Building a culture of Innovation

Designing your Organization for Innovation

Monique Sendze
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“Innovation is the effort to create purposeful, focused change in an enterprise’s economic or social potential” – Peter Drucker
Is the word Innovation becoming a Cliché - Burning Out on Innovation

http://online.wsj.com/article/SB10001424052702304791704577418250902309914.html
innovation, n.
1. The action of innovating; the introduction of novelties; the alteration of what is established by the introduction of new elements or forms.
2. A change made in the nature or fashion of anything; something newly introduced; a novel practice, method, etc.

Source: Oxford English Dictionary
When you hear the word Innovation – What words come to mind?
## Innovation takes place at three levels - “Incremental,” “Evolutionary,” and “Transformational”

<table>
<thead>
<tr>
<th>Idea Class</th>
<th>Defined</th>
<th>Current Industry Examples</th>
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<tbody>
<tr>
<td><strong>Transformational Ideas</strong></td>
<td>Radically new way of doing things, leading to new market, product or customer creation.</td>
<td><strong>Government</strong></td>
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<td><strong>Healthcare</strong></td>
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<td><strong>Library</strong></td>
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<tr>
<td><strong>Evolutionary Ideas</strong></td>
<td>Significant product or service development initiatives similar to, and building upon, current capabilities.</td>
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<tr>
<td><strong>Incremental Ideas</strong></td>
<td>Continuous small process, product, or service improvements.</td>
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Relentless Innovation

“Understanding why some firms, a small handful of firms, are able to innovate so consistently. When you look at firms like 3M, or Proctor & Gamble, or Google, why they can carry innovation on so consistently, while many other firms cannot. It boils down to two functions in an organization: one is the business as usual, that operating model, cultures and processes that are so well defined, and the middle managers that sustain those business processes. If those things are in tight harmony, it's very difficult to innovate because they're so focused on being efficient. But, if you can change those two factors to embrace innovation, you can be very innovative.”

- Jeffrey Phillips, OVO Innovation
Relentless Innovation

“The only way you're going to get it in your organization is to focus on three things: culture, commitment and compensation. Having a culture of innovation, a strong commitment to innovation, and looking at how people are compensated.”

- Jeffrey Phillips, OVO Innovation
Relentless Innovation

“There's a dichotomy in larger organizations, where innovation is a cultural attitude and it's about resource allocation because most large organizations have hundreds of ideas. It's about discovering the best ideas and implementing them. For smaller organizations, it's really about what is your idea and what is your commitment to that idea. For smaller companies, innovation is about selling out to the one idea that you have and doing everything you can to make that one idea successful. Smaller firms don't necessarily have middle managers to worry about, but what they can begin doing very early on is creating a culture that says we always want to innovate, we always need to be questioning what we're doing, we always need to be innovating and focusing on new opportunities. So, if a small company can do that, and follow the ideas where they have passion, then that will make them successful as an innovator.

- Jeffrey Phillips, OVO Innovation
Innovation leaders demonstrate a strong commitment from top management

<table>
<thead>
<tr>
<th>Company</th>
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<tbody>
<tr>
<td>Google</td>
<td>Google management encourages employees to spend 20% of their time on their own ideas. Approximately 50% of their product launches are born out of this 20% time, including their hit product Gmail.</td>
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<tr>
<td>Microsoft</td>
<td>At Microsoft, every employee is encouraged to send their ideas and suggestions for new products to the chairman. The suggestions are read, filtered and the most promising ideas are selected for further development. Microsoft regularly arranges “hack days” where all developers can participate and compete for the best new product ideas.</td>
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<tr>
<td>flickr</td>
<td>Leadership at Flickr drove to create a user-friendly programming interface, which allowed users to add their own applications, enriching Flickr’s original offering. This interface is regularly credited as a main reason behind the market’s fast adoption of Flickr.</td>
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<tr>
<td>Yahoo!</td>
<td>Yahoo management creates regular opportunities for internal developers to showcase self-developed products.</td>
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Incremental vs Disruptive Innovations: Picking Your Spot

- Low risk, many competitors
- High risk, high reward
- Customer experience; cost savings
- High risk, defensive strategy

- Create new market
- Minimal technology change
- Manage existing market
- Radical technology change
The Diffusion of Innovation
Everett M. Rogers

Four main elements that influence the spread of a new idea:
1. The innovation
2. Communication channels,
3. Time
4. A social system.
The categories of adopters are: innovators, early adopters, early majority, late majority, and laggards.
The Innovator’s Dilemma

"Discovering markets for emerging technologies inherently involves failure, and most individual decision makers find it very difficult to risk backing a project that might fail because the market is not there."

