

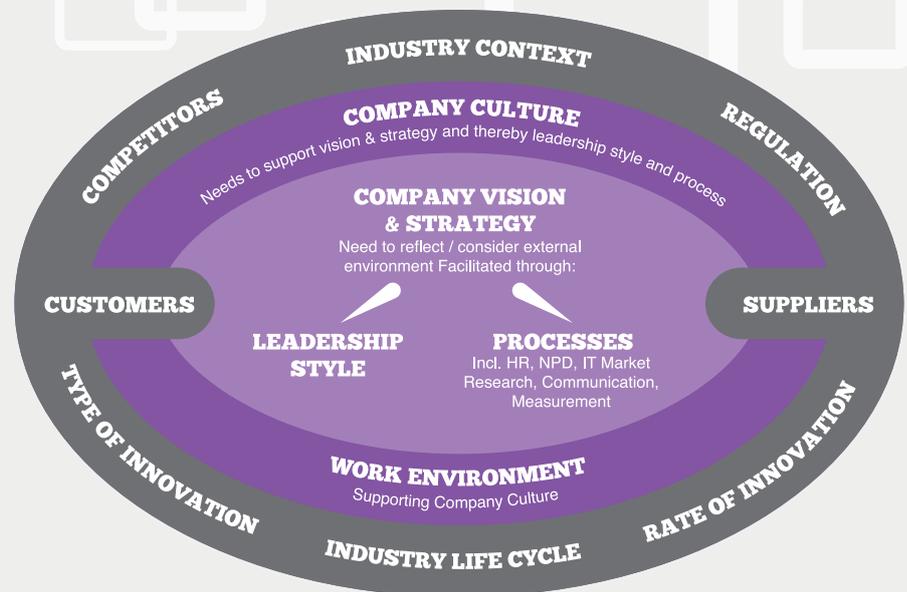
# The BvS Innovation Framework

*The Innovation Framework as shown below looks at five key areas that affect an organisation's ability to innovate:*

- **Strategy & Vision**
- **Leadership Style**
- **Processes**
- **Culture**
- **Physical Work Environment**

In addition, innovative companies do something different about:

- **External Linkages (e.g. customers, suppliers etc.)**
- **Context**



## Why these areas?

*Research indicates that the five areas above are where innovative organisations are different from their less innovative counterparts. The five areas are explored in a bit more detail below.*

## Strategy & Vision

The existence of a clear vision and supporting strategy are one of the key corner stones for any organisation – but it is particularly critical for an organisation with high innovation ambitions. Unless everyone in the organisation is clear about what the vision is, and can understand how they as individuals can contribute to achieving it, innovation is likely to be undirected and innovation efforts can fail to deliver value to the organisation.

To achieve buy-in and commitment of all staff to the company's vision it is important to involve as many parts and levels of the organisation as possible and feasible. This, however, does not mean making decisions based on consensus. It means consultation

to find the best possible solution, not compromise on the lowest common denominator. Development of a shared strategy and vision is particularly important for diverse businesses or businesses that have recently undergone significant change, e.g. mergers and acquisitions, deregulation, or for those organisations that intend to change focus, e.g. from growth through M&A activities to growth through innovation.

In order to achieve innovation, a clear and well-communicated innovation strategy with direct link to the company's strategy is essential.

## Leadership

Leadership is critical to innovation success in several ways. First and most importantly, unless innovation is supported at the top, it is not likely to become embedded into the organisation's fabric which means that the full benefits of innovation are not felt. A leadership that shuts down innovation at the first sight of an economic downturn is not truly committed, and sends a clear message to everyone else in the organisation that innovation is a 'nice to have' but not critical to the organisation. Such reaction also fails to recognise that innovation is fundamentally about values and behaviours, in fact, it is a frame of mind that cannot be switched off at will.

But leadership does not only happen at the top of the organisation; leadership can happen at all levels – and it is important to acknowledge the difference between management and leadership. Good managers are not necessarily good leaders and vice versa. As the Oxford Dictionary points out, a manager is “a person responsible for controlling or administering all or

part of a company or similar organisation” whereas a leader is “the person who leads or commands a group, organisation, or country” and also “a person followed by others”. It is getting things done versus motivating people to do things. The best definition of leadership I have come across, certainly in the context of innovation, stems from London Business School's Professor Rob Goffee who says, “Leadership is about inspiring others to higher levels of performance.”

