EVERYDAY INN OVATION

The New Innovation Conversation

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Wazoku commissioned a survey of 1,000 UK board members, senior managers, middle managers and everyday workers within large enterprises to explore the state of innovation in UK businesses today.

In the first paper in our series on EveryDay innovation, we review the survey results and outline why UK businesses need to turn innovation rhetoric into tangible actions and measurable results.

Wazoku (www.wazoku.com) is the UK's leading collaborative idea management software company – empowering enterprise, public sector and third sector organisations to innovate and achieve their corporate goals through structured, managed, measured and sustainable collaborative idea management.

About the series...

In October 2015, we introduced the EveryDay innovation concept and a methodology for aspirational companies seeking to build a culture of innovation¹. It is based on five interconnected pillars: Strategy, Leadership, Management, Culture and Tools & Processes. The underlying principle of EveryDay innovation is that in truly innovative organisations, innovation is a part of everyone's job, in every role and every department, every day.

Through subsequent reports we have expanded the EveryDay innovation series to guide organisations as they strive to embrace EveryDay innovation and strive to become EveryDay innovators.



The New Innovation Conversation - Report

October 2015

The New Innovation Conversation introduces the EveryDay innovation concept and methodologies and challenges organisations to start thinking more strategically about how they engage the army of potential innovators at their disposal.

Guide to Becoming an Every-Day innovator

March 2016

The Guide to Becoming an EveryDay innovator provides tangible and actionable next steps for organisations to establish an innovation framework and begin building a repeatable and sustainable innovation capability.

Sustainable Innovation - Report

November 2016

In Sustainable Innovation: Putting the customer at the heart of your innovation strategy we focus on the first pillar, Strategy, and explore why organisations should always pursue a customer-centric innovation strategy.

Design Thinking and EveryDay innovation - Report

March 2017

In the fourth report in the series, we explore aspects of the previous reports in more detail and provide practical advice for adopting design thinking principles across organisations, as part of the process of becoming an EveryDay innovator. This study on a selection of UK-based business leaders and workers, produced by Octopus Group in conjunction with Cisco, Waitrose, Great Places to Work and The Future Shapers, and sponsored by Wazoku, was conducted in August and September 2015 and comprises the insights of over 1,000 people from across the spectrum of UK business.



Foreword

CRIS BESWICK

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Innovation is like teenage sex; everyone talks about it, nobody really knows how to do it, everyone thinks everyone else is doing it, so everyone claims they are doing it!

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Cris Beswick Author, Speaker & Strategic Advisor on Innovation

Building a culture of innovation isn't rocket science but it does require something more than a note on a board report or yet another senior team discussion.

As a strategic advisor on innovation with CEOs and senior teams in a variety of settings, I know how important the first step is as organisations start to make innovation a real part of everyday business life. That's why the EveryDay innovation report stands out. It not only reinforces the importance of innovation for business, but also starts to address that all-important 'how to' question.

The ultimate goal is for every person at every level throughout an organisation to embrace EveryDay innovation. The challenge is for leaders to step up and make it happen.

Cris Beswick

The concepts introduced in the book 'Building a Culture of Innovation' have helped to inform Wazoku's development of EveryDay innovation.

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INTRODUCING EVERYDAY INNOVATION

6.6 EveryDay innovation is a war cry for organisations who understand that they need to innovate but despite their best efforts, are still struggling to turn their aspirations into action. It is an ethos, a new perspective and a guide for every organisation seeking to embed a high-performing culture of innovation. **9.9**

Simon Hill CEO Wazoku Despite continued universal acceptance that innovation is vital to economic, organisational and individual success, many British businesses are still failing to act.

Our survey of over 1,000 board members, senior managers, middle managers and everyday workers within large enterprises across the UK sheds further light on the innovation challenges facing businesses. It reveals that innovation is the number one pillar of company culture and is high on the agenda of every business that the survey respondents work for. Yet, despite this, it is at risk of semantic saturation due to abuse and overuse. The ambiguity that results is doing real harm. Over 90% of those we spoke to said that improving customer experience and making cost savings were two of the most important strategic objectives for their employers. 85% agreed these areas could be improved through more innovative ideas and approaches, but almost the same amount stated that innovation ambiguity and barriers meant this benefit is unlikely to ever be realised (80%).

These statistics are staggering and suggest it is now time to shift the conversation from the same old rhetoric about the imperative to innovate, to a more meaningful one about what can be done to overcome failure and drive tangible, effective and sustainable activity.

This is what the EveryDay innovation report will begin to do by helping organisations to understand what best practice innovation looks like, where they are on their journey to achieving it, what they can do to get there faster and how to ensure it continues evolving with their business.

The 5 assessment areas...



EveryDay innovation Methodology

Figure 1. The 5 Pillars of EveryDay innovation

You can't measure what you don't know, and there is currently no standard set of KPIs against which to measure and benchmark innovation capability and maturity. How can we become a nation of EveryDay innovators when we don't agree collectively on what innovation is and we have no shared KPIs?

An organisation's understanding of its current level of innovation maturity is key to it being able to move forward from this level. As such, we've worked with leading innovation expert Cris Beswick to develop an Innovation benchmarking tool for EveryDay innovation.

