

Accelerating or inhibiting innovation

Understanding your role for innovation success

Executive Summary

While surveys show that innovation is a top three priority for many CEOs, recent research by the National Science Foundation in the United States indicates that only 20% of manufacturing firms and 8% of services firms reported creating an innovative new product in the last three years. While close to 70% of CEOs say innovation is a top priority, the gap between talking about innovation and delivering innovation is wide. What causes this gap between the expectations of senior executives and the creation of new products and services?

The reason, we believe, is relatively simple. CEOs and senior executives must play a vital role for innovation to succeed, but the role is misunderstood, undervalued or inadequately informed. The reasons for this poor performance are varied, but the outcome is the same: misaligned goals, innovation teams that lack relevant skills, a culture that resists innovation. All of these factors result in sporadic, incremental innovation at best. A recent Cap Gemini Consulting report sustains our position. The report notes that executives must create formal and informal mechanisms for managing innovation, otherwise disconnects emerge and innovation loses focus.

Successful innovators demonstrate strategic alignment, cultures that encourage innovation, people who understand innovation methods and tools, and clear communication. The gap between executive expectations and new innovative products and services indicates that some or all of these capabilities aren't met in most organizations. In response to this need we've identified seven critical capabilities that only executives can fill. Developing these capabilities will create an environment which will sustain innovation as a business discipline. These seven capabilities make up the Executive Innovation Workmat, further developed in this paper.

Agility Innovation / OVO Innovation

July 2012

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Innovation's leadership gap

Here's a vital question to answer that will make a difference to your organization's survival: which individual in your organization is most important for innovation success? Many people will argue it is the most creative person in the company, the individual with the best ideas. Others will argue that it is the person who can make the idea a reality. Perhaps these answers are true in entrepreneurial companies or very small firms, but these responses aren't true in larger organizations. In larger organizations we believe the CEO or another empowered senior executive is the most important person for innovation success, since they have the ability to:

- link innovation to strategy, and
- create focus, engagement and passion for innovation, and
- direct funds and resources to good innovation programs, and
- speed good ideas to market as new business models, products and services, and
- ensure the processes and metrics exist so innovation is sustainable.

In mid-sized and large companies, leadership and engagement from CEOs and senior executives are vital to innovation success. What's more, these leaders want innovation to happen, more consistently, more purposefully and with better result.

Not only do CEOs and executives want innovation, they demand innovation to drive organic growth, profits and create differentiation. We know this because you've made it clear. In survey after survey the vast majority of CEOs report that innovation is one of their top three priorities. Yet the gap between "saying and doing" indicates a gap between vision and implementation. The consequences of this gap are significant:

- Poor execution of innovation goals
- Failure to achieve strategic goals
- Limited organizational design to sustain innovation
- The growth of disbelief or cynicism when innovation isn't pursued.

Over-promise / Under-deliver

Recent research from the National Science Foundation in the United States found that less than 20% of manufacturing firms and less than 8% of services firms reported releasing an "innovative" new product or service in the previous three years. While close to 70% of CEOs say innovation is a top priority, the gap between talking about innovation and delivering innovation is wide. If innovation is to become a critical capability, executives must demonstrate that innovation is crucial to corporate success, through their engagement, communication, investments and actions. Most importantly, executives must understand the important role that they play to develop and sustain innovation. We believe that many executives simply don't know what their role in innovation is, or ought to be.

The role senior executives must fill for innovation success

We believe CEOs and senior executives play a vital role in the success or failure of innovation. Unfortunately, those roles haven't been well-defined. Since the roles are poorly defined, they are rarely well executed. It's not enough for executives simply to demand more innovation – senior executives must demonstrate links between corporate strategy and the work of innovation, between their vision and the activities necessary to create new products and services and between their expectations and the actual culture of the organization. Executives fail to fill this vital role when they:

- are unaware of the role,
- don't understand the importance of their role,
- delegate the role to others who don't have the power to execute the role, or
- underperform in the role.

