. Ever failed. No matter. Try again. Fail again. Fail better.”

- Samuel Beckett, Nobel Literature Prize winner

4. Seek Out Diverse Perspectives.

Do you embrace opinions that challenge your own?

It can be difficult to expose your thoughts and ideas to others. The fourth principle is to harness the power of diversity. By understanding other people's perspectives, you will make yours stronger and help expand the limits of what you thought possible.

“Think how comforting it is to be surrounded by people who think in the same way, who mirror our perspectives, who confirm our prejudices. It makes us feel smarter. It validates our worldview.”

These dangers are as ancient as mankind itself.”

- Matthew Syed, author of Rebel Ideas

Take your thinking from good to great by harnessing the power of cognitive diversity. Seek out fresh perspectives and broaden your horizons to reveal new possibilities.

Look beyond the obvious. Don't just talk to existing customers or the most logical type of person.

Find extreme perspectives on your challenge. Seek out those who disagree with you.

5. Adopt an Experimental Mindset.

Do you share things early?

It can be hard to share something before you think it is ready, but it could save you precious time, money, and resources. The final step in developing Creative Intelligence is about sharing early to gather feedback and using that feedback to test, learn, and experiment.

“The value of experimentation is not the trying. It's the trying again after the experiment fails.”

- Simon Sinek, author and leadership expert

Single-minded experimentation can be incredibly valuable as it seeks to answer one question but may obscure the bigger picture. Aimless experimentation can help creativity flow and uncover unforeseen solutions, but may lead you down the wrong path.

Experimentation should be done with a purpose, but be open to the unexpected:

- Have an objective or hypothesis to test.
- Learn and adjust your point of view with new information.
- Be open to new paths if they are valuable.
- Know when to stop and consider; should you continue, pivot, or kill your project?

Learn more about Sense Worldwide at www.senseworldwide.com.

Want to Accelerate Innovation? Change Your Velocity

BY DAVID R. JONES, CHIEF INNOVATION OFFICER, EZASSI, INC

When Velocity is Constant, Acceleration Equals Zero

Acceleration is one of those terms that is often taken for granted in today's business environment. As a gentle reminder, the definition of acceleration is a change in velocity over time. A major disconnect in corporate external innovation groups (that is, groups responsible for identifying innovations to solve their unmet needs that lie outside their corporate walls) is that they typically—and mistakenly—expect to accelerate innovation while maintaining constant internal organizational velocity in the form of resources, infrastructure, organizational support, budget, etc.

Groups seeking to rapidly change their external innovation velocities can do so through honest self-assessment of their internal capabilities, and subsequent selection of the proper resources, information management tools, and collaboration models to build the sustainable external innovation organization that works best for them.

External Innovation Groups Seldom Receive Adequate Internal Resourcing

Ask yourself if the current-state of your external innovation organization possesses the following characteristics:

- Managerial support for external innovation is variable;
- Resourcing is often allocated on a “percent of time” basis—not fully dedicated or supported in external innovation as a sole business function;
- Ownership of external innovation processes is often informal and ad hoc;
- Budgets for external innovation are divided across several cost centers;
- The informational infrastructure that external innovation organizations rely upon is fragmented, outdated, and generally inaccessible to search/analysis (MS Office documentation, Sharepoint archival, etc.).

Honest Self-Assessment is the First Step

Once you have addressed the preliminary questions defining the current-state of your external

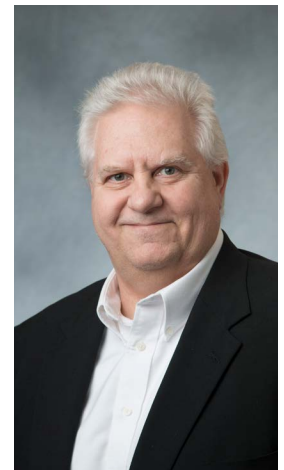
innovation organization, turn your attention to the aspects of your innovation velocity which may require some catalysis in order to change and ask:

