

**Lecture 8-9. How to overcome
barriers?**

Content

- Barriers to innovation management
- Overcoming barriers. How?



□ What barriers to innovation management do you remember?



□ How to deal with that
barriers?



CEOs say:

“We say innovation is our top priority, but we don’t effectively allocate our time, resources and efforts to walk the innovation talk.”

“innovation is risky”

“we punish innovation failure but don’t reward innovation success.”

“the urgent (quarterly earnings) drives out the important (innovation)”



Overcoming the Biggest Barriers to Innovation by Deb Owen

- **1) Redefine efficiency.**
- **2) Measure ROI differently.**
- **3) Hold standardization loosely.**
- **4) Start with people, not technology.**
- **5) Ban comparison. (Comparison is an innovation-killer.)**



Overcoming the barriers to effective innovation by Pierre Loewe and Jennifer Dominiquini

- **1. Don't just treat the symptoms.** Act on their root causes found in four areas: leadership behaviors, management processes, people and skills, and culture and values.
- **2. Don't only act on one root cause.**
- **3. Don't blindly copy best practices.**



Four keys to a systemic innovation capability

- leadership behaviors
- management processes
- people and skills
- culture and values



Leadership behaviors

- The CEO of a large aerospace service provider.
- He realized - his leadership team was spending too little time on growth and innovation issues.
- Ordered the entire senior team to meet over the course of ten days to discuss only innovation and strategy issues until they developed a shared understanding of their growth strategy, understood its implications and resolved associated resource concerns.
- Since then, the executive team - held regular venture council meetings
- Leaders are evaluated based on their success in meeting growth objectives.
- The CEO personally holds his leadership team accountable for putting the dollars he has earmarked for innovation to good use.



Management processes

- Allow divergence and exploration at the front end.
- Synthesize individual ideas into bigger platforms before selecting individual ideas to develop further.
- Use experiments to test critical assumptions and refine the business model before locking it in.
- Adjust evaluation criteria throughout the process to reflect the stage of development of the innovation.



Culture and values

- making the home phone number of CEO Richard Branson? Easy! He is available to everyone in the company who wants to share a new idea, focusing its hiring on people who aren't afraid to challenge the conventional wisdom, making bureaucracy and hierarchy anathema, and talking about the business as being about “creating memorable events” for customers.



Virgin is a company that has done an exceptional job of creating an environment where employees feel that not only it is acceptable to innovate, it is expected of them.



Case study: the holistic approach to innovation at Whirlpool

- Whirlpool is among a select group of companies that have taken a holistic approach to building a competence in innovation by addressing leadership and organization, process and tools, people and skills, and culture and values all at once[4]. Since it first conducted a global innovation project in 2000, Whirlpool continues to walk the innovation talk and act on its vision of “Innovation from Everyone Everywhere”:
- Leaders are held accountable not only for the development of new products and services but also for the creation of processes and systems that foster innovation throughout the organization. Importantly, Whirlpool’s efforts have not been hindered by the changing of the guard at the top: Jeff Fettig, who took over as CEO from Dave Whitwam – who had started the whole innovation effort – continues to drive the company’s innovation agenda forward.
- On the process front, Whirlpool actively uses its Innovation E-Space knowledge management system to provide a “dashboard” view of its innovation activities, to track the mix of incremental versus radical ideas and to engage would-be innovators throughout the organization. To debunk the myth that innovation has to be risky and costly, it has established a seed fund for innovation in each region that is accessible to innovators at all levels, not only business unit heads.

