

Tech London Advocates Corporate Innovation Group

Connect Workshop: How do we solve the
challenges faced by corporate innovators?
September 2018

Corporate Innovation Connect

December 2018

Introduction

The TLA Corporate Innovation Discovery Workshop united innovation practitioners from leading companies across a range of industries to explore the challenges to effective corporate innovation and identify potential solutions. The group included representatives from financial services, technology, media, automotive, retail, professional services, energy and other sectors, providing a rich variety of perspectives to drive the conversation.

The group began by identifying and prioritising innovation problems, then devised and ranked solutions according to their ease of implementation and potential impact. The chart below and the Solution Map which follows set out clear priority areas for focus. They also provide a great foundation for further activity to expand on the solutions and explore how they can be put into practice by organisations seeking to enhance innovation.



Theme

Processes



Problem

People create processes to make organisations more efficient.

However, the structure and repetition that processes introduce can 'squeeze out' innovation by reducing the organisation's capacity for change - both operationally and culturally.



Solution

Focus on redesigning processes that limit change. Approach this in three stages:

1. Map existing process and identify those that are restrictive to the strategic innovation the organisation wants to pursue
2. Design incentives then gain senior support to encourage process reduction or streamlining
3. Introduce greater accountability within the organisation for innovation performance as an added encouragement to 'cut through' processes that create an impediment to change

Theme

Rewards



Problem

Rewards structures usually focus on measuring and incentivising performance over a relatively short time period (e.g. 12 months), often linked to organisational budget cycles. Innovation requires a long-term investment of resources and time by the organisation and employees to guide an idea successfully from concept to monetisation.

If the reward structures don't exist to encourage and recognise the individual and organisational commitment necessary to bring an idea to fruition, then the project is much less likely to succeed. The innovation function risks becoming a cost centre, rather than an identifiable source of revenue and growth for the organisation.



Solution

Create a rewards system that considers the time horizon for innovation and provides suitable incentivisation. A key consideration is how the organisation judges the time horizon for innovation and determines the point at which monetisation should be achieved in relation to investment (cost factors) and external market factors.

By adopting an iterative approach to deploying ideas that enables experimentation, adaptation and the scaling of the idea based on ongoing performance evaluation (e.g. cohort analysis), the organisation can prove value more rapidly and indicate the potential future value opportunity.

In effect, the organisation can 'get better at predicting the future'. This breaks down into three components, which together increase the probability of success by enabling more potential innovations to emerge:

1. Shorter time to monetisation
2. More agility and fast failure
3. Reduced cost of experimentation

Theme

KPIs



Problem

To grow, organisations must combine the pursuit of short-term goals with long-term opportunities for innovation. Managers are the layer in the organisation usually responsible for delivering both. This can mean balancing two sets of demanding and potentially conflicting priorities, with the need to meet short-term targets undermining their ability to support long-term initiatives.

The problem is exacerbated by the 'Hourglass Phenomenon': a lack of resource made available to deliver a large volume of ideas generated within the organisation, resulting in a slow transfer of ideas from concept to commercialisation and monetisation.



Solution

To address the problem, there are five areas to focus on to create the right conditions for the organisation to devise and deliver against relevant KPIs:

1. Require innovation pilots with actual KPIs
2. Educate on how to work differently and why
3. Be clear on required commitment
4. Establish clear, non-financial KPIs
5. Set clear strategic objectives and measure regularly. Each innovation project must show an explicit link to those objectives

Theme

Knowledge Transfer



Problem

For an idea to achieve commercial adoption, the knowledge held within the innovation function must be transferred to the wider organisation. The knowledge transfer represents a logistical challenge in itself, but if the idea also challenges the established business model ('the Innovators Dilemma'), then the innovation team must also persuade the organisation to make structural and cultural changes as well.



Solution

Focus on achieving culture and behaviour change through education (e.g. workshop-based learning and training programmes) focused on innovation practice.

Key to success is visible, active support (sponsorship) to set the tone and precedent for participation by the wider organisation.

Theme

Alignment



Problem

Alignment is crucial to achieving acceptance and adoption of an innovation idea across the business. Alignment needs to be addressed in two aspects:

- Identifying and defining the problems the business faces that investment in innovation can address
- Identifying and aligning the right stakeholders on an innovation programme to address the problems



Solution

Creating alignment requires the organisation to address five dimensions of activity:

1. Identify and engage (in person where possible!) all the possible key influencers, stakeholders and decision-makers, and (over)communicate with all parties regularly throughout the project
2. Identify a patron/sponsor who leads by example and who others in the organisation want to follow and engage with. They themselves must be willing to innovate and in doing so take risks (e.g. building a business case and anticipating the risk factors)
3. Be clear on the value for stakeholders involved, then make sure their contributions are recognised.
4. Determine a framework or process all stakeholders can agree with to achieve key objectives and gain consensus
5. Adapt KPIs to encourage more collaboration between teams (intra-company)
6. Sustain communication between all parties and overcommunicate where possible (High/Easy)

Solution Map

The Solution Map enables some prioritisation of the ideas emerging from the workshop, by organising the ideas according to their potential impact and ease of implementation.



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.

To get involved, contact:

Tim Callington: tim.callington@growthspacegroup.com

Amit Shah: amit.jay.shah@gmail.com

<http://www.techlondonadvocates.org.uk>