

# The importance of the Innovation Mandate

Two-part view

## Constructing the innovation mandate



So often innovation struggles to be recognized for what it is. Innovation is a critical source of future competitive advantage. It is our ability to consistently capture, build and develop new ideas within organizations or in open collaborations with others that have a direct effect on revenue growth and the ability to provide future sustainability. So why is it not more central within an organization's core?

**This is part one of a two-part post around the construction of an innovation mandate.**

We need to understand successful innovation actually touches all aspects of a business, by contributing to improving business processes, identifying new, often imaginative, ways to reduce costs, building out existing business models into new directions and value and discovering new ways and positioning into markets. To get to a consistent performance of innovation and creativity within organizations you do need to rely on a process, structure and the consistent ability to foster a culture of innovation.

**The innovation mandate is often overlooked or undervalued.**

An innovation mandate is a critical tool for defining the scope and direction of innovation and the underlying values, commitment and resources placed behind it. Normally this innovation mandate comes in the form of a document, generally build up by a small team of senior leaders, innovation experts and subject matter experts. That group should possess a deep understanding of the existing organization's strategy, business models, operations and culture and a wider appreciation of the innovation landscape, the "fields of opportunity" and the emerging practices of innovation management.

## What should be in a “typical” innovation mandate?

They are different due to the circumstances and needs of each organization, but let me provide a suggested one to get the thinking you might have a need to validate or a need to revisit yours if you have one and begin to revise it. The basic needs of an innovation mandate should include:

### **Innovation Mandate for [XXXX Organization Name]– an example**

**Vision and Objectives:** Our vision is to be a leader in innovation, delivering breakthrough solutions that create value for our customers, employees, and shareholders. To achieve this, our innovation program will focus on the following objectives:

- Developing new products and services that meet evolving customer needs and preferences
- Improving business processes to enhance efficiency, reduce costs, and increase agility
- Creating new business models that drive growth and profitability
- Building a culture of innovation that fosters creativity, collaboration, and continuous learning
- Leveraging emerging technologies to transform our business and create new opportunities
- Look for emerging opportunities to improve, advance or encourage ways to improve our process, reevaluate costs in imaginative ways
- To invest in human ingenuity through the management of ideas, being outwardly aware and fostering a culture of identification, engagement, alignment and sense of identity with our priorities

**Scope:** Our innovation program will encompass all areas of the organization, including research and development, marketing, sales, operations, and customer service. We will focus on both incremental and distinctive innovation outcomes and ones that have the potential for disruptive or breakthrough innovation, that are exploring new technologies, markets, and new business models to drive growth and create value.

**Resources:** We will allocate [amount] of funding to our innovation program annually, and will dedicate a team of [number] full-time employees to manage and execute innovation initiatives. We will also invest in training and development programs to build innovation capabilities across the organization.

**Leadership:** Our innovation program will be led by the [position] of Innovation, who will report to the CEO and work closely with senior leaders across the organization. The innovation team will consist of experts in various fields, including technology, design, marketing, and finance but will not be mutually exclusive but open, encouraging and seeking consistent engagement and alignment across the organization and beyond.

**Culture:** We will foster a culture of innovation by:

- Encouraging experimentation and risk-taking
- Celebrating successes and learning from failures
- Promoting cross-functional collaboration and knowledge-sharing
- Recognizing and rewarding innovative ideas and contributions

- Providing employees with the tools, resources, and support they need to innovate

**Partnerships:** We will seek partnerships with external organizations, including startups, research institutions, and industry associations, to access new ideas, technologies, and expertise. We will also collaborate with customers and suppliers to co-create new solutions and enhance existing products and services. Future collaborations will build on a network of relationships and an ecosystem of design and thinking.

**Intellectual Property:** We will establish clear policies and procedures for protecting our intellectual property and managing any potential conflicts with partners or competitors. We will also seek to maximize the value of our intellectual property through licensing and commercialization opportunities.

Overall, providing the innovation mandate clarifies a strategic priority for any organization and confirms the commitment to investing in and driving innovation to achieve the vision and objectives.