Understanding the importance of innovation, and the barriers that innovation will encounter, helps define key activities an innovation senior executive must undertake, and what he or she must do to fill the role effectively. This leads to an important question: if innovation is strategically important, and if engaged senior executives are critical to innovation success, ***what keeps executives from filling the role effectively?***

There are a number of reasons why executives have difficulty filling an innovation leadership role, including:

1. Lack of innovation experience
2. Concern about short term financial reporting goals
3. Difficulty managing "important" versus "urgent" tasks
4. Difficulty converting their vision into reality
5. Lack trusted innovation tools and frameworks
6. Unaware of the level of resistance and inertia
7. Concerned about upsetting the status quo

Many senior executives lack innovation experience. They often move into their positions through excellent financial management, cost cutting or other demonstrated operational successes. Thus, they lack innovation experience and are unfamiliar with its methodologies, tools and frameworks and often have few trusted sources for well tested methods and insights.

Innovation is especially challenging because it is so unfamiliar, so potentially disruptive and yet so important. Innovation requires change that can impact the status quo and disrupt the firm's ability to achieve short term financial goals. Only an engaged, committed senior executive can create a sustained innovation capability or discipline, yet many lack experience, tools and awareness of the importance of the role.

The seven essential capabilities for innovation leadership

Understanding the innovation environment critical to innovation success led us to identify seven essential capabilities that senior executives must provide in order to fill those roles effectively. These relate to skills, capabilities and the capacities for innovation to thrive. These include:

- creating alignment,
- deploying trusted methods and tools,
- effective communication and engagement,
- empowering people, providing skills,
- refocusing attitudes, perspectives and rewards ,
- defining a corporate "governance" for innovation

We'll examine each of these capabilities to determine the role a CEO or senior executive must play to encourage innovation. Further, we'll examine how these skills or capabilities can be developed in an appropriate strategic manner when-applying the Executive Innovation Workmat pictured below. Through careful consideration and by applying the lessons learned from our training, workshops and coaching, executives can define, understand the innovation role and gain skills necessary to perform the role successfully.

Based on the Executive Innovation Workmat, which provides a unique examination of the executive's role in innovation, we offer innovation training, innovation workshops and coaching to help executives understand the vital role they must play for innovation to succeed, and provide a framework that companies can adopt to ensure linkages between strategy and innovation, innovation and capabilities, innovation and culture.

The Workmat is displayed on the following page. In a subsequent section of this paper we'll describe each component and the important activities that executives must undertake to build an environment for innovation to thrive.



Executive Innovation Workmat

Rationale and Benefits of the Workmat

It is important to establish the rationale for the workmat, and identify the potential benefits of this investment of senior executive time, before we describe the Workmat components in more detail. Clearly a focus on innovation that considers so many aspects of your organization, and does so in such a holistic way requires a deep investment of management time, and may require rethinking or reworking some existing strategies, plans, structure or culture, or may require the development of new structures and skills.

Your innovation teams need a defined innovation framework to structure their activities, and need scope and definition in order to achieve their best results. Without this carefully considered framework, their efforts will suffer. Sporadic, incremental innovation is the best you can hope for. Innovation, like any other important corporate initiative, needs the full support and engagement of the senior management, and requires defined strategic goals, structural frameworks and an engaged corporate culture. While the tactical work of innovation is accomplished by innovation teams throughout the organization, your executive teams establish the climate and the frameworks that either enable or inhibit the innovators.

What's left, then is the question of potential benefits. What benefits are possible, and what benefits should an organization expect, if the senior team commits to leveraging the workmat and sustaining innovation focus, structure and climate? Innovation isn't necessarily an outcome or benefit – it is how we describe the process to create interesting, relevant new products, services and business models that accelerate organic growth, disrupt adjacent markets or create significant differentiation. The workmat defines the areas of focus, which are discussed below. Some structural aspects of the workmat, such as function or governance, require little investment or resources, but don't necessarily guarantee more innovation. Others, like culture and context, require little monetary investment but significant engagement over a long period of time to effect important change. Regardless of the length of time, amount of engagement or financial contribution, it is the combination of all of these factors that create the innovation framework necessary to accelerate innovation.

Benefits

Your team will receive four major benefits from an investment in an executive workmat exercise. First, as an executive team you will create cohesion and a consistent innovation framework that reduces barriers or uncertainties for innovators. Second, you demonstrate your engagement, which increases visibility and lowers risk, which encourages more and better ideas. Third, you create workflows and encourage innovation skills and capabilities which accelerate ideas through your internal processes. Fourth, you influence compensation and cultural issues which reduces barriers and creates incentives for innovation. All of these benefits add up to more speed, more agility, new, relevant products and services that increase organic growth and differentiation.

