Overcoming Innovation Barriers

In today's fast-changing business environment, constant innovation is the key to survival. A company's long-term viability and prosperity depends on its ability to innovate. However, it has been observed that only few companies are successful innovators while others find it very difficult to innovate. More often companies take a narrow approach to innovation to solve highly visible business problems. This approach misses larger opportunities and fails to yield desirable outcomes. To make innovation work against large-scale problems, companies must anticipate real world concerns early, understand the potential impact on their business, and act in time to realize positive change.

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Constant innovation has become an inarguable strategy for business survival. An organization's long-term viability can be ensured through consistent forward-looking analysis and a willingness to initiate change. Survival demands a response to this analysis, including investment in new opportunities. With such a powerful and straightforward strategy, why are so many organizations struggling to survive?

It is not uncommon to see frantic energy at a failing business yield nothing but continued layoffs. In a sluggish economy, even industry leaders can fail to recognize the need for change. There is little surprise when these companies fold or downsize. Many businesses recognize the need for innovation and embrace the concept, but struggle to put it into practice.

For many companies, a major roadblock to realizing outstanding business results is the difficulty they face in using innovation effectively. Innovation is approached in a traditional fashion, through narrowly focused attempts to solve highly visible business problems. This approach often misses larger opportunities and fails to yield the most successful outcomes. Innovation's success is often limited by four major barriers:

- Overwhelming Problem
- Over-focusing
- Advisor Agendas
- Solution Orientation

Overwhelming Problem

It is uncommon for most businesses to recognize and embrace the need for continuous innovation. Most often, organizations see a need for new ideas when they are in trouble—when there is a big, ugly problem looming over their business or industry. A new competitor causes profits to slide, a suffering economy threatens long-term viability, or perhaps there is a sudden introduction of new technology. These overwhelming problems generally result in an attempt at innovation. There is a sudden plea for help; potentially a panic. Someone yells "we have a problem!" and there is finally a call to invest in solving it.

For investment to occur—particularly in the face of sliding profits— the problem is usually large

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and well established. This overwhelming problem is both threatening the organization's long-term existence and seriously affecting the current health of the business. Operating expenses have already been reduced, morale is plummeting, and no obvious options remain to fix the devastating problem.

At this advanced stage, often the viable solutions involve organizational restructuring or significant new investment. Both options are ugly, time-consuming, and uncertain. When attempting to tackle an overwhelming problem, innovative options are drastically reduced in a stressed environment with limited ability to be proactive, take risks or make new investments.

While many companies have responded adequately to overwhelming problems, the real secret to handling these problems is to avoid them in the first place. Organizations need a mechanism to anticipate real-world concerns that could impact their business while maintaining the ability to proactively execute a wide variety of options to address these concerns.

Recently, much of the US retail industry faced an overwhelming problem. Smaller retail chains were struggling against rapidly growing giants like Target and Wal-Mart. Several of these smaller chains folded. What did they do wrong? Many failed to recognize and respond to a brewing competitive problem before it became too late. By constantly trying to anticipate potential problems and gauge the subsequent business impact, these chains may have recognized a disaster in time to take effective action.

Over Focusing

Some organizations invest in ongoing strategic planning and R&D to introduce innovation and avoid the surprise of overwhelming problems. For these organizations, innovation is usually highly focused on a predetermined number of active controls or decision-making areas. This allows organizations that may ordinarily resist change to be dynamic and innovative within specific areas of their business. For example, at a large product company new ideas may come from a funded research and development group, new marketing ideas may come from a merchandizing group, and new investment strategies from a finance group.

This innovation method works well when an industry, environment, or economic shift is recognized by a specific idea center. Frequently, however, these centers do not collaborate to create an overall innovative solution, or worse, don't recognize a potential problem or opportunity if it does not fit into a group's area of expertise. Taking this a step further, highly focused industry or business expertise may keep an entire organization unaware of a potential problem or opportunity.

Organizations that may be over-focusing need the watchful eye of innovators with capabilities across disciplines and with expertise outside their industry to recognize and anticipate real-world problems that could impact their business. As an example, cross-industry innovators may take advantage of a technical advance used in one business sector and apply it to their own. The reapplication of carbon fiber technology is one such success. Industries wanting to benefit from the strength and weight of this revolutionary material have applied it in everything from tennis racquets and sailing masts to components of space shuttles and airplanes.