- Clayton Christensen, The Innovator's Dilemma
The Recipe

- **Create a vision for innovation**
- **Find impediments to achieving that vision from your current state**
- **Remove impediments**
Recipe for Innovation

Creative People
- Building individual abilities and reducing creative blocks

Creative Processes
- Developing group processes and using creativity techniques

Creative Culture
- Constructing routines, values and norms that encourage creativity

Creative Output
- Producing innovative, novel and valuable products & services
Some Good Vision Elements

• Encourage ideas
• Create an audience for ideas
• Act on ideas
• Failure is supported philosophy
  i.e. an experiment that did not pan out
• People are thinking out of the box
Motivation as a catalyst for Innovation

- Autonomy
- Mastery
- Purpose
Successful innovative companies manage their innovation efforts deliberately, focusing on doing certain things very well

These practices and more are consistently found at the most innovative organizations

✓ Can articulate a clear innovation ambition
✓ Have struck the right balance of Incremental, Evolutionary and Transformational initiatives across the enterprise
✓ Have put in place the tools and capabilities to manage various initiatives as parts of an integrated whole
✓ Senior leadership is actively involved in reviewing innovation activities and gives people permission to take risks
✓ Manage for an innovation portfolio rather than hoping that their future will emerge from a collection of ad hoc, stand-alone efforts that compete with one another for time, money, attention, and prestige
✓ Invest in initiatives along a broad spectrum of risk and reward
✓ Set goal to construct the portfolio that produces the highest overall return that’s in keeping with their appetite for risk
✓ Approach each transformational initiative as one in a portfolio of experiments – “learning opportunities” – balancing the overall portfolio for risk, investment and return
✓ Look to extract maximum value from all experiments
✓ Transition the successful experiments into the main business once assumptions and outcomes have been validated
There are two main parts to the innovation value chain – ideation and execution

**Ideation is About…**
- Fostering creativity within the organization
- Generating a high volume of broad ranging innovative ideas
- Developing, testing and validating ideas through concept prototyping
- Screening, uncovering and selecting high potential concepts
- Developing business cases for high potential concepts
- Selecting high potential concepts for execution

**Execution is About…**
- Allocating appropriate resources for implementation
- Creating the unique team, skills, business model, processes, metrics, etc, as needed, for the initiative
- Developing and managing the initiative in a structured and disciplined manner, enabling targeted insights and refinement
- Regularly comparing the performance and direction of the concept against base assumptions to increase accuracy of predictions
- Once success is achieved, embedding the initiative into the existing organization or terminating the initiative if unsuccessful
1. Start with an idea
2. Use a vetting process
3. Define the scope
4. Present the idea to committee
5. Build a prototype
6. Evaluate whether it works
7. Present & request funding
Innovation Organizational Structure Elements

**Less Successful Innovators**

- Executives drive an idea and act as champions to compensate for lack of defined innovation processes and culture
- Lack of infrastructure and systematic approach – ideas moved forward by self-appointed champions capturing attention of Senior Management
- Individual initiative drives the development of idea, completion of innovation activities, project staffing, etc.
- Acquisition of resources and funding to develop ideas is ad-hoc

**Successful Innovators**

- Organization’s leadership develops innovation culture, sets expectations, establishes facilitating mechanisms, goals and reward systems
- Staff identify opportunities through systematic evaluation process. Cross-functional teams work to develop idea and business models
- Organizational structure and mechanisms in place for identifying, selecting, rewarding and retaining innovation champions, experts and team members
- Individual managers have authority to fund promising ideas, while organization adopts a portfolio approach to funding of innovation prospects
Agree upon the Principles of Innovation to follow

- **Recognition of innovators**: Put in place motivators that drive the desire to innovate.
- **Awareness of Org. strategy**: Ensure staff/employees understand the business strategy.
- **Organizational buy-in**: Ensure that there is support from the Organization for innovation.
- **Diversity of work experience**: Build a team with broad, cross-functional experience and skills.
- **Time and resources for innovation**: Ensure that there are sufficient and specific resources dedicated to innovation.
- **Ideas exchange**: Build and maintain a forum for sharing ideas among staff.
Relentless Innovation

“There's very little question whether we need to innovate - the bigger question is the how and the why. I think we really need people to understand that innovation isn't just something we ought to achieve, it's not a nice to have, it becomes a must-have. I believe that things have changed that efficiency was very important, but now innovation is very important... Shift from this idea that innovation is something nice to do, on occasion, to something we must do on a regular basis.”