The Innovation Maturity benchmark considers organisational maturity assessed against the five pillars of EveryDay innovation: Strategy, Leadership, Management, Culture and Tools & Process. Organisations will be given an overall maturity rating plus a more granular understanding of how they perform within each pillar. The Innovation Pulse has four different maturity levels: Novice Innovator, Apprentice Innovator, Professional Innovator and ultimately, EveryDay innovator. The 4 maturity stages...



Figure 2. Innovation maturity stages

For the EveryDay innovator, innovation has become a fundamental part of the organisation as a whole. Innovation capability is baked into its DNA and is what drives competitive advantage and growth and fuels the ability to disrupt existing markets or shape new ones. It means the organisation has become an accepted innovation leader in the wider marketplace.

How to...

Where does your organisation lie on our Innovation benchmarking tool? Visit **www.wazoku.com/ innovation-pulse** to learn more about the Innovation Pulse and innovation maturity evaluation benchmarking.

STRATEGY

Innovation cannot be viewed in isolation. It must be at the forefront of, and aligned with, overall corporate goals and objectives. Leading global brands such as Apple, Google and Alibaba regularly communicate the importance of innovation; and household British names like Unilever and Barclays cite it as a focus in their latest annual reports.

In order for this to happen, those setting and delivering the strategy must have a clear understanding of what innovation actually means in the overall context of their particular organisation. Yet there is real evidence to suggest this is not the case.

Innovation ambiguity

There are an ocean of innovators: according to Google there are over 40,000 searches for "innovation definition", "define innovation" and "define innovative" every month in the UK alone. Our research revealed that more than half (53%) of British business managers believe innovation to be a buzzword which holds little meaning to their dayto-day job. And only 51% completely understand their organisation's definition of innovation and innovation strategy and how it fits into wider corporate goals. Among non-managers this number fell to just 30%.

How to...

It is imperative that every business invests the time to define what innovation means to them. Our definition is a starter; make it your own and communicate it in a way that will mean something to your workforce.

To get started, begin with this highlevel definition: Innovation is the process of introducing something new or different, in order to solve a problem, add value for the customer and drive growth for the creator.



Many organisations, innova-tion consultants and solution providers talk about the inno-vation spectrum. Our message is that all organisations need to identify and embrace the right mix of innovation activity aligned to overall organisational strategy. Again, we encour-age you to develop your own language for this. Here is ours:



Innovating across the innovation spectrum

For years, we have been trained to innovate on an incremental scale, the law of marginal gains, kaizen, and so the theory continues. These little wins are important and add huge value to the business-as-usual organisation. Many will not view this as innovation, but these quick wins are culturally and commercially vital, so do not discount them, nor the cultural impact they deliver.

Radical innovation, at the opposite end of the spectrum, is strongly associated with large-scale, radical projects which fall within the remit of R&D or other specialists. This innovation category is complex, typically requiring significant capital investment and carrying considerable risk. Most organisations will execute a very small number of radical innovation initiatives over elongated periods of time and only at very certain points in the business life cycle. Many people will never get to work on, or even experience, a truly radical innovation within their workplace.

We have fallen into a world where we view innovation at these polar opposite extremes. This has made innovation inaccessible. Yet this is an innovation spectrum and between the incremental and radical poles, there are many innovative ideas. We have labelled this sustainable innovation, characterised by medium scale changes, with low to medium risk that involve multiple teams, are customer-focused, create competitive advantage and are able to happen frequently, with significant results.

Sustainable innovation allows organisations to start to unlock their true innovation capacity. It's a type of innovation that's tangible but also palatable, and can be delivered across all aspects of the organisation, driving enhanced customer experience, greater internal and external engagement and real business benefit.

How to...

Assessing and enhancing your innovation strategy

What is the right innovation mix for my business? There isn't a simple answer to this, but here are three important questions organisations should ask before they set off on this journey and should continuously revisit as they cntinue to improve the innovation maturity:

1. How much innovation do we need in order to address our growth and success gap?

Each organisation must clearly articulate their definition of success and honestly assess the gaps that are preventing them from achieving the desired success. The assessment process must occur continuously and accurately measure whether the organisation's actions are closing the gap.

2. What type of innovation do we need in order to address our growth and success gap?

Once the growth and success gap is understood, the organisation must select the appropriate mix of innovation activities necessary to bridge that gap. Companies need to target the stages on the innovation spectrum best aligned to their specific ambitions at the specific time.

3. What areas do we need to focus on in order to address our growth and success gap?

Closely tied to the innovation mix being implemented, the organisation must also select the areas in which innovation efforts will be focused, whether relating to products, processes, customer experience or business model and organisational design. The areas with the most potential to deliver on key corporate objectives and goals should be prioritised above less strategic areas.

LEADERSHIP

An organisation's ability to become an EveryDay innovator requires strong leadership at all levels.

