

Get Creative – Innovate



In last month's newsletter I discussed the importance of innovation in the new flat world we live in. With the ongoing trends of offshoring manual labor jobs and outsourcing knowledge worker jobs the key to business success is innovation. According to an article in Business Week Magazine http://www.businessweek.com/magazine/content/05_31/b3945401.htm

What was once central to corporations -- price, quality, and much of the left-brain, digitized analytical work associated with knowledge -- is fast being shipped off to lower-paid, highly trained Chinese and Indians, as well as Hungarians, Czechs, and Russians. Increasingly, the new core competence is creativity -- the right-brain stuff that smart companies are now harnessing to generate top-line growth. The game is changing. It isn't just about math and science anymore. It's about creativity, imagination, and, above all, innovation.

The article goes on to say -

For managers, the biggest challenge may be making the leap from their Six Sigma process skills to new ways of thinking. For corporations, transforming themselves will require new sets of values and organizational principles. Have you heard of design strategy? It's probably the Next Big Thing after Six Sigma. How about consumer-centric innovation? It may be the most powerful way to raise a company's innovation success rate. Do you know what innovation metrics your company needs? Have you heard of CENCOR (calibrate, explore, create, organize, and realize)? It's the post-Six Sigma dogma GE is spreading far and wide among its managers. Are B-schools on top of all this change? Not really, but Stanford University is starting a "D-school" -- a design school where managers can learn the dynamics of innovation. Teaching elephants to dance is never easy, but that's the task ahead if you want your company -- and your career -- to prosper. You're thinking "this is all hype," aren't you? Just another "newest and biggest" fad, right? Wrong. Ask the 940 senior executives from around the world who said in a recent Boston Consulting Group Inc. survey that increasing top-line revenues through innovation has become essential to success in their industry. The same BCG survey showed that more than half of the execs were dissatisfied with the financial returns on their investments in innovation. They should be. By one measure, from innovation consultant Doblin Inc., nearly 96% of all innovation attempts fail to beat targets for return on investment. No wonder innovation frustration is the talk of corner offices.

In case you are thinking this is only for huge corporations like Proctor & Gamble or GE who have endorsed this concept wholeheartedly, it's not. Taking advantage of outsourcing, offshoring and all of the other world flatteners in order to enhance your creativity and innovation is available to small and medium sized companies as well. In fact Thomas Friedman says in his book "The World Is Flat"-

Rule #2: And the small shall act big. One way small companies flourish in the flat world is by learning to act really big. And the key to being small and acting big is being quick to take advantage of all the new tools for collaboration to reach farther, faster, wider, and deeper.

And -

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Rule #4: The best companies are the best collaborators. In the flat world, more and more business will be done through collaborations within and between companies, for a very simple reason: The next layers of value creation – whether in technology, marketing, biomedicine, or manufacturing – are becoming so complex that no single firm or department is going to be able to master them alone.

And -

Rule #6: The best companies outsource to win, not to shrink. They outsource to innovate faster and more cheaply in order to grow larger, gain market share, and hire more and different specialists – not to save money by firing more people.

Take a look inside your company or department. If you think you wouldn't benefit from more outsourcing, collaboration and innovation, then I say - look again. Then call me to discuss how we can help you supercharge your business through collaboration and innovation.