

# **Innovate to Sustained Success**



**7 basic steps to innovate for business survival**

© Copyright Bay Jordan and Zealise

All rights reserved.

You are invited - and even welcome - to share and disseminate this document to any of your friends and colleagues or anyone you think might be interested. However, you may do so only if you distribute it in its entirety and you acknowledge the author and his copyright and ensure the recipient is made aware of these conditions and will impose similar conditions in similar circumstances. Likewise, you should give the appropriate recognition and acknowledgement to the author if you decide to use any of the content yourself.

# Innovate to Sustained Success

## 7 Basic Steps to Innovate for Business Survival

**Bay Jordan  
Managing Director  
Zealise Ltd**



[www.zealise.com](http://www.zealise.com)  
[blog.zealise.com](http://blog.zealise.com)

## Executive Summary

Innovation can be said to be a specific element of continuous improvement focused on your products and services, processes and delivery. Innovation is essential if you want to remain competitive and build the sustained success you need to survive in the longer term. It is also exclusively a people thing and thus you have to create a climate in which people can use their creative powers.

Several methods to do this which are explained in more detail in this paper are to:

- Empower your people more;
- Reduce the number of rules;
- Listen more;
- Acknowledge people more;
- Encourage and evaluate ideas;
- Follow through on new ideas;
- Provide feedback on results.

Innovation is impossible if you do not have engaged people and thus if you are suffering from a dearth of new ideas from your people it may well be a strong sign that they are not fully engaged in their work. Steps like these will go some way towards resolving that problem.

However they are not all that you need to do to better engage your people, and you need to focus specifically on making the best use of your people if you want to build on this and the other 4 capabilities - sense and respond, customer experience, retention and productivity - that are all in any case inter-connected and that combine to build the platform you need for your long term, sustained success.

The Zealise Assessment Programme will help you with this. It builds on the corollary that any shortcomings in these capabilities are de facto evidence of existing employee engagement problems and thus provides you with a mechanism to very quickly assess their scale and identify what action you need to take to redress them. It offers you an extremely cost effective way to stop haemorrhaging the costs associated with poor employee engagement, to deliver short-term bottom line gains, and a second-to-none way to reduce the threats against your sustained success.

Contact us now to find out more about how we can help you.

### CONTACT US

**Telephone:** +44 (0) 1254 727652

**Email:** info@zealise.com

**Website:** www.zealise.com



## What is innovation

Before we begin, let's be clear and ensure that we have a common understanding of what innovation is. We are talking here exclusively in a business context and, for the purposes of this paper, innovation simply means finding ways to enhance:

- Your products and services;
- Your processes;
- Your delivery.

In a way, it could be said to be simply a specific element of the drive for continuous improvement.

## Why you need to innovate

The rapid pace of change in the world today has become a phenomenon in its own right, and, growing like Topsy, creates an ever-faster spiral that must eventually beg the question as to humankind's ultimate ability to keep pace. For some in the business world it may even feel as if we have already reached that state and that there has already been too much innovation. However, it is very much a case of "adapt or die", and thus the need remains imperative.

When Charles Darwin said, *"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change"*, he was talking about the natural world but the statement is perhaps even more applicable in the business world. For evidence of this one need only compare the rise of companies like Google and Microsoft, that have become world leading brands in just a few relatively short years with the recent collapse of venerable financial behemoths Merrill Lynch, Lehman Brothers and Bear Stearns.

As these companies demonstrate, the potential immortality of the large corporation is no more guaranteed than it is for you or me, and sustained success is no guarantee of future success. Thus in order to compete successfully in a world of such rapid change, it is not just necessary to change, but to instigate change. If you wait to follow, your business might just struggle to make up the lost ground. Thus the capability to innovate is essential for any business to sustain the level of success necessary to survive.

## Innovation is a people thing

Recognising the need to innovate and the capability to do so are, however, two very different things. This is because innovation is a people-centred capability. Consequently it presents a massive challenge to business leaders because there is very little chance of creating a culture of innovation if you persist with the old, historical 'command and control' management approach.

There are several reasons for this.

1. Innovation is simply not something you can command. Creativity is not something that you can turn on and off like a tap. People who have been treated like hired hands, and whose opinions have either not been sought or been disregarded, will have lost either the ability or the inclination to contribute new ideas, or both.
2. People who are used to being commanded generally tend to abdicate responsibility and look to their commanders to provide the leadership. The traditional hierarchical structure of most businesses, means that this results in the many being led by the few. When you are looking for new ideas you need to get them from as many different sources as possible and expecting the few at the top is to be the innovators is to restrict the odds and risk losing many potentially great ideas.

3. The people at the top are generally the furthest away from the day-to-day operations and the 'coal-face' issues and the client facing interaction and therefore they will be the least capable of contributing innovative new ideas (and those they do may well prove to be hopelessly misguided).
4. If people do come up with new ideas they need to be recognised for their ideas. Thus they will want to be acknowledged and to be part of the team that sees them put into practice. Fail to allow this and you will kill the goose that lays the golden eggs before you even begin.

