

Overcome Innovation Lethargy? Teach the World to Fish!



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INNOVATI°N 360

Everyone has heard the proverb, “Give a Person a Fish, and You Feed Them for a Day. Teach a Person to Fish, and You Feed Them for a Lifetime¹.” This is a perfect metaphor for today’s innovation environment.

As an innovation community our results are mediocre at best. A metric that is regularly cited by McKinsey and others is that over 80 percent of executives surveyed say that innovation is among their top three priorities, but less than 10 percent report being satisfied with their results. A recent Canadian op ed states: “Canada has fallen so far behind the US in recent years that output per capita in Ontario, ... is now comparable with that of Alabama, America’s fourth poorest state².” Similar challenges exist across the globe.

In response to such challenges, we often act drawing on perceptions and ‘hands on’ experience and inject money, not science. I believe, to be a successful innovation community, we need more substance, rigor and structure in our approach. Improving knowledge, teaching core capabilities, and introducing proven practices will improve today’s innovation efforts and ‘teach our community to fish’.

It is becoming increasingly clear to academia and industry that rigorous concepts and practices exist and can help overcome our innovation lethargy. It is my view that embracing these principles will advance the professionalization of our community and dramatically improve the outcomes of our innovation efforts.

That’s easy to say. Hard to do. And there is hope.

In this article, I lay out some of the public discourse around this issue, and five factors I think are central to the challenges we face to bring a higher level of professionalism to innovation management:

1. Clarity on what we mean when we say innovation.
2. An accepted (and broadly applied) framework for innovation, increasing focus on understanding the how and measurement of end-to-end innovation efforts – i.e., from aspiration to value capture.
3. Routine and significant generation of tangible value.
4. Improved performance post start-up – i.e., scaling up the initial idea.
5. Recognition that innovation is a profession, and not a fad.

Below I start with some thoughts on what innovation is, and what it is not. To that I add some views from industry and then to close I sum up with a prescription for the future of innovation management.

Clarity on What We Mean by Innovation & Innovation Management

There are many definitions of innovation out there. In fact, there are entire podcast series with hundreds of episodes where ‘experts’ talk about their view of innovation – not surprisingly, there seem to be as many definitions as there are experts.

This lack of a common language is a critical barrier to growth and value capture, as it complicates efforts to promote overall rigor. To fully harvest opportunities for growth and innovation, it is important that the innovation community promote science. It needs to establish shared definitions about what innovation is, a capability infrastructure to execute it, and clarity on what it is not.

The evolving ISO definition (56000:2020) makes some progress in this regard. It is broad, inclusive, and focuses on two fundamental characteristics: novelty and value. Value is not limited to financial value but can be any kind of value, such as an experience, well-being, or social value. Anything can be innovated according to the definition. The innovation entity can be, for example a new or different product, service, process, model, method, etc., ranging from incremental to radical. This is a good start.

But in addition to adopting common definitions, proven methods to execute innovation initiatives must also be adopted to develop a more holistic concept and shared view of what we call Innovation Management.

Let me put forward a working definition of Innovation Management for the purposes of this article: *Innovation Management (IM) is the oversight, execution, and coordination of innovation activities from aspiration to commercialization, including the development of a vision and strategies, policies, objectives, and processes to achieve that objective.*

As such, IM includes the structure within which innovation is completed, the people who are engaged, the planning and execution of innovation efforts and the awareness and alignment of innovation capabilities against those tasks.

What innovation management is not? Ideation itself, although innovation management includes all the aspects of ideation – idea generation, selection, production, and implementation.

