

How can we accelerate innovation, turn innovation into new opportunities, transform our organisation to take full advantage, and grow a successful business? This is one of the biggest challenges facing the largest 2000 companies in the world today. And all the smaller ones too.

There are many barriers to overcome in every innovative process. And innovation is only the beginning of a better future. Here are FOUR steps to accelerate excellence: connect with passion, adopt new models, champion change and measure total impact.

Connect with Passion

The FIRST step is to connect with passion: teams need to know why the search for innovation and better quality is so important, why it will really make a difference. When teams are highly motivated to change fast, innovation easily follows. Most companies fail this very first step. Teams are told that they need to innovate to stay ahead of the competition, to keep up their share price, but who cares? Most executives I meet are not that bothered about things like increasing market share for its own sake. They want to be significant, to make a difference, to solve complex problems, to make life better for customers, to create a better future in some way.

Take for example a pharma company with an urgent problem for their product teams: last month several young children died of poisoning because they were able to open a particular medicine bottle – despite a specially-designed cap. In the same month, several grand-parents died because they were unable to open the same “child proof” containers. You can be sure that their innovation team will be totally committed to find a solution, and will do so rapidly. They will not need bonus incentives, or other rewards. They will work day and night to find a solution, and will be proud to have done so.

And we need to connect with passion of our customers. Does this innovation really meet a need? Why will it make such a difference? Will customers get excited about this? Why is that? And are we really certain that they will be willing to cut back on spending on other things, to find the money to buy it? Or will it save so much money that it will pay for itself?

It's so easy to be carried away by our own technology, or by our own imagination, and end up in a bubble of our own. Almost all innovations that people talk to me about are in that category. Clever, maybe. Genius even. But that's just not enough to succeed. Even assuming you can

deliver at a great price, and that you can get your message across to the right consumers or decision makers.

Many innovation teams start with engineers, analysts, scientists and so on, instead of just spending time listening deeply to their own customers, to what their customers are saying and to what they are not saying.

Develop New Models / Broaden Teams

The SECOND step is to develop new models and thinking – which may require broadening our teams, new partnerships, alliances, collaborations, joint ventures.

Many of the world's greatest innovations and breakthroughs have come about by fusing together different disciplines, technologies, insights, industries.

Many teams are far too close to their own day to day problems to see solutions which are rapidly obvious to those who are disconnected from their own situation. That's one reason why 85% of CEOs of large corporations say that the fastest way to innovate is to increase diversity in teams. Broaden experience, enlarge horizons, challenge internal culture and mindsets. Institutional Blindness sets in after only a few weeks in a new job - we become infected with the experience and history of those around us, and soon become absorbed into the usual way of doing things. We rapidly lose that freshness of perspective which we had on first joining.

Many large multinationals such as HP, GSK and Unilever are investing in Open Innovation models or crowdsourcing, to develop radical, rapid solutions from their wider community, especially when looking for greener, lower carbon, more sustainable ways of doing business. The other day I needed to solve a problem – I used Twitter to post a message to my 41,000 followers, who suggested several practical answers in seconds. Life is too short to stay with last-century ways of innovating.

Champion Culture of Change

The THIRD step is to champion change. As every innovation award shows us, creating the idea is only a small part of the story. Many corporations I work with can point to great [innovations](#) that competitors rolled out – before them – even though they had proposed to their own

leadership teams the same
[innovations](#)
some years ago.

Success or failure in business can depend on how many Champions you have, and how effective they are. Turning ideas into new processes, procedures, products and systems requires courage, self-confidence, perseverance, energy and persuasion. It's a difficult process, with possible [risks](#) to the Champion along the way if things go wrong, which is why it so important to recognize Champions in Awards Ceremonies and in other ways.

Championing change needs to happen at every level: as leaders and managers we need to be confident enough to believe in those in our teams, to back people and give them space to be creative, to experiment, to make some mistakes and learn from them.

Measure Total Potential Impact

The FOURTH step is to measure total impact – with the right metrics for excellence, customer satisfaction and performance. Many great [innovations](#) die after launch because they were not properly supported by senior leadership. A common reason is that the teams involved were not fully measuring the wider, and often less visible benefits.

A key example is the concept of Lifetime Value. Take a new way of winning a new customer. So often we look at the cost of making that sale, and the rewards from the deal, as an isolated event. But the full picture may be many times more valuable. Take a new customer for a cruise holiday in the Caribbean. The trip may be \$3000 a head or \$6,000 for two people, profit on the vacation might be \$1000.

But the lifetime value of this new relationship could be huge. Suppose we know that 1 in 3 become regular passengers, averaging one cruise a year for the following 5 years, and often for longer periods each time, while another 1 in 3 take at least one more cruise in 5 years. And in addition, suppose we know that on average, 1 in 3 passengers also buys other products or services from affiliates such as pensions or health insurance. You can see that the real 5 year value of each new customer could easily be worth more than twice the average value of that first sale.

That means the value of your innovation or new initiative could be twice what you originally thought, or three times, or ten times maybe... over a longer period.

And that innovation that failed to get approval, can now go back to the board to be signed off as one of the most exciting potential new developments for the coming years.