

Bringing Innovation to the Front Lines

By Alex Lattin and Amy Muller

Innovation is one of business's hottest topics these days. We've all read the innovation success stories in the press, but have you ever wondered who is actually doing the innovating? Unlike marketing or finance, there are few dedicated business innovation departments. And, unlike marketing and finance once again, innovation is something that can and should involve everyone in the firm. In fact, those closest to the work usually have the best insights to improve performance, reduce cost, or develop new products and services. Deep and broad engagement unlocks hidden potential, and the payoff from front line innovation is better alignment, faster action and improved results.

How can you tap your front line employees to mine those insights and to unleash their innovative ideas? First of all, it is not a free-for-all. Discipline matters. We often assume that if employees are enthusiastic the right things will happen and that enthusiasm from front-line employees, in particular, is a great way to launch an innovation program. Perhaps so, but enthusiasm quickly wanes if the right processes aren't in place to sustain the innovation.

And the right processes must be about business results – not just employee self-actualization. Here are the most important pieces of a sustainable front-line innovation program:

1. Give people the tools and skills they need to participate.

Becoming more innovative doesn't mean finding the "natural innovators" inside the company and pinning your hopes on them. Innovation can be taught. Leaders must act intentionally and proactively to build new skills throughout their teams of employees.

Your employees need to develop new perspectives about your customers, market, and company. This requires skills to identify and challenge industry orthodoxies, extract unmet and unarticulated customer needs, envision industry and market changes, and understand the company's core competences. Employees must also learn how to do structured idea generation, turn ideas into business concepts, and define low-cost learning experiments. Whirlpool has already trained upwards of 30,000 of its people in the skills and tools of



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innovation – employing not just classroom settings but also a broad-based e-learning platform.

2. Focus innovation on issues of importance.

Front line employees are not likely to be motivated by financial targets (e.g., grow revenue by 20%). But they will be motivated by ambitious strategic goals that inspire the employee as a person as well as a contributor to the company. CEMEX, a global building materials company based in Mexico, declares innovation platforms such as "housing for the poor" each year as aiming points for ideas. GE issues broad business challenges like "How can we improve the world's water supply?" The idea is to focus on important business challenges, keep them fresh, and provide helpful boundaries.

3. Connect the pools of innovation.

Innovating isn't a solitary activity – it's a collaborative activity and should be managed as such. Take a hint from the successful open-source movement. Movements like Linux have spawned more

innovation more rapidly than decades of Microsofties toiling in Redmond. Connected innovation is successful in part because of the emotional rewards and reputational equity that it provides. Who doesn't want to be seen by their peers as the leader of a successful innovation? In addition to the emotional rewards, ideas just get better as more people hear about them and build on them. CEMEX uses a creative technique to connect the pools of innovators called Ping-Pong. Virtual, online "ping-pong" competitions are held regularly in which people "bat" exciting ideas back and forth across the organization, improving them as they go.

4. Keep the enthusiasm flowing.

Nothing is more de-motivating to would-be innovators than a mysterious "black box" process. Keep the process simple, clear, and transparent. Let innovators know who has the decision rights for moving ideas forward and clearly provide the decision criteria that are being used. Strive

to keep politics out of the process. Once the flow of ideas begins to wane, start a new campaign. And don't discount the benefits of public recognition for innovators. Since 2001, for example, CEMEX has hosted an annual "Oscars" event featuring awards for the best-implemented ideas. Winners receive a trophy (not money), and the event itself is broadcast to 11 different company sites. In our experience, innovators are more motivated by public recognition than by financial rewards.

5. Use all levers at your disposal.

Front-line innovation is a systemic challenge that requires a systemic solution. If you want your employees to act more innovatively, you'll also have to work hard at creating the right combination of leadership, culture, organization structure, incentive system, and key process changes that embolden experimentation and motivate people to achieve new results.

Unlocking the Hidden Potential

So *who* are the innovators in these innovation success stories? The answer is anyone – anyone at any level and in any position. Companies that are truly serious about embedding innovation know that fresh insights and ideas arise throughout their workforce when they are willing to create the structure and rewards to allow those ideas to succeed. Their reward? Deep and broad engagement across the organization and the next leap forward in competitiveness.