- Jeffrey Phillips, OVO Innovation
Imaginative Thinking leads to Innovation
Constrained Thinking is an Impediment to Vision
Functional Fixedness Stifles creativity

Using a Fan as a leaf Blower
The Stages of Change

1. Knowledge
2. Persuasion
3. Decision
4. Implementation
5. Confirmation
What Prevents Organizations From Achieving Vision?

• Culture (i.e. not a safe environment, failures called out)
• Approval gates
• Modeling another company
• Funding for ideas lacking
• No time
• Buy-in for change difficult
• People think the status quo is ok
• Fear of losing expertise status
Removing Impediments to Innovation

• Leadership Styles: How might our thinking and leadership styles be impeding the capacity for effective innovation?
• Organizational Culture: What assumptions, collectively held beliefs or perceptions of our values are blocking our ability to work in new ways?
• Organizational Structures: What organizational structures, roles or policies which once may have been needed, have now become bottlenecks to effective innovation?
There are several ways of increasing exposure to new capabilities and trends while encouraging idea generation

- Innovation Days
- Tradeshows
- Field Trips
- Innovation Demonstration Room
Example of an Innovation Day

Activity

The department(s) break into teams which are allowed to pursue their own idea for the organization, be it a process improvement or new product. Teams try to take the idea as close to realization as possible in the timeframe, presenting the results to senior management.

Recommended Frequency

The activity lasts approximately: 1 and a ½ day. And should occur approximately: 4 times a year.

Activity Process

Step 1: Teams can be formed in advance. Ideally, participants should be allowed to form their own, but some direction may be needed for proper team structure if this initiative is being introduced for the first time.

Step 2: Teams should generate their own ideas. If this initiative is new it might be helpful to have a list of ideas teams can choose from. Innovation Champions should approve the selected idea before teams run with it.

Step 3: The majority of the time should be devoted to this step, where teams go away to research, develop, and test out their ideas. Encourage heavy prototyping during this stage by providing access to needed resources.

Step 4: Teams need to also prepare a presentation, which they will deliver to an executive panel at the end of the activity. Executives will be able to choose from these presentations which ideas they feel have the most potential.

Innovation Agents

Led by the Innovation Champion(s) from the business unit(s) being involved.

Innovation Outcomes

Senior Management will be provided with a variety of innovation prototypes they can then select to sponsor.

Appropriate for organization

Organizations that can afford to halt a department’s, or a few departments’ normal activity for a day.

ITRG
Example of an Innovation Activity: IT Innovation Days

**Introduction to the activity**
Introduce staff to the process and goals of the next two days.

**Team Formation**
Create teams of approximately 4 individuals, including a leader, driver, idea person, and content expert.

**Idea Generation**
Teams form initial set of ideas, then filter them down to top candidate.

**Research and Prototyping**
Teams work on approved idea to take it as far as they can while building their presentation.

**Sponsorship**
Mgmt. choose projects to sponsor based on presentations. Teams are able to then sprint the idea from concept to creation.

**Presentation**
Latter half of second day is spent with teams presenting the innovation idea to a management panel.

ITRG
### Example of an Innovation Activity: Business Innovations Forum

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<tr>
<td>This forum is targeted and focused toward specific business units to expose them to technologies and open their minds to generate innovative ideas. Once a month, a vendor is selected to visit onsite to demonstrate a particular product that relates directly to the targeted business unit.</td>
<td>The activity lasts approximately: ¼ day. And should occur approximately: Once a month</td>
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### Activity Process

**Step 1:** A business unit is chosen as the focus for the month.

**Step 2:** A vendor with an innovative product that relates to the chosen business unit is invited to demonstrate at the Business Innovations Forum.

**Step 3:** At the event, individuals are given a card on which they can record ideas.

**Step 4:** Individuals are encouraged to ask questions and discuss ideas with the vendors.

**Step 5:** Individuals from the chosen business unit regroup for a debrief of the forum, voicing ideas, soliciting feedback and ideally building off of each other.

### Innovation Agents

Led by Business Enablement Specialists. Supplemented by visits from vendors.

### Innovation Outcomes

Ideas are recorded throughout the session, to be reviewed and moved forward at the end.

