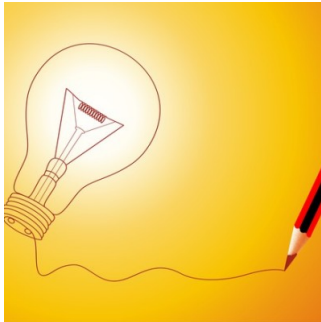

Five Ways To Start an Innovation Culture



Senior managers often avoid building an innovation culture within an organisation that will encourage employees to take risks that lead to breakthrough products as their approach is derailed by a need to introduce a culture change at any cost.

Culture is the net effect of shared behaviours, and therefore adopting innovative behaviours must come first, explains [Rob Shelton](#), a managing director at PwC US who specialises in global innovation, emphasising that “you change the culture by becoming more innovative — not the other way around.”

The author quotes Jon Katzenbach as saying that companies should focus on changing a few critical behaviours — “a small number of important behaviours that would have great impact if put into practice by a significant number of people.”

Shelton suggests five ways to help your organisation to make the leap in innovation culture:

- 1. Build collaboration across your ecosystem. Internally, to find the best solutions, you need to leverage the full range of expertise across your organisation. External collaboration is equally important, because there are billions of IQ points outside a company that need to be harnessed.
- 2. Measure and motivate your intrapreneurs, the folks with an entrepreneurial mind-set with the ability to leverage company assets such as channels, brand, and market savvy.
- 3. Emphasise speed and agility as innovation requires a blend of real-time data gathering and smart decisions on whether to invest more now or change course. Successful startups seem to know this intuitively, and that agility often helps them disrupt established companies that have far more resources.
- 4. Think like a venture capitalist (VC) to focus on big ideas that make the risk worth taking.
- 5. Balance operational excellence with innovation.

A recent PwC survey of CEOs worldwide found that 64 percent think innovation and operational effectiveness are equally important. Companies have proven they can achieve operational excellence, lift profits, and grow revenue from existing products while also ideating and developing products that help to reshape their own markets. The survey's authors Charles O'Reilly III and Michael Tushman have for years championed the notion of ambidextrous managers at companies like Fuji, which thrived in the era of digital photography even as the shrinking film market left Kodak far behind.

Rob Shelton concludes that, of course, not everyone is ready to change their behaviour today. That's to be expected. But companies that build strong cultures of innovation don't wait for that to happen. Their leaders take charge and demonstrate that innovative behaviors generate undeniable value to the business — and before long, others will follow.

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