

# Inspiration as a Discipline for Innovation

---

## Forum

Date: 30 September 2009

## Chair

Andrew Minton, Founder and Director of Insight, Criticaleye

## Speakers

Daryl Dunbar, Senior Vice President - Innovation, Reed Elsevier

Andy Stefanovich, Senior Partner, Prophet

Dirk Kronemeyer, VP Business Innovation, Air France KLM Group

Pam Powell, Group Marketing Strategy & Innovation Director, SABMiller plc

---

## Introduction

This Criticaleye Forum, sponsored by Prophet, took as its subject inspiration's role in achieving innovation. Giving speeches on the topic were: **Andy Stefanovich** of Prophet; **Pam Powell** of SABMiller; and **Daryl Dunbar** of Reed Elsevier. **Dirk Kronemeyer** of Air France-KLM had been due to speak but could not attend because of unforeseen circumstances. Instead, Andrew Minton, the event's chair, read a written statement from Dirk, after which the speakers' contributions were augmented by a lively question-and-answer session.

## Speeches

"What's your inspiration?" asked **Andy Stefanovich**, Senior Partner at Prophet, inviting attendees to discuss the question with their neighbour at the Forum. Most people cite their family as their inspiration. It's a human question, said Andy, about emotions and real connections between people.

How is innovation changing – what will innovation 2.0 be? Yesterday it concerned product service adjacencies; today it is about sustainability, tomorrow it will be about inspiration.

Personal stories, inspiration and emotion may fuel innovation, but there is currently a human energy crisis, and innovation is changing. People want to create and innovate but they're afraid. We have to engage them personally, said Andy, to get them inspired.

### **New fuel for new outcomes**

In many businesses, there are no new business strategies. Instead, he asserted, “We need to fuel those strategies with different inspiration in order to get truly robust and profoundly different outcomes. Look at the front end, not the back end. The culture of innovation is going to be more important in the near term than the outcomes, and CEOs are beginning to understand that.”

Andy then mentioned a large, mature client with a reputation for creativity, which was looking for the next stage of innovation. It knew it needed a new version of innovation fuelled on authenticity and inspiration. Prophet provides them, and other clients, with an innovation subscription service in the form of an electronic daily bulletin, “a curated daily dose of inspiration”, as well as a suitcase sent to them quarterly, full of carefully selected artefacts to provoke inspiration. “It’s abstract, tangential and has nothing to do with their business. It’s inspiration pure and serves up a new thought process that then gets inside their business thinking and serves up a new business outcome.”

### **The curator**

The rise of the curator is an increasingly resonant idea. A curator finds the right source of inspiration, whether it’s another person, a metaphor, an abstract business, a movie, a book, a trip or a visit – perhaps even an Excel spreadsheet produced by a different department that displays the numbers differently. Curate it and give it to people so they can see things differently. “New fuel for new outcomes: a discipline for inspiration is part of a new set of priorities for innovation as we move forward.”

**Pam Powell**, Group Marketing Strategy and Innovation Director at SABMiller, was up next. She wanted to share a few practical thoughts about how truly to get innovation happening in an organisation.

### **Using the business’ language**

Unfortunately, she said, many of the valuable ideas promoted by Andy simply get lost if they are not framed within the vocabulary of the business. SABMiller is a South African company with a very dynamic, goal-oriented culture, whose employees might not necessarily respond to the language of creativity and inspiration. She advised people to adapt their message to the language of the company, so that it doesn’t suffer ‘organ rejection’.

“The challenge is how to get that engagement, and how to help the organisation become more creative,” Pam said. Among other strategies, she suggested:

- Building bridges between the vision and the current reality, to help people see how it could be implemented in their world
- Introducing ideas slowly: let some things lie until later in the process

- Talking opportunities before ideas and solutions – and how we can be better than the competition
- Connecting innovation to people's personal motivations and drivers, to bring inspiration

Once you do these things, Pam said that an organisation would gradually become more receptive to ideas around creativity and inspiration.

To summarise, she said that her key take-aways were to speak the language of the business and simply to get going. Don't delay in starting this work, create some momentum and don't rely on others to do it for you. Personally engage with the staff, work on a one-to-one level and they'll engage with the creativity agenda.

**Daryl Dunbar**, Senior Vice President – Innovation at Reed Elsevier, spoke last. "Welcome to 'Perspiration as a Discipline for Innovation'," he joked – because hard work was, in his opinion, equally important.

### **Owning innovation in the business**

Daryl began by imparting some insight about what innovation means in a large, traditionally structured business such as Reed Elsevier. Reed Elsevier has grown over the past decade through acquisition, but it is also important to drive organic growth. How can we be more innovative? Reed undertook a best practice study and built a small central team, led by Daryl, to drive it through. However, Daryl said: "My goal is to work myself out of a job. If I can teach the company to be more innovative, then there will be no need for the central function. I can't emphasise enough how important it is for innovation to be owned by the business units."

There is no clear definition of innovation, he continued, so your first job is to define what it means for your organisation. For Reed Elsevier, it's about doing things differently – which is where inspiration comes in – and doing things that create value. It can be about business models, processes and management, not just products.

