

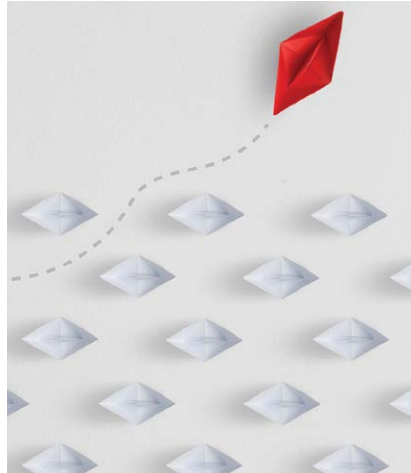
## How to Broaden Your View of Innovation Opportunities

BY AMA STAFF

As the need for innovation intensifies, companies can get a much broader view of the opportunities available—and the competitive threats—by changing the way they look at customer behavior. That's the advice from Stephen Wunker, managing director of New Markets Advisors and co-author of *Jobs to Be Done: A Roadmap for Customer-Centered Innovation* (AMACOM, 2016).

In a podcast on AMA's Edgewise series, Wunker suggested that organizations must shift their focus from asking "what people want" to asking why they want those things and what is triggering their demand. With a broader view, a company can uncover the underlying "job to be done"—that is, what the customer is really trying to accomplish when he considers the options available.

This shift in focus will lead not only to sustaining innovations, but also to the critical



innovations that create a company's future growth. "You get a much more expansive view of both what the opportunity and the threat is," Wunker said. "That's how you get the really big innovations to happen."

### The landscape of innovation

When you focus on jobs to be done, Wunker said, you may discover a more complex definition of your industry and a larger

landscape of innovation opportunities than many companies recognize.

He offered the example of automobiles. A typical automaker might use a needs analysis to identify product-related features that customers want. It then executes well on those needs.

But when BMW developed its Mini for the small-car market, it took a different approach. The company looked at what people were trying to get done in their lives that might involve transportation, Wunker said. BMW discovered that many people were concerned with self-expression—a job to be done—and created the Mini in response. "They nailed a differentiated piece of metal real estate that they can hold on to. Anybody else who tries to do that is just a knockoff," he said.

Wunker believes that this viewpoint is beneficial for new managers and those looking to advance their careers. When you are able to step back and understand people's underlying motivations, he said, "you create an insight about what makes people tick that as a leader is really important."

## Connecting Strategic Thinking to Results

BY REED DESHLER

One of the most important characteristics of a leader is the ability to think strategically. Leaders must be adept at recognizing themes, trends, and data applications and envisioning big ideas. These strategic thinking skills are vital.

However, there is an additional factor to strategic thinking often missing from leaders' skill sets: the ability to envision the organizational consequences of the strategic choices they're considering. A leader must understand the exact implications of including specific trends, themes, and ideas in an organization's design. The ability to connect strategic ideas to results is particularly relevant for inexperienced leaders, who often mistake innovative thinking for strategic thinking.

I once led a planning session in which one participant stood out for his innovative thinking. However, he could not communicate what the implications might be if his ideas were implemented. The more seasoned members of the leadership team eventually turned their attention to ideas



and strategic planning that took into account potential implications for the organization's talent, resources, and positioning. While innovation is important, innovative ideas are only useful when resources can be applied and the organization's attention shifted.

How can you encourage people to think both strategically and practically? Consider implementing these practices:

**Seek out frameworks and tools that facilitate strategic thinking.** Good tools and frameworks facilitate strategic visioning and provide a concrete model within which leaders can process information and grasp the implications of their choices on the organization.

**Use forums.** In a forum setting, leaders gather to envision new strategic possibilities and to vet their organizational implications. It's an excellent opportunity to discuss and analyze the consequences of a proposed

strategy. The live interaction allows innovative and practical thinkers to benefit from each other's strengths and facilitates the process of identifying and remedying organizational and strategic misalignments.

### Encourage strategic discussions.

Meetings offer an ideal opportunity to exercise strategic thinking by thoughtfully suggesting trade-offs or pointing out the consequences of past or present choices on the organization. Even a new manager can eventually become a role model of practical strategic thinking by exercising conscious awareness of the implications of strategic choices.

### Involve all levels of the organization.

When strategic conversations are allowed to move beyond the walls of the executive meeting room, they become more robust through the involvement of not just high-level decision makers, but also those responsible for implementing the strategy.

With these practices, leaders can help teams think through the choices they make and envision the tangible consequences of strategic decisions.

*Principal of AlignOrg Solutions, Reed Deshler specializes in developing strategic organization designs and helping companies bring them to fruition.*

## How Collaborative Innovation Can Change the Game

BY GAIA GRANT AND ANDREW GRANT

The reality TV show *Survivor* has been described as an exotic version of office politics. To “survive,” the participants need to collaborate with others and form close social bonds. Yet those who make it through to the end also need to be ruthless individualists.

This apparently incongruous tactic can mirror contemporary corporate culture. While people are told they should collaborate in teams, they’re often rewarded as individuals. Particularly in the area of innovation—where the stakes can be high but the potential rewards are captivating—individual creative genius is often put on a pedestal. The winners in “the innovation race” are rarely recognized as teams.

