

Innovation Leadership

Re-Ignite the Innovation Engine: Renew the Focus on People

In the current economic environment, many organizations are looking to re-ignite the innovation engine. They are challenged with achieving the next breakthrough innovation in extremely difficult circumstances. Organizations have typically started by laying down disciplined and robust processes to focus innovation efforts guided by a new development strategy. Some have invested in new information technology (IT) that facilitates innovation such as Product Lifecycle Management (PLM). The reality is that many companies have either failed or found that their IT investment did not realize the benefits of innovation because they haven't addressed the fuel of innovation – their people. Innovation Leadership addresses this challenge by developing the leadership and people so they can execute the strategy, process, and technology of innovation.

Current Realities

Layoffs, cutbacks, mergers and consolidations have severely limited the resources available for innovation. R&D budgets and staff are getting cut and remaining resources have limited training and exposure to end-to-end innovation. In addition, the post-merged and existing cultures tend to be siloed, resulting in limited incorporation of enterprise and customer perspectives into new products and services.

This, coupled with the realization that the only way to compete is to crank up the engine and deliver even higher quality products and services *quicker*, has created a real challenge. Organizations are being asked to do "more with less," forcing key changes to organizational structures and a renewed focus on *sustaining* the innovation efforts and fueling the innovation engine.

What is Needed to Succeed

Innovation Leadership is all about getting people aligned on core objectives, immersed in innovation and mobilized to rapidly achieve results and do it in a way that *sustains* the transformation. This is accomplished by gaining alignment on innovation goals and objectives while building awareness of benefits of innovation. Organizations can do "more with less" by working with their people to "fire

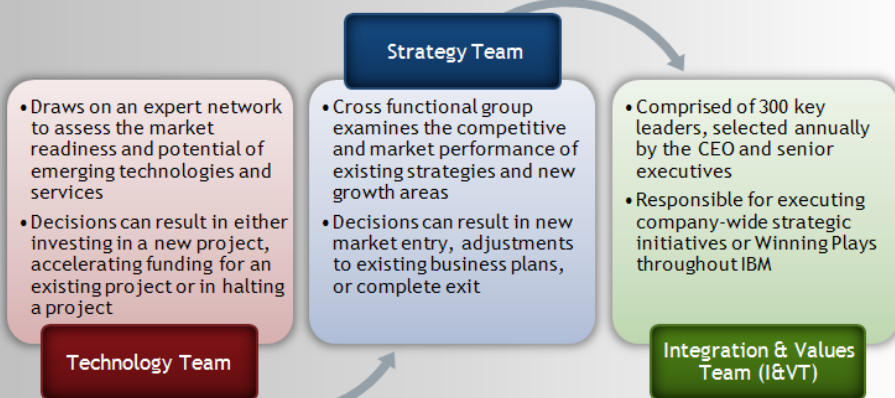
A study of over 1,400 executives leading global firms found that 70% reported that innovation was one of their companies' top 3 drivers of growth. But 65% of these same executives admitted that they were not confident of their company's ability to execute successfully. In fact, most initiatives failed to deliver the forecasted value and were classified as failures. In this same study, 94% of the senior executives surveyed said people and corporate culture were the primary drivers of innovation.¹

on all cylinders" by assessing capabilities, developing high-performance teams and providing the training and coaching to help them execute and deliver innovation faster to the market. Finally, companies can "fuel up for the long haul" by giving their people the sustainable capability to continue to innovate.

Real, sustainable innovation CANNOT be achieved without addressing the PEOPLE. This is achieved by first creating alignment, building capacity and leading the transformation.

Case Study: IBM

IBM has developed formal processes and structures to do "more with less". Three core teams were created to sustain the innovation process.



I&VT uses **Deep Dive**, a structured, focused process, staffed jointly by the operating unit and the strategy group, to address a topic in detail until a result is achieved (e.g., a new technology or innovation).²

Create Alignment — Focus on executive alignment and the leadership team. Facilitate the conversations that create clarity of vision, purpose, mission, values, and strategy; shapes a positive atmosphere, and develops an engaged and high performing workforce.

- Facilitate conversations to get clarity and alignment.
- Compel them to work together towards a common goal.
- Enforce prioritization.

