



IMPACT STORY

Technology Giant



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How a technology giant created a culture of innovation and saved over \$100 million to date.

Business Challenges

From its early beginnings as an unconventional start-up to its evolution as a global industry leader, this technology giant has had a long history of innovation. In the past few years, that commitment to innovation has taken on a new strategic importance.

Like many organizations today, this company recognized that a new competitive environment and shifting market conditions had altered the playing field. While the company had always been able to rely on the strength of their purchasing power to give them the upper hand in working with their supply base, the dynamics of those relationships were changing dramatically. To remain successful, the company's Global Supply Chain group would have to think differently about how it collaborated to attract supplier attention and commitment.

Indeed, the Global Supply Chain group needed a new approach that enabled broad participation in creating competitive advantage.

With so much complexity and volatility in the business, the leadership realized that people needed tools to solve both big challenges and smaller day-to-day issues in order to stay ahead of ongoing change.

In looking at how to meet this challenge, the Global Supply Chain group took its cues from a roadmap for transformation that had originally been developed within their procurement division. Created through a process of benchmarking best-in-class purchasing organizations, this multi-year roadmap identified the various areas they should focus on for transformation, and innovation was a clear priority.

The best-in-class all used innovation-focused programs, tools, and processes.

With a clear mandate to be more innovative as an organization, a “Culture of Innovation” program began to take shape. While the group realized the game-changing strategies of the past were no longer industry movers, they were confident that they had the talent and ability to dig in and tackle today’s problems in creative ways, to go beyond their field of view and to find hidden opportunities. But to really get to breakthrough solutions, they would have to re-examine their approach to problem solving. They also recognized that a new approach could not be installed by simply wishing it so; they were going to have to deliberately build associated capabilities and skills.

Innovation presented a different way to solve a problem, one that was open to a broader solution set, less driven by a hypothesis, and more focused on prototyping the answer to get it into full implementation.

Their typical process for tackling a problem had been to immediately hypothesize potential solutions. There are some benefits to this method: for one, it makes it faster to get to an implemented solution. But it also has its drawbacks: when you already know where you want to go, you aren’t usually open to all the alternatives that might be available - and that might be better. The group had also discovered that rapid implementation left them without the further refinements and continuous improvement that come from prototyping and piloting.

Strategy for Change

Developing a Culture of Innovation

After a Corporate Development Consultant from the Global Supply Chain group attended a ExperienceInnovation workshop, he realized *design thinking* would play a significant role in the Culture of Innovation Program. As the leader of the Program, the Consultant immediately enlisted a Procurement Director and both participated in ExperiencePoint's ExperienceInnovation certification so that he could integrate the simulation in their initiative.

They came away convinced that making innovation synonymous with *design thinking* would help them simplify the process while honing in on the skills and behaviours that would drive the change they were looking for.

Because *design thinking* encourages the adoption of a user's perspective when tackling problems, it was the perfect fit for the organization's needs. As a process for innovation, it would help them get away from their tendency to come at an issue with a preconceived solution, and with its iterative approach, it would help them see all the potential pathways to the goal so they could keep improving over time. Just as importantly, for a group that likes to roll up its sleeves and figure things out, it would give them a Do-It-Yourself approach for getting down to the business of tackling their challenges—from big, complex problems to little, nagging issues—without feeling like they needed to bring in an outside firm to do it for them.

The Director, who is one of the key leaders responsible for the Culture of Innovation program, believed so strongly in the impact *design thinking* would have on the business that he recommended they reorient how they structured the innovation initiative as a whole.

"I realized that at least for the first year or two, it needed to be about design thinking. This was a skill set that would complement the way we were solving problems."

Procurement Director

To make *design thinking* the foundation for their culture of innovation, they developed a multi-year implementation roadmap that encompasses training, ongoing events and staffing needs.