### **Innovation processes**

Leaders need a process to drive innovation, because people need some help to find their inspiration. However, they must be careful not to stifle it. One solution, Daryl suggested, is to set up a kind of internal consultancy. He had devised a lightweight four-stage process called IDEA: 'Inspire'; 'Discover'; 'Evaluate'; and 'Act'. Although the precise boundaries between these are flexible, it is very important to 'act', and to do so in a disciplined way. Do not forget, in addition, to drive innovation from both the top down and the bottom up.

For some final tips to trigger inspiration, he approved of Andy's idea of 'artefacts'. One company had created a deck of cards printed with inspiring

'megatrends'. He also advised of going on 'snatch-and-grab' raids to totally different markets, to see what they've done to innovate and see how it is relevant closer to home. For example, bread was invented thousands of years ago, but sliced bread has only been around since 1928: how could that be relevant to another venerable industry, publishing?

Before the question-and-answer session, Andrew Minton, Chair of the event, read out a statement from **Dirk Kronemeyer**, Vice President Business Innovation, Air France-KLM, to give some thoughts in his absence.

Dirk strongly supported the importance of consciously and continuously working on a culture of innovation. This should never be seen in isolation from:

- Acting: walking the talk and executing innovative projects that boost your brand
- Facilitating your innovation processes and embedding corporate venturing, strategic innovation and co-creation
- Creating truly innovative company DNA

These items are at the heart of Air France-KLM's innovation strategy and, if all the actions taken under them reinforce each other, then you will create the 'X factor' – where  $1+1+1=4$ .

## Question-and-answer session

### ***Who should be responsible for innovation inside an organisation?***

Ultimately, it must be located in the business units, and as close to the customer as possible. Co-creation with the customer is a big theme nowadays, but there must also be an ambassador for the innovative spirit at board level. Finally, in the face of limited resources, work out where the innovation will sit best in order to 'cascade' through the organisation.

### ***How can you instil a culture of innovation and which companies do it well?***

Google actually mandates that employee take time out of their work to find inspiration – although the reality there is that people work 150 per cent of the time and still find inspiration. Reckitt Benckiser was also mentioned as a company that fosters innovation. Both these companies have succeeded in harnessing the natural human capacity to create, mainly by setting the right culture and leading through example.

Good HR practices – and especially including the HR leader in the c-suite – are also vital to fostering inspiration and innovation. JP Morgan and Capital One are examples of more traditional companies that are driving innovation successfully, even though it is not yet inscribed in their DNA.

***What is meant by the 'human energy crisis' in terms of innovation?***

We're not just suffering an economic crisis; when you look into people's eyes it is often easy to see they are lacking inspiration, have lost the personal connection to their work and are unsure their energies are directed in the right direction. Prophet allows its employees a 'radical sabbatical' every five years, said Andy, to re-orient their compass and find themselves again. Personally, he had spent 7 weeks living in New York, enjoying life with his family and visiting galleries and museums. It was there he landed on the idea of the importance of curation.

***Are there organisational cultures where innovation is more likely?***

Empowerment is a big part of an inspirational culture, suggested the panel. Organisations must enable people in order to grow and employees must have the freedom to fail. In addition, the culture must be aligned from top to bottom, or efforts to foster innovation will go to waste.

***Do deeper values have a part to play in innovation?***

Undoubtedly this is true, because these are what motivate people to work in the first place. This is especially true in the public sector, in the NHS or in industries such as the railways. A business must give you the excuse to be yourself, said Andy. Successful businesses tap into their employees' deeper motivations in order to engage and get the best from them. Family is a big part of this.

***How do you communicate innovation in the face of scepticism?***

The panel agreed with that we are moving from an age of deference towards brands to one of reference and even boredom. Marketing messages and strategies must constantly change and adapt. After all, innovation is an iterative process, a journey with no end.

Leaders must make sure they drive the innovation culture deep into the organisation, and this means leading by example. It may also mean recruiting far and wide to ensure a diverse and vibrant workplace.

Finally, your messages need to be authentic, said Pam. SABMiller has different people working on its different brands, who authentically represent those communities.

***How do you encourage ideas when, inevitably, some won't get used?***

The essential thing is to recognise people's contributions to the inspiration and innovation process, and to respect their input. Everyone must understand that his or her expertise – whatever it is – is valued. It takes both creativity and rules to run a business. Michael Tushman's concept of the 'ambidextrous manager' is a useful one here – somebody who understands and can deal with both sides of the business.

***What is the right structure for innovation?***

Innovation can't happen in an ivory tower, said Pam, but every business has different priorities and resources available to them. Innovation happens best if it takes place as close to the local market as possible. Organisational structures must facilitate this. In a global group, leaders should look to what each part of the business is doing, and ask themselves: "Will this travel?" This 'pattern recognition' is key to success.

Daryl agreed. The corporate organisation must know what's going on all over the world places, he said, and, crucially, connect those places and make the introductions where different parts of the business can share best practice or help each other out.

***How do you involve employees who are not natural creative innovators?***

It takes every kind of person to run a business, and innovation is, for some, not easy to access. For example, a household would not work with solely creative free spirits within it; they need someone practical to give structure, work with them and focus their energies.

An organisation needs a whole spectrum of personalities in order to be successful, and a good leader will find a way to access and capitalise upon people's strengths. One of the panel gave the example of a very quiet, introspective lady who was encouraged by her company to take some time alone every day to reflect and to write a journal. The fruit of this process were ideas that were adopted by the group worldwide.

---