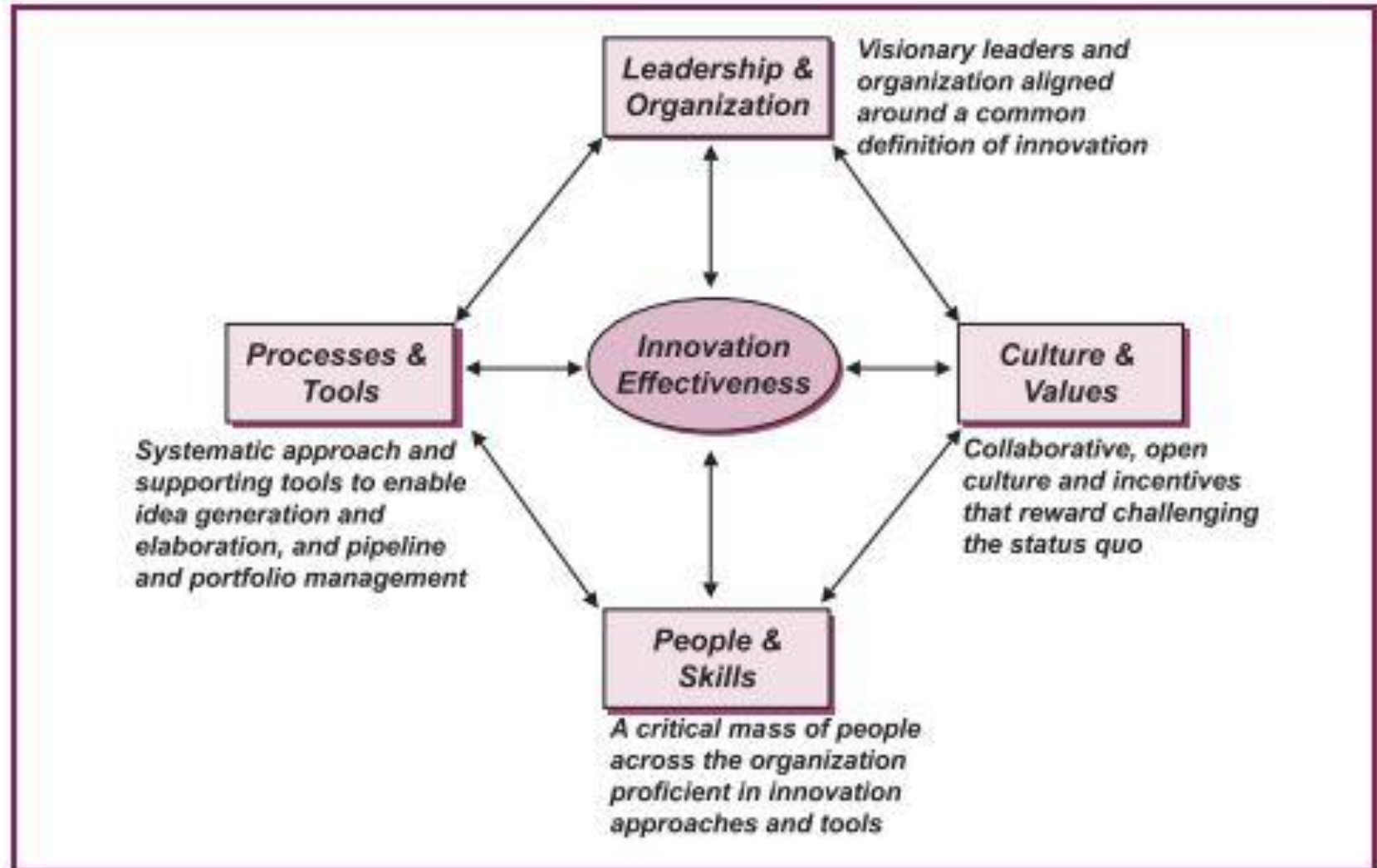


Case study: the holistic approach to innovation at Whirlpool

- Whirlpool recognized early on that harnessing the talents of its people would be critical to its success. It created a team of Innovation Consultants whose job was to teach others in the organization about innovation and help them with their innovation challenges. Over time, more and more people through the organization have been touched in one way or another by the innovation effort, and many of them have emerged as innovators themselves.
- As a result of its innovation efforts, Whirlpool's culture has evolved. The company has made great strides in addressing some of the cultural barriers to innovation it encountered, such as risk aversion and the not-invented-here syndrome. In the past, most Whirlpool employees left risk taking to the upper echelons of the organization for fear of failure. Today, there is widespread belief that failure is part of learning— and hence a critical component of innovation. Cutting risk through experimentation is an essential part of the company's innovation process and the organization routinely looks to “shelved projects” from other parts of the world for application in new marketplaces.



Four keys to a systemic innovation capability



Resources to read

- **Overcoming the Biggest Barriers to Innovation, Deb Owen**
http://www.huffingtonpost.com/deb-owen/overcoming-the-biggest-barriers-to-innovation_b_7540072.html
- **Overcoming the barriers to effective innovation, Pierre Loewe and Jennifer Dominiquini,**
<http://www.ttmp.com/assets/Uploads/Overcoming-barriers.pdf>
- <http://www2.druid.dk/conferences/viewpaper.php?id=500650&cf=44>



Workshop 8

- Choose one of the barriers that could arise in your company and develop your way to overcome it.
- Each pair will make two presentations



Workshop 9

- Working with innovation management simulation

