Is Innovation Disrupting the Boardroom?

The failure within our boardrooms when it comes to managing innovation and the future

By Paul Hobcraft
Agility Innovation Specialists

Paul Hobcraft can be contacted on Paul@agilityinnovation.com

© Agility, October 2016
www.agilityinnovation.com
www.paul4innovating.com
Is Innovation Disrupting the Boardroom?

A worrying trend we cannot ignore

A short series discussing the Boardroom and managing Innovation

Article 1  Uncharted Waters Disrupting the Corporate Boardrooms
Article 2  Are we playing snakes and ladders with innovation?
Article 3  No Company deserves to survive with apathy in its future
Article 4  Shining a powerful innovation light into the Corporate Boardrooms

Published on www.paul4innovating.com site in 2016 in “Insights & Thinking”
When you read a report that has within its executive summary this: “In combination the boards stand unarmed to enter the battlefield of future business creation in a disrupted world” it makes you want to read on.

In a recent report called “Radical Innovation and Growth: Global Board Survey 2016” (link opens the pdf) we have results from a survey jointly conducted by Deloitte Denmark and Board Network – The Danish Professional Directors Association, that opens up much that can concern us about the current boardroom and its great difficulty with managing more radical innovation.

It seems within our boardrooms they are ill-equipped to managing in today’s world, grappling with the past, holding on, perhaps too tightly, to the present and certainly being unsure of the future. It is struggling to adjust to all that is entering their world.

In this report, they surveyed 614 global board professionals from a total of 50 countries during the period covered from November 2015 through to February 2016 and then published in February 2016.

I quote extensively from the Executive Summary and Introduction and urge you, the reader, to delve into the report which I found an easy read to understand and grasp the magnitude of this present boardroom discomfort.

It comes as no surprise to me, or many out there working to disrupt the incumbent but it makes for difficult reading that this is not addressed far more head on. This is a more than timely report in my view.

Corporations are under increasing attack and are really struggling to become more radical in how they can defend, secure and achieve growth. A lack of understanding innovation in all its forms is coming back to haunt them. They can’t seemingly handle radical innovation and there is even more of an imperative to learn.
The Survey wanted to understand the current mood within the boardroom

The survey set about understanding the current boardroom thinking about how to address the exponential technology is affecting growth (and indirectly competitiveness) in international companies and organizations, they have gathered insight on how global corporate boards address and work with radical innovation and to what extent they see growth stemming from their efforts. Radical innovation is defined here as:

Radical innovation is when you use exponential technology (Artificial Intelligence, Virtual/Augmented Reality, Advanced Robotics, Digital Fabrication, Nanotechnology, Synthetic Biology etc.), new business models, jumping the value chain in your industry or transcending it completely. Your current business could be eroded from radical innovation and you can erode your competitors. Radical innovation can lead to exponential growth.

_Deloitte & Board Network, The Danish Professional Directors Association_

The report dug into the boards’ appetite for growth; how high is the bar? It looked at their risk profile and tolerance of failure. It examined the role of innovation in company strategy and its strategic importance on the board’s agenda. Is radical innovation a bulleted point at board meetings?

It questioned whether there is a clear alignment of innovation and growth goals. Do boards spend enough in terms of man hours, consultants or other expenditures on new initiatives? It asked if companies actually own a Division-X and if yes, to what extent they are successful.

It wanted to address the skill-set at board level to handle digital disruption and the urgency to act proactively. It set about the identifying of board barriers to handle radical innovation and finished with a set of recommendations based on their quantitative findings topped with first-hand experience and opinions from a number of selected global board chairs.

The respondents describe that competition and technology are among the four most important external challenges their companies are facing now. The issue was on how are the boards taking on the challenging responsibility of overseeing their companies’ radical innovation efforts?

It concludes: “At board level, what we are seeing is the beginning of a shift among board professionals’ responsibility. As if oversight of company strategy, risk management, succession planning, budgeting and forecasting, sales and marketing, operations, auditing, IT, remuneration and tax was not already a fight.

Now corporate governance includes overseeing new business development with its itchy elements of experimentation, demand for scalability, risk of failure and navigation in a fully
The digitized and unpredictable new business world. On top of this new business today is developed at a pace that leaves little time for thorough analysis and precise risk mitigation.