ExperiencePoint has been a key partner in the training and skill development component of the program from the beginning, and has certified internal facilitators to deliver ExperienceInnovation training. The rollout has consisted of:

- ExperienceInnovation training for executives and leadership (year one)
- ExperienceInnovation training for the entire organization (year two)
- Additional development, including advanced or "deep dive" *design thinking* training and training on other tools (year three)

The Director says they structured the implementation specifically as a way to bring executives on board with the program, not only as supporters but as active participants.

By putting executives through ExperienceInnovation first, they were then able to get the go-ahead to roll it out to a broader audience across the organization. From VPs, co-leads and people managers to "seeds" who are on the front lines of innovation across the organization, these executives have become engaged, on-the-ground champions for building a culture of innovation.

The training sessions begin with an introduction to the initiative and why it's important, followed by discussion about what innovation is—and what it isn't. Then it's time for participants to dive into the ExperienceInnovation simulation.

“The training in ExperienceInnovation has been a wonderful tool,” says the Corporate Development Consultant. “It’s one of the first things we go in with to get people excited about *design thinking* and innovation.”

The Director adds that this is important because it’s this initial push that gets people “hooked.”

Because it’s an energizing and highly relevant experience, it engages people quickly and helps them not only think differently about innovation but also begin to immediately put the skills of the world’s great innovators to use in practical ways in their own roles.

“Of all the innovation methodologies I’ve looked at, ExperienceInnovation is a great way to get people introduced because the whole concept of the ‘extreme user’ hits people so powerfully,” he explains. “The way it’s done in the training is so effective, and it’s so compelling to people. Other methodologies are good, but this is better. It’s such a fantastic way to get people into innovation.”

The training wraps up with an application exercise that connects the skills and techniques learned in ExperienceInnovation with the participants’ everyday work.

The goal is to help people see how the concepts can be used in different areas of their jobs so they can immediately start using—and benefitting from—the *design thinking* approach.

“This isn’t just about training for training’s sake,” says the Corporate Development Consultant. “People are extremely busy, and they have goals and metrics they’re trying to achieve. So this is all about helping them accomplish those things that are relevant to their work, the business and their leaders. That’s what changes the culture.”

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Corporate Development
Consultant in charge of the
Culture of Innovation Program

They add that this ability to build competency quickly and start applying and getting value from the new skills right away has been critical for getting and keeping that all-important executive support.

Since innovation is a process that supplements the run-the-business work, it requires a special level of justification to leaders who are always looking to streamline, get more efficient and get rid of the “dead weight.”

“We constantly have to show them: this is the value we’re bringing. This is how much money we’ve saved the organization. These are the executives who are vouching for it.”

In addition to the training component, mid-year and year-end events are keeping attention on innovation, and a staffing plan has been developed to help scale up support for people as they engage in innovative problem-solving activities.

Of course, when something generates buzz and people see that it’s working, it’s pretty difficult to contain it.

Soon after the momentum picked up on this initiative, others in the organization wanted in on the *design thinking* action too.

So while it all started in Global Supply Chain, other departments have now taken notice and are following suit. ExperienceInnovation is bringing the skills and process of *design thinking* deeper into the organization where it’s beginning to have enterprise-wide impact.

Results

For an organization that knows it's not about the talk, it's about the business value, this initiative is delivering. Over the course of three years, it has racked up some impressive results and some big numbers.

Savings	"A few of the big, heavy-hitting projects we've worked on have netted in excess of \$100 million in savings in lots of cool, different ways," says the Corporate Development Consultant.
Collaboration	"We're getting people together to figure out how to solve these problems, they're coming up with great ideas and they're hitting the bottom line," the Director sums it up.
Engagement	The impact is being felt by the leaders as well as those who are using the skills of <i>design thinking</i> every day. In the "State of the Union" employee survey, approximately 80% of employees said their ability to innovate and create value has improved thanks to <i>design thinking</i> .

While their initial measurement approach was more programmatic — tracking things like how many innovation town halls were conducted and how many people had been through training — they quickly pivoted to include process statements (in one case, a 20 step process was reduced to three) as well as value-oriented metrics in their quarterly scorecard. Naturally, these metrics included hard dollars saved, but they evolved to also recognize ideas for their operational and cultural value.

