

Tips for Boosting Innovation

An article in the *Times of London On-Line* by Emily Ford provides ten key rules for fostering innovation in the workplace. In difficult times challenging workers at all levels to come up with great new ideas can boost morale and boost revenues too.

1. **Make innovation a top priority.** Ford points out that “companies that generate 80% of their revenue from new products typically double their market capitalization over a five-year period.” In the global downturn, a common reaction is to hide in the basement and wait for the storm to pass. A pro-active approach — for instance, asking, “What will be our new hit products when the upturn begins and consumers resume spending?” — is far better.
2. **Take risks and embrace failure.** The global downturn has made everyone — managers, investors, savers, ordinary people — far more risk averse. To innovate, it must be recognized that failure is possible, or even likely. Recognize failure as a worthy attempt to succeed. Ford cites an expert: “You have to give people the freedom to fail and to fail fast... that’s a real challenge in a risk-averse culture.”
3. **Keep your people’s eyes on the future.** Many organizations face a bleak future as revenues collapse and layoffs mount. An innovation focus can fight this doom-loop spiral. Ford cites the following finding: “A study of internet banking in the United States looked at chief executives’ letters to shareholders between 1991 and 1995. Those with the highest percentage of sentences about the future introduced new technology the fastest.”
4. **Foster creativity at all levels.** Not all great ideas occur only to senior managers. Often, those who work at the ‘coal face’ (directly serving, facing or selling to customers) are best aware of changing market conditions and hence know how best to react to them. Challenge everyone in the organization to think hard about what they do and how they do it, and how it might be done better and differently.
5. **Break the rules.** Innovation is breaking the rules. Challenge your workers to first state what the “rules of the game” are for your industry (nearly all of these are unwritten and unspoken assumptions) and then, second, challenge them to create value for customers. This does not imply, of course, breaking laws or ethical principles.
6. **Collaborate across boundaries.** Innovation often involves cross-boundary thinking — linking a variety of disciplines. Get your accountants, marketers, salesmen, secretaries, everyone to talk to engineers, technicians — break company boundaries in order to build new ideas.
7. **Think global.** Global geopolitics is rapidly changing in this time of crisis. Innovation may involve rethinking the geographies of your business. Where can we do business, profitably, that at present we do not?
8. **Act fast and keep refining.** “Launch things early then get feedback,” the head of Google UK says. Or, as Guy Kawasaki has said, controversially, “ship, then test!” You never know if an innovation will work until you try it on a customer.
9. **Critique your own products.** Use innovation to rethink your own products. If you don’t, your competitors will. Intel, for instance, perfected this strategy by introducing the 286 and 386 microprocessors to replace previous versions well before competitors could do so. Sony failed at this. They delayed introducing MP3 players in order not to hurt Walkman sales and, ultimately, lost a huge market.
10. **Be ambitious.** Even in a massive downturn set high goals: “When this crisis ends our new ideas and new thinking will enable us to emerge as market leaders.” Innovation has always

sought not to gain a point or two of market share, but to make competitors and their business models irrelevant, as Gary Hamel taught us. Use your innovative vision to scoop up great people laid off by companies who can see no future and therefore will not have one.

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