The Common trends they found were:

- The two dominant barriers for boards working with radical innovation are lack of insight (47%) and lack of organizational design to handle radical innovation (46%).
- 40% of respondents have no director with sufficient knowledge about digital disruption and 43% feel their management invests too little to achieve their long-term growth goals.
- The boards’ failure tolerance is low as seen 18% try to avoid failure in all their dealings.
- The financial risk scenario is also conservative, 34% of respondents characterize their board’s risk appetite as one where they try to avoid big financial risk.
- There is a clear tendency towards expecting radical change coming later (in five years) rather than sooner (this quarter).
- A staggering 75% of companies with the highest growth expectations for the coming 24 months (above 10%) also own an actual Division-X (or equivalent). We see this result as a clear indication of Division-X actually driving growth. (Note: only 22% have a so called Division-X, with 58% of these starting this in the last two years)
- Radical innovation is still a new idiom at board level with 65% not having it as a formalized item for discussion or action at the board meetings. (Note: Understandable but not forgivable in this disrupting world)

Welcome to the era of disruption, it is a tsunami of issues being grappled with.

The report suggests that while global boards are taking action now, there is room for improvement. Especially when it comes to the need for greater insight into the area of innovative initiatives, grappling with organizational design, dealing with risk and failure, and sheer experience in working in the huge discomfort zone driven by accelerating technology.

“If work has become steadily more demanding for the global board member recently, at least there was a predictability associated with that work but it is all about to change.

Now, in light of massive technological disruption, the new workload for a board professional revolves around a risky, failure prone and unknown innovation territory as they can start seeing themselves as largely inexperienced new business development leaders”

I do recommend reading this report.
I certainly do recommend this report, it confirms much, it conveys much, it certainly helps to frame many of the issues the boards are less than certain about; of the uncertainties they are facing, of where their business will come from in the future.

Indeed how they are presently ill-equipped to fight on these new battlefields of future business creation in this disrupting world, as these are “largely inexperienced new business development leaders,” in a radically changing world of radical innovation. With lots of uncharted waters entering the boardroom they need to become far more radical within themselves or will be drowned from not navigating this at all well, the worry is who and what else sinks with them?

It does seem the board members need a lot of help and it needs to come from well beyond the usual advisors but are they prepared to take different advice? It does not auger well as there does seem a real stubbornness to make real change and perhaps a belief that these disruptive forces are not knocking on their boardroom door. How wrong they so are!

“The changes are so profound that, from the perspective of human history, there has never been a time of greater promise or potential peril. My concern, however, is that decision-makers are too often caught in traditional, linear (and non-disruptive) thinking or too absorbed by immediate concerns to think strategically about the forces of disruption and innovation shaping our future”.

2015, Klaus Schwab, The Fourth Industrial Revolution.
Are we playing snakes and ladders with innovation?

Posted on March 28, 2016 by paul4innovating

Have you ever played snakes and ladders? I believe this is called chutes and ladders in the US. A number of “ladders” and “snakes” are pictured on the board, each connecting two specific board squares.

The object of the game is to navigate one’s game piece, according to dice rolls, from the start (bottom square) to the finish (top square), helped or hindered by ladders and snakes respectively.

Originally from India the game is a simple race contest based on sheer luck and I am beginning to wonder if we are playing a new version of this with innovation? This is called “bust or boom” or “success or failure” or even “maybe or maybe not,” or even “will we, won’t we.” It just all depends on our luck in rolling the dice, a serendipity with a darker twist that many companies seem to be playing with their innovation capability building.

The game came to mind as I read through a recent survey on Innovation

I have just been reading an Innovation report / survey from Accenture called “Clear Vision, Cloudy Execution” and I really do think we are playing with innovation as a game; it has some really serious implications within it that need more drawing out than possibly offered in my view. We should be getting worried that many bigger companies are losing the innovation game.

Accenture in a survey conducted with 500 US Executives leads with this conclusion:

“US Executives are unrealistic in believing they have the capabilities they need to achieve their bold goals. The truth is that most struggle to generate the returns they seek from their innovation investments”

Yet it seems companies are confident in their innovation performance, awarding themselves high marks as innovators, even rating themselves as very positive in their performance against their (known) competitors. So tell me where is the growth then? Why are our public companies continuing to buy back their shares, shrink their work forces and continue to
chase the cheaper investment alternatives of relocating where the tax breaks continue to bolster the returns of short-term thinking?