### **Why I believe a robust “living” innovation mandate is important.**

In my opinion, an innovation mandate should go deeper and provide different insights, experiences or reference points, Innovation evolves, expands and gains momentum. Keeping the innovation mandate fresh and up-to-date is essential, it shows constant commitment and focus.

**For instance, explaining why having and sharing the innovation mandates is important offers the ability to gain:**

1. **Alignment:** An innovation mandate helps to align the organization’s innovation initiatives with its overall business strategy, ensuring that innovation efforts are focused on areas that are most likely to create value for the organization.
2. **Clarity:** An innovation mandate provides clarity around the organization’s innovation goals and objectives, which helps to ensure that all stakeholders are working towards a common purpose.
3. **Prioritization:** An innovation mandate helps to prioritize innovation initiatives and allocate resources accordingly, ensuring that the most promising projects are given the necessary support and funding.
4. **Accountability:** An innovation mandate establishes clear roles and responsibilities for innovation, ensuring that everyone in the organization knows who is responsible for driving innovation initiatives forward.
5. **Culture:** An innovation mandate can help to foster a culture of innovation within the organization, encouraging creativity, risk-taking, and experimentation.

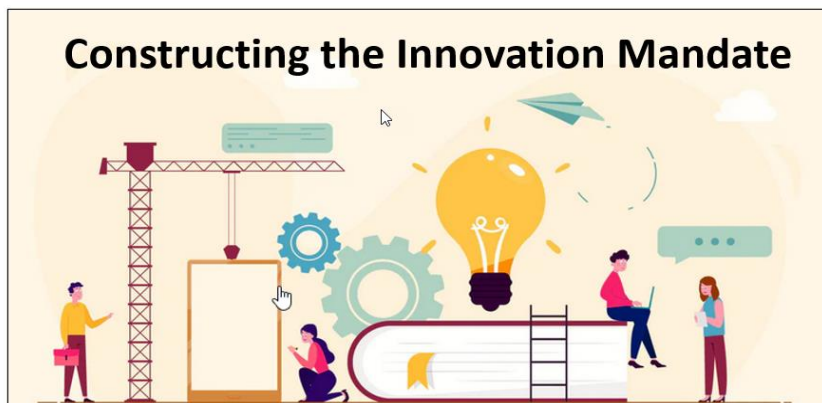
**The mandate as a valuable tool:** it can be a valuable tool for those that build out their innovation identities, recognizing innovation as a strategic priority and ensuring that it is integrated into their overall business strategy this document can be constantly referred to this for consistently improving in its value, transparency, guidelines and guardrails as the building block of clarifications.

**In summary– part one**

The Innovation Mandate is actually a vital strategic and operational document, essential for understanding, interpreting and identifying where the role of innovation fits across the entire organization and beyond

Part two goes deeper into different aspects of the innovation mandate that build a more tailored document built from the experience, inputs and needs of each organization.

## Deepening the Thinking Around the Innovation Mandate – part two



### **Building out the clarity of any robust innovations mandate needs a depth of thinking**

Following on from my first post “**Constructing the Innovation Mandate**” we should look further into aspects of the innovation mandate that need considering and clarification

### **Any innovation mandate needs to consider what is meant by the following and provide explanations:**

**Corporate Objectives:** The innovation mandate should clearly align with the organization’s corporate objectives and business strategy. It should articulate how innovation will contribute to achieving these objectives, and what specific goals and metrics will be used to measure the success of the innovation program.

**Value Goals:** Innovation should create value for the organization in various forms, including revenue growth, cost savings, improved customer satisfaction, and enhanced brand reputation. The innovation mandate should clearly define the value goals for the innovation program and how they will be measured and tracked over time.

**Innovation Policy:** An innovation policy provides guidance and direction for the innovation program, defining the types of innovation that will be pursued, how innovation projects will be prioritized, and how intellectual property will be managed. The innovation mandate should articulate the organization’s innovation policy and how it will be implemented.

**License to Operate:** License to operate refers to the organization’s social and environmental responsibilities and obligations. An innovation mandate should consider how innovation can

help the organization fulfil these responsibilities and enhance its reputation as a responsible corporate citizen.

