Tech London Advocates Corporate Innovation Group
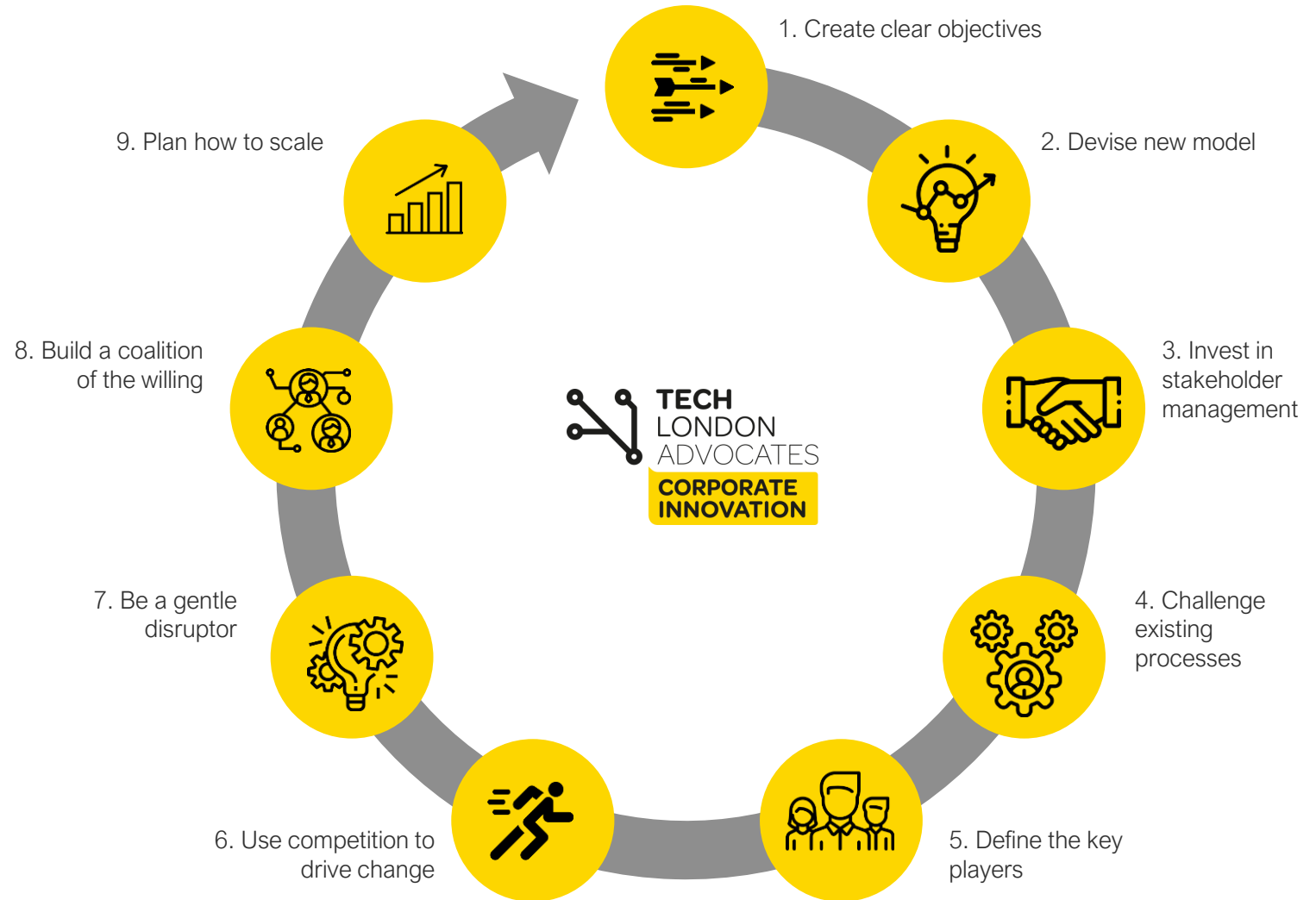
Connect Workshop: What's the key to making a corporate innovation project successful?
December 2018
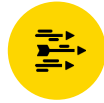
Corporate Innovation Connect
December 2018

Introduction

The Corporate Innovation Connect workshops unite innovation practitioners from established companies across a range of industries to explore the factors shaping corporate innovation. The group includes representatives from sectors including financial services, technology, media, automotive, retail, professional services and energy, providing a rich variety of perspectives.