Accenture in their report details (this opens a PDF file) rightly points out “confidence is a good thing” but in their experience “that companies that believe they have superior innovation capabilities are less likely to take steps to improve their innovation processes, culture, capabilities and operating models”

Also “those leaders are less likely to appreciate (and explain to management teams) that innovation is a complex discipline that requires diverse approaches”. This is when you are on the ascendency (often mistakenly) and throwing the dice and progressing up the ladder of my snakes and ladders analogy.

The issue seems to be on not really understanding how they innovate or what is needed to innovate consistently.

The snakes that are all around, according to Accenture, are that companies don’t learn from past mistakes, miss market opportunities and are risk averse. They have badly slipped back on these.

It does seem to have become a “board” game of playing with innovation on a “shall we, shan’t we invest, sustain or allow” what we have gained to slither away as we roll the dice one more time. This time we land on the snake and slid back on our innovation progress from a series of market failures and often start again, often with a change in the innovation leadership.

Before I get ahead of myself let me explain the origin of snakes and ladders

Referring to Wikipedia: the game snakes and ladders was originally from India. “The game was popular in ancient India by the name Moksha Patam. It was also associated with traditional Hindu philosophy contrasting karma and kama, or destiny and desire.

When the game was brought to England, the Indian virtues and vices were replaced by English ones in hopes of better reflecting Victorian doctrines of morality. Squares of Fulfillment, Grace and Success were accessible by ladders of Thrift, Penitence and Industry and snakes of Indulgence, Disobedience and Indolence caused one to end up in Illness, Disgrace and Poverty. While the Indian version of the game had snakes outnumbering ladders, the English counterpart was more forgiving as it contained each in the same amount.

This concept of equality signifies the cultural ideal that for every sin one commits, there exists another chance at redemption. Have we this same luxury with the management and building of innovation?

The sins we are still committing in the name of innovation pursuit.

The Accenture survey of executives and managers within 500 U.S. companies reveals that six in 10 (60 percent) said their companies do not learn from past mistakes. This is nearly
double the 36 percent who admitted to this three years ago when Accenture last conducted a similar survey.

Nearly three-fourths (72 percent) indicate their firm’s often miss opportunities to exploit underdeveloped areas or markets versus 53 percent three years ago.

More than two-thirds (67 percent) believe their companies are risk averse, a large increase from 46 percent revealed in the previous survey.

The survey also shows that 82 percent admit they do not distinguish their innovation approaches between incremental versus large-scale transformational change – meaning they use a single “one-size-fits-all” approach to achieve different goals.

Also most respondents said they have “big” innovation ideas but are missing an organizational “home” with the company. So their ideas often go nowhere.

“A significant gap exists between what U.S. companies want to achieve in the innovation arena versus what they are able to do,” said Adi Alon, managing director, Accenture Strategy. “They want to innovate yet they need to take different and bolder actions to achieve transformational, major revenue-generating innovation. True innovation requires aggressive changes in technologies, operating models and talent.”

The recognition that the chances of redemption are certainly getting less

Yet also emerging from this survey was this really far more bullish view on disruptive innovation compared to the survey undertaken three years ago.

For instance, 84 percent said they believe innovation is key for their long-term success compared with 67 percent three years ago.

The same percentage of respondents – 84 percent – said they are looking for the “next silver bullet,” meaning a market-defining innovation rather than incremental iterations of the same products.

Creating new products is a priority for almost half (47 percent) of respondents, an increase of 20 percentage points from three years ago.

Accenture believes the building blocks of successful innovation are being put into place, few have assembled those fundamental elements in a way that drives the changes needed to generate the investment returns. I would really disagree with this with what they are indicating as the “sins of slippage” reported.

Accenture conclude “companies are embracing innovation as a tool to drive their business forward” but “they need to learn how to flex their innovation muscles with new thinking, new collaborations and new approaches to execution.”

They also are suggesting that it seems organizations have not yet learned clearly enough on how they innovate and can’t distinguish beyond achieving incremental performance gains.
and this executive desire wishing for transformational change. It still seems hugely at odds with their actual record (of performance) and the realities, shown in their responses to this survey and their belief and assertions of having innovation prowess and dominance. There is a significant mismatch occurring. This needs a far greater “call out” to recognize this set of inherent weaknesses.

Companies are seemingly playing this innovation game of ‘snakes and ladders’, rolling the dice expecting the “silver bullet” to power them up the winning ladder but then finding themselves suddenly landing on the snake (of reality) to slip back down. Innovation seems to still be left to chance; just like my game suggested and that is a risky game.