The old proverb has it that, "necessity is the mother of invention" and you will surely agree that most inventions happen because someone, somewhere has perceived a need and developed a means of meeting that need. Even the exceptions, discoveries that occur by accident, still have to be seen in the light of a specific need before their true merit is recognised. In other words innovation has to have a context - it does not just happen in isolation.

This is an important principle that you need to understand. It means that your best chance of finding new ideas comes from your people. They are likely to be the best and most prolific source of new ideas, simply because they see things in context on a daily basis that you might never see, just because it is part of what they do.

Thus you have to transform the organisation and create a completely different culture in order to address these issues and exploit this untapped resource. This is easier said than done and in most organisations the intention is analogous to a making a New Year's resolution: the intentions are good but the ability to see them through is deficient. This is because the old ingrained ways of thinking remain and consequently behaviours remain unchanged.

## **Encouraging Innovation**

Let's leave aside the cultural transformation element aside for the moment and look at some of the key steps that need to be taken to encourage innovation. They are implicit in the foregoing assessment of the barriers but let's take a closer look.

### **Empower your people**

This is a term that has become very popular but remains widely misunderstood. The fact is that from the youngest child to the oldest citizen, we all like to remain independent and hate being told what to do. Why should work be any different?

It has been said that a manager's role is to create an environment in which his people can do their jobs to the best of their ability. It is certainly a philosophy that I espouse, and evidence supports that such environments are far happier, more productive and deliver superior results. So, if you are serious about innovation you have to loosen the reins on you people. Simply let them know what you expect and let them get on with it. 9.9 times out of 10 they won't let you down and, if you have built the trust associated with this, then the time they don't will not only not be the nasty surprise that non-performance so often is today, but will rather be an unavoidable situation, for perfectly legitimate reasons that can be fully justified.

### **Reduce the number of rules**

Inextricably linked with empowerment, is the need to reduce the number of rules. In most organisations, people are constrained by rules and rules prohibit free thinking. People who break rules are seen as contrary and disruptive and are either made to toe-the-line and conform or dismissed.

Rules are a form of micro-management that imply a lack of trust and stifle initiative. They are the shackles that restrict empowerment, and unless you reduce the number of rules to a bare and understandable minimum, that your people can buy-in to without any challenge, you cannot have real empowerment. If you say you empower your people, but insist upon following the rule book, you are only going through the motions and merely paying lip-service to the concept. Think for a moment about "work-to-rule" action. The fact that this is the mildest form of industrial action proves the point. Get rid of the rules. Then instead of working to rule you can work to trust.

## **Listen**

Someone wisely observed that we were created with two ears and only one mouth for a reason and we should use them in that proportion. This applies in the workplace just as much as anywhere else. If your people have something to say they must be saying it for a reason and therefore deserve to be heard. If what they say is valid you have learned something and benefited. If it isn't and they are wrong you have the chance to enlighten them. Either way, you have created a win-win situation.

## **Acknowledge**

Acknowledge your people. At its most basic this means nothing more than greeting them each day and showing some sincere interest in them as people. Even more importantly, you need to acknowledge their accomplishments. As Kevin Nations so succinctly explained it, *"Accomplishment without acknowledgement creates martyrs not mentors."* This hints at the huge payback you can get from very little investment - and an investment that costs you nothing at that!

## **Encourage and evaluate ideas.**

Create a process for identifying new ideas. Ensure that this process provides a means to:

- Gather, record and evaluate ideas.
- Recognise and judge new ideas so that any rejection can be independently justified as being reasonable and valid.
- Give the originator proper credit for their ideas.
- Give proper feedback for every idea put forward.

While this may appear similar to a suggestion scheme it is actually very different in so far as contributions are not encouraged by financial incentives and so seen as a means to provide people with a token financial reward whilst saving the business a fortune, or for serial contributors to supplement their income. Nor is it an alternative for promoting ideas that would naturally fit under improving one's own performance capability.

## **Follow through on new ideas.**

Demonstrate your commitment to innovation by:

- Setting aside a special budget for new projects created as a result of new ideas.
- Having a clear-cut, defensible means for prioritising such projects.
- Giving the originator the chance to be involved in the implementation project.
- Ensuring that all "innovation projects" have an executive sponsor.

## **Feedback on results**

Raise the profile of the programme and demonstrate your commitment to it by:

- Ensuring that the originator is recognised for the idea.
- Making sure that there is no stigma for an unsuccessful idea.
- Demonstrating and feeding back the contribution to the business any new idea makes.

I said earlier that you should not see this as an alternative form of suggestion scheme or a means for people to secure personal benefit for ideas that, if they were committed to the business and its development, they ought to be put forward anyway. Nevertheless, you need some means of recognising the contribution the idea makes to your business and for some appropriate reward that will show your appreciation without creating the conflict and petty jealousies so often associated with traditional suggestion schemes. You can do this by:

- Having clearly defined parameters for rewards. These may be on a sliding scale so that they are proportionate to the benefits, and at the same time fit comfortably with other reward structures.
- Also recognising the project team who contributed to the development of the idea through the implementation process.
- Ensuring the award is given by a neutral body that is not made up exclusively of executives and senior managers, but includes an element of peer level review.