It is also important to understand that there is no one leadership style that is right for innovation. But creating the most appropriate leadership style and ensuring fit between strategic ambition, company culture and leadership style does not happen on its own accord. Training will be required to accelerate the development of a desired leadership style. What kind of leadership style is most appropriate will depend on the type of company culture, and the kind of innovation aspired to.

## Processes

It is important to understand that processes are a means to an end, not an end in themselves. The same process can either help or hinder innovation, depending on how it is applied. A process that works well in one organisation might stifle innovation in another; and it is certainly true that processes that are fantastic for incremental innovation are most likely to kill radical innovation.

The selection of a process that is relevant and appropriate for a company's specific context and requirements is therefore important. Note that finding the right process might require some time and experimentation – and that what is right today may not be right tomorrow.

Processes should be linked to company strategy. They should be simple and easy to use. Processes can only help to facilitate innovation, not make it happen.

***Processes that should be considered in the context of innovation include,***

- **Idea Management**
- **New Product Development**
- **Portfolio Management**
- **Human Resource Management**
- **Information Technology**
- **Market Research**
- **Communication**
- **Measurement**

## Culture

A culture that encourages and supports innovation is essential, and it is down to the leadership of an organisation to establish such a culture. Collaboration, experimentation, prototyping and tolerance of ambiguity and failure are characteristics of an innovation culture.

In trying to establish an 'innovation culture', many companies are facing issues arising from historically grown cultural differences between divisions and business units. These should not be ignored but instead should be understood and taken into consideration when steps for culture change are taken - in choosing a path to an innovation culture the company's (cultural) heritage has to be taken into consideration.

## Physical Work Environment

The right office environment can support company culture and strategy, it can enhance communication and collaboration and help break down barriers between departments. It can be the glue that helps holding increasingly virtual organisations together.

Demands on the office environment are changing; it is no longer sufficient to provide boxes with desks in them; in times of often fierce competition for the best people the right office environment can help create a positive image of the company.

## Suppliers, customers

No organisation exists without customers, and as a rule, without suppliers. Innovative organisations work in close collaboration with both their customers and suppliers, and tend to focus on identifying future customer needs rather than asking customers what

they want (today). Increasingly innovative organisations open their doors to an even wider community in the context of innovation and improvement. This approach has widely come to be known as 'open innovation'.

## Context

Different industries are characterised by different levels of innovation, and what is right in one industry is not necessarily right for another. Innovative organisations have a clear grasp of what is happening in their particular industry, as well as a desire to understand and observe what happens in other industries. The creation of new markets is most likely

between industries rather than within (e.g. the creation of wearable consumer electronics by Nike and Philips). The understanding of the wider context is used to identify opportunities and points of differentiation, rather than constraints and things to copy.

# Innovation Best Practice

*Innovative organisations have the following characteristics in the five key areas:*

Strategy & Vision	Leadership	Processes	Culture	Work Environment
<ul style="list-style-type: none"> <li>• Clear direction</li> <li>• Inspiring &amp; challenging</li> <li>• Understood by everyone</li> <li>• Externally oriented</li> <li>• Unique</li> <li>• Future oriented</li> </ul>	<ul style="list-style-type: none"> <li>• Creates sense of urgency, enthusiasm &amp; desire for action</li> <li>• Emphatic &amp; encouraging</li> <li>• Suspends judgement &amp; accepts failure</li> <li>• Leading by example</li> </ul>	<ul style="list-style-type: none"> <li>• All aligned to support the innovation ambition</li> <li>• Guidance, not rule book</li> <li>• Different pathways</li> <li>• Considering the company-wide portfolio</li> <li>• HR critical</li> </ul>	<ul style="list-style-type: none"> <li>• Atmosphere of mutual trust &amp; respect</li> <li>• Collaborate &amp; experiment</li> <li>• Challenging status quo &amp; 'can do'</li> <li>• Customer insight</li> <li>• Diversity</li> <li>• Design conscious</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitating collaboration and exchange</li> <li>• Variety of spaces</li> <li>• Supporting &amp; encouraging desired behaviours</li> <li>• Designed to attract and retain people</li> </ul>