There are more snakes than ladders in the new board game of innovation

It is about time this “board game” of innovation snakes and ladders is put away and recognizes we are far more playing the “game of thrones” where the struggle is constantly evolving Kings and queens, knights and renegades, liars, lords and honest men...we are in a disruptive world where we are all wanting to play the ‘Game of Thrones.’

This game of thrones includes start-ups, entrepreneurs, venture capitalists, competitors unheard of previously as suddenly arriving, emerging entities from ‘distant’ lands and those who see as adjacent or making new combinations powered by collaboration and new technologies, all wanting to surround and dethrone the incumbent. This is today’s reality.

Listening to the messenger we might be mistaking our real position

I disagree with Accenture that “embracing innovation as a tool,” it needs to be a real core, not simply a tool, within our companies; better funded, understood and defended, it should not slip back as it seems to have done, indicated by the results from this survey.

Equally I feel in the results that companies are not on the right path unless we enjoy the game of constantly slipping back is not how I would be reading these results, yet Accenture are suggesting this.

I do think they (Accenture) have some of their conclusions wrong and are not delivering the serious messages this survey is bringing out in a way they should. Innovation is not a game to be left to chance, the roll of the dice or the ‘quiet’ acceptance of playing seemingly ‘snakes and ladders’ with it.

Having “building blocks being put into place” after years of talking about innovation is a real concern. I would have thought companies should be far more ahead than this. If the survey results are indicating such deterioration’s in some of the most critical aspects I feel the report seems more advocating a “quiet acceptance” whereas the results are a disaster.

I can’t understand the approach here. I would argue Big Corporate America is deluding itself on its innovation prowess it has serious issues to address if it truly believes growth will come from innovation if it is accepting this deteriorating outcome. It is the consultant’s role, from its data, to paint the ‘realities’ of this in starker ways. I would.
Accenture might have reported this outcome differently than it chose too. I think they missed the opportunity to deliver a darker warning here. Perhaps they felt not equipped to deliver this starker message but I believe they should have, the deterioration is worrying.

The world is not waiting for those steadily putting in place their building blocks

In my take on the world today, the reality is, we are all facing an increasing world of disruption and simply believing in finding (by chance) or just looking for that ‘silver bullet’ is not a winning position, it is a gambling one. Have our larger companies taken up the role of a gambler, enjoying the thrill of simply rolling the dice but more than likely not have more than ‘equal chance’ of winning the game. Are they feeling beaten already? It increasingly seems so. Innovation is an imperative we can’t afford to let slip back.

Having a good, clear focus on innovation, its value, contribution and the commitment it needs helps stack the winning odds in your favour or at least, equips you to fight in a really changing, challenging world we are presently in.

The real warning signs big US business is in deep serious innovation trouble

It does still seem that many US executives are deluding themselves on their innovation competences. Their mistaken beliefs and lack of real understanding of the complexities within good innovation management should not left to the ebbs and flows of chance, whim or short-term thinking. The need is by seriously putting into place a dedicated structure, well-resourced and competent team, built from a comprehensive understanding of innovation and its management. That requires a deeper thinking than most are prepared to do.

If executives continue to accept not to learn from past mistakes, constantly miss opportunities to exploit, big ideas are going nowhere and remain risk adverse, yet they keep looking for the ‘silver bullet’ as their solution, they are in deep trouble.

Watch out others are playing a different game

It is far more likely to come far too late for many incumbents as others, schooled in lean and agile thinking, searching for unmet needs or under-served opportunities will have disrupted them, well before this as they are constantly learning from their mistakes, consistently experimenting, exploring and exploiting opportunities by pivoting constantly, in the pursuit of big ideas and embracing risk. That is bedrock of much of the thinking that goes into innovation, market development, and change exploration for growth generation

I would be very troubled to read this Accenture report if I was Corporate America.

The tone of US companies being on the right pathway, suggested by the authors, doesn’t help when you have such big boulders causing giant gaps in this innovation journey. It does seem the need to find a new pathway of innovation needs urgently finding.

We can’t afford to play this game of ‘snakes and ladders’ with innovation anymore and this survey should be a real wake up call to all those living in their ‘corporate’ ivory towers
real world is ‘eating you for breakfast, lunch and dinner’, the attacks on your established positions are constant, global and relentless. If you don’t feel surrounded, you soon will be.