Strategic Alignment

Ensuring alignment to goals and strategies throughout an organization requires creating a vision, communicating that vision effectively and then ensuring that commitments, initiatives and investments support that vision. In an organization where the CEO has done a good job defining a vision and aligning people and resources, innovation faces far fewer challenges. Alignment is important because it assures that everyone is on the “same page”, understanding the goals and how to achieve the goals, in the short term and in the longer term. In a study published by Capgemini Consulting in April 2012, the “absence of a well-articulated innovation strategy”¹ was identified as the most important constraint hampering organizations from reaching their innovation targets. **Almost 60% of firms surveyed admitted that they have no explicit innovation strategy.** Within this study it was revealed that the absence of a well-articulated innovation strategy was a major constraint to reach innovation targets.

Executives must first understand that innovation is not by itself a strategy, but an enabler to corporate goals and strategies. Therefore, innovation stands in service to strategic goals such as growing market share, differentiation and disrupting adjacent markets. Creating clear goals and linking/aligning innovation to those strategies is a vital role for CEOs and senior executives. Further, senior executives must establish the manner in which innovation fits within the strategic context established by goals, vision and strategies. If the organization doesn’t understand the goals or strategies, or is simply not well-aligned, competing initiatives and visions force difficult decisions and tradeoffs. Most executives understand this linkage between innovation and corporate strategy. In the same Capgemini survey, “alignment with corporate strategy” was cited as the most important innovation strategy objective, cited by over 80% of respondents².

However, even when executives understand the linkage, they may fail to understand how to ensure linkages between corporate strategy and innovation. When executives lack innovation experience or don’t want to impose their vision or style, they simply request innovation and delegate the decisions and definitions to business line leaders or product managers. These individuals are under tremendous short term pressure, so any innovation rapidly becomes incremental at best. Further, executives often ask for “innovative” ideas, with little scope and definition of what they mean by “innovative” and why innovation is necessary.

Alignment actions within the Executive Innovation Workmat

Executives must link their innovation goals and outcomes to strategic goals. Executives must clearly state what innovation outcomes they desire, across a spectrum of possibilities (from incremental to

¹ Cap Gemini Innovation Leadership Study April 2012

² IBID

disruptive) and what “types” of innovation they prefer or expect (product, service, process, customer experience, business model or all of the above), the ‘how, when and where’. Creating clarity provides structure and framework for the innovators and ensures a linkage and clearer alignment between corporate strategy and innovation outcomes.

The Workmat takes your existing strategic goals as the starting point to establish alignment. Starting from the most strategic perspective, the Workmat provides tools, structures and valuable methodologies to help you communicate the linkage between innovation and strategy and reinforce the goals to ensure alignment expected to achieve high quality performance. Through this framework you can begin to establish a common language of understanding across your organization and clarify the context of innovation needing to be achieved.

You and through leading your teams can answer the questions:

- What important strategic goals can be accelerated through the use of innovation?
- What new growth opportunities should be explored by innovative techniques?
- How does the firm intend to position itself or distinguish itself from its competitors, and how can we use innovation to support those goals?

Creating an innovation “function”

Businesses are organized around well-defined processes or functions to improve efficiency and to define workflow. Traditional processes such as “order to cash” define how the business receives customer orders, provides a product or service and receives payment. Business functions, such as legal, marketing, or information technology, provide supporting services to key business processes. These defined capabilities or functions exist to define workflow and increase productivity. Yet innovation, while defined as important, is often conducted in an ad-hoc manner or at best is poorly defined and articulated. As innovation capability grows in importance and becomes vital for business success, it must become a well-defined function or process with trusted tools and methods. This requires the development of a defined structure and the definition of an innovation function.

As there are many different innovation strategies and needs, there are many different forms of innovation function, ranging from a centralized center of excellence to distributed teams of innovators working in business functions, product groups and geographies. Executives must define the scope and reach of innovation, and determine the best structures and functions to promote innovation. Further, they must welcome new tools and methods to accelerate innovation within the newly defined innovation function. The role of the innovation senior executive within any function is to be a catalyst across the organization and constantly searching for uncovering good or emerging practice within innovation management.

