INNOVATION FITNESS

COMPETE FOR THE FUTURE

IDEASCALE WHITE PAPER
Innovation Fitness: Compete For The Future

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Innovation Fitness

If you had to guess what the most common New Year’s Resolution was, what would you guess? If you said weight loss and fitness, you’d be absolutely right. Fitness is one of the most common New Year’s resolutions, but it rarely happens. In fact, only 8% of Americans actually keep their resolutions¹.

When you move from an individual level to a company level, you find similar problems. Many companies do not meet their goals. And most companies are not as fit as they need to be to truly compete, especially when it comes to innovation.

Getting fit as an organization has many benefits, and innovation is one of them. If your organization wants to compete for the future, you need to learn about and implement innovation fitness.

This whitepaper covers:

- Why being Fit matters in innovation
- 10 innovation success factors
- How to get started with your fitness plan
Why Being Fit Matters to Companies

Individual fitness has obvious benefits. You have better health, you don’t carry excess weight, and you’re more productive. Innovation fitness in an organization has many benefits as well that help them be healthy, productive, and profitable.

Being fit as a company allows you to:

• **Assess Your Strengths and Weaknesses.** You will be able to list what areas are impacting your performance in positive and negative ways, and take action to correct problems.

• **Focus.** You can focus on the specific activities that will improve your innovation projects, making them faster, higher quality, and enable you to complete more projects than ever before.

• **Vision.** You’ll be able to set a high-level vision of what your innovation goals and processes are and stick to it.

• **Plan.** You can create targeted plans for enhancing your existing ability to innovate, as well as adding new innovation processes to your company.

• **Generate Buy-in.** When you’re fit, you'll be better able to articulate your vision and generate buy-in and enthusiasm for changes in your organization.

• **Track.** You’ll be able to track your innovation progress and make sure that your goals are being attained.

What does it mean to have innovation fitness as a company? It means having both organizational fitness and innovation program readiness. When your organization reaches innovation fitness, your innovation projects will be more clear, easier to accomplish, and easier to maintain. It’s vital to competing both today and in years to come.

“There are similarities between business and sport, in the pressures involved and in the fitness aspect too.” - Peter Shilton
Establishing Organizational Fitness

Organizational fitness is the first of the two primary areas of innovation fitness. It contains ten areas in which to assess your company. When you prioritize this assessment, you'll have a far better idea of the factors that might be standing in the way of new ideas and progress within your organization.

10 Areas of Organizational Fitness

1. **Open Culture:** Is your staff willing and used to trying new processes and increasing efficiency?
2. **Leadership:** Does your organization's leadership truly support innovation?
3. **Employee Engagement:** Are employees engaged in innovation?
4. **Skills and Mindset:** Is your staff aware of your organization's innovation goals and vision?
5. **Collaboration:** Do departments work cross-functionally?
6. **Emerging Trends:** Is there an awareness of the trends within your industry?
7. **Innovation Targets:** Do you have targets created for core, adjacent, and transformative innovation projects?
8. **Accountability:** Are leaders and team members held accountable?
9. **Implementation:** Are ideas implemented?
10. **Open Organization:** Do you nurture external relationships with stakeholders and potential contributors?

As you assess and work on each area, consider the recommendations in the sections that follow. Don't try to implement all of them at once. Fitness requires incremental improvements over time.
Open Culture

Having an open culture is essential to innovation because it’s an indicator that your company is open to change. Ask whether or not your staff is willing and used to trying new processes and increasing efficiency.

To develop an open culture, encourage everyone to understand the benefits of change. Explain how the change benefits not only the organization, but how it impacts every single stakeholder. You can also encourage openness to new processes to innovate the same way. Here are a few things to consider:

- **Culture.** Ensure that the idea of innovation is included in the vision, mission, or values statement of the organization.

- **Habitat.** Make sure that you have aspects of your office that promote collaboration by creating innovation spaces and easily accessible meeting rooms. Innovation spaces can be as small as a desk and chair or as large as a football field.

- **Inclusive.** Encourage the entire organization to get involved in innovation, not just specific leaders or departments. Create a process that allows every employee to submit ideas for both product and process improvement.

- **Incentives.** Review reward structures to make sure they reward and encourage collaboration and risk-taking. Rewards don't need to be monetary. They can include public recognition, paid time off, and special office privileges.

INNOVATION FITNESS
Leadership

Ask yourself if your organization's leadership truly supports innovation, or simply gives lip-service to the idea. If this is an area of struggle, there are ways you can encourage leaders to support innovation.

- **Train Managers.** If leaders don't know what to expect from innovation, they will struggle to support it. Help them understand how to lead and participate in business innovation.

- **Consider a Chief Innovation Officer.** Having someone at the highest level tasked with building and maintaining innovation will do a lot to bring leadership support to new ideas.

- **Vision.** Make sure that leaders at all levels have the same vision for the company and understand specific ways that innovation supports that vision.