Generating Value: Important Factors in Ongoing Success

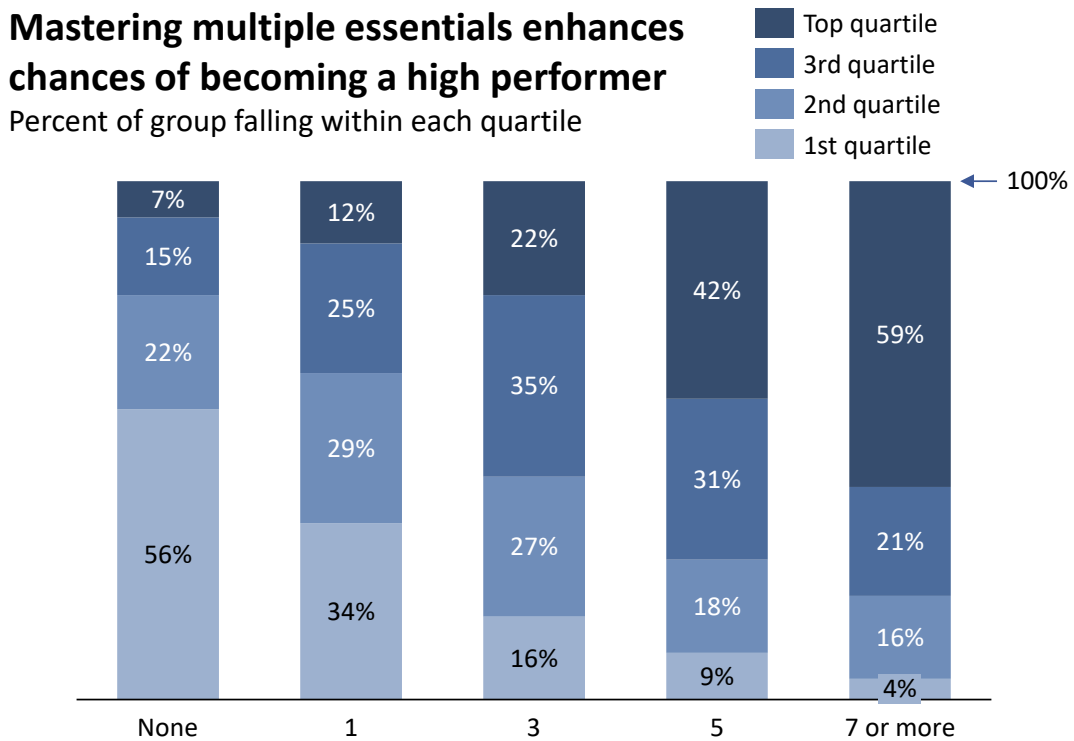
Binns & Griffin⁴ cite three success factors: mastery, coherence, and capability.

Mastery:

McKinsey cites evidence that effective Innovation Management makes a tangible difference in performance in “The Eight Essentials of Innovation Performance³” and that there is a combined effect of mastering multiple essentials, as follows:

1. **Aspire:** Accepting innovation-led growth as critical, with cascading targets that reflect this
2. **Choose:** A coherent, time-risk balanced portfolio of initiatives that are resourced to win.
3. **Discover:** Actionable and differentiated business, market and technology insights that translate into winning value propositions.
4. **Evolve:** New business models that provide defensible, robust and scalable profit.
5. **Accelerate:** Competitive positioning with fast and effective development and launch of innovations.
6. **Scale:** Innovations in the relevant markets and segments at the right magnitude
7. **Extend:** Creation and capitalization of external networks
8. **Mobilize:** Motivated, rewarded, people, organized to repeatedly innovate

