



# Building a Culture of Innovation

*New ideas are fundamental if companies are to retain a competitive edge. Criticleye finds out how to create an environment where people aren't afraid to think differently*

To drive innovation, you need to create a culture where ideas come from both within an organisation and by working with others. Increasingly, the art of doing this successfully lies in being able to utilise various channels and by harnessing the skills at a company's disposal to capture those moments of inspiration.

It's crucial that, when it comes to innovation, employees don't fear failure. **Anand Gupta**, Principal Innovation Evangelist for Europe at business solutions company TCS (Tata Consultancy Services), says: "We have an annual competition across the group... all companies are required to submit entries under broad

categories such as, 'Promising Innovation', 'Leading Edge' and 'Dare to Try'.

"The 'Dare to Try' category is interesting because it rewards people who try to make something completely new work in the business that actually turns out to be a total disaster. But unless we encourage people to try they'll always be scared. We want them to go beyond this fear and decide if the idea is worth it. It cannot be a wild decision, it needs to be valid within the environment... but then, if they fail, that's perfectly OK."

**Jane Griffiths**, Company Group Chairman for EMEA at Janssen, the pharmaceutical division of Johnson & Johnson, comments:

"We've had projects going on recently where some have worked and some actually haven't done so well; I think you have to make sure heads don't roll as a result of attempts at innovation that don't work out, because if you come down heavily on people who try to innovate... that stops other people from trying new things."

There has to be consistency. **Costas Markides**, Criticleye Thought Leader and Professor of Strategy and Entrepreneurship at London Business School, questions how many corporates actually get this right: "Companies ask people for certain behaviours to promote innovation, but in reality they have an ►

environment or incentive system in place that does not encourage those things.”

Once the ecosystem is right ideas will, in theory, be able to flow through an organisation far more easily. **Martin Hess**, Vice President of Enterprise Services at IT company Hewlett Packard, comments: “Most innovation in business comes from being close to the customer, [it] doesn’t start at head office. Try and keep an organisation as flat as possible... so the ideas don’t get diffused and diluted as they go up through the company.”

## KEPT APART

Businesses need to remain agile and if new ideas are to come through, it may be necessary to develop them in isolation to the core business. **Mark Wood**, SVP and MD of EMEA for US-based cosmetics firm Revlon, comments: “Our normal new product development pipeline may take two-and-a-half to three years to bring an idea from concept to getting it onto the shelf, because you’ve got lots of internal processes, checks and ‘stage gates’ that you need to go through.

“We acquired a business that was run on a completely different platform. It was all about bringing the latest catwalk trends into cosmetics quickly. To maintain the ethos of that brand... we kept it outside of our normal processes.”

Going outside of the business to tap into ideas can also prove to be game-changing. **Martin Grieve**, SVP of Corporate Business Planning at FTSE 100 listed consumer goods company Reckitt Benckiser, says: “We have many external collaborations with third parties. In today’s world, business leaders are increasingly recognising that

“If you come down heavily on people... that stops other people from trying new things”

collaborative work with third parties will deliver breakthrough innovation.”

Rewards and recognition are significant motivators. **Jane** comments: “We have a system of reward in the company called ‘Global Standards of Leadership Awards’, which reward good behaviour within our credo, and innovation is one of these.

“But one of the principles I ensure happens is publicly recognising people – even if it’s only on email, or a formal memo to somebody that copies in their boss or their colleagues, that says: ‘What you’ve done is fantastic.’ I think recognition is very important... the ultimate recognition of someone who is consistently innovative and contributing a lot to business is that their career advances.”

Whether it’s inhibiting corporate processes, external regulations, fear of cannibalisation or a question of talent, the barriers to innovation are high. Nonetheless, it’s vital that the senior leadership team does whatever it can to allow for progressive disruption of the status quo so the necessary breakthroughs are made.

**Martin Hess** explains: “I don’t think companies can succeed... without constantly looking to change and innovate. You might become a leader in one technology wave, but you won’t be able to succeed in being a leader in successive waves.

“It’s one of the few things that an organisation has to be extremely good at and to encourage if it’s to prosper.”

**Martin Grieve** comments: “Innovation is the lifeblood of what we do. It is what fuels the growth of the business; it’s about keeping our brands relevant to consumers, continually improving performance and consumer benefits.” ■

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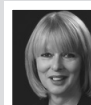
## Featuring Commentary From:



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