

Innovation Defined: Beneficial Change

What is Innovation? Webster's Dictionary describes Innovation as "something new or different introduced," or "the act of innovating; introduction of new things or methods."

The common theme in these definitions is change. Anything that is new or different indicates that a change from the usual or status quo has taken place. Therefore, we can simplify the definition of Innovation to "Change."

However, if we take the Innovation = Change definition to its logical conclusion, we would have to agree that a change to a manufacturing process resulting in more defects is an innovation because a change was made. Of course, intuitively no one would agree that a change with negative consequences is an innovation.

A change is generally instituted to achieve a desired result not possible under the status quo. Therefore, innovation can be further qualified as change intended to provide some benefit.

Is all such change innovation? What if the change has already been developed somewhere else? For instance, Henry Ford is credited with implementing the first assembly line used in automotive manufacturing. Did other auto makers implementing the assembly line process innovate or did they merely adopt an existing innovation?

The answer to this question might be – what does it matter? If a change benefits a company by lowering manufacturing costs, it is certainly beneficial and therefore innovative within that company. Let academics and analysts discuss what is truly innovative. For an organization striving to improve itself, innovation should be viewed as simply "Beneficial Change."

This is not to downplay the significance of ground breaking innovations, such as the development of the first semiconductor. Of course, that class of innovations can give huge competitive advantages to a company and are worthwhile pursuits.

However, to foster a culture of innovation among the entire work force, innovation as beneficial change should be promoted and encouraged in all areas and at all levels of the organization.

While the concept is simple, it is still critical to determine what beneficial means within the context of where the innovation occurs. Benefits related to cost or revenue are easy to understand and promote. Although no less desirable, it is usually more difficult to determine benefits related to efficiency improvements.

The concept of beneficial change can be further classified as either reactive or proactive. Reactive change is often instituted to address a defect, process deficiency, or some other undesirable situation – simply put, to fix some pain. It also frequently occurs in a crisis mode. The danger of this type of change is that it may solve an immediate problem at the cost of longer term negative consequences such as increased costs, loss of market share, or increased employee workload.

The second type of innovation is proactive change and is significantly more advantageous. Innovation that seeks to make a beneficial change even where no immediate pain exists requires forward thinking – a trait lacking among many leadership teams.

The challenge is how to proactively focus on a future benefit when there is no fire to put out. Reactive innovation happens by necessity, while proactive innovation occurs by design.

To effectively promote a culture of innovation requires first to embrace a philosophy of proactive change. This in turn requires embracing a culture of failure. How so? Because proactive change deals with unknowns there is always the possibility that a change does not achieve the planned result, i.e., the innovation was a failure.

Therefore, not only do organizations need to implement a culture of change, but also a culture willing to take calculated risks and accept the inevitable misses that will occur. These must be valued for what they are - opportunities for learning.

The type of failure in question is not the failure to perform an assigned task or execute standard risk mitigation practices. Due diligence and examination of potential failure modes is necessary before a change is implemented. However, when dealing with unavoidable unknowns and uncertainties, risk can never be entirely eliminated. Leaders should view the failure of a fully vetted activity to achieve an expected result as continuing employee education.

If an organization's modus operandi is that risk is avoided under all circumstances, the prospects for innovation will be limited. Waiting for an absolute guarantee of success may lead to missing an opportunity window. Complete risk avoidance is a choice. Not implementing a change is not doing nothing – it is a decision with consequences.

Consider a group of people on a river in a row boat. They can choose to row in any direction or not row at all. If they choose not to row, they are deciding to let the current take them where it will, with a likely negative outcome.

It is often stated that If nothing changes, then nothing will change. However, it is a more accurate observation that organizations that do not implement change will have change forced upon them.

Proactive beneficial change is an easy concept to introduce to the entire work force. However, it requires the active support and promotion of the leadership team before it can become part of an organization's culture. When coupled with a strong management and process improvement program, the potential to achieve desired corporate and departmental objectives is vastly improved.