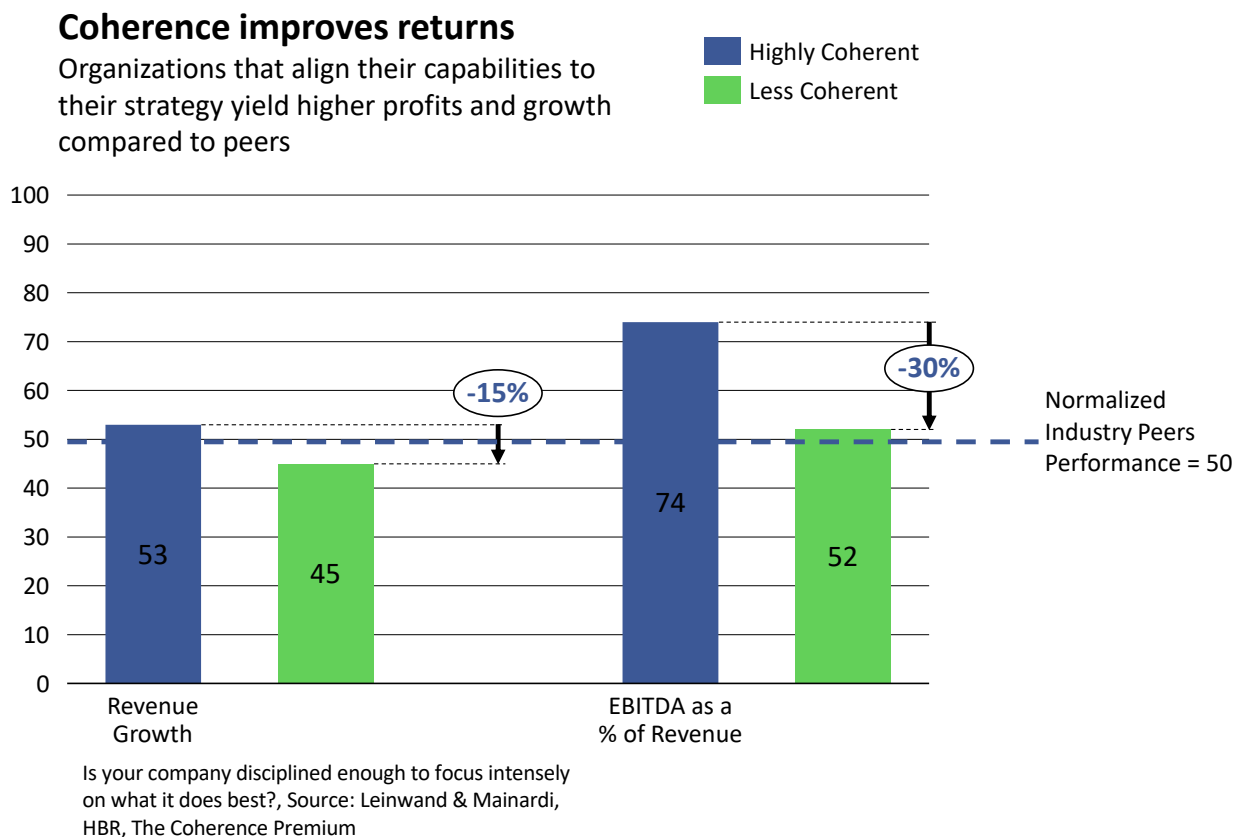
McKinsey’s research suggests that the highest performers **master** a larger number of these essentials than other performers.



Number of essentials mastered (“agree or “strongly agree” with all questions), Source: McKinsey

Coherence

Coherence is defined as the alignment of the organization's strategy with its capability. In research done by PWC and Booz, normalized (innovation) coherent (where strategy and capability are aligned) companies enjoyed 30% higher results (i.e., alignment) than their less coherent industry peers.



