



Five Lessons on Successful Innovation

If businesses are going to stay close to their customers, they need to know how to drive innovation in a way that's cost-effective, focused and fast. **Emma Riddell** spoke to senior leaders to find out what it takes to get it right



Innovation is the lifeblood of businesses in this environment of constant disruption. However, done badly it can be at best a distraction and at worst a strategic disaster. To avoid such pitfalls, business leaders advocate building the right structures and culture, while empowering local teams.

Alison Bennett, Relationship Manager at Criticaleye, says: "Successful innovation is about enabling your people to be creative, while being clear about the parameters they need to work within. If everyone has bought into the vision for the business this is much easier."

She continues: "There needs to be recognition that not all projects will be successful. Failure needs to be acknowledged as a necessary by-product of success, or innovation will be stifled."

We asked business leaders to share their lessons on innovating successfully, here is what they said:

Inject Rigour into Your Innovation Processes

Beth Butterwick, CEO of womenswear retailer Karen Millen, recognises the need to innovate, even though it requires financial investment at a time when the High Street is under pressure. What's crucial is that innovation is well thought out and aligned with the business strategy.

Beth explains: "A good business plan should include strategic innovation. However, a board will need to see that it has relevance to the plan, its direction, and is tied back to clearly-defined growth levers.

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"Part of my role as a CEO is to ensure that any big, strategic innovations are measurable, with strong KPIs in place. The measures being: scale potential, investment consideration and a payback/profit timeline.

"A frequent challenge is getting people throughout the organisation to understand that, when they come up with a new idea, an investment appraisal should be part of the due-diligence process."

However, **Beth** emphasises: "This shouldn't prevent them from being innovative – it's a safe way of putting some rigour around measuring whether the idea has credibility or not."

Use Dedicated Project Managers

The people who come up with ideas are not always the best ones to deliver them. Instead, **Beth** advocates identifying talented project managers within your business.

"The two roles require completely different skill-sets," she explains. "My advice is: let the director scope out the innovation and be responsible for

clarifying its benefit, but take on a project manager to oversee the scope and end-to-end delivery of it, including cost."

"Businesses don't do this enough, and I can see this is where the successful delivery of an innovation goes wrong."

Build Structures and a Culture that Encourages Ideas

Adam Ludwin, Chief Visionary Officer and Co-founder of global data activation and search intelligence company Captify, believes you need to create the culture, and build the right structures, to encourage innovation.

"It's important to create innovation hubs throughout an organisation," he says. "Empowering teams to organically drive new ways to innovate or encouraging them to immerse themselves in more structured initiatives, such as our Futures Board, ensures the business never stands still.

"Every eight weeks, a team of appointed future leaders (on the Futures Board) meets with myself, my business partner and our investors to discuss key areas of improvement and ways that we can innovate. This creates a culture of innovation, but also a culture of ownership."

As well as encouraging buy-in throughout the business, **Adam** finds that these structures and practices also provide a platform for everyone – not just the expected people – to voice their ideas.

"We really try to encourage and embrace entrepreneurship throughout the organisation," he says. "Many great >



ideas have come from interns who have been with us for just a few months."

Empower Local Teams to Innovate

When it comes to multinational corporations, **David Comeau**, Criticleye Board Mentor and past President of the Asia Pacific region for Mondelēz International, believes that centralised innovation has its limits.

He shares his experience of innovating around one of the "golden brands" at Mondelēz: Oreo. Such brands traditionally had a core that couldn't be touched and a periphery which could be innovated off.

"We decided to let the Chinese innovate any way they wanted to on Oreo (which is our number-one brand globally). We took a chance. We said: 'You guys know the market, come back with what you think works for the brand but also for the Chinese market.' That was powerful."

David admits that the innovation ideas the team in China came back with were "challenging internally". But the new approach in China paid off, with Oreo Thins becoming a "significant incremental product form" that was later rolled out to the US market and beyond.

He reflects on this experience: "Brand owners, or centralised marketing teams, need to be careful not to put too many guard rails around what local innovation teams can do. Instead, you need to empower your team and let them innovate widely – you can always pull it back in later."

However, **David** cautions that innovation teams still "need to feel part of the wider community, close to the brand

“What’s crucial is that innovation is well thought out and aligned with the business strategy”

and close to the product strategy; this way they can better understand where their innovation efforts can win."

Learn to Fail Fast

Peter Lacy is Senior Managing Director for Accenture Strategy, and a member of its global leadership council. He recently led their Asia Pacific cross-industry strategy team and spent four years in Shanghai, China. He explains how businesses in China, and to a certain extent Singapore, are prepared to "fail fast and course-correct".

He explains: "In Singapore, if they decide to focus on something – gene-tech, fintech or digital government, for example – they will do it in a serious way and get the very best people in the world onboard. But if they discover they can't get a competitive advantage then they will get out very quickly."

Peter observes that in China many of the big players have been run by their founders for over twenty years: "These owners are self-taught, hungry entrepreneurs, who have a very clear owner mentality: it is their money, and if it's not working they will shift it very quickly.

"This ownership mentality, combined with a lack of legacy thinking, lets them have a fluid approach to innovation. They aren't constrained by some of the thinking that executives in Western countries have built up – some of which is useful and some of which is not. This fail-fast approach is much quicker in China than in other places," he says.

This philosophy is one that **Adam** buys into. Indeed, he cites fail-fast as one of Captify's core values. He explains: "Fail-fast is about never fearing the unknown and daring to test something new. It's pushing boundaries and learning as much as you can along the way.

"You need to make sure everyone feels that they can push things and can identify where the breaking point is. If you don't know where the breaking point is then you haven't pushed hard enough. But, it needs to be in a controlled environment." ■

Featuring Commentary From:



Alison Bennett
Relationship Manager
Criticleye



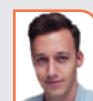
Beth Butterwick
CEO
Karen Millen



David Comeau
Board Mentor
Criticleye



Peter Lacy
Senior Managing Director
Accenture Strategy



Adam Ludwin
Chief Visionary Officer
& Co-founder, Captify

Contact the contributors through:
www.criticleye.com