- **Ambassadors.** Have middle managers serve as ambassadors for innovation programs, involving both lower and upper levels of the company in projects.

Employee Engagement

If your employees are not engaged in their work and aware of innovation programs and processes, it will be hard to foster innovation. This is a problem in many workplaces. In 2015, Gallup found that only 32% of employees were engaged at work.

To boost engagement, consider:

- **Expectations.** Are annual goals and evaluations tied into innovation projects and thinking of new ways of doing things?

- **Incentives.** Many times, employees are rewarded for not making mistakes rather than for exploring new ways of doing work. Make sure that you are rewarding innovative behavior in your incentive structure.

- **Rewards.** Not all innovation rewards have to be financial. Think of new ways to encourage people, including public recognition, extra time off, or other incentives that mean a lot to employees in your company.

- **Satisfaction.** When evaluating employee satisfaction, make sure that you measure employee feelings about innovation goals and projects. This can help you find areas of disconnect between stated goals and company realities.
Skills and Mindset

Is your staff aware of your organization's innovation goals and vision? This is a major problem area for many companies. To help make your staff more aware of innovation, add the following to your calendar:

- **Special Events.** Holding workshops, bringing in speakers, and having innovation boot camps can help employees understand the ins and outs of an innovation mindset.

- **Training.** Training is required to give employees the best framework and skill set. You can train on processes as well as soft-skills like having a solution-oriented mentality, brainstorming effectively, and more.

- **Networking.** Interdepartmental networking events can help employees understand other areas of the business and can boost awareness of innovation opportunities.

Collaboration

In many companies, there are "silos" that limit networking and collaboration between departments. To combat this tendency in your organization, consider these ways to create space for collaboration:

- **Physical and Virtual Meeting Space.** A physical meeting space can be a room or even a fun lounge. Virtually, you can create a meeting space using a Facebook group or other social media. Either way, you encourage conversation.

- **Shared Drive.** A shared drive can be a great way to share information among departments without interrupting workflow. Anyone can go in and see the progress being made in various areas, which can lead to new ideas and collaboration.

- **Idea Management Solution.** An idea management solution like IdeaScale uses threaded comments, refinement and idea merging, and moderation to facilitate discussions and collaboration.
Emerging Trends

Are all levels of the company aware of emerging trends that affect the organization and industry? If not, you can share emerging trends and encourage conversation about them.

- **Be Hospitable.** Offer space in your office to start-ups that are in areas related to your company’s expertise. By having these start-ups in the immediate area, everyone will learn more about new innovations in the industry. Their enthusiasm is contagious as well!

- **Communicate.** Share updates regarding new trends with employees via newsletters or guest speakers. Lunch-and-learns, company meetings, and e-mail can be a great option as well.

- **Invite.** Invite partners and suppliers to be active on your idea management platform so that they can share insights, ideas, and new developments.

Innovation Targets

When you set goals for innovation, it can be easy to focus only on disruptive changes. These are the kind that transform an industry and get lots of attention. However, it’s best to seek a balance between three types of innovation targets:

- **Core.** Core innovation is when you develop incremental innovation on existing products.

- **Adjacent.** When you practice adjacent innovation, you leverage your company’s existing capabilities in a new way.

- **Transformational.** The game-changer, headline-grabbing innovations that move the needle in your organization.
Ideally, you want to define where to best allocate resources between core, adjacent, and transformational initiatives. A 2012 study found that companies that outperformed peers allocated about 70% of their innovation activity to core initiatives, 20% to adjacent ones, and 10% to transformational ones. However, the return ratio is roughly the inverse. Core innovation efforts typically contribute 10% of the long-term, cumulative return on innovation investment; adjacent initiatives contribute 20%, and transformational efforts contribute 70%[^3]. It seems like the best allocation of resources is on the latter.

**Accountability Strategies**

Unless both leaders and team members are held accountable for specific innovation goals, change simply won’t happen. It’s vital to have innovation be a part of the written annual goals and accountabilities, especially at the management level.

To create incentives and accountability to support your innovation goals, consider these ideas:

- **Broadcast.** Share high-level goals and strategy with employees at every level.

- **Link.** Have innovation linked to performance reviews, bonuses, and career development.

- **Track.** Make sure you’re aware of who has been assigned tasks and how they are doing so that you can support them rather than letting them fall short.

**Implementation**

Planning new ideas and projects are wonderful, but innovation isn’t real until changes are implemented. It’s important to have sponsors to champion ideas and resources to test and develop new ideas. Consider a comprehensive innovation program structure that contains the following elements:

- **Idea Evaluation.** How well do new ideas fit with the goals of the company?

- **Coaching and Mentoring.** Having innovative employees and teams coached and mentored about how best to contribute to the company is vital.

- **Incubation.** All ideas need to be developed and have trouble-shooting occur before they are ready. Incubation lets that happen.