Executives tasked with innovation must define a clear innovation function which answers the questions:

- Who is responsible for innovation within the organization?
- What techniques, tools and methods will they use to sustain innovation?
- What innovation workflow or processes must be developed and defined?
- How do innovation team members gain skills?
- What are the expected outcomes or results of an innovation team or function?

Linking strategic goals to innovation goals, and then linking both to defined innovation frameworks creates more context, reduces risk and ensures a much greater likelihood of achieving innovation without distracting the organization or disrupting operations. As executives become comfortable with the linkages between strategy and innovation, and see the work completed within a context or framework, their concerns about disruption can be reduced and they can become more vocal and more active in their support for innovation activities, and more willing to define formal innovation functions.

Function and design can be an area of considerable confusion yet it has real strategic importance. There are always areas of overlap, duplication and inefficiency. The responsibility to evaluate where innovation function can be improved may fall to others but clarity of purpose and formal mechanisms must be developed at the senior level.

Innovation Function actions within the Executive Innovation Workmat

Executives must define an innovation “function” that sustains innovation activity and think through the organizational design for innovation. The structure, form and scale of the innovation function are determined based on innovation strategy, the expected or anticipated results and the breadth and depth of the innovation activity within the business. Creating a defined innovation function complete with processes and scope ensures a much greater likelihood of innovation success. Further, it ensures innovation is not conducted in an ad-hoc, one-off approach that can’t be sustained or repeated.

The size, shape and reporting location of an innovation function is dependent on a number of strategic needs and situational factors. There is no one “right answer”. The configuration of the function must be determined based on existing capabilities and needs, and may shift over time from more centralized to more decentralized as the organization gains innovation skills.

A well designed innovation function increases transparency and consistency and increases the chance of success. Establishing “how” and “where” innovation will be accomplished, and how it will be sustained and supported provides continuity. A defined function enables a team to build skills that can be sustained and improved over time. Designing for explicit innovation and having in place effective structures is crucial.

Language, Communication, Context and Engagement

As consistent innovation strategy is defined and an innovation function is deployed, executives will feel more comfortable supporting, communicating and even participating in innovation activities. This engagement, through communication, funding and participation in innovation activities is vital. Every executive should demonstrate that he or she is engaged and involved in innovation and values the outcomes. What the executive team does, what it communicates, what it funds, *does matter*, especially where innovation is concerned, since innovation runs counter to many of the existing processes and faces greater resistance than the existing practices honed over many years.

Your commitment will vary based on the kind of idea and the breadth of its impact. Incremental product innovation does not require significant executive engagement or involvement, as it is low risk and isolated to a specific team. Disruptive innovation, or innovation focused on entering a completely new market space or changing a business model, however, requires significant engagement and commitment from senior executives, because the amount of change is far greater, the risks are enhanced and the breadth and depth of the change is far larger. Understanding what to communicate in each situation, and the depth of commitment and engagement based on the impact the innovation activity is likely to have is important.

Consider the example of Arthur Lafley. While CEO of P&G, he established an innovation goal in a very public setting. He stated that 50% of P&G's products would result from ideas generated outside of P&G, at a time when P&G had the largest R&D team in the consumer goods space. This communication shifted the focus of the organization, while his commitment ensured the firm remained on the new course. He set a very specific goal, in a public setting and set metrics and timeframes that everyone could evaluate. That's what's required from you.

Further, good innovators have a common, consistent "language" about innovation, including common definitions. We know that establishing a common language that can be shared and understood is critically important, as this language becomes the common unifying point for discussion. If you don't share in this understanding you do not appreciate fully the context of why, where, and how you set about innovation.

Common Language, Context, Communication actions within the Executive Innovation Workmat

What you communicate, what you embrace and your level of involvement matter significantly. These actions send signals to the rest of the company. Executives must establish clear goals for innovation, and support those goals with a common innovation language. Innovation goals must be clearly and consistently communicated. Where possible, executives must do more than simply talk about innovation, but demonstrate engagement through participation, regular reporting and by recognizing key successes.

Beyond a common language, consistent communication about innovation is vital. For many organizations, innovation will be a new, additive activity on top of demanding regular work. Without constant reinforcement of the importance of innovation, regular demands gradually reduce awareness and focus. Executives must constantly communicate the purpose for innovation, highlight successes, and demonstrate focus and awareness. Where possible, executive should actively engage in innovation, to demonstrate commitment. When the organization sees that executive management is actively engaged, they understand the importance of innovation. Formulating and communicating the innovation strategy are some of the top roles for senior executives.