- Do we have the commitment across the highest levels of the organization to establish and maintain a world-class innovation organization?
- Do we have the people we need with the skills and support to make an innovation organization flourish?
 - Are they knowledgeable about both our technical and business requirements to be able to properly define and address our unmet needs in the marketplace?
 - Are they willing to proudly adopt a “not-invented-here” mentality in order to champion external solutions through an organization?
 - Are they accountable for identifying, championing and developing external innovations through the organization as their primary business role?
- Do we have the required information management infrastructure in place to make complex external innovation processes more transparent, reproducible, and sustainable?
 - Ideation (Internal and/or External)
 - Identification (Scouting Technologies and Developing Ecosystems)
 - Outreach (Campaigning)
 - Management (Project Progression: phase-gate or waterfall)
 - Communication (Dashboards, Relationship Mappings, etc.)

Take the Next—BIG—Step: Commit the Resources

So you've considered the current-state of your external innovation organization and you've identified opportunity areas for the agents to change your external innovation velocity. Now commit to laying the foundation:

- **Identify the right people:**
 - Whether they are internal or external to your current organization, go get the



David R. Jones
Ezassi, Inc.

people with the right technical expertise, soft skill sets, and desire, and who know how to get these jobs done:

- Problem Definition
- Solution Identification
- Proposal Management
- Collaboration Agreement
- Project Management and Hand-off.

“Whether they are internal or external to your current organization, go get the [right] people...to get the job done.”

- **Fully enable those people to succeed in their roles:**
 - Make them accountable—work together on setting appropriate and clear organizational goals;
 - Evaluate and reward them accordingly—keeping in mind that external innovation initiatives are not for the risk-averse, and there will likely be a lot of frog-kissing to get to the right collaboration partners;
 - Let them drive the process of building the right information management infrastructure and collaboration models required by your organization to achieve critical mass and sustainability for the long haul.

Build the Information Management Infrastructure

Information management is at the heart of unlocking external innovation—from defining the unmet need to be solved, through identifying the underlying technologies that represent potential solution pathways and evaluating that ecosystem of potential solvers, to establishing and maintaining your key collaborations as part of an overall innovation portfolio; with appropriate communication and reporting capability to keep the upper-levels of your organization apprised and in agreement. Here’s what your external innovation organization will want to consider in the development of those platform(s):

- Choose the innovation platform(s) that will best align with your current—and future—state information infrastructural requirements;
- If choosing multiple platforms, make sure they are integrated to seamlessly communicate with each other:
 - Ideation flows smoothly into identification;
 - Identification generates appropriate outreach targets;
 - Successful outreach creates a pipeline of collaborations to manage;
 - Communication toolkits tie the whole package together for seamlessly reporting laterally and upwardly through

an organization.

- Ensure that all value-added data (IP and peer-reviewed literature, internal technical and marketing documentation, financial data, business profiling, networking databases, etc.) required by the innovation organization is accessible by the platform(s) of choice; and that it is both searchable and visually analyzable;
- Seek platforms that are actively incorporating artificial intelligence and machine learning to assist in identifying non-obvious and/or adjacent solutions to unmet needs.

Build the Collaboration Models Appropriate for Your Organizational Innovation Maturity

Whether you are committed to a fully self-sufficient innovation organization, exclusively managing an outsourced innovation organization, or some blended model of the two, be sure to consider the collaboration models that will best fit your external innovation organization’s current—and future—states. You can think of these collaboration models in the following ways:

- Do It For Me (DIFM):
 - For areas completely outside our internal areas of expertise or for sensitive areas which require anonymity, identify the appropriate innovation partners to progress your initiatives outside your organizational constraints
- Do It With Me (DIWM):
 - Identify innovation partners who share your organizational competencies and can complement/ augment your internal resources. Seek synergies to not only increase your organizational innovation bandwidth, but to also broaden your internal innovation resource capabilities through acquired knowledge
- Do It Yourself (DIY):
 - Full-blown internal capability—from capturing organizational needs, to preparing technical briefs, identifying appropriate innovation partners, establishing working partnerships to bring solutions to unmet needs to the marketplace.