Advisor Agendas

A potential solution to keep from succumbing to both overwhelming problems and over-focusing is to solicit the assistance of professionals external to an organization that have a wide range of expertise and a variety of business knowledge. For this to work, an organization needs to contract professional services well in advance of recognizing specific business problems. An advisor relationship is developed and the leaders within a business rely on the ongoing advice and counsel of these consultants to recognize opportunities and challenges where a focused company may not. However, consulting advisors raise the possibility of another innovation barrier.

It is important to recognize that the consulting world generates revenue by spending time on a client's problems, so one can imagine the motivation an advisor may have to "discover" concerns that need immediate attention. There is a price tag to every problem, particularly if the consultant is uniquely poised to solve particular types of problems. Due to this advisor bias, it becomes difficult to trust the validity of presented business problems.

In addition to advisor bias, there is a second issue with advisor agendas. The solution proposed to a problem may not be the solution a company needs, even if the problem is real. Assuming the consulting company is perfectly ethical and is completely in control of their own problem—identification bias— there still remains one difficult issue. Consulting companies are not paid to provide the most innovative solutions, even if that is what they are asked to do. Consultants are rewarded for developing a strong client relationship. They are paid to be advisors.

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Consultants are only successful when they tell an organization what that organization is prepared to hear and what the organization has the ability to change. If the organization does not have the money, time, people, or the ability to accept the most innovative and best solutions, those solutions will not be presented or even considered. The problems recognized and the solutions generated by a consulting company will be skewed by an organization's initial agenda and by the sanctity of the professional services relationship. If the best fix to a particular problem is to throw away a company's 80-year old business model and shut down the plant, you can bet no one will be proposing that innovative solution—or anything even close.

Organizations that are working with professional services consulting firms need to seek out and demand honest, unbiased problem recognition and need to hear innovative ideas, regardless of an organization's ability to respond.

Solution Orientation

The largest single barrier to successful innovation is that attempts are usually only made from within the context of a single, well-defined problem. This solution orientation directs 100% of an innovator's creative energy at deriving the most appropriate answer to a single question.

- We need a new toothbrush design that wows kids aged 4-7;
- We need to hire a qualified Director of Human Resources by Q2;
- We need to select budgeting software that meets strict selection criteria.

These well-defined problems and strict solution requirements rule out two creative avenues rich with potential rewards.

The first creative avenue applies innovative techniques to find problems ripe with opportunity rather than solutions to an already recognized problem. If an innovator is only approached with problems, there is never the chance to go hunting for opportunities. This forces the traditional innovator to rely upon others to discover and evaluate problems. Solution-oriented innovation leaves large areas of opportunity completely unexplored. A recent example is NASA's Near Earth Orbit program. It detects and tracks asteroids and comets that could approach Earth and pose a global threat. The program has only been in place for a few years, yet the global threat has always existed. The problem was addressed only when innovative scientists recognized the cosmic impact problem and communicated the potential repercussions.

The second creative avenue that bypasses a solution orientation is the creation of an environment that is free from solution restrictions. Restrictive requirements usually exist when someone needs a problem solved. No organization says, "You can solve this problem any way you'd like." Problems — when confronted by specific organizations with specific needs—come with a whole list of real and understandable restrictions like controlled budgets and time constraints. Innovation may then be reduced to a compromise between these limitations. Remove these limitations and whole new innovative possibilities emerge. Examples of innovative products dreamed up without solution restrictions include disposable pens, post-it Notes, and broadcast radio.

Overcoming Barriers

Organizations are now waking up to these significant innovation barriers. It is no longer enough to seek innovative solutions to big problems when they arise. To make innovation work against large-scale problems, companies must now anticipate real world concerns early, understand the potential impact to their business, and act in time to realize positive change.

To realize concerns and capture opportunities early, organizations need to approach innovation using a team of diverse professionals with capabilities across disciplines and with expertise in several industries. These professionals need to focus primarily on generating creative insight and should strive to expose potential bias in their problem identification and solution restrictions. And finally, to capture the best opportunities for change, innovators need to become problem seekers, hunting down difficult-to-recognize innovation opportunities absent of specific problem solving requests.

There is an immediate and valuable impact of implementing these techniques to overcome barriers to innovation. Innovators should expect to provide insight into potential problems and opportunities while there is still time and resources to proactively address them, expose unbiased and unrestricted solutions and ideas for change, and uncover opportunities for problem resolution not possible when faced with the four barriers to traditionally applied innovation.■

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