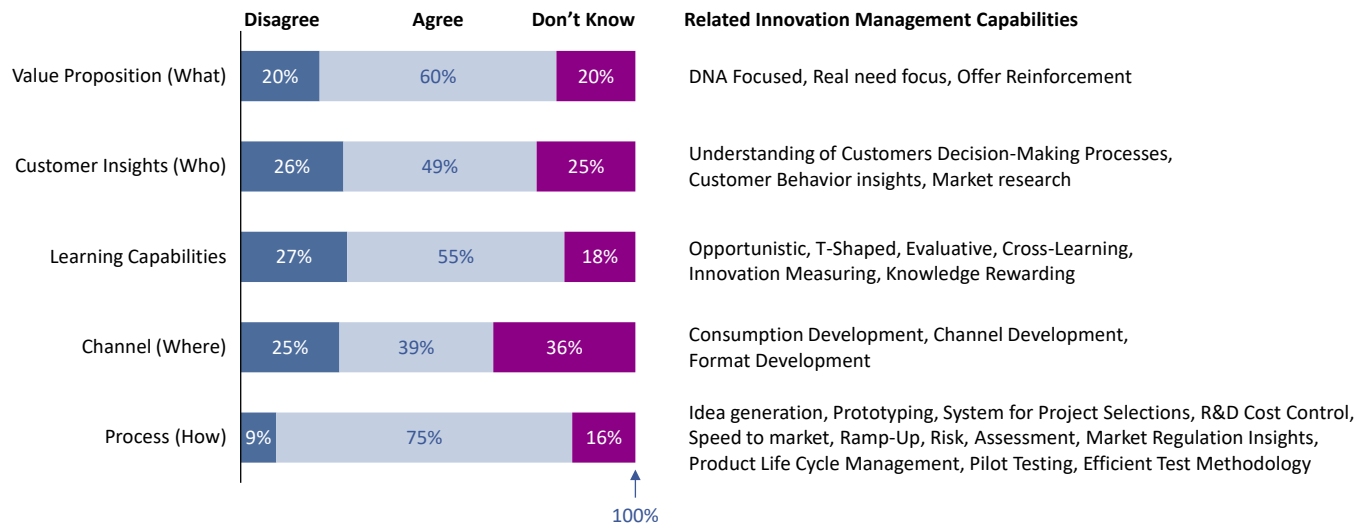
Capability

Innovation360 has been collecting data on Innovation Management capability for many years now. We have gathered insight on thousands of organizations across the globe and identified more than 65 core capabilities for innovation management.

At its core, capability starts in response to 5 important aspects reflecting what, who, where how and the learning capabilities that each organization possesses. The performance of each organization in each aspect is derived from several specific capabilities as outlined in the illustration below:

1. **Value Proposition** (What innovation programs are focused on),
2. **Customer Insights** (Who they focus on),
3. **Learning Capabilities** (the Ability to innovate),
4. **Channel** (Where Innovation is focused), and
5. **Process** (How innovation is done)

Innovation Management Aspects, with Contributing Capabilities



For more information, see our Wheel of Innovation a more indepth discussion of the 16 innovation aspects in our book “How to Assess and Measure Business Innovation⁸” and at www.innovation360.com

Ron Shevlin⁵ says in his recent article, “there is a need to actually get things done. True disruptive innovation is rare, and most organizations do not face imminent disruption. In search of disruptive innovation—or disruption prevention—many companies engaged in ‘innovation theater’. They appointed Chief Innovation Officers, created digital transformation teams, and put on a show of innovative activities to impress stakeholders, little of which impacted—let alone improved—the core business.

Successful innovation requires: a supportive infrastructure, a culture that embraces experimentation and failure, and an organization-wide commitment to change. Companies that don’t already have those three things—that is, most companies—couldn’t build and establish them overnight, but that didn’t deter a lot of organizations from expecting miracles from their newly formed innovation teams.”

Addressing the Failure to Scale

At some point, it is evitable that innovation will lead to considerations of commercialization and scale. Whether financial or social in nature, ‘inventors’ almost always seek to grow their impact by scaling their ideas. However, scaling is illusive, and historically the marketplace has focused much more attention on startups, their ideas and making a quick buck. Today, scaling is not a core competence of our innovation community.

In their essay, Binns and Griffin note that “companies make significant investments in developing and incubating new business initiatives, but too few follow a rigorous path to scaling their ventures⁴.”