Conclusion

Rapid changes in external innovation velocities can be achieved through honest self-assessment of current-state internal capabilities, and subsequent selection of the proper information management platforms and collaboration models. Look for information management platforms and collaboration innovation partners who demonstrate knowledge and capability in all aspects of external innovation—agnostic of business vertical—who are at the cutting edges of informational, technological, and collaboration marketplaces.

[Learn more about Ezassi at www.ezassi.com.](http://www.ezassi.com)

Building a Culture of Innovation: A Sanford Health Case Study

CARSON WALKER, INNOVATION SPECIALIST, IDEAWAKE
ABBY CARMODY, IMPROVEMENT STRATEGIST, IDEAWAKE

The Challenge

The COVID-19 pandemic has disrupted nearly every facet in nearly every industry. From making the shift to remote work to modifying existing product offerings, industries have had to regroup, rethink, and retool to better cater to the COVID-19 environment.

Without question, the industry most impacted by the pandemic has been health care. Frontline workers and internal employees alike have witnessed first-hand the pandemic's effects on patients and operations.

Sanford Health, one of the largest rural health systems dedicated to integrated care in the United States, is no exception. Apart from the patient-oriented and operational challenges other systems are similarly facing, Sanford was forced to cancel four regional quality improvement symposiums—annual, in-person, system-wide events that brought together different departments to present one successful quality improvement effort.

Wanting to still amplify employees' voices and showcase their strides in quality improvement, Sanford Health decided to digitize the quality improvement symposiums, leveraging Ideawake's capability to share, comment on, and vote on employee ideas in real-time across geographical boundaries.

The Solution

Rather than gather together physically and showcase their quality improvement ideas, symposium participants—Sanford employees located in Sioux Falls, South Dakota; Bemidji, Minnesota; and Fargo and Bismarck, North Dakota—produced a short video presenting their departments' quality improvement efforts, and uploaded them to the Ideawake platform for wide visibility and interaction.

The presentation judges then watched each submission, calculating each score automatically this time rather than manually, a benefit that “was essential to making the virtual event successful,” said Juliana Aadland, Director of Quality in Sioux Falls.

The Results

While some missed the in-person element of the symposiums, participants were glad that the competition was still held. Initially, some were afraid

that the platform would be difficult to engage with and navigate. However, that fear was quelled by the onboarding videos administrators produced and uploaded to the platform.

With Sanford staff more comfortable using Ideawake, there's been renewed, cross-departmental interest in sharing quality improvement ideas. Since the symposium presentations are consolidated in one digital location, employees are able to go back to review and interact with each idea, building an influential culture of innovation in the process.

“The manual calculation of judge forms used to take four to five hours. With Ideawake, the calculations took five to ten minutes.”

One of the winning symposium projects has indeed gotten attention beyond the Sanford system. After the first wave of lockdowns in March, pharmacist Michael Gulseth and the Anticoagulation Management Service Clinic in Sioux Falls saw an opportunity to scale a patient-administered approach to blood testing that the team had first tested in 2017. The idea was to educate patients, particularly elderly patients who were wary of leaving their homes amid a pandemic, to perform their own tests and send in their results. Since implementing this plan, the number of patient-administered tests has increased from 300 a month to over 450, avoiding approximately 4,000 lab trips—and thus 4,000 potential COVID-19 cases.

While the current circumstances have undoubtedly disrupted normal operations, they have also created new opportunities for growth. Sanford Health plans are forging ahead and sustaining their quality improvement efforts.



Carson Walker
Ideawake

Learn more about Ideawake at
www.ideawake.com.