### Appropriate for organization

All organizations that can identify relevant vendors and schedule visits to their site.
Example of an Innovation Activity: Innovations Updates (e.g. eNewsletter)

**Activity**

A newsletter is sent to everyone in the organization to update them on emerging innovations. This newsletter will not be industry or technology specific, and will act as a medium to help individuals open their minds to thinking about generating innovation ideas.

**Recommended Frequency**

The activity lasts approximately: ½ day. And should occur approximately: Four times a year

**Activity Process**

**Step 1:** Assigned Newsletter Team researches emerging innovations, and posts a newsletter on the company intranet website.

**Step 2:** A link to the newsletter is sent to everyone in the company.

**Step 3:** Individuals read the newsletter, and post comments to start a discussion thread. Cross-functional participants of the discussion will bring differing points of view to generate interesting ideas.

**Step 4:** Ideas generated will be inserted in a repository of ideas to be reviewed.

**Innovation Agents**

Led by the Newsletter team
Participants of discussions could be from any department in the company

**Innovation Outcomes**

Ideas are recorded to be reviewed and moved forward a week after newsletter is posted.

**Appropriate for organization**

All organizations that have the time and resources to create a Newsletter team.
### Example of an Innovation Activity: **Innovation Demonstration Room**

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<tr>
<td>A location is designated as the innovation demonstration room to test out new ideas and showcase the innovative initiatives IT is currently working on. Everyone in the organization is welcome to visit the demonstration room to see what is happening.</td>
<td>The activity lasts approximately: ( \frac{1}{2} ) day. And should occur approximately: Year round</td>
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#### Activity Process

**Step 1:** A location is designated as the innovation demonstration room.

**Step 2:** Throughout the year staff researches, tests, and demonstrates new technology-enabled capabilities in the innovation demonstration room.

**Step 3:** Employees visit the demonstration room to see the innovation initiatives, and provide feedback.

#### Innovation Agents

- Led by Innovation Champions
- All company employees are encouraged to visit.

#### Innovation Outcomes

- Feedback on ideas allows IT staff to improve.

#### Appropriate for organization

- All organizations that have the space to dedicate an area to innovation.
The Following are some areas of great opportunity for Innovation in Libraries
Predictive/Advanced Analytics
Use of APIs/Web Services
Accelerated Electronic Connectedness
Mobile Apps

APPNATION: WHAT A DIFFERENCE A YEAR MAKES

2011 vs. 2012

PROPORTION OF TIME SPENT
TOP 50 APPS
74%  58%

TIME SPENT ON
APPS VS. WEB
73%  81%

SMARTPHONE
PENETRATION
38%  50.4%

NUMBER OF
ANDROID & iOS
USERS
38M  84M

AVERAGE NUMBER OF
APPS ON DEVICE
32

PERCENTAGE OF
APP DOWNLOADED
WITH ANDROID AND iOS PHONES
74%  89%

Source: Nielsen
Responsive Web Design
NFC (Near Field Communication)
BYOD/DAAS
The Bookless Library will feature no physical books, but plenty of e-readers.
In Boston, pop-up libraries go to where the people are, instead of waiting for them to come looking for books.
Commuters can access eBooks and Audiobooks via QR codes on a platform at Suburban Transit Station. Photo courtesy of SEPTA.
Makerspaces/Creation/Collaboration
SCRATCH
imagine • program • share

Community Stats
1,529,479 registered members,
456,935 project creators,
3,297,322 projects.
That's a lot of

Scratch-ing!
Library as Publisher: Community Publishing Portals
LibraryBox

LibraryBox is designed to enable the distribution of digital information to areas with little or no Internet access
Open Hardware

Example: Door Counter
Build One Yourself

- Arduino - $35
- Data Logger Shield - $20
- SD Card - $10
- Sensor (infrared laser tripwire) - $10

TOTAL COST - $70

Jason Griffey
iPad Storytimes
Boutique-lication
Interactives: smart programming
In Summary

- Innovation Management is key to the Organization’s relevance in the future

- Innovation is not uniform – organizations need to tailor their approach and team to the class of innovation being pursued

- Successful innovative organizations are disciplined and deliberate in their approach to innovation

- Clarity of vision and an organization structure built to drive innovation are necessary for success

  - Thoroughly defining and researching the issue being faced is just as, if not more, important as developing the solution

- Generating ideas begins with a divergence of solutions, which are in turn filtered, researched, and developed before moving to the next stage
“The best way to predict the future is to create it!”

- Peter Drucker
“The snow won't stop falling just because you don't have a shovel. Be at the table for what libraries will become.” Bobbi Newman.
“The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn”

Alvin Toffler
Thank you!

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