- **Funding.** Companies struggle to allocate limited resources, so be sure you know up front how much is available to implement new innovations.
Open Organization

Having an open organization means that you nurture external relationships with stakeholders and potential contributors, as well as nurturing innovation inside your organization. You can’t “do innovation” alone. Here are some important external relationships to nurture:

- **Partners & Suppliers.** Include partners and suppliers in an open innovation platform like IdeaScale so they can ask questions and contribute ideas.

- **Adjacent Sectors.** Include companies that are developing adjacent ideas to yours in an open innovation platform or crowdsourcing effort.

- **Customers.** Your customers have some of the most relevant feedback available, make sure to build a great relationship with them!

- **Other Companies.** Take your leaders on trips to see how other companies innovate and achieve success. It could revolutionize your business!

- **Universities and Think Tanks.** Establish relationships with universities, think tanks, startups, and other groups of idea-creators.

These ten areas will help you assess and establish your company’s organizational readiness. Once you’ve done that, you can move into evaluating and creating innovation program readiness.
Evaluating and Developing Program Readiness

Don’t let the phrase “all dressed up and nowhere to go” describe your organization. Once you’re ready to innovate as an organization, it’s time to make sure you have a program that’s ready as well. Here’s how to assess and prepare your innovation program.

Questions to Ask

The first step is to ask these ten questions about your company’s innovation program. A simple "yes" or "no" is all you need.

1. Existing Initiative. Do you have an existing innovation project or initiative?
2. Problem Defined. Do you know what problems need to be investigated or improved?
3. Timeframe. Do you have a timeframe for launching your innovation project?
4. Resources. Do you have a budget for the needed software, team, implementation, and funding? Is it included in departmental budgets or a separate innovation budget?
5. Goals. Have you defined your desired outcome?
6. Workflow. Have you defined your innovation process and workflow?
7. Call for Ideas. Have you created an idea or proposal submission process?
8. Communication Plan. Do you have a communication plan for your innovation projects?
9. Criteria. Do you know how you’ll evaluate the success of your project?
10. Metrics. Do your metrics reflect both earning and learning?

Scoring Your Results

Once you’ve answered these questions, count how many "yes" answers you have. If you have five "yes" answers or less, your program isn’t ready to launch.

If you have six or seven, your program needs more planning before it’s ready to deploy fully. Seven or eight "yes" answers mean you still have a few things to think through, but you’re close. Nine or ten "yes" answers indicate that your program is likely ready to launch!

Anything that has a “no” answer represents an item on your innovation to-do list. You probably need to involve other departments and stakeholders before all of these questions become a "yes,” but having a clearly defined path forward will help immensely. If you’re just getting started in this area or if you’re looking to fine tune your existing processes, consider downloading the Innovation Academy Workbook.
Why Assessments Are Important

You now know the two assessments that you can use to evaluate the innovation fitness of your organization. The first, organizational fitness, lets you know how your company is positioned regarding innovation overall. The second, program readiness, helps you understand if your innovation program is ready to launch or if it still needs more planning.

Assessments can help you understand, in a straightforward and simple way, a variety of things about your organization. First, you'll understand what areas you are strong in and where your organization’s weaknesses are.

Understanding areas where you need improvement is vital to helping you predict the challenges you may face as you help your organization move toward more regular innovation practices. You can develop training and communication to address these weaknesses.

These results also let you know what strengths you can leverage moving forward, and what your company truly excels at. No one enjoys being told they are terrible, and knowing your organization’s strengths help you focus on solutions, put the right people in the right positions, and send a positive innovation message as you move forward.

Assessments also let you know what your next steps should be if you want to move your company to the next fitness level. You’ll have a great idea of who you should communicate with, what goals are important, and what areas of your organization need to develop before innovation programs can be truly successful.
Conclusion

In any physical fitness program, there's an initial assessment that lets you know where you're starting from. It may be depressing, but honesty and clear-headed thinking is vital to success. The same is true for your organization as you move forward into innovation fitness.

You may have times you move forward and times you seem to step backward. This is common in all fitness programs and business initiatives. Success simply isn't linear. Part of being successful in any fitness program is being patient, working the process, and adjusting until you see the results you want. If you're willing to do this, you will be successful.

Innovation fitness also takes time. Don’t be discouraged by setbacks, simply take the next step forward according to what you know needs to happen. As they say in physical fitness, “No matter how slow you run, you’re still lapping everyone who is sitting on the couch.”

If you’re ready to get started on your fitness plan, you can take our innovation fitness survey at https://ideascale.com/innovation-fitness-survey/ to determine where you are and where you want to go.
Related Reading

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IdeaScale Blog  https://ideascale.com/blog/
Innovation Management  www.innovation.se
The Daily Crowdsourcing  www.thedailycrowdsourcing.com

Workbooks:
IdeaScale Innovation Academy  www.ideascale.com/resource/innovation-academy/

Books:
The Wisdom of Crowds  by James S
Crowdsourcing  by Jeff Howe
A Guide to Open Innovation and Crowdsourcing: Advice From Leading Experts edited by Paul Sloane
(First published in Great Britain and the United States by Kogan Page Limited 2011)