This is the right time to wake up to the realities and reading a report / survey as seemingly benign but potentially lethal as this one from Accenture, one that on first read it might seem, is ‘clothed’ in reassuring tones, yet it does seem to have some very worrying messages within it, believe me.

I would be very worried within the large US companies equally if they just take the suggested medicine offered here in this survey, they need to really forge a new more radical innovation pathway but will they simply keep playing the innovation snakes and ladders they seem to be doing?
I have always found April a difficult month. It seems to be the defining month for transition between winter and summer. It can fool us on the first day (April fools day) and its weather for us in Europe does exactly the same, usually all month long, confusing us. A period where it is offering up a healthy mix of rain, then bouts of stronger sun, a little flurry of snow and some heavy wind too, for this ‘classic’ April mix.

It can constantly confuse us as it can rapidly alter within the same 24 hours to often keep the heating on, when it should be switched off and visa-versa. It can be an uncomfortable month of adjusting constantly, second guessing of what might be ahead.

On the innovation front I have been experiencing the same feeling of adjusting to uncomfortable days.

First, I was reviewing a report from Accenture, on how US big business was treating their innovation as more left to chance in their report, with my summary here on cloudy execution, my snakes and ladders. This ‘rocked’ some of my beliefs, ones where I thought we actually were making the progress on innovation understanding. It seems this is not the case, we are going backwards and then my month got suddenly worse from a report from Deloittes.

The Deloittes report was on how leadership within Boardrooms under my “uncharted waters”, was about how our boards are struggling to get their ‘collective heads’ around disruption and how innovation can, or cannot, dig them out of the threats they are facing. They are being disrupted constantly across the business. They are caught between fear and uncertainty on what to do and clearly that is not a comfortable place to be.
Both reports, as I was reviewing them, left me a little depressed to say the least and it just continues......like the April weather..... leaving me totally uncertain and then what pops up....

**Adding to this innovation reporting mix- Innosight provides a further angst report.**

So a further report, this time from Innosight, throws even more angst into the boardroom, adding further into this mix of fear, caution, grim reading on a lack of innovation commitment facing larger organizations. The report from Innosight is in their Spring Insights, called *Corporate Longevity: Turbulence Ahead for Large Organizations* it just added more worrying news from my perspective on innovation lack of top level progress.

I again buckled up for a further reading of unpredictable innovation resolutions, just like this April weather, all raining down on us from those not heeding, understanding or changing their thinking. In many boardrooms they are not wanting to tackle in fresh ways the future and work towards embracing all the disrupting forces swirling around at present. They seem to want to hold on and not let go of the past .I’m getting really innovation weary from all this

So three reports I thought “oh no”- the grim reaper is truly upon us.

Innosight’s report starts with “*We’re entering a period of heightened volatility for leading companies across a range of industries, with the next ten years shaping up to be the most potentially turbulent in modern history.*”

**Reap what you do not sow Mr Boardroom member- uncertain futures, badly invested in**

So we all know that 50% of the current S&P 500 will be replaced over the next ten years, didn’t we? Well I did from past readings (clever me) but it is never nice to be reminded again. Not because of its reality but because of the leadership we have in place in many of these organizations is in the denial it will happen to them.

That is what is for me so upsetting. They earn *Squillions* and screw the long term health of the organization totally up as more often the case, because they were not even focusing on any belief of the future, just taking in the rewards for the immediate present. They could have done something about it but seem incapable to show the level of leadership to achieve this, just why, why is that?

With so much additional disruption coming from technologies, from start-ups, from intense M&A activities and having this ‘being overtaken’ by more agile, quicker growing companies just piles on the pressure within the boardroom but ignoring its threat as “it will not happen to me” without the boldness, decisiveness and intent to reinvent the organization to catch the different ‘waves’ of opportunity is sometimes bordering on criminal, well for me- what about you?.

**Innosight in this report has a great passage**

“*Viewed as a larger picture, the lifespan chart serves as a barometer for marketplace change. And the stakes couldn’t be higher. Shrinking lifespans are in part driven by a*
complex combination of technology shifts and economic shocks, some of which are beyond the control of corporate leaders. But frequently, companies miss opportunities to adapt or take advantage of change. For example, they continue to apply existing business models to new markets, fail to respond to disruptive competitors in low-profit segments, or fail to adequately envision and invest in new growth areas, which in some cases take a decade to pay off”.

