

business issues

LIVE TO INNOVATE

BY STEVE BLUE

Innovation isn't an option.
It's a necessity.

IS YOUR COMPANY the next Blockbuster?

Not a blockbuster hit but rather Blockbuster, the company that owned the video rental market until it was upended by an innovative competitor called Netflix.

One thing is certain: If your company isn't innovating, all of its products or services eventually become commodities. Or they're toppled by the next Netflix.

When that happens, you have no margin left to spend on research and development, new initiatives or anything else that could provide a competitive advantage. Your customers will start playing you against the competition, and then it's just a race to the bottom for further price concessions. At that point, you're left with reducing costs, overhead or profit—and potentially in a downward spiral toward going out of business curve.

So how, exactly, do you spark new innovation at a company? What's more, how do you do it at an already established business? Here are some ideas:

Make innovation part of everyone's job description. The first line item on every job description—the job descriptions of all employees, not just a select few—should state that a primary duty is to introduce innovative ideas into the company. From the shop floor to the executive door, mandate that the entire organization offer ideas to improve products and services.



Steve Blue is president and CEO of Miller Ingenuity and author of the forthcoming book *American Manufacturing 2.0: What Went Wrong and How to Make It Right*. As a nationally recognized business transformation expert and speaker, Steve has been featured in *Forbes*, *Entrepreneur* and the *Wall Street Journal*. He is also the founder of and contributor to *American City Business Journal's* "League of Extraordinary CEOs" series. To learn more about Steve, please visit www.milleringenuity.com.

Innovation must be one of the company's core values, so much so that it is tied to performance appraisals. Determine a means to best measure innovation in your company, and incentivize innovative thought by making it part of the performance review process. By doing so, not only do you give kudos and raises to the employees that innovate, but you also say goodbye to the ones that don't. Pretty harsh, isn't it? So is what happened to Blockbuster. Or Polaroid. Or Woolworths. Or dozens of other industry icons that bit the dust.

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Invest in innovation. Contrary to popular belief, everyone is creative. The key is to understand how to unlock that creativity. Train every single employee in the principles of brainstorming and innovation. Hold "innovation fairs," similar to a science fair. Take your employees on field trips to highly innovative companies

outside of your industry [*Editor's note: Or to steel fabrication shops within your industry.*]

Provide the time to innovate. It isn't always enough to set the expectation to innovate. You must provide the time—or at least the parameters—for innovation. To really push the innovation envelope, you should encourage your employees to spend, say, 20% of their time innovating and brainstorming new ideas. But if you still expect your team to accomplish the same amount of work in the remaining 80%, that would be unfair—and in the end it would never work. So you have to bite the bullet and hire more people to cover that 20%. You need to set the expectation that thinking about things" is really just as important as building things."

Provide the space to innovate. Asking employees to innovate and brainstorm without providing a space to do it in can squelch creativity. Once you've established the practice of innovation, devote a location within your organization where they can meet regularly and without interruption. This can be as simple as an empty cube dedicated for innovative practices or as involved as an off-site location where the round-

the-clock focus in innovation. Above all else, you must make it abundantly clear that these spaces aren't just for white collar employees. They are for all employees.

Allotting space serves two purposes: It provides an assigned area in which to innovate and it shows employees how serious your company is about the process. Keep in mind there is no magic in this space. The magic is in unlocking the creative genius in every one of your employees. The innovation space only facilitates this. Before you build your space, be sure you have taken the above steps in creating the culture and providing people the tools and training to innovate.

Celebrate, recognize and reward innovation. Find ways to celebrate and recognize innovation every chance you get. It has a way of changing workplace culture for the better and reinforcing positive behaviors. Potential rewards include significant cash awards for innovation, professional photos taken of the team marking the achievement or even making the accomplishment public by taking out a half-page ad in the local newspaper, detailing the innovation.

Recognize innovative efforts every chance you get in every way you can think of. Be, frankly, creative in how you recognize people. Send them on hot-air balloon rides. Hire a team of

skydivers to land in the company parking lot. Hire an airplane sky-writer. All of these "crazy" ideas further the process of getting your team to be more innovative.

Fight fear and resistance. Do you remember Woolworths, the five-and-dime retailer I mentioned earlier? No? That's because it was out-innovated by Walmart and went belly up—likely because it stayed in its comfort zone until there was nothing left to do but close up shop.

Regardless of how long your company has been around, it's imperative to keep the creative wheels turning and staying ahead of the innovation curve. The logistics may seem daunting, yet the biggest risk isn't a technical one; it's organizational. People fear what they don't understand, and they'll kill a project they're afraid of. You have to get out in front of that and fight the fear and resistance early and often.

Innovation is no longer an option; it's a necessity. As you move your business toward more innovative thought, be prepared for some pushback. Also, be ready to restructure your organization and even cut people loose if you have to. You need to surround new developments with people who believe in innovation. Otherwise, you'll be left with those who'll do little more than look for flaws. ■