They cite five critical differentiators:

1. **An ambition equal to the scale of opportunity:** i.e., one of the marked differences between successful and unsuccessful corporate ventures is the scale of their ambition.
2. **Ambition worked backward that identifies a path to scale:** a vision of a desirable end state and work backward that describes the specific actions to achieve their vision.
3. **Identified options for acquiring needed assets:** the right mix of resources and how they will be obtained – i.e., leverage, build, acquire, and/or partner.
4. **A team and organization that adapts to support scaling:** adjusted for scale, strategy, transition from ideation to incubation, etc.
5. **Anticipation of key trigger points:** i.e., an ability to make good decisions as they proceed along the scaling path.

“While simple in concept, scaling is hard and requires a clarity of ambition (a clear framework and proven path to growth) and an understanding of the assets needed to assess the customers, capabilities and capacity that can transform an idea into a full-fledged business⁵.”

The Professionalization of Innovation Management

The question? How best to overcome these issues and enable innovation across each organization so that innovation flourishes broadly?”

Research and theories surrounding Innovation Management (IM) often focus on observation (i.e., what we see). As a result, often miss important aspects that can only be uncovered using scientific method (i.e., hypotheses testing of what innovation is not).

Historically, resource acquisition decisions such as recruiting of innovation executives favored ‘experience’ – while understandable, as IM has evolved, more rigorous approaches are possible, with the potential to dramatically improve results.

We can draw four implications from Robbins and O’Connor(R&O)⁴:

1. Efforts fail to recognize the end-to-end nature of IM (i.e., from aspiration to execution)
2. Overemphasis on a Horizon 1 focus, favoring incremental change.
3. Specialists prevail (result: short term results vs systemic change; limited cultural change; easy to copy and near impossible to remain competitive without constant innovative ideas) and fail to recognize/promote/develop an enterprise culture of active innovation.
4. It is the natural order for IM to move to a Professional status like Project and Quality Management, and professions like HR and Accounting

The good news is that IM has begun to exhibit the characteristics of a profession. And, within the academic community, there is considerable agreement in defining its key attributes as outlined in the below table from R&O.

Attributes that define a profession	Evidence that IM includes those attributes
Prolonged education and training demonstrated by the awarding of degrees and other qualifications	<ul style="list-style-type: none"> • University programs specializing in IM are attracting sufficient entrants to ensure a supply of practitioners. • University and other post-graduate qualifications have grown substantially.
Specialized domain knowledge based on overarching theoretical principles	<ul style="list-style-type: none"> • Increasing number of 4-star, original research articles that demonstrate substantial growth in the discipline.
The presence of regulatory or umbrella associations promoting best practices that, in some cases, can sanction members who fail to uphold agreed standards	<ul style="list-style-type: none"> • There are a growing number of professional associations dedicated to innovation management, helping to build community and identifying common IM practices, especially over the past 15 years.
An audience for who the expertise is valuable such that a demand exists for the service	<ul style="list-style-type: none"> • Senior roles in innovation management are growing, with data suggesting a 43% growth in headcount growth in 2023 and similar number of responses suggesting static resources.

In a recent panel discussion, I found what Dr Muthukumar said to be on the money, “We need to create an innovation management process where ‘average’ people can perform exceptionally well. We need to focus on the learnings from failure, and not on reprimanding. And we need to spend more time with those who fail, ... not the winners⁷”

What is My Prescription for the Future?

In my view, all this requires organizational discipline and a repeatable, sustainable process and culture within each organization and across the innovation ecosystem. One that focuses on the right mix of radical and incremental changes and the need to generate tangible value.

We need a well conceived, designed and executed innovation management ecosystem that:

- **Accepts and promotes a set of common internationally accepted principles and specialized domain knowledge.** This is critical to what makes Innovation Management a profession and ISO 56000+ guidelines are emerging as international standards. I360 has played a role in their

development since the very beginning and its core frameworks are compliant with these guidelines. Innovation Management is a “system” with several interconnecting parts.