With word-of-mouth building, the effects are being felt all across the company. Large-scale, cross-functional brainstorming efforts are becoming common, with people coming together to tackle big, thorny problems. And here, too, the numbers are adding up.

"We showed that we didn't need a massive, expensive consulting firm. We got the organization itself to come up with these ideas, which means you own it more, you believe in it more. This is a process that's really driving more bang for the buck."

Procurement Director

"One process we facilitated generated literally thousands of ideas and was the chief input for a large-scale cost reduction effort," says the Director. "I knew we'd succeeded when they brought in a consulting firm afterwards, and the difference in idea generation was marginal. We showed that we didn't need a massive, expensive consulting firm. We got the organization itself to come up with these ideas, which means you own it more, you believe in it more. This is a process that's really driving more bang for the buck."

According to the Corporate Development Consultant, the ExperienceInnovation training itself has also created a new standard for development across the company.

"ExperienceInnovation has set a new bar for what corporate training can look like here," he says, adding that when the Talent Development team conducted a survey on the company's training offerings, many said ExperienceInnovation was the best class they had attended, even though it wasn't yet an official part of that organization's programming.

And by helping people master innovation through engaging experiences that expose them to repeatable skills, it has made the concept of "being innovation-driven" something that's tangible for their employees.

"Everybody talks about innovation all the time; it can be a really nebulous topic," he explains. "ExperienceInnovation gave us something to sink our teeth into. Along with *design thinking*, it gave us a reference point and common language of applying a designer's vocabulary to business problems."

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Corporate Development
Consultant

Future Outlook

With results like these, it's no surprise the demand for *design thinking* skills is now outstripping supply.

“People will say, ‘We have a big, chronic problem—maybe we need to call them to help us Design Think our way through it,’” says the Corporate Development Consultant. “That’s why we’re so focused on staffing right now. People talk about their successes, and that makes other people want to try it. This is a fun banner to wave.”

He credits the ExperiencePoint partnership with helping them manage the growing initiative and its ongoing planning and support needs.

“There aren’t enough positive superlatives to describe the service and support we’ve gotten from ExperiencePoint,” he says.

Looking back, they point to a few key decisions that have made a big difference and will continue to be part of their guiding strategy. For example, while it’s critical to highlight the concrete bottom-line impact of innovation, they say their ongoing qualitative approach has been just as important. Each leader is able to talk about the big innovation projects going on in their organization and describe the value they’re driving, from optimizing a supply chain process to eliminating an error in a procure-to-pay process. As a whole, the results paint a vibrant picture of the full value innovation is delivering.

Just as essential: Having support and buy-in at the very top every step of the way.

“We’re willing to do the work, but if people don’t perceive it’s a priority for their boss, it won’t be one to them. We’ve been able to show that the VPs who’ve made it a priority have been successful and the ones who didn’t haven’t been. That feedback is what has kept the top leadership pushing it through.”

Overall, they say, it's this strong internal and external support system that is keeping the momentum moving, the breakthrough ideas coming and the tangible results adding up for this rapidly expanding team of *design thinking* innovators.

About ExperienceInnovation

ExperienceInnovation is an energizing workshop that challenges teams to flex their creativity to solve a realistic and complex design challenge. In so doing, they engage with the terms, techniques, and thought patterns of successful innovators.

ExperienceInnovation was created in collaboration with IDEO, an award-winning global design firm that takes a human-centered design approach to helping organizations in the public and private sectors innovate and grow.

About ExperiencePoint

At ExperiencePoint, we're passionate about how people work together to get stuff done. We're an award winning training company that develops business simulations for leadership development in the areas of change and innovation. We're known for realistic simulation experiences that challenge people to roll up their sleeves and learn the Whats, Whys and Hows of leading change and innovation. We work with the Fortune 100 and the world's leading business schools.