There may be nothing in these seven principles that will strike you as new. You might also think they are easy to implement. If, however, they were so easy, you would expect more companies to have implemented them. So why, you may ask, are they not more widely practised? This question brings us back full circle to the organisational culture.

## **The Challenge**

Changing the organisational culture to bring about such a transformation is incredibly difficult because surveys indicate that employee engagement levels are currently running at levels of about 80% disengaged. And it is always going to be an uphill battle to engage people if they are not sufficiently engaged to be interested in either the change or its consequences.

Of course surveys like this extrapolate results and the figure is an average. It may or may not be applicable to your business. But whatever the percentage in your organisation you have to assume that there is likely to be some element of disengagement that you need to confront. And disengagement inevitably points to disillusionment with a strong possibility of a lack of trust. Consequently you will need to do something to demonstrate you are worthy of trust, before you can do anything to change the culture.

Remember the earlier analogy about changing the culture being like making a New Year's resolution? Well, that is because it also entails a change in behaviour and that is always difficult without a catalyst for change. The situation is also complicated by the fact that innovation is not the only capability which will determine your organisation's ability to build sustained success.

## **Survival Critical Capabilities**

I have identified 5 critical capabilities, without which it is impossible to build sustained success and therefore to come close to ensuring your organisation's long term survival. I have created the mnemonic SCRIP to represent these 5, and as you can figure out, Innovation is the 5th of these. The others are:

- Sense & Respond;
- Customer Experience:
- Retention - looking at both employees and customers
- Productivity.

It is outside the scope of this paper to explain these here but you can find out more from my paper, "Empowering Employee Engagement: 5 Essential Capabilities for Sustained Business Success" which is available upon request or as a free download from my

website [www.zealise.com](http://www.zealise.com) Suffice here to say that each has as much complexity as we have just seen for innovation, and each is equally affected by the level of employee engagement in your company.

## Employee Engagement

In fact employee engagement is unquestionably the single strongest thread running through your mission to build sustained success. Ultimately, business boils down to people. It does not matter how good your plant is or your product, your business is ultimately dependent on your people and the way they support its objectives in their dealings with customers and potential customers (as well as other stakeholders.)

So not only are people the greatest asset you claim them to be, but they are your most important asset. Thus your ability to sustain success is ultimately dependent on your people. Consequently, you could say that SCRIP is not only a useful barometer for measuring your ability to sustain success, but also the key to measuring just how engaged your people really are. Why? Because the extent of shortcomings in your SCRIP measures is indicative of the extent to which your people are failing in these areas, and *any* failure here is because there is a gap in understanding of what your business needs to do to sustain success and/or a commitment to meet those needs.

In light of this it is hardly surprising the employee disengagement is estimated to cost the US economy \$300 billion a year. And remember that figure is an aggregate, made up of its effect on all businesses in the US economy. And survey results indicate that employee disengagement is just as much, if not more, of a problem in other major economies. So what is it costing your business and to what extent is it putting your long term prospects at risk?

## Don't take a chance

Of course it is no good identifying all these capabilities that are essential for sustained success without have a way to measure yourself against them. That is why I have used them to build a high-powered, cost-effective assessment tool that will enable you to:

- Assess your position; and
- Develop a targeted action plan to address any shortcomings.

Now is the perfect time for you to conduct a review. There are many who say that there are more nasty surprises in store and that the economic climate is going to get worse before it gets better. Not only will an assessment help you to ensure that there are no nasty surprises lurking in your business, but it will simultaneously help ensure you meet your executive accountabilities properly. It will also position you for both the short term and the long term and thus to lay the foundation for your future sustained success.

Are you people continually coming up with new ideas?  
How much business is generated as a result of new ideas contributed by your people?  
Are you always finding ways to do things better?  
Do your people continually look for ways to help one another?  
Are you finding your efforts constrained by rigid adherence to rules?

To undertake an assessment to help you answer these questions, or others you may have, or just to assess how engaged your people really are contact us now.

### CONTACT US

**Telephone:** +44 (0) 1254 727652

**Email:** [info@zealise.com](mailto:info@zealise.com)

**Website:** [www.zealise.com](http://www.zealise.com)



## About Bay Jordan



Bay Jordan is the author of "*Lean Organisations Need FAT People*" and "*A Feeling of Worth*" and the founding director of Zealise Limited, a consultancy he is building on his recognition that the failure to fully recognise the human element in managing change has been a primary cause of increasing employee disengagement, and the reason why so few ICT projects have ever realised the full benefits projected for them. He recognises that sustained competitiveness is impossible with disengaged people. Accordingly, he has an innovative new approach to flushing out and rectifying these problems. He fully expects his solutions to potentially to improve your bottom line results by *at least 20%*.

[www.zealise.com](http://www.zealise.com)

[blog.zealise.com](http://blog.zealise.com)