Perhaps it’s time to change the game. Here’s how to innovate more collaboratively:

**Break out of silos.** A 2006 McKinsey report found that high-quality interactions

within an organization lead to better innovation. The authors state, “Rewards for collaborating and for sharing knowledge... help the organization as a whole rise to the level of its best innovations.” For example, while scientists for many years have typically worked independently in their labs, the emergence of the Internet has enabled better communication and collaboration.

*To break out of silos:* Try facilitating communication between potential silos. Reward resulting collaborative innovation efforts.

**Build on brilliance.** While we might typically celebrate famous inventors as individual creative geniuses, most have in fact built on the ideas of others. Thomas Edison is credited with inventing the light bulb in 1879, but other types of incandescent globes had been patented as long as 30 years before by other inventors.

The petty feuds and backstabbing that can characterize an individualistic approach have blocked potential new innovations. The development of a cure for AIDS was delayed by about four years by trivial arguments over who was responsible for the discoveries.

*To build on brilliance:* Try creating collaborative opportunities for people to share and build on each other’s ideas.

**Pass the baton.** A common complaint is that during the innovation process, when a project is passed to another department, the follow-through to implementation isn’t maintained. This may require us to completely reevaluate the way we think about innovation as a “race.”

*To pass the baton:* Try setting up systems and structures that will ensure innovation projects can be effectively handed over at appropriate times. This will help ensure follow-through to implementation. When a long-term view is taken, it’s easy to see that the winners in innovation might not be the fastest or first to market. They might instead be those that can develop the most collaborative innovation teams.

How collaboratively innovative are your teams?

*Gaia Grant and Andrew Grant are the directors of Tirian International Consultancy. They help to create innovation cultures for a range of international organizations.*

## 3 Behaviors That Spark Innovation and Drive Digital Transformation

BY ISAAC SACOLICK

Most businesses want to deliver innovative solutions to customers, and many identify innovation as a strategic goal. In a 2017 PwC survey, over 60% of companies viewed employees as their most important innovation partners. A 2017 Gartner survey found that 42% of CEOs had begun digital business transformations. So how can leaders elicit the behaviors, practice changes, and delivery of innovative products and services that will enable the transition from legacy business models to ones that are competitive in a digital world?

In my experience, transformations should start with small innovative teams that can develop new practices like market research, digital product development, agile management, and data science that are the foundations for both innovation and transformation. Eventually, these programs hit all departments when sales teams must sell new digitally backed products, marketing teams must reach new prospects through omni-channel



programs, and businesses must deliver digitally competitive customer experiences.

Most organizations can bring on their best and brightest to be these early participants, but bringing on a larger part of the organization requires leaders to drive behavior changes. Here are three ways to enable more employees to participate in digital programs:

### Encourage people to ask questions.

All businesses that are feeling competitive pressure should challenge the underlying assumptions that make their legacy products, services, and operations successful. Getting people comfortable with asking questions enables them to move away from “the way we always do it” to a dialogue around what makes better sense in a faster, digital world.

Maybe the sales team is visiting prospects too often. Someone might ask, “How can we have more frequent discussions with prospects without traveling to them or emailing them individually?” That question opens options for the marketing department to leverage marketing automation tools to nurture prospects. Maybe your operations team wants to explore using automation to eliminate repetitive tasks. Someone asks, “How can we learn to be product owners in IT’s agile development process?”

In these examples, there are likely some people in the organization that still harbor doing things the old way. Asking questions is

*(continued)*

### 3 Behaviors That Spark Innovation and Drive Digital Transformation

(continued)

a nonconfrontational approach to challenging the sacred cows and opening a dialogue about new solutions.

**Get out of the office and meet customers and prospects.** The world is changing fast, and your customers have higher expectations and greater options to select products and services that deliver convenience, intelligence, and value. Start-ups and market leaders in other categories are looking to steal market share from slow competitors that are out of touch with customer needs. But you also have opportunities to develop new services and to branch into new areas if you can identify optimal customer segments to deliver services on digital capabilities.

In today's world, leaders from across the organization must get out of the office, learn from customers and prospects about their needs, and develop a perspective on

how to deliver new experiences. Marketing specialists should learn how to best message and target prospects. Sales should be learning who their new competitors are and how to defend against sales objections. Technologists should learn about the underlying technical capabilities required to fulfill value propositions.

**Ask for data, then insights, then opinions.** A most important element of digital transformation is to evolve the data-driven organization. These changes can be profound, especially in businesses with top-down decision making driven by experienced but opinionated leaders that may be out to benefit themselves as much as their business. A data-driven organization provides governance, practices, and tools for people to present a thesis—by first presenting data that backs it, then insights they've inferred, and lastly their opinions and conclusions.

This process enables calculated risk taking. If you believe that reaching prospects can be done economically through social media, then run experiments, capture the results, analyze user behavior, and provide

a forecast that backs whether a larger investment will yield acceptable returns. Want to shut down a legacy system? Measure the actual usage of the system, identify the power users and their key functions, develop insights on the business value delivered by these processes, and produce a business case on whether or how to replace the legacy system with a more optimal solution.

#### Behaviors drive organizational change

At the heart of delivering innovative solutions and transforming products and services is organizational change. Employees' roles in the organization, their job functions, and how they deliver business value are all subject to reinvention as business models and products evolve. To get more people aligned around the business and digital strategy, you must ask employees to challenge the status quo, learn what customers need today, and leverage data to drive decisions.

*Isaac Sacolick is a top digital transformation influencer, a contributing editor at CIO.com and InfoWorld, and the author of Driving Digital. He is the president of StarCIO.*

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