

Smart Ideas from Greater Washington's Brightest Minds

BIG IDEA BOOK

Washington
smart CEO
Required Reading for Growing Companies



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WHERE WILL YOU GET YOUR NEXT BIG IDEA?

Preparing Your Organization to Exploit Change for Profit

Where will you get your next big idea? That's the question Kathleen Diamond, CEO of LLE, Inc., (Language Learning Enterprises) faced when one of her biggest and best clients told her they could no longer afford her services. What will you do if your largest client goes away? Or changes in your industry dramatically reduce your revenue – virtually overnight? Or a new dominant competitor appears out of left field? In today's frenetic, global world it's not smart to assume that our traditional ways of doing business will continue to serve us well tomorrow.

Think about how you approach big challenges. Do you practice ostrich-style management – burying your head in the sand, hoping problems will magically disappear?

Kathleen Diamond knew what she had to do, and took action. She accepted her client's challenge and went to work changing her business model. Today her business continues to evolve and grow, experiencing 35 percent annual growth for over five years.

A wide range of industries are under pressure from forces beyond their control. For example, within the past decade the Internet has been a blessing for some and a curse for others. Geradus Kester, who ran a successful wholesale florist business for more than 19 years, had first-hand experience with the impacts. He watched his industry – and customer expectations – change due to the Internet and increased competition. Revenues declined for five years before he decided to close down the business.

So what's the difference between companies that thrive and companies that struggle to survive from unexpected market forces? Standout growth companies display patterns and characteristics of an innovation mindset. Essentially, these companies have a proactive process at work for anticipating and managing change. As Kathleen Diamond says, "The word impossible does not exist for us." When faced with a seemingly impossible task, the company stares down the problem and finds a completely new solution.

WHAT IS INNOVATION?

Many people think that innovation is something mysterious. They're not sure how it happens. Or they think that only large companies have the resources to innovate beyond the first successful incarnation of a business. Actually, there are a lot of myths about innovation. Here are two of the most prevalent:

- Myth #1: Innovation = Brainstorming whacky ideas

Exercises in creativity without context are not effective. Your company is not going to become an innovation machine by taking your employees out to play pool – unless you manufacture pool tables. Yes, you may create a healthier, happier work environment,

but that doesn't automatically translate into an organization with the ability to exploit change.

- Myth #2: Innovation = The next hot product or technology

In *Business Week's* list of the world's 25 most innovative companies, 13 were recognized for advancements in *how work gets done*. Southwest Airlines is one of them. They exploited changes in the airline industry to create an entirely new model for catering to the demand for low-cost air travel.

The famous quote from George Bernard Shaw captures the essence of innovation: "You see things, and you say, 'Why?' But I dream things that never were; and I say, 'Why not?'"

The Myutiq innovation philosophy means not shying away from the tough questions, but using them to spark ideas about new ways to do things and new things that can be done. It also means building a defined repeatable process that acknowledges change as a constant to be exploited.

BECOMING AN INNOVATION CATALYST

As a CEO, your leadership is key to your company's ability to exploit change. What does it mean to lead innovation? How do you foster an environment that can spark the next big idea? How do you build confidence and understanding in how to take prudent risks? What should you be doing differently to ensure your company's sustained success?

"SOMETIMES LOOKING STRAIGHT AHEAD - EVEN WITH THE MOST DEDICATED ATTENTION AND SEA-SONED EXPERIENCE - JUST MISSES BOTH THE BIG PICTURE AND THE NEW IDEAS, BECAUSE THEY OFTEN COME AT YOU FROM LEFT FIELD ... SUCCESS CAN BE YOUR WORST ENEMY."

Nicolas Negroponte, Founding Director of MIT Media Lab

FIVE STEPS TO JUMPSTART A REPEATABLE PROCESS FOR INNOVATION

EXAMINE YOUR MARKET WITH FRESH EYES

Innovation leaders think critically about their strategy and future growth. Howard Schultz of Starbucks recently made headlines because he sees that the company needs to do new things to keep its edge. Innovation leaders also tune into market signals that surround their business and marketplace. That's what Steve Jobs was doing when Apple introduced the iPod. Thinking about the improbable also helps you see vulnerabilities before it's too late.

What if the thing you know couldn't happen does? What would you do differently now?

PROBE YOUR COMPANY'S CORE

Innovation leaders know how to leverage their unique set of assets and capabilities to solve customer problems in entirely new ways. Think about how you interact with your customers today. How frequently do you analyze their frustrations about doing business with you? When Jeff Bezos started Amazon, he personally read every complaint e-mail the company received. That's where many of their customer service innovations originated. Your company is literally swimming in innovation opportunities. Examine the essence of your business – customers, products and services, and operations. Ask pointed questions about what's working well and what's not, about how you can address currently unanticipated needs. The answers will uncover a wealth of opportunities to significantly increase the value you bring to your customers.

What would your customers love that you are reluctant to do?

APPRAISE ORGANIZATION CAPABILITIES – REALISTICALLY

Innovation leaders understand that companies don't innovate. People do. To make an innovation process work, you must thoroughly examine the current capabilities of your employees and your leadership team, as well as how your company's culture and structure impacts how work gets done. And, you must be honest about the future capabilities that will be needed to successfully implement any new innovation initiative. By assessing your readiness for innovation, and acting on identified challenges, you are taking an important step forward in preparing your organization to thrive from change.

What evidence do you have that indicates your company's readiness for innovation?

APPLY IMAGINATION + IMPLEMENTATION

Innovation leaders understand that the most innovative idea in the world is worthless without the ability to dot all the I's and cross all the T's. The idea is only the initial kernel. Working through the breadth of detail that must be addressed in implementation is what leads to greatness. Target's innovation idea was to leverage design chic in the discount market. Their focus on implementation is visible throughout the company, from stylish, yet inexpensive Michael Graves' teapots, to their hip ads for laundry detergent.

What is your implementation record for new company initiatives?

LOOK IN THE MIRROR

An innovation mindset and culture begins at the top. It's the power of leadership that ignites innovation. As the CEO, you set the conditions and the climate that makes innovation possible. And, it's you the CEO who sets the standard for integrating a defined innovation process into how your business operates.

Does your leadership style help or hinder innovation?

Find your next big idea here

Strategy Workout Sessions

Innovation Initiative Development

Opportunity: Risk Modeling

Readiness/Capability Assessment

Vision-to-Value Execution Planning

Do you know your company's IQ?

Contact us to map your company's current Innovation Quotient

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Discover the hidden potential of your business