- **Executes Innovation Management by drawing upon this science.** Scientific Method is an essential element in the act of innovating (a core component is iteration and testing of hypotheses for example). That said, it is also a critical component in determining what the science of innovation is (i.e., what is and isn't true?). See examples of the science of innovation which lies at the core of I360's framework which is reflected in “How to Assess and Measure Business Innovation⁸.”
- **Enhances results by promoting Innovation Management as a full-fledged profession.** Put in place additional infrastructure (e.g., Social Science Apprenticeships could be one technique) to recognize the true nature of innovation and support the growth of capability. A single “certification” course does not an “innovator” make. Innovation Management capabilities grow with apprenticeship built on the foundation of this rigorous body of knowledge, an enabling culture and continuous exploration and learning.
- **Avoids our human tendency to overregulate, over measure, risk mitigate, and fall victim to ‘not invented here’.** Human behaviour often seeks to dampen the impact of new ideas and attempt to mitigate the risks and/or legislate the ideas to death, or to promote ‘our’ ideas. Here we need to draw on one of the important principles of innovation, the need to share and be open. The results of innovation should be obvious and not require administrative efforts, personal stamps of approval and reworking. Superior performance will stand out.

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Notes:

- (1) Unknown
- (2) Andrew Coyne, “The shocking collapse of Canadian productivity”, Globe & Mail, 2023
- (3) Jong et al, The Eight Essentials of Innovation Performance, McKinsey 2013
- (4) Binns & Griffin, The Missing Discipline Behind Failure to Scale, Summer 2023, MIT Sloan Management Review, 2023
- (5) <https://www.forbes.com/sites/ronshevlm/2023/06/20/the-end-of-innovation-as-a-management-fad/?sh=5a191d5e5cee>
- (6) Robbins & O'Connor, The Professionalism of Innovation Management: Evolution and Implications, Journal of Product Innovation Management, 2023
- (7) Dr. N. Muthukumar, President & COO, Meritor HVS India Ltd., 2023
- (8) Penker et al, “How to Assess and Measure Business Innovation, The Complete Guide to Business Innovation”, Volume 1, 2017

About the Author: Gerry Purcell

With over 30 years of experience in management consulting, innovation, and strategy, Gerry helps organizations grow and generate more value by "teaching them to fish". As the Principal and Managing Director of Innovation 360 Group AB in Canada, he leads a team of experts who apply science, rigor, and structure to innovation challenges and opportunities across industries and sectors.

Gerry's mission is to improve the innovation performance and outcomes of his clients by developing their core capabilities, introducing proven practices, and leveraging cutting-edge research and tools. He is also a co-founder and advisor to several professional services firms, a co-active coach, and a published author and speaker on innovation topics. Gerry holds multiple certifications and accreditations in innovation management, smart cities, and internal consulting, and has a global perspective and network from working with clients and partners all over the world.

About Innovation 360 Group

The Innovation 360 Group helps organizations establish an adaptable innovation process and foster a culture of innovation. Its data-driven action plans are based on analytics from thousands of innovative projects over many years. In today's intricately connected global marketplace, characterized by extreme competition and the daily appearance of new competitors, disruption is the status quo. Data trends indicate that around 40 percent of the companies thriving today will be gone within the next 10 years. In this new world, innovation is a basic survival skill.

Innovation 360 is recognized as a leading international innovation management firm, with a growing presence in 30 countries and operations in nearly all major language groups. From its executive offices in New York and Stockholm, it oversees worldwide initiatives through a network of accredited practitioners trained in Innovation 360's methodology. It has aggregated the world's largest database of concepts in practical innovation and developed Sherlock, the first AI program devoted to deep mind pattern recognition within innovation data.

Our methodology includes research in innovation, evidence-based analysis and recommendations for concrete execution plans to increase innovation capability, profit and growth. An overview of this proprietary process is published in the Service Provider's five-volume series The Complete Guide to Business Innovation.

On a global scale, Innovation 360's innovation consultants are currently addressing the world's toughest challenges related to the equitable distribution of food, energy, water, security, global health, education, environmental sustainability and access to space. Its consultants have been tasked with formulating the upcoming ISO Standardization for Innovation Management. We help organizations to align their operations with these emerging international standards.