



24/7 Innovation

A Blueprint For Surviving And Thriving In An Age Of Change

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Focus

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Take-Aways

- Change must be on every employee's agenda, constantly. It's everybody's job, and no department is exempt.
- There is no period when your company can afford to take a break and stop transforming itself. It's not a management fad; it is a permanent feature of successful companies.
- Innovation is people-centered. Technology enables transformation, but cannot achieve it alone.
- Transforming your organization requires strong leadership from the top.
- Expect internal resistance, which a strong leader must overcome.
- Collaboration and knowledge sharing are key elements in becoming a 24/7 innovator.
- Simulation will enable you to increase your pace of innovation significantly.
- Be careful not to "squeeze the balloon" by focusing too much on one part of your organization at the expense of other areas.
- Make your company organic in the way it fluidly and rapidly responds to changing circumstances.
- With change as the only constant, your company must continually change.

Rating (10 is best)

Overall	Applicability	Innovation	Style
9	9	9	8

Relevance

What You Will Learn

In this Abstract, you will learn: 1) How to quicken innovation; 2) How to use technology to enable change; and 3) How to lead constant innovation.

Recommendation

The typical change initiative or business transformation book seems to follow a tried-and-true formula: the world is changing faster, and you'd better get on the bus before you find yourself lying beneath it. It's a little like proposing an end to world hunger — everyone agrees with the objective, the question is how do you get there. In this regard, Stephen Shapiro's book does substantially better than most in terms of offering ideas that really could bring your organization closer to attaining its goals. Employing simulation to accelerate the innovation process, using technology to enable information sharing and leading continual innovation from the top down are just a few of the key concepts. *getAbstract.com* recommends this book for your "must read" list, if you want to teach your organization to grow and thrive, twenty-four hours a day, seven days a week.

Abstract

Streaming Business

The ancient Greek philosopher Heraclitus once observed that you could never step in the same stream twice. The idea, of course, is that while you can dip your foot in the water again, the stream itself is an ever-changing entity. The old water has slipped past and, though the stream may appear placid, in reality it is continually evolving. You might say the stream changes all day, every day. You might say it changes "24/7," every hour of the day, every day of the week.

For your business to keep up with the stream of innovation constantly flowing through virtually every sector of commerce, your company must establish a culture where innovation is continual, an unceasing process that doesn't take coffee breaks, personal days or comp time. Quarterly brainstorming sessions designed to dream up a better mousetrap are no longer enough. Your goal should be much more ambitious — constant innovation is necessary if your organization is going to attain its true potential.

Fair warning: this isn't easy to achieve. The organization of the future must operate like a jazz musician who follows the written line of music only until inspiration and the muse lead elsewhere. You have to sell your organization on the idea that there must be a perpetual state of innovation that involves all employees. This is a departure from earlier change initiatives, such as process reengineering, total quality management and so forth, in several ways:

- It is strategic and will have a ground-up impact on your customers and markets.
- It is extended throughout the organization. No one is excluded.
- It is efficiency-driven and centered on generating stakeholder value plus organizational efficiency.
- It views technology as an enabler, not a solution. Technology is a tool of the business; the business is not constructed around the technology.
- It is people-centered. Innovation is never the result of technology per se, but rather comes from individuals who adapt technology in clever, new ways.

"The business world, like life itself, never stops reinventing itself."

"I am always amazed at the high quality of people employed by companies around the world. And I am even more amazed at how little most companies tap into the creative potential of these employees."

“Thriving in this age of change is no easy feat. It requires changes everywhere and from everyone in the organization.”

“In the business world, we’re now seeing the reintroduction of the human factor.”

“Companies must find a way to achieve 24/7 innovation — all day, every day — in order to survive in an increasingly daunting competitive environment.”

“Only one approach to this unsteady state of affairs makes sense: perpetual innovation — the constant shifting of strategies and tactics to reshape the business and take competitors by surprise.”