**Other relevant points to consider in an innovation mandate includes building the organization's understanding of the following:**

- **Risk management:** Innovation inherently involves risk, and the innovation mandate should address how risk will be managed, including risk assessment, risk mitigation strategies, and contingency planning. This part of the document provides the guardrails and guidance and the essential encouragement to bring risk evaluations into all innovation conversations.
- **Resource allocation:** The innovation mandate should outline how resources, including funding, personnel, and technology, will be allocated to support innovation initiatives and where these will be drawn down from and the “equity of resources” shared so this is a collaborative endeavour.
- **Collaboration and partnerships:** Innovation often requires collaboration with external partners, and the innovation mandate should consider how these partnerships will be managed and how value will be created and shared. Building a detailed Ecosystem **thinking and design of collaboration needs**
- **Intellectual property management:** Innovation often generates valuable intellectual property, and the innovation mandate should outline how this intellectual property will be managed and protected. The guiding principles of shared IP and the clarity of who needs to be involved, to assess the protection and be part of the emerging (and often changing) needs of IP in registration updates.
- **Performance measurement:** The innovation mandate should identify specific metrics and performance indicators that will be used to measure the success of the innovation program and inform ongoing improvement efforts. Designing impact and progress dashboards that are common across the organization enables faster identification and tracking of progress made.

Overall, an innovation mandate should be a comprehensive document that considers all relevant factors that contribute to successful innovation in the organization. Each organization will see the scope, needs and abilities it can support differently.

**The [innovation mandate](#) should be signed off and disseminated to all relevant stakeholders constantly**

The drafting by a small team of senior leaders, innovation experts and subject matter experts should disseminate this policy document to all stakeholders including executives, managers and employees at all levels. In any document, feedback and suggestions should be actively sought.

Understanding this mandate is for all employees and specifically those impacted by the program, especially in research and development, marketing, operations, technical support and development, finance and sales.

In addition, it should be shared and well communicated with external stakeholders such as partners, investors and customers to communicate the organization's commitment to innovation and its strategy for driving innovation forward.

Finally, this mandate sets expectations and builds out internal marketing, setting and/or seeking well-focused topics that can contribute to the strategic priorities and areas of future value and can be central or validated against any reward and recognition approach as the referencing point. It becomes the licence to operate and encourage valuable contributions to any innovation.

### **In summary the two posts**

The alignment and engagement that forms around the organization's approach and support of the innovation program are often lacking a detailed innovation mandate. This actually is a vital strategic and operational document, essential for understanding, interpreting and identifying where the role of innovation fits across the entire organization and beyond

Being aware, managing expectations and having clarity of where innovation fits needs this comprehensive innovation mandate document, it offers a bedrock to build upon, not hide behind. It enables, empowers and transforms and can be a catalyst for increasing the rate of growing success.

### **Equally Innovation Governance becomes increasingly important for innovation.**

Having a clear well-structured Governance structure helps to really facilitate innovation. I provide below a couple of post links where I have written on different aspects of Governance that have relevance to any strategic (integrated) design for Innovation.

**Innovation Mandates and Governance have a clear need to be well-designed and integral in any innovation process design.** The organization should build these into living dynamic documents.

Addressing both makes good sense. I have previously focused on innovation governance, for example, in the posts "**Why we should focus on Innovation Governance**" and "[\*\*The Role of Governance Needed in Innovation.\*\*](#)"

The first post "**Constructing the Innovation Mandate**" provides the initial building blocks, here I have considered different aspects that give a deeper strength to this important strategic document, needed by any organization to help support a sustainable innovation process.

### **I can offer support in building the innovation process**

I can provide support and contribution to both the building out of **the Innovation Mandate** and the **Governance of Innovation** and provide a significant external contribution in contributing to these and other essential innovation strategic thinking documents that organizations need to work through, that build value and impact, and add different levels of perspective and insight.

I work in supporting and building both the strategic and operational needs of an organization as an external advisor or coach. I would be happy to have any initial conversation that supports your needs.

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