



Winnovation

BY ROWAN GIBSON

Does your firm have an “Innovation Czar”?

It never ceases to amaze me. I’m meeting with the executive committee of a major global company. I’ve just asked if innovation is one of their top strategic priorities. Their unanimous answer is “yes”. I then ask about their individual responsibilities. “Which one of you is the CFO?” “Who is head of HR?” “Where’s the CIO?” One by one their hands go up. Yet when I ask to see their global director of innovation, nobody raises a hand. Everyone just looks at me with a blank expression. So, sure, this company understands the innovation imperative. But nobody in its leadership team is directly responsible – or accountable – for making innovation happen across the organization. And they don’t even seem to be aware of the paradox.

Consulting firm Booz Allen Hamilton made an astute observation after interviewing thousands of senior executives about corporate innovation. Their conclusion was this: ‘Of all the core functions of most companies, innovation may be managed with the least consistency and discipline.’ Some of course would argue that this makes sense. That innovation is, by definition, a creative process – a mysterious mix of happenstance, individual brilliance, and the occasional bolt of lightning. How could it possibly be managed? Business guru Tom Peters appears to share this view. Tom announced not so long ago that “Innovation process” is an oxymoronic phrase, believed only by morons with ox-like brains.’

I’d rather side with Peter Drucker, who wrote – already back in the 1980s – about “the systematic practice of innovation”, and argued masterfully that innovation is a discipline that can and should be managed just like any other corporate function. What worries me is that, today, over two decades later,

organizations still assign responsible people to every other core function of a company except innovation. And then they wonder why they just can't seem to make innovation happen in a profitable and sustainable way.

Ask yourself: how many “innovation managers” do we currently have in our own organization? Perhaps your immediate reaction is to point to a department like R&D or New Product Development. The executives running those departments are “innovation managers”, aren't they? And what about the people in charge of other innovation units like incubators, new venture divisions, or Skunk Works? Surely these are “innovation managers”, you might reason. And, at some level, you would be right. But confining innovation to these traditional structures is usually counter-productive.

Putting innovation out on the periphery reinforces several erroneous and persistent views. One is that innovation is something that happens at the margins, not in the core business. Another is that innovation is the responsibility of a small cadre of experts, not something that should involve everyone else at the company – and even people on the outside. Still another is that innovation is mostly about new products and technologies, not about breakthroughs in cost structures, processes, services, customer experiences, management systems, competitive strategies, and business models.

Instead of trying to manage innovation by forcing it to reside in a disconnected “silo” or enclave, where it neither involves nor infects the rest of the organization, companies should be doing trying to embed innovation as an “all-the-time, everywhere” capability that permeates the entire firm.

To make innovation a pervasive and corporate-wide capability, the responsibility for innovation needs to be broadened beyond conventional structures and spread throughout a company's businesses and functions. This is exactly what happened to quality in the 1970s and 1980s when it ceased to be the exclusive responsibility of a specific department, and instead, became distributed to every corner of the company. What is required today is a similarly systemic infrastructure for innovation that starts at the corporate level and infiltrates every part of the organization chart. An infrastructure that makes managers accountable at all levels for driving, facilitating, and embedding the innovation process into every nook and cranny of the culture.

Let's go back to the executive committee meeting. When I ask which of the leaders is globally responsible for innovation – in all its forms – I expect the CEO to say, “That's me”. Building a deep, self-sustaining enterprise capability for innovation is something so vital to the destiny of the firm that it absolutely has to be spearheaded by the CEO. We see this happening right now in several of the world's biggest and best-known companies, where innovation is being driven directly from the top. Steve Jobs at Apple, Jeff Immelt at GE, Sam Palmisano at IBM, and Alan Lafley at P&G are just a few examples. These

leaders have clearly taken on the role of “Chief Innovation Officer” at their respective firms.

What I’d next like to see is another hand being raised – this time the COO. I’d like that executive to tell me that he or she has been appointed as the chief architect of innovation embedment at the firm – responsible for making innovation happen from an operational perspective, just as the company succeeded in making quality happen. And I’d like him or her to proudly hold up an organization chart that shows me the company’s innovation infrastructure. I want to see a global vice president of innovation – an “Innovation Czar” – someone who reports directly to the CEO as the firm’s leading “innovation practitioner”. I want to see an “innovation council”, made up of the company’s top business unit leaders, that manages innovation embedment and new growth activities across the organization.

Beyond that, I want to see regional vice presidents of innovation, who work with the respective regional heads in a visible and senior position. In addition, there should be “Innovation Boards” – in the regions as well as in the business units – comprised of senior leaders who manage and advance the innovation process at the local level. And the firm should also have hundreds of part-time “Innovation Mentors”, along with dozens of full-time “Innovation Consultants”, who have been intensely trained to coach and support would-be innovators, helping them push their ideas forward, and who work closely with the company’s divisions to stoke the fires of innovation by actively monitoring and managing the pipeline process.

Sound like a daydream? Not to me. I’ve actually seen innovation infrastructures similar to this one in more companies than you might think. So when I ask you how many “innovation managers” you have in your own organization, this is the kind of innovation management I’m talking about. Take a good look around your firm. Who exactly is in charge of managing innovation as a core corporate function? Does your firm have an “Innovation Czar”? If not, isn’t it time your top leadership team appointed one?

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