



Tucker on Innovation

Reporting on best practices, research and current events in the field of innovation, Tucker on Innovation is a free quarterly newsletter for organizational practitioners, thought leaders, and friends of the Global Innovation Movement. Copyright 2006, all rights reserved.

Jennifer Garcia, Editor

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Wells Fargo heralds Innovation as true entrepreneur's motivation

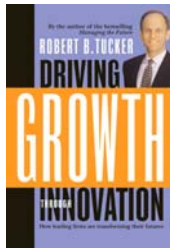
Ask the Expert: How do you manage innovation?

Managing Automation cites need for innovation

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Products

Driving Growth Through Innovation by Robert B. Tucker



Tucker on Innovation Unveils New Look

Welcome to the new format of Tucker on Innovation. We are leaving behind our text-only version for a more dynamic and interactive newsletter. Our new layout provides easier access to important information to keep you updated on Robert Tucker's breakthroughs in the field of Innovation.

Look for these features in upcoming issues: Articles from our TIR partners, Innovation Success Stories, Upcoming Events, and links to Innovation Products and Tools.

So How Do We Reward Risk-Taking?

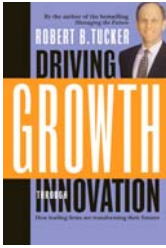
Five years ago, appliance makers Maytag and Whirlpool both faced a recessionary environment, intense global competition, and products that consumers could not tell apart. Maytag elected to hunker down and cut costs while Whirlpool took a different tack. Under then-CEO Dave Whitwam, the company launched an all-out, enterprise-wide initiative to develop a core competency in innovation. Not having a cookbook to follow, they experimented with how best to reward risk-takers and foster a culture where ideas were welcomed, supported, and funded.

Now the results are in. Maytag, a once-great American brand, cost cut its way to near-oblivion, while a reenergized Whirlpool grew by 36 percent into a global appliance powerhouse. Whirlpool is in the final stages of buying up Maytag for a fraction of its former worth.

More and more companies are embracing Whirlpool's strategy as they see the limits of Maytag's. Yet in attempting to drive organic growth to supplement acquisitions, companies routinely find they lack the champions and risk-takers needed to dream up and execute bold new ideas. "We've been operationally-minded for so long," they tell me, "that we are having trouble finding entrepreneurially-minded folks to lead the charge."

What behavior do you reward?

When it comes to changing people's behavior, it's important to remember an underlying principle: *behavior that gets rewarded gets repeated*. If you've rewarded risk-avoidance, punished failure, and ingrained incrementalism for decades and that was what moved managers up the ladder of success, guess what types of projects people run away from?



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For companies to compete in the Creativity Economy, new behaviors will be required.

For years, companies from Tyco to Kraft to GE rewarded managers for making their numbers, gobbling up other companies, and cutting costs. The fact is, it worked. Until it didn't any longer. Maverick thinkers who somehow made it through the Orwellian hiring tests that help HR departments identify "people who think and act just like us" were not seen as valuable talent but as difficult-to-manage nuisances. Often their reward was to be first-fired during layoffs.

So if you're now looking for different behavior, you have to get clear on exactly what actions, decisions, cultural norms and values you've been rewarding - and then look for ways to incent different behaviors going forward. It won't be enough to have your CEO speak about the importance of innovation as one of the company's 17 top priorities and expect people to suddenly alter ingrained habits. You'll need to do lots of things to get the word out that expectations are changing, and that not innovating is the greater risk to one's career.

If you have trouble identifying people in your organization whom everyone recognizes as risk-takers and entrepreneurs, that should tell you something. My advice: steer clear of monetary rewards as a way to get attention. Beyond small monetary rewards given to teams not individuals, cash for ideas can backfire, and besides, the literature shows that recognition is the most reliable reward of all. Properly motivated and recognized, enough people will step forward and seemingly ordinary contributors that you may have assumed "didn't have it in them" will do amazing things.

