**The Big Ten Innovation Killers and How to
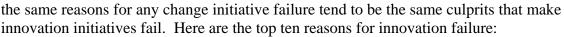Keep Your Innovation System Alive and Well**

by Joyce Wycoff

> *"70% of all business initiatives fail."*
> *-- Harvard eLearning Alert*

While it's probably impossible to compute the exact percentage of business initiatives that fail, it is widely acknowledged that *most* do. After years of research and observation, it is clear that the same reasons for any change initiative failure tend to be the same culprits that make innovation initiatives fail. Here are the top ten reasons for innovation failure:

- Not creating a **culture** that supports innovation
- Not getting buy-in and **ownership** from business unit managers
- Not having a widely understood, system-wide **process**
- Not allocating **resources** to the process
- Not tying projects to company **strategy**
- Not spending enough time and energy on the **fuzzy front-end**
- Not building sufficient **diversity** into the process
- Not developing **criteria and metrics** in advance
- Not **training and coaching** innovation teams
- Not having an **idea management system**

Culture – culture is the playing field of innovation. Unless the culture honors ideas and supports risk-taking, innovation will be stifled before it begins. Culture is like our immune system … its job is to kill intruders before they can harm the body. Culture can change but it is a slow process.

Ownership – once great ideas have shown up, they have to be implemented somewhere. Generally that means a business unit manager has to take on the idea and devote scarce resources of time and budget to the new project. If that manager has not bought into the new project fully, it generally doesn't succeed. Business unit managers need to be engaged from the very beginning of an innovation initiative and they need to have the option of "buying" new concepts.

Process – when organizations want to embrace innovation, they often hold a two-day kickoff to hype innovation and provide some training in tools and techniques. They set up a few innovation teams, schedule some brainstorming sessions and then are shocked to learn (about six weeks later) that "innovation isn't working." In today's world where people are already overloaded, a piecemeal approach to innovation just doesn't work, not if you want real, bottom line results. Innovation needs a process that focuses people on the right challenges and leads them through an organized process of releasing creativity and evaluating results so that the right concepts move into the implementation process.

Resources – too often the CEO stands up at an annual meeting and says, "We need to be more innovative," and then goes on to the next topic. Innovation takes time, energy and money. People need some freedom and time to think and tinker around with new possibilities. They also need new skills and systems that support thinking and collaboration. Innovation is critical to the future; but it depends on the investment of today's resources.

Strategy – somewhere along the line, as people were taught to "think out of the box," a false impression was created. People began to believe that there should be no rules, no boundaries, no constraints. This turns out to be a counter-productive approach that produces popcorn – wild ideas bouncing around with no purpose in sight. Once in a millennium this might produce a breakthrough … but it is not a cost-effective process. What is more effective is focusing creativity within the scope of a well-constructed company strategy. Of course, this requires a strategy that is both narrow enough to define the company's core competency and broad enough to allow exploration into related areas.

Fuzzy Front-End – there are a lot of unexpressed ideas lurking in organizations. However, to find the truly new and different ideas … the ones that could create a *breakthrough*, requires a process of looking outside and inside; at customers, suppliers and competitors; at changes in demographics, trends, economics, regulations, and political environments. Innovation that begins with an internal brainstorming session will seldom result in anything other than pale, incremental concepts.

Diversity – diversity is the difference between "same-old, same-old" thinking and "Wow! I never thought of that!" possibilities. In the old days, cross-functional teams were a daring foray into diversity. Now they are standard fare and the true value of diversity comes when we deliberately focus diverse thinking styles, experiences, perspectives, and expertise on a challenging problem or opportunity. The process of innovation should include all functions; all genders, ages, races, all thinking styles, as well as all stakeholders, customers, suppliers, competitors.

Criteria & Metrics – in a healthy innovation environment and process, more ideas will be generated than can possibly be implemented. This can lead to overload and frustration unless there is a mechanism for sorting and prioritizing. Developing criteria guides long before going into idea generation mode can provide the rational means for evaluating ideas and prevent going over the edge on a seductive idea that doesn't fit.

