When Innovation Fails

In business we speak a lot about "innovation" — how to foster it, how to drive it, how to implement it. But what do we mean when we talk about "innovation"? A recent WSJ article broached the subject and, rather accurately in my opinion, revealed what we have all known for some time: even when organizations are not necessarily doing anything groundbreaking or new, they still call it "innovation." Just because it just sounds grander.

Incremental changes are referred to as innovations. Tweaks to products are considered innovations. Reorganizations to "better serve customers and markets" or to "align internal capabilities" are intended to make companies more innovative; in fact, they are often touted as innovations in and of themselves. We have missed the point. **These are not "innovations" – rather they are simply "improvements."**

Here's what we usually see: Management decides that they need to innovate. Individuals and teams form a working group, establish a charter, and set out to work on innovation improvement initiatives. The results are usually a rehash of something they are already doing, perhaps with some improvements on the margins, all complicated by Gantt charts, red-yellow-green dashboards and issue logs. If, after some time, these "innovation" teams paused and reflected on their efforts they might even feel some sense of accomplishment — because anything other than achievement would indicate that their efforts were a colossal waste of time.

Trust me, I know firsthand.

Earlier in my career, I was appointed to an "Innovation Board." It was a novel concept, and the aim was to find "new and innovative ways to increase revenues significantly." The 15 people on the team were assembled because we all (supposedly) had "been around" and were known for questioning the status quo. We were also relatively senior — principals, directors, and senior managers. We brainstormed, broke into teams, and came up with the ideas that would "make the next market." Very quickly, we also realized that a team of four (since we had broken into four smaller teams) didn't have all the answers. Fast forward to the end result: a lot of time, some frustration, and a bunch of small improvements — but little in the way of innovation.

So where did we go wrong?

First, we lacked enthusiasm. None of us went into the process with a sense of passion that we could, or even should, find something new and different. We were appointed, and as we all know, when you are tapped on the shoulder, you don't say no, lest you jeopardize your next promotion.

Second, we were all senior. Way too senior. Yes, a senior leader's perspective is useful, but much more important is that of the many customer-facing people who are dealing with these issues everyday, trying to fix what is broken, seeing what others are doing, and who know (almost without thinking about it) what is wrong with how the company does what it does. They have less to lose by challenging and questioning, and it doesn't form the basis of what made

them successful. Conversely, how eager are leaders to challenge that which made them successful in the first instance?

Third, no-one knew what we were trying to do. Who cared if we had spent 100 hours working on building something new and exciting? The other 14 people, maybe. And those who did know about our little initiative? They looked at us as though we had all the answers; by being placed on the "Innovation Board," we were seen as the innovative thinkers — and, as a result, others were left feeling that they lacked what it took to generate fresh, game-changing ideas. How wrong.

The way we tried to create innovation — organizing, prescribing, and delegating it — didn't work. Yes, these groups may improve things — maybe even a lot of things — but rarely is this "innovation." Producing the next product (like the iPod) or creating a new market (Instagram, without a big team) that had never existed before — that is innovation. Microsoft creating the Surface — not so much innovation, and more catch up? Thinking once an innovator, always an innovator — not a path to success.

Innovation does not come out of a controlled situation. **If you want more innovation, allow more chaos**. Follow these steps to create that chaos.

1) Use only volunteers. Who in your organization feels excited about trying to build that next product or market? Let THEM — the people on the front lines, who are doing their day jobs, who happen to know your business better than anyone else — into the process. Jim Whitehurst of Red Hat figured this out. Others have too.

2) Sponsor an environment that encourages risk-taking. It's fantastic if an employee takes initiative and risks making innovation. What do you do if they fail? Are they punished? You can be certain if an employee is punished for taking a risk toward innovation, that other employees will not be taking any risks.

3) Make time for brainstorming. It takes time, and sometimes it takes creating a particular environment to get employees into an innovative mindset.

This approach will foster some truly transformative ideas, and there will be an enthusiastic base of supporters ready to turn those ideas into action.

Now that's a novel approach. Maybe, dare I say, an innovation.

Read more about Russell here.