Fostering Corporate Partnerships with MIT Startup Exchange

BY MARCUS DAHLLOF, PROGRAM DIRECTOR, MIT CORPORATE RELATIONS

MIT Startup Exchange was formed seven years ago in response to a perceived market shift by corporate members of the MIT Industrial Liaison Program. The corporates began expressing interest in connecting with MIT startups. Additional market research told us that both startups and corporates had an unmet need to connect with each other. Here we saw an opportunity to play a key role as a trusted and informed connector for both parties, providing high quality introductions between the right people on both sides. Our detailed understanding of our corporate members' strategic priorities, as well as our knowledge of the technology roadmap of the startups, put us in a good position to make connections that can ultimately lead to successful business relationships.

“Here we saw an opportunity to play a key role as a trusted and informed connector for both parties...”

The corporate innovation equation has shifted to include startups to a large extent. The great majority of our 230 corporate members are engaging with MIT-connected startups in some capacity, and many of these engagements result in pilots and signed partnerships. Even with the ubiquity of accelerators and incubators, our corporate members find their challenge is not simply access to startups, but rather access to high-quality startups. To this end, MIT Startup Exchange acts as a very powerful filter.

The volume and quality of startups coming out of MIT are exceptional. Currently, we have over 1,400 active MIT startups on our platform, and are adding 150 new startups per year. Our startups are all MIT-connected, meaning that at least one founder received a degree from MIT (80% of startups), or is MIT faculty (20%), or that the startup has licensed MIT technology (15%). More recently,

we have broadened to include startups coming out of Lincoln Labs and The Engine, both of which have strong ties to MIT.

MIT is highly entrepreneurial from faculty to students, with many faculty being serial entrepreneurs. When a world leading professor, such as Bob Langer or Yet-Ming Chiang, starts a venture, it's worth paying attention. Additionally, a large number of startups are founded by MIT graduate students. In fact, of the nearly 100 startups in our STEX25 accelerator program, 50% have at least one MIT PhD and 60% have at least an MIT Master's. This means that our startups have exceptionally strong technical expertise, arguably world-class.

Our startups also come from across all departments at MIT, employing all types of technologies to solve business problems and use cases across many different industries, all intent on solving hard technical challenges that have a real business impact – they want to make a difference.

Furthermore, these startups are predominantly B2B, and are “industry ready,” meaning they have technology that is ready to be piloted, at the least; many times the startup will already have initial customers. These factors serve to derisk the opportunity for our corporate members. The MIT connection is a key factor in choosing to work with our startups, citing the quality the Institute provides.

Given the diversity of the startups in tech, industry, and stage, we have to offer support that is broadly applicable. Initially, we focused on simply making startup-corporate connections, but soon realized that startups needed help in successfully telling their story to large corporations. Today, we provide presentation preparation for startups at our events, a curriculum of startup B2B sales training, and business culture training for startups expanding to Japan, among other learning opportunities.

For our corporate members, we offer multiple options on how they can engage with our startups. We realize that each corporate has a different starting point, sophistication, organizational structure, and objective in working with startups. Some of our corporate engagement options with startups include:

- **Events:** Every year, we organize 20 events with startup lightning talks and exhibits. Almost all (95%) of our corporate members participate in our events. For the less experienced corporates, these events allow them exposure



Marcus Dahllof
MIT Corporate
Relations

to begin engaging with startups with minimal effort or risk. Last year, we put 235 startup speakers in front of 1,300 senior executives from our corporate members.

- **Targeted 1-on-1 connections:** For those corporates that have a defined need, we will provide targeted introductions to specific startups. Last year, we made 400 vetted one-on-one introductions between almost 200 different startups and 130 different corporates.
- **Opportunity postings:** Similar to an open innovation platform, this approach is ideal for the corporates that have identified a specific problem to be solved by startups. Each posting goes out to our entire startup community, allowing the corporate to cast a wide net and capture solutions on the periphery of where they might initially have been looking. Some of our more experienced corporates are highly active with this approach.