Training & Coaching – a mistake often made by organizations is assuming that innovation teams are the same as other project teams. In a recent survey by the InnovationNetwork, responses indicated that people participated on an average of 3.7 innovation projects per year. However, only 21% of the respondents had had some training on how to participate on an innovation team and less than 10% had actually had training *as part of the innovation team.* No wonder over 70% of all projects fail.

Innovation requires new ways of thinking and new skills. Developing a just-in-time, active-learning training process insures that innovation teams develop the desired results effectively and efficiently. As with any new set of skills, innovation competency develops over time while working on real projects. Coaching is a critical piece of developing this competency.

Idea Management System – Many innovation projects have died on a sticky-note covered wall as participants lost energy trying to figure out what to do with those yellow pieces of paper fluttering to the floor. Having an effective system that captures ideas and engages people in developing, modifying, enlarging and evaluating those ideas is just as critical to innovation as accounting systems are to the financial health of an organization.

InnovationDNA: a Framework of Innovation Principles

Identifying best practices is a common technique for stimulating business improvement. However, there are a few downsides to this process: sometimes certain practices do not translate from one organization or industry to another and sometimes practices are not implemented well. This can tend to make people say, "Well, we tried that and it didn't work here." Too often, they generalize that failure to justify dismissing an entire initiative such as innovation, quality or so on.

An alternative to focusing on best practices is to look at the underlying principles of the initiative. For instance, if you learned that most innovative organizations were doing cross-functional teams, you might decide to implement that practice in your organization. However, assume that for some reason (such as an autocratic, chain-of-command organizational structure) this practice fails. This failure might discourage further innovation efforts. If you were focused on principles, however, and knew that collaboration was important to innovation, you could try to figure out ways to stimulate collaboration that would work within your culture. Understanding the underlying principles of innovation can help organizations develop *conscious competence* which could prevent making changes to their systems or culture that might adversely affect their ability to innovate.

Several years ago, as part of the work of the Fellows of the Innovation University, we decided to create a framework of innovation principles – those things we knew were important to the life of innovation. Those involved with this project wanted an organic, living metaphor for this framework. They finally settled on the DNA, the genetic structure, as the metaphor and representation of life. This resulted in the InnovationDNA which can be seen and downloaded at www.thinksmart.com.

The InnovationDNA consists of seven operational elements operating on a "playing field" of culture and surrounded by the context of the world. The operational elements are:

Challenge - The Pull -- Innovation, by definition, means doing things differently, exploring new territory, taking risks. There has to be a reason for rocking the boat, a

vision of what could be or a deep fear of what might happen if things don't change. This is the challenge. The bigger the challenge and the commitment to it, the more energy the innovation efforts will have. Generally we only notice the dramatic challenges such as putting a man on the moon or mapping the human genome but every organization can identify challenges to its future, its customers and its employees.

Strategies do not have to be cast in concrete. Capital One was very successful luring consumers with high debt levels but good pay off records with their low interest balance transfer program … until competitors began to imitate them. So, they shifted gears. Their 1996 annual report states: "Many of our business opportunities are short-lived. We have to move fast to exploit them and move on when they fade."

Customer Focus – The Push -- All innovation should be focused on creating value for the customer, whether that customer is internal or external. Interaction with customers and understanding of their needs is one of the best stimulators of new possibilities and the motivation for implementing them.

At Datex Ohmeda, a developer and manufacturer of anesthesia and critical care products, part of their innovation efforts is a program called "Discovery" that encourages people to do onsite customer observations. Russ Ward, program manager, states, "When people see our products being used in real situations, they get stretched outside of their normal consciousness. They understand the problems and needs of the customer in a new way and learn how to step outside the normal perception processes."

Creativity – The Brain -- Everything starts from an idea and innovative organizations understand that ideas can come from anywhere. Rather than focusing on owning ideas, these organizations want to own the results.

One day in 1995, the maverick thinkers of AT&T's Opportunity Discovery Department donned sandwich boards that read: "What if long distance were free?" This weird action prompted a lot of thinking and conversation about the future of long-distance.

Communication – The Lifeblood -- Open communication of information, ideas and feelings is the lifeblood of innovation. Both infrastructure and advocacy must exist in an organizational system to promote the free flow of information.