Environment

Innovation is an activity that spans multiple timeframes, business disciplines and corporate silos. Good innovators understand that every corporate boundary – business function, process or product team is a yawning gap for ideas to overcome. To accelerate ideas to market most effectively, corporate silos must be reduced or eliminated. New innovations face tremendous external hurdles to achieve success externally. At a minimum internal processes and decision gates should be simplified and accelerated.

Creating a positive, supportive environment for innovation internally requires senior executives to work to bring disparate internal capabilities together to define a simplified workflow. The innovation team will have to work with product teams and enabling or support teams such as legal, regulatory, finance, IT and others in order to develop and commercialize a new product. Each of these teams has its own goals, priorities and responsibilities, and may not be receptive to supporting new ideas. Executives must create an environment where innovation is encouraged, but also accelerated throughout all of the steps necessary for an idea to become a new product or service.

Beyond internal environments, executives must define interactions with the external environment. Increasingly, “open” innovation is a viable role to gather ideas, develop new concepts or technologies, or “spin out” concepts and technologies to trusted third parties. In the near future, when we talk about innovation we won’t draw distinctions between “open” and “closed” innovation. Many innovation activities will have an open or external component. Since working with partners and customers in this regard is still very new, executives must define what “open” or external partners are appropriate and under which conditions. This defines the external environment and reduces barriers and hurdles for innovation.

Environment actions within the Executive Innovation Workmat

Executives must do more than simply encourage innovation and define an innovation function. They must identify all of the important processes, groups and functions that must be involved to accelerate an idea from concept to commercial product or service and smooth the transitions between the groups and eliminate or reduce barriers and gaps in business silos. Otherwise good ideas will never bridge the gap between idea and product, or won’t find adequate support from enabling and protective teams like IT and regulatory.

As innovation teams mature, defining external partners and how and when to work with external partners and customers becomes critical. The external environment is simply another component to a holistic innovation capability, and executives must help define the breadth and scope of a team’s interaction with external partners, customers and channels.

Culture - Attitudes, Perspectives, Behaviors

Another gap between what companies say about innovation and the results of innovation has to do with corporate culture. Saying that innovation is important, while leaving the existing “business as usual” culture in place simply frustrates the vast majority of the organization. Executives, more than anyone else in an organization, have the power to change the corporate culture. If executives delegate innovation activities without simultaneously working to improve the culture, middle managers will use existing tools within the existing business as usual framework in an attempt to develop and commercialize ideas. No wonder so much innovation is barely distinguishable from existing products and services.

Further, people are rational actors. They work on tasks that align to their evaluations, their job descriptions and their compensation plans, regardless of demands from executives. Existing evaluation, compensation and reward systems reinforce the status quo and resist innovation. Executives who expect innovation from their organizations must change all the factors that would stand in the way of full engagement by the broad employee base. Asking for innovation while evaluating and compensating people for status quo results is a Sophie’s choice for employees, and they will inevitably choose to work on existing, familiar products and services over risky innovation activities.

Again referring to the Capgemini study, almost 70% of the respondents felt that CEOs were the most important “source” for innovation culture. Executives, through communication, through their establishment of metrics, through rewards and recognition programs and through other actions build and support an innovative culture or create barriers for the origination of a culture of innovation.

Culture actions within the Executive Innovation Workmat

Executives can demonstrate their commitment to innovation by working to change internal attitudes and behaviors. The workmat identifies cultural attributes and characteristics that exist in strong innovators, and helps executives assess their culture and implement programs to change the culture. Corporate culture does not change easily or quickly. Changing the culture will require consistent communication and executive engagement (as described in the section above) as well as changes to prevailing attitudes, behaviors, compensation and rewards.

Executives can work with HR and Talent management teams to change how people are evaluated and compensated, and can develop new reward and recognition schemes. HR and Talent Management executives can rework recruiting programs, seeking people with innovative skills. These teams can promote internal and external training programs to help innovators gain more skills. As we’ve noted previously, people are vital to successful innovation, and people react positively to incentives and cultural expectations that support innovation.

Governance

The Capgemini report referred to above opens a section on innovation governance with the following statement:

Given the strategic importance companies allocate to innovation it is remarkable that few companies have organized innovation in the mature fashion it deserves. ...may innovation bottlenecks can be solved by establishing a formal innovation governance structure that deals with issues such as internal alignment, prioritization, funding and the balancing of long- and short-term objectives.