In our previous meeting we focused on the challenges and barriers to corporate innovation. This time we looked at the successes. We explored successful projects and initiatives led by group members to identify common behaviours and practices that result in positive outcomes. Nine themes emerged. These combined to form a best practice 'cycle' – guiding principles that can combine to enhance project effectiveness when the goal is innovation.

1. Create clear objectives

2. Devise new model

3. Invest in stakeholder management

4. Challenge existing processes

5. Define the key players

6. Use competition to drive change

7. Be a gentle disruptor

8. Build a coalition of the willing

9. Plan how to scale

TECH LONDON ADVOCATES
CORPORATE INNOVATION

1. Create clear objectives

Technology is synonymous with innovation. But while it often provides the inspiration for a great idea, it shouldn't be the starting point for an innovation project. Deriving value from an idea demands a strategic approach. This applies especially in a corporate environment, where a new initiative will need to compete with existing business activities for time, attention and budget. Numerous stakeholders will most likely need to be engaged and established process navigated to bring the idea to fruition.

An innovation project should start with strategy: What do you want to do with the technology you've identified? Why do you want to do it? Who will it serve? And what value will the idea deliver? These and other foundational questions need to be answered to set the project off in the right direction. In particular, alignment of the idea with the corporate direction of the business needs consideration. And if the idea challenges the established strategy, then there's a case to explore how the disruptive approach will deliver value.

The business model, value proposition and scenario planning are all key. Technology should come afterwards. Approaching your planning in this order helps provide clear objectives for delivery.

Scenario planning can play a particularly valuable role in a corporate context; it creates preparedness in the organisation for the outcome you want the project to achieve. First, consider the value framework for the target market; second, identify the key stakeholders in the market; then third, determine the counter strategies for each one. Scenario plans can take many different forms – from a rigorous viability test of a proposition, to a lighter format designed to bring an idea to life for leaders with the aim of securing their backing for the project. Regardless of the form that the scenario plans take, their essential value lies in getting people to think ahead.

2. Devise new model

Driving an innovation agenda usually means creating a new model, either for a product, service, a division or organisation as a whole. This means the parameters of the innovation agenda need to be defined, based on the strategy and objectives. A clearly articulated problem statement is a good example.

Use the shared language and mental models already in place in the

organisation to describe the model. In doing so, you provide a sound basis for the stakeholders you need to engage to understand and support your plan. In other words, you make it easier for your would-be stakeholders to see why the project should matter to them.

Time spent focusing on the model will lead towards a decision about how the innovation should be build: solely in-house; in collaboration with external partners; or via acquisition are three of the most obvious routes to follow.

Whichever structure is most appropriate for the business' circumstances and objectives, creating an 'airlock' between the innovation team and the wider organisation allows the space for ideas to germinate without separating the team entirely; which could undermine communication and damage efforts to scale the proposition later.

3. Invest in stakeholder management

In any situation where decision-making is required, politics will occur – it's an inevitable part of every organisation that must be

acknowledged and used to achieve your goals. Stakeholders must be engaged and their support maintained throughout the project.

Identify those stakeholders who are particularly crucial for your project to be signed-off and get their support one-by-one. If you are diligent in mapping and lobbying your key stakeholders, then the others who have a role to play in maintaining your project's momentum will follow. Avoid the myth of the 'pitch culture'. A potentially radical idea, pitched cold to a group of decision makers is unlikely to succeed. But gain their support in advance and the pitch should be a formality.

4. Challenge existing process

Processes bring speed and efficiency through repeatability, but can be the enemy of innovation where the goal is to do things differently. Our September 2018 Connect workshop identified three stages to redesign processes for innovation:

- Map existing processes
- Design incentives
- Introduce greater accountability

Our December Connect highlighted the need to anticipate how process changes translate to changes in the workforce, for example new skills or resources needed to make the project happen. The fear of failure is a great inhibitor of innovation. And so incentive programmes should include rewards for intrapreneurs who have the courage to fail fast and keep moving, but only if they can demonstrate how they've learned from the experience and how those lessons will be applied in the next cycle of work.

