

What is innovation?

Fuel organizational innovation with a holistic approach

Ask 100 business people to define innovation and you'll get 100 different responses. Wikipedia states: "Innovation is a new idea, device or process. Innovation can be viewed as the application of better solutions that meet new requirements, unarticulated needs or existing market needs. This is accomplished through more effective products, processes, services, technologies or ideas that are readily available to markets, governments and society."

This definition shows that innovation is much more than product related. I know lots of companies that have great product innovation processes but don't have an innovative culture.

I propose five dimensions of a holistic innovation approach:



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1. Process innovation

This is often the most neglected dimension of innovation. Process innovation relates to making proactive improvements on internal processes, rules, standard operating procedures, norms, etc. Some of these are formal or tangible but they also might be hidden.

Process innovation is about organizational learning to empower change. This is probably the most difficult to change, as rules, regulations, standard operating procedures and internal processes manage most organizations. They create a sense of stability and security but also reinforce routines and lack of progress.

2. Product innovation

This dimension is the most commonly accepted and well managed. Firms develop product innovation processes and pipelines to sustain greater innovation rates and generate organic growth. Processes, systems, tools and methods are readily available to improve the product innovation process.

The marketing, innovation and the R&D team generally manage this.

3. Technological innovation

Innovation with technology is more strategic and long term. Technology platforms are managed over several years and might be broken into a multitude of projects.

Portfolio management and road

mapping are essential to management. Professionals from innovation, technology, strategy, marketing and R&D usually collaborate to manage these platforms as part of a growth-oriented agenda.

4. Service innovation

Many firms face strong commoditization and competitive pressures. As products become less differentiated, they often turn to service innovation to augment the level of differentiation and create systems or solutions. Thus, service innovation can be closely related to products but also can happen at the divisional, business unit or corporate levels, especially in supply chain management, IT and marketing.

The question here is: Who manages service innovation in an organization that solely focuses on product innovation through technology and R&D? Who makes the connection between product, technology, software and services?

5. Innovation culture

A culture of innovation includes all of the dimensions already mentioned. Then, it's a matter of moving from a fragmented, reactive and discontinuous approach to an embedded, integrated and proactive one.

Developing an innovation culture takes years. It's about transforming the organization's DNA with progressive managerial practices (organizational design, compensation systems, process excellence) and reinforcing an irreversible mindset change (coaching, communication, mindfulness).

So, are you truly an innovative company? Do you have a holistic approach? Are you working enough to develop an innovation culture where people learn, explore and experiment on their own? The end goal is to make innovation in your organization a way of life and not a necessity. Easier said than done. ●



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