

“Innovation Circles” - the very essence of success

Historically

If you asked anybody to identify the country most renowned for the quality of its products, almost without exception, the answer would be Japan.

For anybody old enough to remember, in the mid to late 1950's anything coming from Japan was considered to be cheap junk. The early plastic injection moulded toys, dolls, water pistols and games all came from Japan.

Yet today, Japanese products are considered to be leaders in terms of quality.

So what changed and how did it happen?

How did it happen?

Historically, W. Edwards Deming, the statistical quality control guru, is credited with leading the change initiative for the Japanese. He introduced the statistical methods of quality management and presided over the establishment of the now famous Japanese Quality Circles. These quality circles were created as a way of winning the involvement of staff at all levels and gleaning information and feedback from factory assemblers and people across all the disciplines of any business. Quality circles were constituted as regularly held meetings between staff groups in companies where products, processes and all aspects of the business were critiqued and reviewed. Thus multiple opinions were obtained from diverse groups striving to find ways of ever improving performance and removing defects.

The effect of this and how it changed the Japanese manufacturing and business culture is the subject of many case studies and even today this disciplined approach underpins the continued high quality image and reality of Japanese products. From motor cars, to motor cycles, electronics to optics and even wrist watches, the Japanese are generally rated as the world leaders in quality and value for money.

Today's imperative

In today's economy, quality and customer service are still paramount, but one aspect of business that has crept up on many companies and found many to be flat footed in embracing the new frontier of business challenge is innovation. There is now an absolute imperative to embrace change in a world that is changing at an ever accelerating rate.

Look around and see if you can identify the businesses that are under threat or have already gone by the way side. There are many, including for example encyclopaedias, telephone books, street directories and many sources of printed information. These are all under serious threat. Companies who make matches have largely disappeared, as too those making typewriters and carbon paper, and one may only wonder as to the fate of telecommunication carriers as the internet takes over as the carrier of all voice traffic.

The list goes on, and the rate of obsolescence of businesses being overtaken by change is ever increasing.

Indeed in a recent study undertaken by Professor Lester Thurow, an MIT economist, it was established by research that the typical life expectancy of a US based public company in the 1920's was some 65 years, today this life expectancy has fallen to less than ten years. According to Thurow, if companies are not constantly looking to re-invent themselves they risk quickly becoming overtaken by competitors and falling by the wayside.

Two things are certain:

1. Businesses need to constantly innovate and reinvent themselves to survive, and the need for this is accelerating
2. The lead for change and innovation must come from the top with serious commitment, or no real change initiative will be forthcoming.

So what is the answer?

The simple solution is a real top down commitment to embed innovation as a business culture. This can be achieved by the establishment of the innovation equivalent of the renowned Japanese Quality Circles. Called "*Innovation Circles*" or "*Innovation SWAT Teams*". These teams run on analogous lines to the quality circle model, but use the well tried and tested tools of innovation as their fuel.

However, before we "drill down" to Innovation Circles, let us first consider what real top down commitment means, not lip service to innovation, but innovation as a business mandate.

Look at what happens when most company managers or HR departments introduce some in house training.

The more interesting programs, delivered by inspirational trainers create enthusiasm and "touch" people in a way that inspires them to take the message back to the workplace. Unfortunately, despite the best intentions of attendees, the training message is often lost as soon as people return to their workstations, only to find a bank of phone message and e-mails that need immediate attention.

As soon as this happens, people are back on the work treadmill and it's business as usual; and not a lot has changed.

Real top-down commitment means developing key performance indicators (KPIs) for the person charged with innovation, for without that not a lot will happen.

Imagine if you were to give a busy factory production manager the innovation portfolio as a nice to do, but non critical task? You can be sure that it would not take long for that busy person to soon realise that the real job is managing production; this is the one the annual salary and performance review will depend on. Once that realisation is made you can be sure that the innovation initiative will soon dissipate.

Thus, if innovation is a serious company initiative, then for at least one senior manager, having a measure of innovation activity as a job function with a corresponding KPI is essential.

For staff that are not so senior as to have job function KPIs other ways need to be found to maintain the innovation initiative.

In general, unless there is some particular disharmony within an organisation, most people wish to make a contribution and wish to be seen as a useful and valuable part of the team. This mindset needs to be harnessed for the good of the organisation.

To achieve this it is first necessary to train people in innovation and creative thinking, and then, once equipped with these special innovation tools, to form innovation SWAT teams. These teams need only comprise four or five people, (but ideally perhaps six to eight) and they should meet periodically, perhaps over lunchtime once every two or three weeks. At these sessions the teams with the guidance of a team leader should use the innovation tools provided to explore innovations and opportunities for the business.

Rewards in many cases need only be simple; perhaps providing lunch for the people is often all that is needed to have them eager to contribute.

After several months of innovating in team meetings there should be a presentation to senior management of the progress of their work, and perhaps annually there should be a competition for the best innovations with rewards provided to the winning teams. Again the rewards may only need to be little more than recognition and perhaps a night out to dinner for the winning team and their partners, sponsored by the company.

Once an understanding of what top down commitment means and how to drive that into the business the next step is to actually gain an understanding of what innovation actually is, and moreover, how you actually do it in a systematic and structured way that everybody can understand and embrace.

In most businesses if you were to ask 50 people what the word innovation actually means you would doubtless find 50 different understandings of the word. Further, if you asked people how you actually do innovation, you would most often get curious and inquiring facial expressions in reply.

Innovation, unlike some other disciplines, is not a black art or a special area of endeavour reserved only for the gifted. Innovation is in fact a rigorous pursuit that can be undertaken in a structured and systematic. The task is simply to show people what that is.

What is the message?

- Without innovation to drive change, most businesses will ultimately find themselves under threat, whether is be from competitors with better products, or those with better service approaches or new and better ways of doing business
- The innovation initiative need to come from the top with at least one senior manager having innovation and a major job KPI
- A clear and easy way to understand and implement innovation methodology needs to be delivered to staff
- The establishment and mentoring of Innovation SWAT teams is critical
- Organisations must capture, listen to, and act upon, the ideas emanating from their staff and clients during everyday operations.

Roger La Salle, is the creator of the "Matrix Thinking"[™] technique and is a widely sought after international speaker on, Innovation, Opportunity, and business development. He is the author of three books, Director of a number of companies both in Australian and overseas and has been responsible for a number of successful technology start-ups. In 2005 Roger was appointed to the "Chair of Innovation" at the Queens University in Belfast. www.matrixthinking.com