



CRITICLEYE

Creative Destruction

*Organisations that fail to embrace breakthrough innovation run the risk of losing out to competitors. **Bal Samra**, Commercial Director at the BBC, talks to Criticleye about how leaders can inspire individuals to generate groundbreaking ideas*



Incremental innovation alone will not be enough for an organisation to gain a competitive edge. As technology changes the business landscape, senior executives need to be brave about promoting a culture whereby traditional thinking about operating models and routes to market are challenged.

This is something that **Bal Samra**, BBC Commercial Director and Managing Director of BBC Television, is familiar with, having played his part in leading innovations such as BBC Online, the iPlayer and the creation of BBC Store, an online commercial archive service for audiences to buy and keep BBC programmes.

Here he explains why leaders should communicate that disruptive innovation is positive as it encourages employees to evolve with the business.

How important is it for leaders to be honest about change?

Too often, leaders don't have an open dialogue within their team or organisation about what disruptive change actually means for the business and employees. As a leader, it's important to communicate that breakthrough innovation will disrupt existing business models. Leaders shouldn't try to convince themselves or the rest of the organisation otherwise.

It's sometimes a false sense of security to try and alleviate employee concerns, or by saying that it won't impact them as employees are much smarter than that. An authentic leader builds trust by discussing the effects of change, allowing teams to be a part of that change conversation, and eventually people start to focus on the opportunities.

“Leaders have to be able to articulate how the consumer is driving demand”

Is this an issue you are currently dealing with?

In my world, we've been working on developing a commercial, paid-for archive service called BBC Store, it will launch later this year. Some are saying the BBC Store model could be very disruptive to [our] successful DVD model. However, the DVD market is already in decline, and we've got to essentially create a new digital model which will help future-proof our business in the long-term.

The music and newspaper industries put their heads in the sand about the impact of digital, and as a result they were both behind the curve when it came to moving their products and services online. The trick is to make sure that the new model is better, and as a leader you get as many of the people working on the legacy business to develop the new solution. While the BBC Store could be disruptive to the people who work as part of the DVD business, it will be a great opportunity for them to develop skills and potentially move into new roles.

What steps should leaders take to encourage breakthrough innovation?

Firstly, play their part in moving on the company's story. Secondly, make sure the

innovation delivers something better. Share the new story in a way that is authentic and will inspire people and enable them to embrace that change. Innovation won't occur unless people do things differently so helping people manage through change and actually define the change is paramount to encouraging innovation in a business.

Many businesses need to be much more in tune with the consumer – the power is shifting from the companies to consumers. Leaders have to be able to articulate how the consumer is driving demand, why the organisation has to respond, evolve and innovate. And why we will fail if we don't embrace change.

The innovation has to deliver something better – BBC Store will make 10 times more content available than our DVD business each year; BBC Store will deliver thousands of hours from a deep archive not made available for years. It will also be a 'curated' service – a step-change in innovation in a growing digital market.

Does the CEO need to drive this?

Yes, the CEO has to set the pace for disruptive change. Constantly talking about the world around us, how it's changing, how everything is speeding up, how we need to innovate to keep up.

There needs to be a very open conversation at the board level about how proposed changes will impact the company's traditional business. The CEO needs to encourage the rest of the board to challenge the conventional business model, incentivising the executives on collaboration, collective success and their role in promoting change across the organisation. ►

In practice, how can this be translated throughout the company?

It's important to inspire people below the board level – they are the key people who actually make innovation happen. Interestingly, they can often be far more keen for change than senior executives – they're more interested in what they can create, not what it means for the individual business unit they're in.

It's down to the leader to encourage teams and give them permission to share ideas. The leader's role is to create an enabling framework. You don't want staff to feel like they're restricted or that they have to stick to conventions. You've got to create a culture that allows people to challenge and sometimes break the rules.

Give them a safety net. Face-to-face conversations and trust are key to enabling this culture.

Should new talent be brought in?

In my view new employees are not necessarily the answer to driving innovation; any organisation that has a culture of innovation will actually evolve itself. You need new thinking, not necessarily new people.

The employees that have the biggest impact on innovation are what I call 'smart creatives'. They're individuals who have technical knowledge, business experience, creativity and have a deep understanding of culture. They think differently which can have a positive impact on change and they can help their colleagues see the future. If you want to constantly evolve and innovate, you should develop as many of your existing employees to fit this profile.

“You've got to create a culture that allows people to challenge and sometimes break the rules”

Is an element of failure acceptable when it comes to innovation?

Absolutely, as long as what is learned is taken on board.

Failing slowly isn't in anyone's interests, but it's fine to fail fast and learn from your experience and your mistakes. You need to incentivise people to collaborate and support each other – create an environment where people aren't afraid to speak up, put their ideas forward and take risks. The most innovative ideas come from people who stick their neck out and put their reputations on the line.

Too often in organisations there is a culture which links people's existence in the company to the success of the idea they're working on. This can create odd behaviour; it's only natural that people may continue to back an idea longer than it deserves, holding onto its existence until they find something else to move onto.

You want a culture which says: 'If the idea fails or doesn't work out, don't worry, we'll learn, you'll learn, and then just move you onto another project.' Create a culture of bravery.

Is reporting on both successes and failures key to driving that culture?

You need to communicate them in equal measure. If you don't share the success stories you won't inspire people, and sharing the 'how' is even more important than the 'what'. When you communicate success you reaffirm what good looks like and give confidence that the organisation is on the right track.

You should also discuss why you've decided not to go forward with ideas or why they didn't work out. Rather than describing these scenarios as failures, use positive language and explain why you decided not to go forward with them. It may be because the idea didn't deliver the customer proposition or perhaps it was executed badly. In these situations, you need to ask yourself, what can we learn from this?

Ultimately, innovation is that serendipity; it's driven by people, those connections and bouncing ideas off of each other. This is what you are trying to promote. ■

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Bal is Commercial Director and Managing Director of BBC Television. He primarily works on developing the policy and business strategy for Intellectual Property and driving the BBC's transformation agenda. He is responsible for 900 staff and a budget in excess of £1 billion.

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