Given how closely most organizations monitor, measure and define most business activity it is often astounding to see how little definition and measurement is applied to innovation activities. Again, quoting the Capgemini study, less than 20% of the executives surveyed felt they had an effective set of KPIs for innovation, while 54% have no formal innovation indicators or measurements. If we believe the old adage that “what gets measured gets managed” then clearly innovation isn’t being managed effectively.

Senior executives must establish frameworks for prioritizing innovation activities, appropriate funding mechanisms for innovation activities and establish a balance between short term demands and long term needs. Executives must establish clear innovation objectives, goals, milestones and metrics and create a formal reporting and evaluation process. Innovation governance is a system of mechanisms to align goals, allocate resources and assign decision-making authority for innovation, across the organization and with external parties. Defining innovation governance is a top management responsibility. Innovation governance must define both content and process of all innovation activities taking place within the organization.

Without these governance features, managing innovation activities is difficult and measuring innovation outcomes is almost impossible. Establishing a formal governance process, similar to the manner in which product or service portfolios are managed, helps resolve conflicts, allocate resources and measure results more effectively.

Innovation Governance actions within the Executive Innovation Workmat

Executives must establish at least the basic frameworks for innovation programs, starting with funding innovation activities in annual planning processes and measuring results based on stated KPIs. The governance of innovation activities must include funding mechanisms, scope definition, appropriate targets and timeframes, measurements, reporting and evaluation metrics. Innovation must be subject to many of the same governance models and methods that are applied to other critical business functions.

Motivations and Measures

Executives must also understand the extrinsic and intrinsic motivations and rewards that drive innovators. Research from Dan Pink, the author of Drive, the surprising truth about what motivates us, and others has shown that many innovators are influenced by intrinsic motivators, such as recognition, the ability to pursue their ideas and other non-monetary rewards. Motivating innovators requires a slightly different mentality and focus than traditional motivational programs, and executives must understand how to best reward their innovation teams.

Innovation, however, should ultimately result in benefits to the organization. These benefits should align to strategic goals, and therefore can be measured in terms like revenue growth, share growth, market awareness, clear differentiation from competitors' products and services, recognized leadership position in a market place and many other factors. It is important to establish clear innovation goals and to constantly evaluate innovation returns, using measures and metrics that are attuned to innovation activities, beyond simple ROI.

We measure innovation in different ways, through hard, quantifiable targets but also in how we influence and make things happen. Executives need to shape innovation through a mix of incentives that promote inspiration, offer motivation and generate excitement. Highly extrinsic transactional drivers must be combined with more intrinsic transformational aspects.

Further, executives need to define the appropriate timeframe to assess and measure innovation returns. Innovation activities often lead to new ideas, which in turn lead to product or service developments, which hopefully lead to new products or services which are then commercialized in the market. These sequential activities can take a significant amount of time. New product launches today represent ideas generated months if not years ago, so executives must establish an appropriate timeframe for measures and milestones along the way. This lag time between idea generation and product commercialization also demonstrates why sustained engagement is important, along with consistent motivation.

Motivations and Measures actions within the Executive Innovation Workmat

Executives must constantly seek new motivation actions and may need to change motivation focus and discipline. Research demonstrates good innovators are motivated in very different ways than other staff. Extrinsic programs must be continued and extended while intrinsic rewards become more important as innovation grows in importance. Executives must define new motivation programs and potentially new roles or career paths.

Executives must also establish timely, appropriate innovation milestones and measurements based on metrics defined in innovation governance. Innovation metrics must align to corporate goals and expected outcomes (market share gains) rather than merely monitor outputs (patents generated).

People, Skills and Roles

There is one other area of focus for an executive team concerned about building a powerful innovation capability or discipline, and that is the focus on people, skills and roles. Rather than isolate this focus in one “box” in the workmat, we decided to call out the need and recognize that people, skills and roles belong in all of the aspects of the mat, they ‘run across’ all that is needed for successful innovation.

Innovation is the last people-centric process. While many other business processes or functions have become automated, innovation demands more from people than any other business process or function. People are required to generate ideas, to evaluate ideas, to judge ideas, to select ideas and to develop new products and services from the original ideas and then manage these through the innovation process. Little of that work can be automated, and much of it requires active, engaged, trained people in order to do the work effectively.