This sums it up pretty well for me. We have failures all around us going on due to this lack of imagination, a poor coherent longer-term vision, a lack of confidence to achieve any form of transformation lies within the organization and so it becomes incapable to undertake the transformation that it needed to undertake, due to continually miss the opportunities offered to evolve.

Leadership still lacks real innovation commitment, the linkage to growth, to fending off disruption, of tuning into current and future needs, the message of embracing it has simply not got through to those within the boardrooms; one that the comprehensive management of innovation can offer significant improvements on present performance and they need to fully take hold of it, to learn and leverage, to explore and exploit, in imaginative and breakthrough ways.

Innovation can offer a pathway out of the existing position that many organizations are facing, ones of poor growth, limited sustainability and growing erosion of their existing market positions, often spiraling down, with cutting existing costs seen as the only option. It can be so very different if they wanted to fully engage with innovation. Others are reaping the rewards of their own inabilities in the boardroom to commit the time needed to practice innovation.

The question is “will it change?” If so how, why and when- not with these answers.

The Innosight report points out in the organizations they surveyed of 91 companies with revenue greater than $1 billion across more than 20 industries across the world, the shocking news that only 24% have a growth strategy with a time horizon of beyond five years, 16.5% report having no formal growth strategy or a growth plan at all as they are seemingly “too busy executing”, “really don’t have time to focus on it” or “we don’t have a good process for formulating a growth strategy that we are confident about”.

Then you get the “but of course we are committed to long-term innovation” but it is our “day-to-day decisions that undermine our stated strategy to change” Oh for heavens sake can this really go on? To make substantial change when you are facing the type of change and threats occurring today can easily take up to a decade to fully realize.

So the future continues to be pushed off, growth stays morbid and we resort to simply cutting costs, lowering choice, quality and resources to handle this, we continue to outsource our future to others, who are more than ready to take it on and learn, so as to take your place eventually.

So let the bell toll- let’s say goodbye to 50% of who we know today, you deserve it.
It leaves you utterly sad, even depressed. Innosight offers these thoughts below as a worthwhile thought, when so many of these larger organizations are not heeding or reading about their serious lack of commitment to innovation and the future. They seem apathetic or incapable to comprehend what this eventually means to the future of their organizations.

So Innosight suggests: "Leaders have to confront what might be called tensions, balances, or, even in extreme circumstances, paradoxes. **They must optimize today, and discover tomorrow. They must be decisive and bet on moonshots, and defer to experiments. They have to focus, and enable serendipity. They have to leverage the core, and break its constraints**"

It seems many just simply do not have the appetite to grow, to look towards the future when their own investment and return is tied mostly to the present.

It just does not seem boards are confident in innovation. There seems reluctance in wanting to take ownership for innovation, one encouraging and investing more confidently in an evolving/learning series of experiments to evolve the future of their business in iterative, exploratory ways. It is not a ‘core’ discipline or focal point as innovation continues to have been left to others outside the boardroom. That needs to change.

We are left to judge each company by deciphering ‘the smoke and mirrors’ offered that are claimed to form their “unique” innovation culture, to attempt to determination the staying power and their true belief and undertaking in a future, and make our judgement—mostly it should be yank our money, run like hell, until this future can be well-articulated and well-backed in action.

As companies sadly stick to their historical core as the business, falling to take the risks, invest in the new growth ventures and experiments to build towards a better shot at the future, so I say "**just simply go, fade away and leave a puddle as your mess or contribution, and forget the thrill of reinvention and providing a ‘sense of destiny’ and taking pride in exploring more than simply exploiting, often just for your own personal gain**"

So Goodbye, many of you in leadership positions, as you do not serve innovation well for its potentially exciting future. You are simply letting down the communities, the stakeholders, your customers, our futures, by not heeding all these ‘darker’ messages coming out of Accenture, Deliotte, Innosight and countless others telling you to change or die!

The “Grim Reaper” is knocking on many boardroom doors. Let him cut away the dead wood and we can all move ahead.
Shining a powerful innovation light into the Corporate Boardrooms

Posted on April 19, 2016 by paul4innovating

So after a fairly ‘dark’ period for me, of absorbing and reflecting on a series of reports, each indicating that innovation and its management understanding is not as deeply understood in the boardroom as it should be, you need to respond.

This seems an appropriate time to begin to rethink and explain innovation, partly in this need to fight these “immune systems” in fresh ways and partly to redrawn, re-frame and renew the value of innovation; in how it can help organizations going forward in very volatile times.