Regardless of which engagement is pursued, we find that all of the above initiatives serve as the starting point of success stories. Some recent public success stories include:

- **Doosan Heavy Industries and Akselos:** Akselos provides digital twin technology for large assets. DHI and Akselos were directly introduced through our office, and subsequently engaged at MIT conferences and additional follow-up meetings that we facilitated. After two initial pilots related to wind turbines, the two parties signed a licensing agreement. Akselos' digital twin tech is now being rolled out across a variety of DHI's strategic production facilities to address engineering challenges in its nuclear power plants and its onshore and offshore wind energy systems.
- **Defond and Tulip:** The two sides met through the STEX25 accelerator program. Defond invited Tulip to its factory in northern Italy, where an initial deal was signed. After a successful pilot, a customer agreement was signed, and Defond evaluated Tulip's offering across other units, including in China.
- **P&G and Nara Logics:** P&G is an active user of our opportunity postings, and through this process was able to get connected with Nara Logics. P&G was searching for new technology for its latest product in a skincare market dominated by increasingly tech-savvy customers expecting ever-greater levels of personalization in their shopping experiences. P&G and Nara Logics performed a pre-launch testing phase for Olay Skin Advisor, which received a 90 percent approval rate by consumers. As a result, P&G moved from proof-of-concept to a worldwide launch in a very short period of time.

The Key to Meaningful Engagement

Having sat in on hundreds of startup-corporate meetings, and seen many of them become mutually beneficial business relationships, there are patterns that have emerged. Keep in mind that we focus on trying to ensure initial fit and a productive relationship, but we do not stay involved throughout the entire process, by design.

Here are some of my top recommendations for corporates as they begin to interface with startups:

- **Recognize how much experience you have working with startups.** How much experience and sophistication does your organization have working with startups? If you don't have experience, then it's okay to say that upfront, and consider soliciting input from engaged startups on how to improve or address potential challenges. If you have a clear and defined process, then explain to startups how it works, what they should expect throughout the process, and how they can best engage with you.
- **Approach startups with a clearly-defined business problem and use cases.** Have you defined a business problem and associated use cases that startups can solve? Be able to articulate these to a startup. If you don't have a clear business problem, that is fine — just make that clear to the startup to set expectations accordingly.
- **Do a pilot and plan for what happens post-pilot.** Vet the startup's tech using a pilot with clear, measurable objectives. Make sure to have a transparent plan for what happens upon pilot completion before even beginning the pilot. For most of the startup-corporate introductions that we facilitate, a pilot is the next step after the introductory meetings.
- **Say “yes” or “no”—not “maybe.”** Can the startup actually solve a business problem for you or not? Be honest with yourself and the startups whether their tech solution fits or not. While everyone strives for a “yes,” the second-best answer might be “no, not at this time.”
- **Recognize that working with startups is an ongoing process.** Learn by doing and capture lessons to improve your internal processes and institutional knowledge. Even if the initial startup relationships do not turn into partnerships, there can still be much value created by improving how you work with startups.

[Learn more about MIT Startup Exchange at startupexchange.mit.edu.](https://startupexchange.mit.edu)

How a Startup Ecosystem Works

BY MICHAEL GOLDSTEIN, FOUNDER, SWITCHPITCH

The Power of the Open Innovation Trinity: Getting Enterprises, Ecosystems, and Startups Working Together

The “startup ecosystem” is an intricate concept. In a larger sense, it comprises big companies, founders, startups, venture capitalists, and other organizations that encompass what startups do. To look at the phrase in a smaller sense, ecosystems could also include startup communities like universities and accelerators. Every party within the large ecosystem has its expertise, and collaboration across the board is the key to a successful open innovation program. For corporate innovation teams, effective outreach and communication with its main stakeholders, ecosystems, and startups can lead to mutually beneficial outcomes.

