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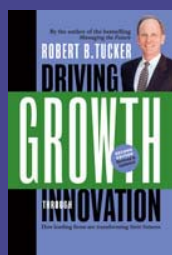
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Thinking Ahead of the Curve



The other day in Cincinnati I met with Filippo Passerini, Procter & Gamble's hard-charging chief information officer. Fascinating guy. Ph.D. in statistics from the University of Rome. Father of three. Technical mountain climber. And the toast of his organization right now for what he and his troops have been able to accomplish.

Passerini was the driving force behind Procter's radical revamping of its entire back office operations. The move obliterated \$1.2 billion in costs from P&G. It enabled the consumer products giant to respond quickly to the Global Economic Crisis, and bring new products to market faster than ever.

So how does Filippo unwind after routinely putting in 60 hour weeks? He plays chess. "Thinking what your opponent will do three moves out is good discipline for business," he told me in a thick Italian accent.

Filippo is the perfect illustration of a vital innovation skill that I call *thinking ahead of the curve*.

"It was our reading of trends that led us to make this move," he explained. In frequent open-ended brainstorming sessions, he and his core team of five saw that the world was shifting. It was moving from "big is good" to "flexible is good" to "network is good."

"Fifteen years ago, if you were a big company, that was a competitive advantage. Then flexibility was the way to achieve it. But we saw that over the next five years the network would become more and more important." What to do?

Passerini's vision was that the entire company should operate from one consolidated, integrated global network. He and his team assaulted the assumption that the way P&G handled back office functions like finance and accounting, HR, facilities management, and IT was good enough. They knew it was riddled with duplication and waste. So they set forth to build a new unit -- Global Business Services -- to take over and consolidate all such operations.

Today, "shared-services centers" in Costa Rica, Manila and Newcastle, England provide networked support around the clock to P&G operations everywhere. All non-strategic activities have been outsourced to outside vendors. And Passerini and his group have "decommoditized ourselves" from being an internal service provider to become a strategic partner to the organization.

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In researching a forthcoming book, I've been interviewing dozens of high output managers like Filippo Passerini. They don't try to predict the future, which is impossible. But they do make it a priority to spend time *thinking ahead of the curve*.

"One of our pillars is thinking out in the future and anticipating what is coming and then making your move. It's so much better than reacting."

Innovation-adept leaders like Filippo Passerini don't just gather better intelligence. They creatively crunch this data, argue about it, debate its implications, and try to connect the dots in some meaningful fashion. They seek to arrive at a *point of view*, both individually and collectively, about how to turn today's rapid changes into tomorrow's opportunities. And then they take action.

How are you "sussing out" (as the British say) the trends in your market and in the wider world? What's new in your information diet that's stimulating your thinking? What trends, emerging technologies and developments are you doing deep dives on to gain a knowledge edge?

"I manage my life like a chess game," Passerini told me as I was leaving. "I still continue to study every day." Not bad advice for all of us.

New IBM Study of Corporate Innovators

"The New Voice of the CIO: Insights from the Global Chief Information Officer Study" is the title of an insightful forward thinking study just released by IBM. Although the focus is on identifying the personal best practices of highly innovative Chief Information Officers, the results of this study are eye-opening for all managers.



Researchers interviewed more than 2500 CIOs worldwide to compare and contrast the behaviors of low growth CIOs and their high growth colleagues. Key findings include:

- High growth CIOs devote 87 percent more of their time to enabling the business and corporate vision than low growth CIOs
- High growth CIOs spend an impressive 55 percent of their time on activities that spur innovation. Low growth CIOs are mired in tactical execution and IT issues.
- Specific innovation activities include generating buy-in for innovative plans, implementing new technologies and managing non-technology issues.
- High growth CIOs spend 94 percent more time integrating business and technology to innovate than low-growth CIOs
- High growth CIOs actively use collaboration and partnering technology within the IT organization 60 percent more often than low growth CIOs.

Although the research was confined to CIOs, you can use the report to challenge yourself and your thinking even if you're in HR, logistics, purchasing or payroll. How do these high growth CIOs find time for strategy and innovation while others are bogged down in the weeds of daily execution? How do they "decommoditize" the value they create for the organization and become indispensable? Read this report and you'll find yourself taking notes and taking action!