Innovation only occurs when someone somewhere asks the right type of question, and continues to ask it until it sparks a vision of an opportunity to improve a process. One helpful framework for asking questions that ignite innovation is called the “Seven Rs:”

1. **Rethink** — Question your organization’s basic assumptions and the processes that support them.
2. **Reconfigure** — Go beyond “why” to ask “what?” What activities can be streamlined, what steps can be eliminated, what economies can be achieved?
3. **Resequence** — Perhaps you’re doing the right things, but are you doing them in the right order? You’ll find opportunities to resequence when you ask questions that begin with “when,” as in, “When do we retool the plant?” and “When do we check for quality?”
4. **Relocate** — This question begins with “where.” Today, you may be able to do business any place, but where is the ideal location for the activities you need to undertake?
5. **Reduce** — Can you cut back on the amount of activity in a certain business unit or in the frequency of any given activity. Hint: Sometimes the creative answer is to increase, rather than decrease, the frequency of a key activity.
6. **Reassign** — Ask “who,” so you can line up the right people to take on the right jobs.
7. **Retool** — This question goes to the heart of how you’ll get from A to B, and it’s a “how” question. “How can technology improve this system?” or “How do we make our business more flexible and responsive to market changes?”

The Wet Baby

Even after you’ve used the Seven Rs framework to develop a concept of the ideal situation for your business, you need to stop to consider the human side of the equation. As Ray Blitzer accurately noted, “The only one who likes change is a wet baby.” Because change challenges all of us, it can only be implemented with leadership from the top. Anything less won’t do.

As an executive, you should avoid two extremes when you’re trying to establish your corporate culture. The first extreme is “the right of infinite appeal.” This describes a culture where anyone can question any process at any time and too many people have a veto, so deadlock is rife. The second extreme is “run and gun.” Some companies encourage everyone to take the ball and run with it. This generates a lot of action but interpersonal communication suffers, units perform disjointedly and anarchy seizes momentum away from progress. Effective leadership will navigate somewhere between these two extremes.

Proficient change leaders exhibit certain common characteristics:

- **Leaders instill a sense of urgency** — They may achieve this through their unbridled intelligence, their charisma or simply their ability to foment a sense of crisis. They may drive change by claiming a “burning platform” situation, where the company must escape to a friendlier position or risk losing everything.
- **Leaders communicate a sense of vision** — Armies follow banners. Air Force pilots paint emblems on their planes’ fuselages. The cavalry charges after the trumpet sounds. No organization is going to arrive at the right destination without a leader whom the troops believe can take them there. One essential aspect of this ability is walking the walk, not just mouthing platitudes you expect underlings to execute.
- **Leaders believe** — Someone once described sales as “the transference of belief.” Leaders must be able to transfer and communicate their own sense of belief to those who will play an important role in putting the change into practice.

“Innovation is becoming a permanent feature — not a management fad — in successful companies.”

“But such innovation does not just happen. It emerges when people ask the right sort of questions about the work they are performing and about the ways those tasks might be improved.”

“It is clear by now that we are not talking about business in a stable state.”

“Simulation’s greatest contribution to innovative efforts is that, as noted in the examples, it helps build an environment conducive to innovation.”

- Leaders overcome setbacks — Ted Williams once remarked that successful hitters in baseball fail seven out of ten times they step up to the plate. Yet the great leader shrugs off setbacks and plods forward, learning from errors without dwelling on them.
- Leaders inspire respect — Some might be tempted to substitute the word fear, but what’s really needed is clout. If the leader supports the change initiative, others should step into line. Leaders who lack respect may not be able to overcome organizational resistance.

Innovation Through Technology

Technology represents tremendous value if you view it in the proper perspective: in its role as a tool, not an end in itself. Technology offers the 24/7 organization these opportunities:

- Collaboration — You must retool your organization to facilitate the continual flow of tremendous amounts of information, to be shared both within and beyond the walls of your company. Collaboration across the value chain nurtures communities that become able to contribute true value and innovation, not just repeat established processes.
- Knowledge enhancement — This goes beyond sharing data, to actually sharing know-how. The sharing of knowledge and the dissemination of expertise throughout your organization is critical to its ability to innovate continually. Do not assume that a proper level of knowledge sharing is actually taking place. Chances are it’s not.
- Improving value — Make sure that your technology makeover is actually going to add to customer value. This sounds rather obvious, but it is easy to get caught up in new bells and whistles and to overlook who is actually supposed to benefit from the new gadgetry: your customer.