Understanding the Motivators of Ecosystem Partners to Create Alignment

One of the first and critical steps of corporate open innovation is identifying partners. In the scouting process, innovation teams usually start by looking for innovation capabilities from outside that match with their innovation needs inside. When that priority is fulfilled, innovation teams tend to rush through the pipeline and start to negotiate a partnership. Those enterprise-startup partnerships often fail as one or both partners realize that there is not a good culture fit, or the “personalities” of the entities do not work well together.

A need-capability alignment is not enough in an open innovation partnership. To avoid wasting time and energy, enterprises, ecosystems, and startups need to identify and confirm at the beginning that their potential partners have a similar vision and goal as them.

The main goal of most ecosystems in forming partnerships with enterprises is to help the startups in their community, but they have different incentives in doing so. For example, the goal could be to pay the next month’s rent of the co-working space, to attract investment, to create more value for their shares, or simply for goodness. By understanding the motivations of ecosystems, corporations would have better judgment when deciding whether or not to connect with startups. Some ecosystems are likely to turn down an enterprise at the beginning, because they have their own networks of enterprises who are paying to be affiliated with that ecosystem and get startup referrals. Another example would be universities that are more interested in selling licenses and patents of their technologies rather than promoting the startups that have created the technologies. Through

motivation analysis, innovation teams would identify signals for potential “Yes” and “No.”

“...Enterprises should take a platform approach that facilitates resource exchange and frequent interactions.”

Following the initial screening comes ecosystem management. Ecosystems can provide exclusive resources and internal perspectives of their startups, which can help enterprises to further identify the ideal startup partners. However, conventional communication channels fall short when dealing with constant information sharing in diverse forms. To fully benefit from ecosystems’ expertise, enterprises should take a platform approach that facilitates resource exchange and frequent interactions. SwitchPitch has recognized the need in the market and launched a new Ecosystem module in June 2021 to help ecosystems, corporations, and startups connect and collaborate. When ecosystems own an online space to curate one-of-a-kind profiles of their startups and customize startup lists for their enterprise connections, the open innovation triangle is complete — and much stronger.

In addition, innovation teams have to understand the motivation of startups themselves. Some startups could be in the very early stages of the startup life cycle or want to keep their capability to themselves. For such startups, partnerships with enterprises are simply unfitting at the moment. Vice versa, startups benefit from knowing the motivations of the enterprises. Is the enterprise planning on taking a new product to the market? Using startup technology in production? Is their ultimate goal acquisition? Determining the potential partner’s motivation in forming a partnership is the key question for everyone in the ecosystem.

Advertise Your Cause in the Innovation Ecosystem to Attract Partners

The “reverse pitch” method means large



Michael Goldstein
SwitchPitch

companies pitch innovation needs to an audience of startups to form partnerships. This method is tested and proved to work efficiently on SwitchPitch, a Startup Relationship Management (SRM) platform comprising a proprietary startup database and providing features for enterprises to scout startups, pipeline relationships, engage in pilot projects, and get deals done.

Ecosystems play an irreplaceable role in the reverse pitch process because they have close connections with their startup communities. Enterprises should brief their ecosystem partners to get additional exposure for their open innovation projects. Ecosystem partners will also benefit and boost startups' growth by promoting corporate needs.

The reverse pitch is structured to recruit startups to work on the business use case. Enterprises provide a short summary of the business challenge, which can be circulated to startups through a sourcing channel such as SwitchPitch. Enterprises can have just one or dozens of reverse pitch searches playing out at any one time, maximizing returns with minimal effort. Startups registered with sourcing channels like SwitchPitch will receive the reverse pitch with the business use case background. Then, startups will self-select if they can help the corporation and apply to the reverse pitch. Since the reverse pitch is connected to a current need, the business is aligned and willing to discuss potential solutions, allowing enterprises and startups to move quickly to implement a proof-of-concept or even larger-scale test.