Cisco can close its books in one day and has hourly info on revenue, bookings, discounts, and product margins. This information is also available to each supervisor for the operation s/he runs. Real-time information is the basis of true empowerment as it gives front-line managers the information to make sound decisions.

Collaboration – The Heart -- Innovation is a group process. It feeds on interaction, information and the power of teams. It is stifled by restrictive structures and policies as well as incentive systems that reward only individual efforts.

IBM makes its alpha code available to the world at the earliest possible moment through a website known as "alphaWorks." This open collaboration process, currently featuring over 200 technologies, creates a virtual collaborative community that evaluates code, tests market interest and speeds development.

Completion – The Muscle -- New innovations are projects that are successfully realized through superior, defined processes and strong implementation skills--decision making, delegating, scheduling, monitoring, and feedback. Innovative organizations also know that celebration is an important part of completing a project, regardless of its level of success.

At CIGNA Healthcare of Arizona, the Program Management Office helps employees to propose, plan and implement projects. One objective of the PMO is to make sure projects are in alignment with the company's mission and goals.

Contemplation – The Ladder -- Making objective assessments of the outcomes, benefits and costs of new projects is essential. Gleaning the lessons learned from both fruitful and failed projects builds a wisdom base that creates an upward cycle of success. Documenting and evaluating projects is a critical step that helps perpetuate innovation and yet this is the step that we find most organizations avoiding in their rush to get on with the next project.

The Neenan Company, a construction company which "yearns to be a learning organization," has folks develop a written Learning Plan for the year. The plan includes not only what they want to learn, but also what they intend to teach to others.

Culture – The Playing Field -- Culture is the reflection of leadership, people and values--the outward and observable expression of how they work and behave together. An environment that is flexible, empowering, welcomes ideas, tolerates risk, celebrates success, fosters respect and encourages fun is crucial to innovation. Culture comes from four elements:

> **Leadership – The Role Model –** We follow our leaders because we believe that they see a better place in the future and know how to get us there. Since, by definition, innovation involves journeying into the unknown, it is critical that the organization have confidence in the vision and strategies of the leadership.

> **People - The Source --** Of course, nothing happens without people. Every organization has an identity, a competency that arises from its collective and shared skills, talents, beliefs, attitudes, behaviors and most of all, from the relationships among its people.

> **Basic Values – The Backbone –** These are the heartfelt principles that define an organization -- such as Trust and Respect, Learning, Commitment, Inclusiveness, and Contribution. They provide the structure for decisions at all levels.

Innovation Values – The Mindset -- Beyond Basic Values, there are some values that can transform the mundane into the compelling and an ordinary project into a stellar new business. Freedom, Intuition and Synergy are just a few of the ideals that form the mindset that creates the "magic" in innovative organizations.

Context – The World -- Nothing happens in a vacuum, particularly innovation. While it is obvious that Customers, Suppliers, Competitors and The Economy affect us daily, we also periodically interact with Government, World Events, Communities and Families. All of these interactions form the context for all business activities, including innovation.

Ten Practical Steps to Keep Your Innovation System Alive & Well

1. Remove fear from your organization. Innovation means doing something new, something that may fail. If people fear failing, they will not innovate.
2. Make innovation part of the performance review system for everyone. Ask them what they will create or improve in the coming year and then track their progress.
3. Document an innovation process and make sure everyone understands it as well as his or her role in it.
4. Build in enough looseness into the system for people to explore new possibilities and collaborate with others inside and outside the organization.
5. Make sure that everyone understands the corporate strategy and that all innovation efforts are aligned with it. However, also create a process for handling the outlier ideas that don't fit the strategy but are too good to throw away.
6. Teach people to scan the environment for new trends, technologies and changes in customer mindsets.
7. Teach people the critical importance of diversity of thinking styles, experience, perspectives and expertise. Expect diversity in all activities related to innovation.
8. Good criteria can focus ideation; however, overly restrictive criteria can stifle ideation and perpetuate assumptions and mindsets from the past. Spend the time necessary upfront to develop market and success-related parameters that will take you into the future.
9. Innovation teams are different from "regular" project teams. They need different tools and different mindsets. Provide enough training and coaching so that when people are working on an innovation team, they can be successful.
10. Buy or develop an idea management system that captures ideas in a way that encourages people to build on and evaluate new possibilities.

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