Build Capacity — Bring the teams together and get more from less. Develop organizational talent through leadership assessment and development to enable successful execution of business and leadership strategies.

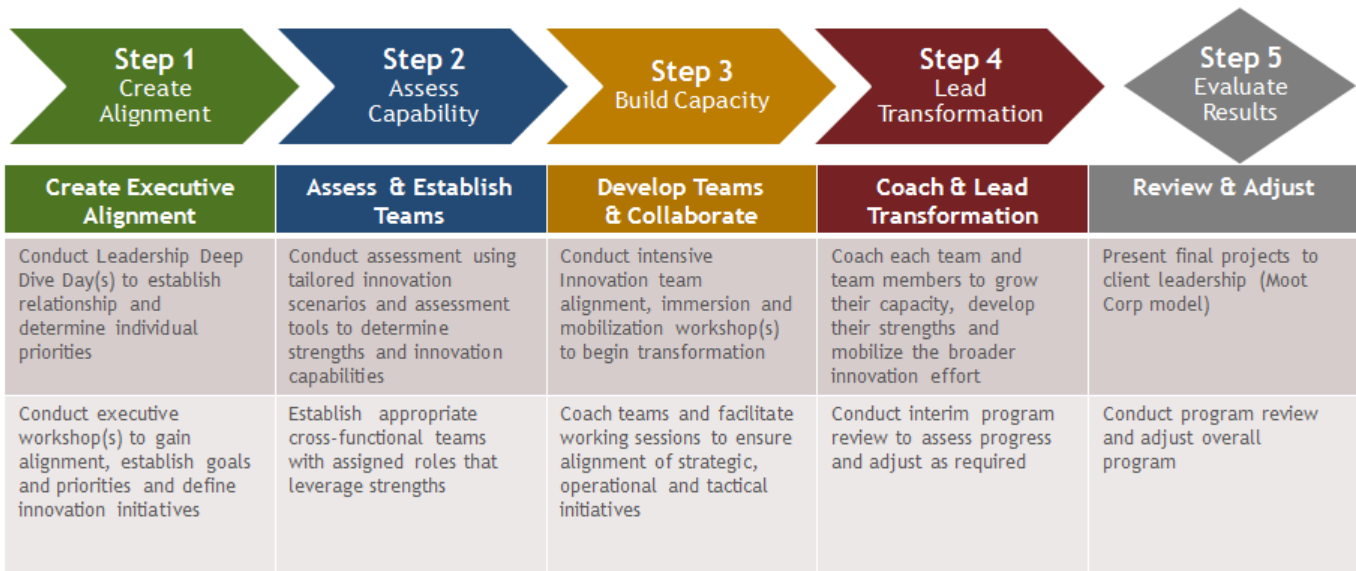
- Leverage existing talent to do more with less.
- Build high performance teams.
- Understand key strengths – and channel those strengths.

Lead Transformation — Institutionalize innovation into the culture of the organization. Support leaders with executive coaching to enable their individual transformation so that they can lead their teams in transforming the organization and empowering innovation for sustainable differentiation.

- Sustain the transformation.
- Coach the leaders.
- Teach the team to fish.

Re-Igniting the Innovation Engine with People

In today's tough economic environment, doing more with less is a common innovation challenge. Many companies have failed to fully realize the benefits of innovation because they haven't addressed the fuel of innovation – their people. By creating the alignment, building capacity and leading transformation, organizations can fire on all cylinders to re-ignite the innovation engine and fuel up for the long haul.



¹ Barsh, J. et.al., "Leadership and Innovation," *McKinsey Quarterly*, Volume 1, 2008; "How Companies Approach Innovation," *McKinsey Quarterly*, October 2007.

² Harrell, B., O'Reilly, C., and Tushman, M., "Dynamic Capabilities at IBM: Driving Strategy into Action," *California Management Review*, 49 (4): 21-43, 2007.

About Kalypso

Kalypso is a consulting firm serving the world's most innovative companies. The firm helps clients to deliver on the promise of innovation. Service offerings encompass all aspects of innovation including product strategy, development, introduction, commercialization, lifecycle management, and PLM systems selection and implementation. In addition to the firm's deep industry, technology, operational, and training expertise, Kalypso provides a flexible, collaborative approach to deliver unparalleled client satisfaction.

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