We suggest that corporate clients come up with one-pagers about the benefits for startups in working with their companies. In the one-pager, the enterprise could introduce its highly-engaged innovation team, the value of being affiliated with its brand name, its past startup pilots and worth in monetary terms, and its current goal for open innovation partnership. Chick-fil-A is one of SwitchPitch's clients who has done so to promote its innovation programs to startups and ecosystems. It proactively showed its innovation background, expertise, and determination in working with startups.

Collaborate Within the Company and Across Teams

Innovation teams are like internal consultants for the business units of the company. Business units need to see case studies of successes to evaluate the innovation team's capability in generating results. Then, they can distribute the budget and resources accordingly. Reporting internally every step along the way of open innovation can keep everyone informed of the innovation KPIs and progress. While successful results would cheer up the team and showcase all employees about the company's seriousness in innovation, failures are just as valuable for learning purposes.

AB InBev, a multinational drink and brewing company based in Leuven, Belgium, is an active user of SwitchPitch. Its tech innovation lab, Beer Garage, is constantly looking for startup partners to help scale its existing capabilities in AI & ML, IoT, cloud and data analytics, automation and robotics, and explore emerging technologies such as blockchain, AR & VR, and others to meet customers' and consumers' needs.

Before joining SwitchPitch, the internal communication and collaboration at Beer Garage were ineffective. "Every time a team is cycled through, we basically lose all the relationships, all the history, all accountability, and all the partnerships we developed throughout generations of Beer Garage teams," said Rafael Metzger Gandra, the global innovation manager of Beer Garage. Moreover, each team member at Beer Garage had their way of organizing and tracking startups in different apps such as Excel. The team soon realized that they needed a digital tool to record and register all the interactions and history they had with different startups, and be able to share data and information across teams and people.

Using a digital platform has increased efficiency as all its stakeholders can just go onto the platform to see all up-to-date information and interactions without having to attend update calls and exchange multiple emails. Using the platform has also allowed Beer Garage's growing global teams to work together as a whole.

Beer Garage is excited about the potentials and opportunities that the platform will bring. Gandra expressed that in a year or two, the team will be able to look back and have metrics on what types of relationships or interactions worked and what did not, and make data-driven decisions about open innovation. He also looks forward to using SwitchPitch as a tool to join forces with other enterprises that have similar innovative initiatives to compete with technology behemoths.

The Future of Ecosystems

The pandemic has made enterprises appreciate more of startups' agility, risk-taking culture, and creative solutions. Moreover, in the future, enterprises will rely more on integrated digital platforms for information sharing and relationship-building with startups and ecosystems, as some big events and accelerator demo days remain virtual. Gandra also predicts that the future trend for corporate innovation teams would be building models and even algorithms to help make innovation decisions and automate a lot of the leads and deal flows.

As we look into the future, let's not forget the one change happening right now in the open innovation world: Ecosystems are growing their presences online and their roles are more important than ever. More and more startups, enterprises, and online platforms like SwitchPitch have identified the capabilities of ecosystems. SwitchPitch specifically developed a new module to encourage ecosystems to be more proactive and more accessible by enterprises. With the concept of "getting internal and external stakeholders to work on the same page" in mind, open innovation teams can start forming their own "open innovation trinity" today.

[Learn more about Switchpitch at www.switchpitch.com.](http://www.switchpitch.com)

ABOUT POINTERS

Published by Innovation Leader, the Pointers series collects guidance and advice for corporate innovators, written by our strategic partners. Feel free to share these documents inside your organization, or with peers outside it.

Innovation Leader is a network of executives responsible for strategy, R&D, new product development, design, and innovation at large organizations. We connect those executives at live events, organize webinars and conference calls, and supply information and guidance on our website—all focused on helping them achieve competitive advantage. To learn more, or to sign up for our e-mail newsletter, visit us at innovationleader.com

Like this edition and want to see more? Read previous issues at innovationleader.com/pointers