For projects that risk being stalled by onerous or rigid processes, get the organisation to consider the risk of inaction: could a delay now mean a valuable market opportunity is missed, or a competitor gains advantage?

5. Define the key players

To see an innovation project through to success, nothing beats a small, committed team of people to get things done. Commitment in this case means a stake in the project's success - perhaps through a team resource or budget investment, or its direct implications for personal reputation in the business.

More people doesn't necessarily mean better results. In fact, having more people 'involved' on the periphery can slow things down. People with an interest in the project, but without the sense of urgency that a direct stake in success can bring, can be more disruptive than constructive. Stakeholders in the wider business whose support and sponsorship needs to be maintained are crucial, but when it comes to the team responsible for delivery, close relationships and commitment is key.

6. Use competition to drive change

Sometimes, the sense of urgency that gives a project momentum, can emerge from internal competition between teams to solve a common business problem.

The effectiveness of this approach depends on the internal culture of the business and the ability of the stakeholders to manage the competition such that it doesn't lead to distrust or spill over into rivalry or an unwillingness to cooperate in other areas of activity.

7. Be a gentle disruptor

To make change happen in a large, established corporate organisation takes idealism, tempered with pragmatism. Direct approaches to drive disruptive change can meet resistance and get mired in established processes and interests.

Instead, disrupt gently. Think about the culture of the organisation first and what it may take for the idea or new technology you've developed to gain acceptance. What are the likely objections and barriers to overcome? Are there practical challenges in the compatibility of the business model with the organisation today? Who will you need to influence and what will they need to see and hear to support your idea?

Upfront planning and honing your soft skills to influence potential stakeholders is key. Finding a mentor at a senior level in the organisation who is supportive of the idea and can coach the team on how to position the idea can increase your chances of success.

As noted above ("3. Invest in stakeholder management"), build the business case and do the negotiation with stakeholders on a 1-2-1 basis. The organisation might have a formal decision board process for new projects, but your objective should be to make this a formality. By the time the meeting takes place, support for your plan should be assured.

8. Build a coalition of the willing

As the project gains momentum and you consider the longer term implications and scope to scale the innovation, building a wider coalition of support for the proposition becomes a greater priority.

Consider the structure of the team that will be necessary for the idea to scale, education and training needed to participate in the project and support your approach to delivery. Also think about the skills and resources needed for the long-term – with a radically different proposition or disruptive business model, what will your future workforce look like?

In building the coalition, keep in mind that risk is an essential part of innovation. The members of the coalition must share that risk – it shows their commitment to the project and gives them the sense of urgency needed to make the project a success.

9. Plan how to scale

How to scale an innovation once it's been proven as a pilot is a subject that deserves focus in its own right. However, there are some basic principles to consider as you anticipate the next stage.

First, measurement of success will be a priority. Measures should extend beyond financial metrics and support the long-term growth of the proposition. Think first in terms of multi-year innovation measures, not quarter-by-quarter targets.

Second, to achieve widespread adoption of the idea communication across the whole organisation; transparency in the proposition, its goals and ambitions for transformation of the business; and investment in culture change to support the new proposition are crucial. When it comes to scaling an idea, communication deserves resource investment in its own right; treating it simply as an 'add-on' to the core activity risks undermining your potential success.

Conclusions

Each of the nine areas identified in the connect workshop deserve further exploration in their own right and also suggest other themes to explore too. For example, the structuring and management of innovation project teams and the application of approaches like Agile to deliver innovation successfully. We look forward to exploring these and other topics further in our future Connects.

About TLA Corporate Innovation

The Corporate Innovation Working Group, unites Tech London Advocates from industry, start-ups, academia, government and non-governmental organisations. Our mission is to make connections, create dialogue and generate ideas that will benefit business and promote the UK as a leader in corporate innovation.

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