Innovation demands that your best, most engaged people participate in all aspects of the innovation process. To that end, executives must focus on:

- What people should be involved in innovation and when
- What critical innovation roles must be identified and filled
- Who “owns” innovation responsibilities and reporting
- How these individuals gain new skills
- How to provide space and time for innovators to work effectively

Clearly, senior executives must identify leaders who will deploy the innovation vision, so executives aren’t likely to be active in many of the details of implementation. But the people aspect of innovation is one that cannot be stressed enough. Good people, actively engaged, and provided with the right skills and motivations, will drive innovation even in difficult times. Good people, who lack clear strategies, who lack functions and governance, or who face a hostile culture, can’t or won’t be successful.

Even your best people, however, may not have the skills and knowledge necessary at the outset to perform innovation activities at peak performance. They may need to refresh long dormant skills or add new skills based on new innovation tools and methods. They may need to learn new skills to help them perform innovation roles effectively across the Workmat and this needs senior management attention.

Conclusions

Our goal in this paper is twofold. First, to define the important role that executives must play for innovation to succeed, a role we believe is often overlooked or poorly executed. Second, to provide a framework that defines the skills, capabilities and actions necessary to perform the role effectively.

While CEOs or other senior leaders responsible for innovation don't need to dominate innovation activities, they do need to fill this critical role to:

- link innovation to corporate strategies,
- communicate the importance of innovation consistently and demonstrate their engagement,
- align the corporate culture and compensation programs to innovation goals and activities
- create innovation governance frameworks.

While few executives will conceive the ideas that become best-selling products and services, executives must orchestrate and lead the rest of the organization in building a culture that embraces innovation. Without that sustained engagement and leadership, innovation will become a short-term, discrete activity rather than a sustained business discipline.

Linking innovation to corporate strategy, ensuring the appropriate focus on innovation in balance with other key initiatives and establishing corporate governance, communication and language, and shifting the corporate culture to embrace innovation are all key responsibilities of a senior executive. Without these efforts, which must be undertaken by a senior executive, innovation cannot take root in an organization. If executives understand the role that they must play for innovation to succeed, and fill this role effectively, innovation can become a driving force for growth in the organization.

How do executives learn to fill this innovation gap?

The Executive Innovation Workmat will help you define the important attributes of your management style, improve all aspects of innovation that you directly influence and create a context and environment that supports and sustains innovation, simplifying the work of innovation teams.

The Workmat provides a compelling structured approach for senior executives in order to build, extend and sustain an innovation capability. Starting with the most strategic goals of your business, it links and aligns innovation to strategy, it explores the critical aspects of any senior innovation strategic framework, and addresses the critical aspects so as to provide a holistic approach to innovation, reducing uncertainty, reducing risk and increasing your chance to help your company innovate consistently. The end outcome of this workmat approach provides the innovation leadership and guidance to your organization to 'frame' the innovation activity, allowing it to be articulated throughout the organization and provide the necessary understanding needed to perform the innovation task more effectively.

Services

We use the Executive Innovation Workmat to help assess the strengths and gaps that exist in our prospects and clients innovation management process, and to deliver a formal “workout” methodology for our clients that provide the essential framing desired to be understood throughout the organization.

The services we offer can include but are not limited to assessments, training, advising, coaching and consulting to help define the executive team’s role and create an environment where innovation can be sustained.

Beyond the Executive Innovation Workmat, we offer a cascading set of frameworks to help innovation executives and teams throughout your organization build strong innovation functions and processes and establish innovation governance.

This is encapsulated in our Innovation Reference Framework, which defines the different cascading activities toward building a robust innovation capability or discipline. It examines four key “layers” of innovation – strategy, people, process and types and delves into each one in considerable detail.

You can see the Innovation Reference Framework at: <http://cirf.pbwiki.com>. This framework provides a reasonable, thoughtful approach to developing a robust innovation capability and ensures your team considers all the relevant aspects of an innovation discipline. It is designed to ‘map’ back into this Senior Executive Innovation Workmat to underpin it with a set of robust solutions that enable innovation.

Schedule or discuss a (tailored) training session with one of our senior consultants:

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Learn more about innovation and how it can work for your organization through making these initial contacts and discussing your innovation challenges.