

# innovation

essence of a  
**changing world**

The invention of a new idea is not just important, but also the way idea is brought in to the market, implemented in practice and exploited in a way which leads to newer products, services, that improves the quality and also adds value to it.

■ BY DR SUJAYA BANERJEE



In most organizations, if 50 people were asked what the word 'Innovation' meant, you would without doubt get 50 different interpretations of the word. Further, if they were asked how you actually made 'Innovation', you would most often get responses with curious and quizzical expressions. So let's, at the very outset, agree on one working definition of innovation so that the rest of the article is understood in perspective. Innovation can be defined as the process of devising a product or service concept that helps the consumer get a job, or jobs, done better.

### 'Ideas-first' approach to innovation

Many companies adhere to the 'ideas-first' approach to innovation and develop support systems and organizational cultures that reinforce its use. Companies that use the 'ideas-first' approach believe that the key to success in innovation is to be able to generate larger number of ideas and quickly filter out those that are likely to fail. The belief is that more is better - which means there is a better chance of coming up with great breakthrough ideas when the universe of ideas is large.

The 'ideas-first' approach is immensely popular as it engages and involves large groups of people in the ideation process. What this also does is it increases the failure rate of ideas, as it is accepted that this approach is going to generate many failures. Companies therefore adopt a "test- fast, fail-fast, adjust- fast" approach towards ideas. Despite its immense popularity, the 'ideas-first' approach cannot be counted on for predictable growth, and is inherently doomed to fail.

Firstly, because generating more ideas does not meaningfully improve the probability that someone will come up with optimal ideas to satisfy unmet customer needs. People are in effect brainstorming ideas without knowing what the customer's needs are at most times, or which customer needs are left unmet.

Secondly, the evaluation and filtering processes in such an

approach are flawed. Since the unmet customer needs are unknown, the said processes used can easily miss great ideas, and also fail to filter out bad ideas.

### 'Needs-first' approach to innovation

In this approach, the thing organizations do is attempting to understand customer's need, and then figure out which of these are unmet, and finally go on to devise a concept that addresses those unmet needs.

The sad reality on the 'needs-first' approach to innovation is that despite all the talk about satisfying customer needs, there is very little understanding on what actual customer needs are, or what the purpose, structure and content of a need statement should be. Oftentimes managers find themselves in the position of a chef, who may know that certain ingredients are needed to bring out a certain taste, but are unable to figure out exactly what combination of ingredients will make the dish tastier.

### 'Outcome-driven' approach to innovation

This is a happy combination of both, the 'ideas-first' and 'needs-first' approaches.

The 'outcome-driven' approach process is built around the theory that people buy products and services to get a job done; it links a company's value generating activities to customer-defined metrics and helps them make a product and take marketing decisions that ensure the growth of core markets, and enable successful entry into adjacent or new markets.

So, needs are identified scientifically before systematically generating solutions and ideas to meet customer needs for a competitive edge and value creation.

Today's imperative for innovation In today's economy, while quality and customer service are still paramount, one aspect of business that has crept up into many companies and caught them flat footed in embracing new



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**Creating a Risk-Tolerant Environment**

**Second-chance leads to product innovation at 3M**

**Product Failure:** In 1922, an idea that sandpaper could replace razor blades.

**Product Success:** This was later used to develop fine-grained waterproof sandpaper – one of 3M's blockbuster products

business frontiers, it is the challenge of INNOVATION. There is a clear imperative to embrace change in a world that is changing at an ever accelerating rate.

The corporate world is rife with examples of companies that did not reinvent themselves early enough and fell by the way side. Products such as encyclopedia, telephone books, carbon paper are instances of a lack of reinvention, which eventually faded into obscurity. One also wonders about the fate of the telecommunication industry, as the Internet takes over as the preferred carrier of voice traffic.

**Two things are certain:**

- (1) Businesses need to re-invent and innovate to survive and the need for this is accelerating.
- (2) The leadership for change ought to come from the top, with serious ownership from leaders who are willing to explicitly commit to innovation. There must be a shift of focus from myopic achievement of annual business targets to enable organizations to build sustainability for the future.

**Learning and innovation are two sides of the same coin**

Organizations that learn faster change faster. Learning is the process of integrating a better way of doing things into your world view. Change

happens in organizations when many people learn by integrating an improved world view, and effect the intended changes. But it is imperative to build a mistake tolerant culture to enable experimentation and innovation.

Several HR processes contribute to innovation. How employees are hired can impact innovation, organization design, performance management and rewards, training and development - all contribute significantly in building a culture of innovation.

But most of all, building a culture that allows for mistakes and enables failures to be viewed as opportunities

to strengthen the learning process, is imperative.

If you look at how we raise our children as parents, raise adults through our academic institutions and groom them as professionals within organizations, there is an almost unhealthy over emphasis on aligning to and believing in one right answer to a question. When this happens, the intellectual curiosity is curbed and stifled with the compelling need to find and know the right answer, with a belief that there is indeed only one right way / one-right solution / one-right answer to questions.

The embarrassment and shame associated with making mistakes curb the learning process as we find adult professionals in organizations deeply uncomfortable in dealing with mistakes or failure.

Tolerance for mistakes and failures are the stepping stones for enabling innovation. If failure is viewed as a likely stumbling block on the path to innovation with no loss of face, adversity, rejection or punishment associated with it, we can all hope to become a country of innovators.

3M is a glorious example of mistake tolerance leading to innovation success.

3M brought out a product in 1922 - an idea that sand paper could replace razor blades. It was a big failure.

However, they later used the same

**Failure before Success**



**'Fail early,  
fail often,  
fail forward'**

product, reintroducing it a few years later as a product for polishing car paint. This time round it was a grand success - speaking volumes for 3M's culture of innovation that allowed a failed product to be revisited for its potential and re-launched to become resounding a success story in an alternate application.

There are several organizations committed to innovation, that encourage experimentation and mistakes by giving out awards and accolades for risk taking. Lockheed Martin has a practice where the CEO and other leaders regularly round up employees in huddles to discuss their own failure stories. Getting leaders, parents and teachers - people in authority admitting to mistakes is very powerful for creating a macro environment to foster innovation.

This goes a long way in encouraging employees to take calculated risks, experiment, and make mistakes in their search for a better way. Woody Allen had once said that real innovation only comes

out once you have messed something!

In present times, no country has possibly witnessed the quantum of



change as India has during the past decade. We are in fact sitting on the biggest opportunity for building sustainability and innovation in our success story, if we build a greater

tolerance for mistakes in our macro culture, a greater appetite for failure in the way we raise kids, the way we educate and groom adults, and the expectations we heap onto professionals in the form of performance.

An appetite for failure fosters innovation, creativity and entrepreneurship. Great ideas never come to minds shackled with the fear of making mistakes. We must position failure as a doorway to new insights, learning and more success.

**There are two things we need to instill in our culture:**

1. Tolerance for mistakes to enable people to freely experiment, grow, learn and succeed
2. Undying faith in the power of human potential to learn from mistakes and work harder to create new ideas and success stories

Many companies have found success in the ashes of their memorable mistakes.

**Therefore the guru mantra for innovation is "Fail Early, Fail Often, Fail Forward".**

