Preparing the Way for Innovation

A CONSULTANT'S COACHING DIALOGUE

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PRELUDE TO A CONSULTING AGREEMENT

1. The management of a high-tech firm makes a decision to innovate and summarily announces it.
2. The approach taken comes across to the organization as a crash course, if not a crusade.
3. The search for innovation involves everyone in the organization, and a designated steering group is appointed.
4. Tangible results are expected within six months.
5. Breakthroughs are to be rewarded with one-time bonuses.

■ *A back-and-forth consultant-client exchange lays the groundwork for companywide innovation.*

■ *Le dialogue entre le conseiller et le client jette les bases nécessaires aux innovations d'une société.*

■ *Ein belebter Austausch zwischen Berater und Kunde bereitet den Boden für unternehmensweite Innovationen.*

Does any or all of the above sound disturbingly familiar to you? Do any of these actions cause you to squirm and groan? Or do you find nothing wrong? In any event, the company had nothing to show for its efforts after six months' time. As a consequence, three of its vice presidents (marketing, human resources, and strategic planning) were dismissed. Then, troubled and confused, the CEO decided to call in a consultant with the idea of performing a quick fix and cleaning up the debris. I was that consultant.

The Consultant as Coach

Our first meeting started off with the CEO venting for ten minutes. My reaction was to listen and to wait patiently, and then to slow everything down and try to engage him in a general, if not almost philosophical, discussion of innovation—that innovation is one of the most difficult objectives to accomplish; that it is never easy to introduce; that many even still argue as to what's really innovative and what isn't.

The CEO and I got into such matters as whether innovation is hard or easy to come by, how many managers are truly innovative, the percentage of the workforce he estimates to be creative, and whether creativity can be taught or is basically innate. We talked about innovations that occurred in the past in the company, as well as in the industry, what they were, who brought them forth.

My strategy was to suggest that innovation is more complex and not in the same league as announcing a new executive appointment or an additional item for the benefit package. My goal was to encourage a more reflective and deliberative approach. I acted like we both had all the time in the world to sort this thing out. The approach worked. In closing the session, I suggested another one the next day to go over what apparently hadn't work and why that was the case. The CEO responded: "Let's make it early in the day before things get cluttered and my time is gobbled up."

I found the CEO the next morning, not anxious to have another philosophical discussion but ready instead to get down to specifics.

His game plan clearly was to come up with a new—and this time successful—launching process for innovation in the company. I was reluctant to totally abandon the process of dialogue or to lose what had been captured the day before. But the CEO was hot to trot, so I tried to weave together all three elements of reflection, evaluation, and action—what I viewed as the essential trinity for preparing the way for all new initiatives.

A Constructive Dialogue

"Okay," the CEO said, "Let's look at how we launched this initiative in the first place."

I first brought up the announcement of the failed initiative, which immediately puzzled the CEO.

"Why should an announcement even be an issue for reflection, evaluation, and action?" he questioned.

"We could get into an extensive discussion of how you announce decisions in general," I responded. "But I know you are anxious to get to the heart of this particular situation. So let me just ask whether there is anything special about innovation—the way which we talked about it yesterday—that might affect the way the announcement was made?"

The CEO, musing out loud, recalled: "Many are uneasy about innovation, many feel they are not creative. And I would even say that many may not know what innovation is or be fully aware of what it could mean to the future of this company."

"Given all these apparently legitimate concerns and hidden questions," I asked, "what, in retrospect, would you have done differently about announcing the initiative?"

With the benefit of hindsight, he said: "I guess I would have discussed it first. I would have used examples. Big ones, and many little ones, as many I could think of. I might have told them the story of what was done at 3M. You know, that article you gave me on their 15-minute system. Above all, I would try to strike a balance. While I don't want innovation to appear facile or accidental, I also don't want it to appear distant, beyond their reach, reserved for only R&D types."

"Good! So now we know that we can't just drop an announcement like a bomb without taking the chance that it will blow up in our face. Okay, so that was not the best way to start, and you already have decided to find another way. It is interesting that you mentioned R&D. A little sidebar, if I might?"

The CEO nodded and leaned forward. I continued: "Thomas Edison still holds the record for more patents than anyone else to this day. Of course, he may have been an inventing genius but he had others working with him who were not Edisons. So he developed for himself and all his employees idea quotas. But he also knew that some ideas were big and many would be small; so, for example, he gave himself six months to come up with one new major idea, and a number of smaller ones. I mention Edison because he may be telling us something. His emphasis was not on inventions but ideas. Maybe that holds a key for the company and innovation. Maybe the process we want to get going is IG—idea generation. And maybe what we have to do is to encourage each employee to work on his or her ID—one's own idea/innovation diary—which is private and which is not available to anyone unless he or she says it is."

The CEO nodded reflectively. "You're right. The focus is really on ideas. We can't all be Edisons and match his record; but if we can get our people to write down what they think and what they have come up with, we will be way ahead of the game. In fact, I never told anyone this, but I keep an idea journal by my bedside. Okay, let's keep going. This is good stuff."

"Okay, let's go on to the next point. The initiative was presented as a crash course, if not a crusade. Put yourself in your employees' place. How would you have reacted to such a statement?"

The CEO snapped: "I would resent it. I don't like being stampeded into anything. And I personally don't warm to the cheerleader role.

