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Embrace Change - Avoiding Innovation Pitfalls

In previous articles, we focused on understanding innovation using a framework to consider how current and future markets value what you do and how you do it. The same framework helps you to formulate a clear understanding of the outcomes and timing required for successful innovation. Why don't more organizations innovate effectively? In this article, we will explore a few of the more common reasons for innovation failure and we will look at actions steps you can take to avoid these innovation pitfalls.

Reason #1 – Fear of Failure

I have a book on my desk titled “Brand Failures – The Truth About the 100 Biggest Branding Mistakes of All Time.” It is an international best seller. It underscores a common fear of failure that all organizations share to some degree. This fact, paradoxically, is an advantage that you can exploit. Your competitors are afraid of change. Given the option, most will ignore change or minimize the potential impact of a new innovation. What are you doing to help your organization learn and change? One key is to communicate small failures early and often and then learn why these failures happen. The book I mentioned highlights 100 examples of remarkable failure. Many of these could have been avoided with better communication and analysis of early smaller failures. When reflecting on his invention of the incandescent light bulb, Thomas Edison said, “I didn't fail ten thousand times. I successfully eliminated ten thousand times, materials and combinations which wouldn't work.” Any outcome that is less than what you expected is only a failure if you don't learn from it and improve. Remarkable failure would be far less prevalent if we learned to appreciate and learn from the unremarkable failures.

Reason #2 - Incremental Expectation

Too many executives limit their expectations to incremental improvements. Low expectations ensure low outcomes - a dangerous practice. Consider the recent impact of breakthrough innovations at Amazon and Charles Schwab. The impact on their “mature” markets (book sales and brokerage firms) is huge. Resist the temptation to limit your product/service innovation potential. Create an innovation process to systematically discover the real value of your products and services. Remember that your value is determined by the market. Consider every innovation – especially radical breakthrough ideas - that will enable you to offer greater value to current and potential future markets.

Reason #3 - Process Complacency

Business changes, markets change, therefore your business process must continually evolve in order to take advantage of new opportunities. Perhaps you think that business process re-engineering is passé – “been there, done that”. However, process improvement can yield huge innovation results. Consider the recent impact of process innovations at Dell, Starbucks, and Southwest Airlines. Have you attempted business process innovation with limited results? Review your approach, revisit your process and set your expectations higher.

Reason #4 - Market Myopia

Many organizations believe they know exactly what their customers want – they are the experts. Do you expect the market to remain constant? If so, you may as well write your organizational epitaph – you are doomed. Markets change. Be careful of assumptions you are making about your market. A solid understanding of how they change and the role you can play in that change will assist you in positioning your company to win in future markets.

Action Plan

Envision a positive end result. Setting your expectation for a given outcome and benchmarking your progress will improve your focus and credibility as an organization that is serious about innovation.

Study what your market considers valuable. Where have you observed successful innovation in your industry and what made it valuable? What do your customers complain about that reflects dissatisfaction with your industry’s products/services?

Remember the three drivers of innovation – products/services, process and market. Learning how to analyze your products/services, process and market will lead to greater insights for innovation.

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