So let’s shine some light on new ways or even recognized paths for innovation to re-enter the thinking within our corporate boardrooms, in different ways that might resonate more in these more ‘dynamic’ times.

I like this organizing framework shown above, it can allow us to gain a revised understanding of how innovation can be mobilized in different ways, to give value in dealing with these different forces to help move you towards a growing level of renewal.

So I want to begin a series of posts around positioning innovation frameworks, tools or approaches that build the boardroom “innovation toolkit” to deal in both the predictive and unpredictable environments. The suggestions that will be offered are designed to help tackle
the disruptive forces swirling around the business that are rising, increasing the uncertainties to future invest. It is attempting to address the concerns on how to organize the “forces of innovation” to combat them, to raise the confidence level in the boardroom to ‘embrace’ innovation far more than seemingly the case today.

**Firstly the background to this attempt to re-frame the innovation value proposition.**

What prompts this has been a spate of recent reports raising concerns largely about innovation uncertainty in our boardrooms. This made me draw back and reflect, now it is time to re-frame and renew the message of innovation and its management..

The three previous posts that reflected this ‘dark period’ for innovation come out of different reports. I did got fairly emotional in firstly reading the reports, and then in these three reviews – my dark period but rightly so, I believe.

**The story so far if you have not read my previous three posts**

The case has been made that our boards are risk-adverse, experimentally shy and digitally inept. They are struggling to adjust to the disruptive forces attacking the core of their businesses. Can that be challenged and certainly changed?

Boards feel their organizations are slow to respond, far from agile and flexible, delivering up a series of poor levels of innovation performance in the solutions to grow the business. Our boards are equally not encouraged to change the business models and offer a new way forward, to get these significant threats ‘contained’ in different ways. In many ways innovation is moving backwards due to a risk-adverse approach, missing numerous opportunities, or just not wanting to learn from past mistakes.

You might feel this has a level of abdication and quiet acceptance to it, that the inevitable is coming towards them at higher speeds and complexity than they can ever imagine. This has left them poorly equipped to manage this growing set of disrupting forces in ways they have been used too, it is creating a high level of uncertainty and uneven attempts to undertake the changes necessary. Increasingly this management rigidity within the present management style, continues to favor efficiency and effectiveness through repeating practices, processes and highly structured systems. Those are designed to extract the maximum from constantly reducing the minimum needed to get the job done.

Well you are right, many of our boards are simply incapable to think beyond their past management experiences, one that is focusing on leveraging a return for each quarter to yield ever-improving short-term results, pushing ‘incentives’ that everyone is encouraged to sign up too, for supporting this approach and their participation gets rewarded. Yet it can be also so different, perhaps liberating if they took a different tack.

**Heading towards a promised land through innovation is certainly possible**

Can we lead them out of this ‘dead end’ they seem to have found themselves in, a cul-de-sac, one they continue to drive along as this cost-driven, short-term road? Yet it can be very different, pursuing a more open freeway or highway seeking out growth, if you allow
imagination, beliefs, determination and character to find that alternative pathway by having that real desire to make all the changes necessary, and there are many, let’s be clear upfront.

It is a journey not for the weak-willed or one undertaken half-half-heartedly but with real innovation intent and purpose. Each journey is unique but full of commonalities and these needs to be revisited or explored in fresh ways. Embracing innovation fully can propel you forward, in often many unexpected ways but also in some bold and thoughtful ones.

So where do we start?

So in a series of blog-posts, I want to “shine innovation into the corporate boardrooms,” I am hopefully offering a way forward for those time-starved or presently not as well-equipped to pull this innovation structure together into a more cohesive ‘whole’ that can raise their confidence in innovation and grow in their engagement to this emerging discipline.

The framework here, I will be breaking down in my own innovative way, as my approach to strategic innovation thinking. This is different from the way that BCG is suggesting using this framework although their title “Your strategy needs a strategy” certainly brought me to their Strategy Palette as my framing concept.

The difference is that mine is an Innovation Strategic Palette by applying its use in developing the innovation strategic content that boardrooms require to build better, clearer and far more comprehensive innovation strategies. So I am adapting it specifically to innovation and the outcome is through these four archetypes that is leading to ‘arriving’ at renewal, for a greater chance of survival in today’s more disruptive world.

This frame will determine most of the content of the posts going forward.