Don’t Squeeze The Balloon

People make a classic mistake when they start trying to instill a more innovative culture — they squeeze the balloon. Squeezing the balloon means focusing on one aspect of the business, to improve it, while neglecting other facets. You squeeze the balloon and the rest of the organization deteriorates, with zero gains (...or worse). When you’re planning your change implementation tactics, make sure you don’t squeeze the balloon. Focus on the entire organization.

When you’re selecting the metrics to measure the success of your innovative path, choose accurate measures. One classic error, for example, is to measure an organization’s success by analyzing revenue growth rather than profit. More than one organization has dug its own grave by selling more while earning less. Don’t make that mistake. Honestly appraise the measures you are using. Does your “dashboard” of measurements really measure your level of productive innovation? If not, your metrics are missing the point.

Link your incentive system accurately to the objectives you seek to achieve. If you give people incentives for actions that don’t relate to your objectives, don’t be surprised if you end up lacking support for your goals. After all, you’ve already signaled what really matters.

Simulation

The surest path to success is to double your rate of failure. While no one wants to fail at anything, the more you try the more you’re likely to succeed.

This helps to explain why simulation is a tremendous asset when your firm is evolving into a 24/7 organization. Indeed, it’s hard to imagine how a company can truly accelerate its R & D activity, if it has to wait for an actual product to be introduced

“One of the great strengths of simulation is its ability to increase the acceptance of change throughout the organization.”

“A misguided focus on any one measure is sure to distort behavior.”

to the marketplace before it begins to study what the next generation of products will be. Technology companies typically design at least three generations of a product in parallel fashion, knowing that the competition also is working at a furious pace to “obsolesce” a product the minute it is introduced...if not sooner. The 24/7 organization essentially develops “rehearsal” techniques to imitate reality and simulate capabilities prior to development and introduction.

Consider, for example, the 80-20 rule. This states that 80% of innovative ideas will occur in the first 20% of the product development cycle. Consequently, this suggests that the remaining 80% of the development cycle simply involves bringing the product to market. How much of a difference would it make in the innovation pace of your organization if you could develop new ideas at the 80% pace, rather than the 20% pace?

Computer modeling can be a big asset in this regard. It enables managers to “see” the flow of a product’s introduction and its impact on the marketplace. Computer simulation and animation create identifiable models and sharply increase your company’s internal acceptance of change. Once workers see what the company is up against, they understand that they really are standing on a “burning platform.” Building an atmosphere that is friendly to adaptation is perhaps the greatest advantage simulation offers in transforming an organization for 24/7 innovation.

The Organic Organization

To become a 24/7 innovator, your company must become an organic organization. The organic organization should be the model for the business of the future. An organic organization is a network of interdependent goals that are designed to satisfy changing competitive needs. The organic organization proceeds through a series of steps: setting goals, finding capabilities, committing to the tasks, completing the work, getting results and providing feedback on those results. Your organization must institute an organic cycle of innovation, feedback and response leading to more innovation. This cannot happen haltingly, with a series of “change initiatives” that leave everyone groaning each time a new change consultant is introduced. Rather, change must become a permanent feature of your company. If change is the only constant, then your company must constantly change.

About The Author

Stephen M. Shapiro heads the London office of Accenture’s Process Excellence Practice in Europe. Prior to that he spent 15 years in Accenture’s New York office. Shapiro has consulted with ABB, UPS, Lucent and Xerox, and is recognized as one of the world’s leading consultants in the field of process capabilities. He was one of the founders of Accenture’s Process Excellence practice in 1996.

Buzz-Words

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