Publicizing examples of innovativeness from your own people is another way to gain buy-in and reinforce the new behaviors you're hoping to spawn. Not only do you shine a spotlight on people who dearly need recognition, but you provide evidence that innovation isn't something that only the Apples and the Googles can do; it's something your people are doing too - and need to do more of. Give recognition to teams and individuals who stick their necks out to launch new products, even if they aren't successful right off and even if they fail.

The rarest, and therefore the most valuable people to identify, are those who are more concerned about customers than they are about the latest company politics. Seek out those who care deeply about identifying problems customers have that they aren't solving very effectively using existing products. Look for people who dream up new solutions to customers' problems, who aren't content just to perfect the system but want to originate bold new products, services and solutions and change the system.

Lack of Time for Innovation? There are Solutions

I recently asked over 2000 mid to senior level executives in a public lecture if lack of time is one of the top three barriers to innovation in their companies. Virtually everyone raised a hand. A colleague of mine in the publishing business receives 200 emails everyday. Melissa Mayer, the innovation

mover at Google, is flooded with 600-700 emails everyday. This increasingly fragmented, reactive, multitasking, always connected work style is a real inhibitor of creativity and innovation – if you allow it. Result: burnout, "fire fighting," and poor morale.

Is it any wonder that, after “no innovation process” the next most common barrier is “lack of time to innovate.” Lack of time inhibits innovation by crowding out reflection time that can produce fresh approaches to accomplishing particular goals or dreaming up the company's next breakthrough. In this technology-induced “always on” atmosphere, if you are seen quietly sitting at your desk thinking, you may be perceived to be loafing.

Recent attempts to deal with the issue include:

- Every other Friday at S.C. Johnson & Sons, a placard is posted on the door of all conference rooms: "Room Sealed by Order of 'No Meeting Day' Police." All meetings by its 3500 U.S. employees are banned.
- Microsoft offers senior executives as much work-free time off as they need--in addition to annual vacations of up to five weeks and a sabbatical every seven years.
- Intel workshops encourage time-stretched workers to tell supervisors to stop calling them at home at night. Otherwise, "we're always on, like electronic service men always on call," laments an Intel technology-education manager.
- Southwest Airlines organizes a monthly "Thinking Day."

To be sure, having more time does not guarantee more creative output, just as a lack of time doesn't always mean less innovativeness. The issue is not that simple. In fact, innovators often point to a time crunch to meet a deadline that led them to stop ignoring a problem and come up with a novel solution. During "crunch times" you may see the inadequacies of your firm's present processes, methods, and safeguards.

Clearly, when "lack of time" surfaces on internal surveys as a perceived barrier to innovation, you must delve deeply into the issue. Are people trying to send a message to senior management? Is there a deeper problem? Is "lack of time" symptomatic of deeper anxieties and frustrations? Will granting free time to work on innovation have the desired effect? It's not a simple barrier to overcome, but correct diagnosis is critical.

Bart Tucker Featured on Front Page of Washington Post

TIR Senior Consultant Bart Tucker and his church group recently spent 8 weeks in East Biloxi, Mississippi, helping residents rebuild after the destruction of Hurricane Katrina. As one of many faith groups working in the hurricane



ravaged areas, Tucker's group has been cleaning and restoring homes in the city, bringing life back to a once devastated area. Congratulations, Bart, for bringing the spirit of innovation to our fellow citizens in need of a helping hand.

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TIR Announces New 3 Day "Implementing Innovation for Growth" Seminar



In today's global economy, operational excellence is not enough. Trying to improve new product development or bring new technology to market without changing the overall approach to innovation often leads to disappointing results. This practical, hands-on executive workshop is designed for acceleration teams just starting out on the innovation journey.

Participants will create an enterprise-wide blueprint for innovation using a step-by-step process based on Robert Tucker's 20 years experience in the field. Call us to schedule this workshop in Santa Barbara, CA at the Harbor Side Inn conference center or other suitable off-site location.

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