The management of innovation needs organizing.
The intent of applying this innovation palette is to encourage, through the proper management of innovation, to provide and convince the boards’ they can develop a greater appetite for growth, even in increasingly disruptive times. Innovation should have a very high strategic importance on the board’s agenda, I am hopefully this contribution can help.

We need to change the thinking around the present attitudes to innovation engagement at boardroom level, in changing the risk profiles and tolerance of failure. The options to innovation should be made up of a healthy mix of extending the existing business, strengthening and extracting from this core, to find the time and resources so as to provide a greater strategic intent to find more distinctive innovations, that give a confidence in the future, as well as be fully supportive, provide encouragement and determined commitment to explore the future, where more radical and breakthrough innovation potential ‘resides.’

From what I have seen and read there seems a clear need to address the skill-set at board level to handle innovation, to equate to digital disruption and technology differently. The real urgency is to encourage board members to act far more proactively through managing innovation, to evolve and utilize a Boardroom innovation toolkit that can be built.

We’re here to put a dent in the universe
Otherwise why else even be here?

The business world is far more risky today, far more complex; we are becoming more failure tolerant or ultra-defensive. Innovation thrives in the unknown and undiscovered innovation territory, waiting to be explored and exploited.

Noble aim, willing intent.

Let’s see if I can make a dent in the innovation universe for corporate leaders.

It is being equipped with the right toolkit of innovation management that perhaps board members can then start seeing themselves as new business development leaders, that has innovation at the heart of their future decisions.
I simply enjoy innovation. I got ‘hooked’ fifteen years ago and since then have increasingly focused on innovation until it is 100% of my business thinking and activities today.

I research across innovation, looking to develop novel innovation solutions and frameworks where appropriate. I provide possible answers to many issues associated with innovation with a range of solutions that underpin my advisory, coaching and consulting work at www.agilityinnovation.com.

The aim is to support individuals, teams and organisations, in their innovation activity, applying what I have learnt to further develop core innovation understanding, so clients can achieve positive and sustaining results from their innovating activities.

For me, innovation needs to enter the DNA of our organisations and our own individual make-up. In my writing, I try to offer a range of thoughts on different aspects of innovation to help each of us to understand this subject better.

Innovation as a source for our growth fascinates me.

As for my personal journey

How I got to this point I can only say it has been varied, challenging but full of fun and learning. This has taken me to live and work in Saudi Arabia, Kenya, Malaysia, Switzerland, the Netherlands, USA, Hong Kong, Australia, and recently twelve years in Singapore. Today, I live in Switzerland, my adopted home.

I’ve worked in a number of senior positions within global corporations, in global, regional, country and functional levels tackling different challenges that have included start-ups, turn-rounds and significant re-engineering and operational design or automation across a global network.

The work has been varied, the challenges diverse coming from starting up different businesses in emerging markets, turning difficult ones around in challenging economic and market conditions more than once, re-engineering a global organization over a three year period choosing to live permanently out of a suitcase (or two) for months at a time in each
of the major global locations as the best way to deliver the changes, and finally simply accelerating companies, getting them through to critical mass points, for achieving their positive contributing footprint, within the world.

In 2000 I went into my own business of consulting and advisory work, firstly based in Asia and then in recent years, based in Switzerland.

After I moved to Ticino in Switzerland, from Singapore I am spending different times between the two regions, although Europe holds an increasingly more central role. All the time my focus is on innovation and many of the related topics that move it increasingly towards a core within organisations. Innovation understanding does ‘simply span’ globally and I have been fortunate on building on the foundations initially laid down in Asia and advanced while in Europe through an ever-expanding network of collaborators, knowledge and insights.

My present focus is spent building this innovation practice, providing advice on building the right capabilities and capacities, into organisations or individuals wanting to advance on what they have already in place; to improve, accelerate and develop their innovation competencies and understandings of the ‘fit’ of innovation.

Paul Hobcraft has been voted into the top innovation bloggers over a consistent period from 2012 on a leading Global Innovation Community- Innovation Excellence- ,

“These accolades are highly appreciated and valued- they inspire me to keep innovating in my own unique way and style. These recognitions help me believe I can contribute to the wider innovation community we are all part of”

Paul Hobcraft runs Agility Innovation Specialists: http://agilityinnovation.com

His Email is: paul@agilityinnovation.com

Direct contact: +41 91 751 4350

The organization is based in Switzerland for Europe & Singapore for Asia.