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Worst of all, it sets us up for success or failure. We either make it or we fold. Besides, nothing could be further from the truth. We are actually doing quite well, and all indications are that we will have solid sales for the next three to five years. So this was a future-oriented activity. But, okay, I see where you are going. What you are saying is that we should have just told it like it really is—as way of getting a leg up, ensuring our future success. Right?"

"Absolutely," I quickly answered. "And maybe even grow another business or at least another division. When the juices start to flow, you never finally know what the company will come up with. Now, pressing on, what about your timetable of six months?"

The CEO bristled: "Now, I think that was perfectly defensible. You can't have an open-ended arrangement without limits and without closure. I would let that stand."

"Okay," I said, and then paused, "but suppose nothing happens within six months? Do you shut everything down or let it just go on? Suppose then something surfaces by month 7, something else by month 8. What then? How will that six-month deadline look?"

The CEO interrupted: "Maybe arbitrary, even dumb. But there has to be some oversight and control. They have to know that they will be held accountable."

I mildly protested: "But, accountable for what? You did not put a dime into this. You're not providing training. You're not giving people time off. You're not sending them to any conferences. You're not even buying them books and magazines to read. You put this pot of money aside for bonuses, but if no one comes up with anything, even that money won't be spent. I understand every executive's need for control and outcomes, but deadlines and innovation are not incompatible, unless you're willing to settle for half-baked goods delivered on time."

The CEO was quiet. Had I pushed too hard? I stepped back and took another tack:

"Instead of control, you may want to go for indirect monitoring. Schedule weekly brown bags or pizza lunches (you pay). Mix divisions, levels, shifts. Have the supervisors just listen; tell them not to talk, just to take notes. Carry forward those notes to the next level, then to the next, and then to senior management. Walk around, drop in on sessions unexpectedly, listen for a change."

The CEO sighed: "Well, it makes sense not to dictate creativity. It's like pushing spaghetti; it just won't behave the way you want it to. So I guess you're also questioning my picking an innovation steering group. Did I do anything right?"

I said reassuringly: "You came up with the idea of an innovation initiative, and that is right as rain. But I'm curious. What was your thinking here? What did you hope to accomplish?"

The CEO sat back and thought: "Well, we picked people from each division. Each had an excellent record and had given some evidence of being creative. The idea was they would model for each of their divisions the behaviors to produce results."

I agreed: "That makes lot of sense. Modeling is critical. That is what Edison did. But here's my problem: It's either going to be company-wide, or not. It's either going to be collective, or not. Innovation often occurs with the least likely people and in the least likely ways. Besides, most selected steering groups are political. The chosen are always the same ones picked. The winners of trips to Hawaii are always the ones who win again and again. Good for the few winners, lousy for all the rest who may get used to being losers; and there are always more of them than winners. Besides, everyone in the division will rib their representative to death and make him or her regret they ever were chosen in the first place. Finally, it will be seen as a transparent way of maintaining control. Make it egalitarian. Inclusive, not exclusive. Fish or cut bait."

> ***Innovation often occurs with the least likely people and in the least likely ways.***

The CEO protested: "Okay, okay, but what's wrong with incentives? They've been used since the beginning of time, and they work."

I conceded: "You're right. Generally they work. It certainly has been effective for years in sales especially. But money and innovation have nothing to do with each other. It's a wrong match. Incentives will stimulate only the familiar, not the different, because people will be driven by the incentive. You will get a lot of lookalikes to what you already have. But you will not get anything different."

The CEO was not ready to toss in the towel. "Well, what should we do? Drop the idea of incentives altogether?"

I again became reflective: "I'm not sure. My instinct tells me that it's a question the employee should tackle. See what they come up with. Make it part of the creative challenge. I have to confess. I am a little old-fashioned. To me the best incentive is the future of the company—the future of my job. Or as one worker put it to a COO: 'Your job is to keep this company around so that I can collect my pension.'"

The CEO leaned forward: "I agree. I am old-fashioned that way, too. And that worker is right. You can't have growth and change unless you are around to try both. But it's the executive's job to look ahead and to decide now what will keep us around later."

He stood up and held out his hand: "Well, I think our exchange has set us on a new course. I now see why certain care must be taken with certain initiatives—preparing the way, as you call it—thinking it through. I would like you to stay with us on this project, through all the stages for as long as it takes."

"Be happy to do so."

"And let's get together soon and hold another seminar. Okay, Professor?"

Postscript

I nodded, smiling, and said to myself, "He was right on both counts. I am a professor, and it was a seminar." But after I left and was walking down the hall, I realized that he was a professor as well and that good seminars are always shared if they are to be seminal. The real subject of our exchange was not innovation—it could have been any management initiative—but consultant-client relationships. Good consultants are not just teachers, they are coaches. The basic medium of exchange is dialogue, but dialogue that asks basic, always difficult, and sometimes even unanswerable questions. It has to start with the reflective—with genesis—with the beginning of things. It has to obey the no-holds-barred nature of dialogue—the back and forth, up and down. But talk has to generate positions, directions, guidelines. And these in turn have to be subjected to tough and scrupulous evaluation, so as to produce principles. But they must be operating principles, ones that can be put into action and tested, because in the final analysis the seminar cannot go on forever (the professor's fatal tendency). The CEO must then act, make the dialogue live, and perhaps even replicate the relationship with the consultant among the people in his organization. ■

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