The figures show that 48% of UK employees don't believe that innovation is embedded within their employer's leadership team. Senior leadership cannot merely develop an innovation strategy and then sit back. They must:

1. Communicate strategy clearly across the entire organisation

The average employee currently has no understanding of what innovation means to their employer (72%). EveryDay innovation requires the unequivocal involvement of the entire organisation and without a clear understanding of the strategy, then the workforce is highly unlikely to be able to successfully drive the business towards it.

2. Commit to practicing innovation

Employees are more likely to prioritise and take innovation seriously if senior management is seen to be driving the conversation and activity on a regular basis. Full management sponsorship creates momentum. Research from Aon Hewitt shows that companies with strong financial results have high levels of engagement from senior managers¹. Without engaged senior leadership, companies will not be able to engage the hearts and minds of their employees. As it stands, just one third (32%) of employees identify board-level employees as taking the lead in driving innovation in the workplace.

3. Make it safe to innovate

Failure is a natural part of innovation. Of every 100 new consumer products that come to market, 80-90% fail². But most people still work in a culture which punishes failure. Instead, senior business leaders should embrace, evaluate and even encourage it. Many of today's most successful businesses have been built by leaders who welcome brave decisions and unusual thinking, whether it works first time or not.

Mark Zuckerberg's guiding philosophy, the "Hacker Way", openly encourages Facebook employees to "make bold decisions, even if that means being wrong some of the time." Elon Musk, founder of Tesla and Space X, states, "failure is just a step in the path towards fantastic."



no idea what innovation means to their employer people say board-level employees are taking the lead in driving innovation new consumer products that come to market fail

1 (Aon Hewitt, 2012) 2 (Ey.com, 2011)

MANAGEMENT

Managers are the life-blood of any organisation. They are the people charged with ensuring the engine room of the business keeps powering on, in the direction set by the C-level executives. They are, in essence, the squeezed middle, balancing the pressure from above and below.

Organisational success, growth and innovation rely on these individuals. It's vital that priority is placed upon their well-being, motivation and understanding of what's expected. Unfortunately, our research suggests that this is not currently happening to the standard required.

Over half (53%) of managers are unaware of their organisation's definition of innovation and how it fits into wider corporate goals. With over a third (38%) explicitly saying that innovation isn't their responsibility as it's not in their job description.

How to...

What then can be done to empower managers to drive EveryDay Innovation?

1. Ensure that managers are trained on the business' overall corporate objectives and specific innovation strategies so they know exactly what they should be doing and why.

2. Incorporate specific innovation objectives into all employee job descriptions so managers know what they're accountable for as individuals, and across their teams.

3. Equip them with the tools and resources they need to meet these objectives efficiently and successfully.

4. Recognise and reward managers for their successes – either financially, with public praise or a promotion if appropriate – and support them when they willingly take risks, even if they are unsuccessful.



CULTURE

Collaboration and transparency

Collaboration and transparency are the cultural foundations of an EveryDay innovator, where innovation is happening by default across the organisation in all areas and at all levels.

Our research shows that most people (79%) believe that ideas are improved by collaboration at all levels, rather than through reliance on lone thinkers or leaders. Facilitating an environment that captures, evaluates and allows for the implementation of employee ideas can also impact employee engagement and retention levels.

This is particularly important with the rise of the millennial workforce, who will represent 50% of the total working population by 2020³. and will automatically expect collaborative employers to provide and transparent working environments or will look for employment elsewhere. Our research shows that 76% feel more a part of the business when their ideas are recognised.

Encouraging intrapreneurs

Companies can gain immeasurable value by including their entire workforce in innovation and encouraging their entrepreneurial spirit – also known as 'intrapreneurship'.

Unfortunately, two thirds (65%) of workers say not enough is done to encourage employees to contribute. Even though the average employee contributes six separate innovative ideas over the course of a year, these suggestions are not being captured or recognised, according to 57% of respondents.

Research elsewhere confirms these findings. Data from the Great Place To Work® Institute shows that in the average UK company, just 46% of employees believe management genuinely seeks and responds to suggestions and ideas.

How to...

Aviva is encouraging intrapreneurs by engaging its 30,000 strong global workforce to develop game-changing new services to improve the customer experience – already generating the business 60 million dollars over the past three years.

Other examples of successful intrapreneurship include:

- Lockheed Martin, intrapreneurs developed a number of famous aircraft designs
- 3M, intrapreneurs came up with Post-It notes
- Google, intrapreneurs suggested Google
 News, AdSense and Gmail

3 (PwC, 2011) 4 The UK's Working Population, Great Place To Work® Institute, 2015

79%

improved by collaboration at all levels, rather than through reliance on lone thinkers or leaders of people feel more a part of an organisation when their ideas are recognised

TOOLS & PROCESSES

We've already established that there is an undeniable appetite from the wider workforce to contribute ideas to drive innovation forward. Yet our research shows that this often isn't possible because a formal process to capture, share and evaluate ideas is lacking (78%). An innovative business culture has to be supported by a backbone of processes, practices and tools.

Practices

Respondents were very clear about practices they felt could improve innovation within their organisation. Among others, they said innovation sessions and workshops (26%) and schemes for rewarding innovative ideas and suggestions (26%) would support success.

The development of a communication and engagement programme to drive continuous involvement is also important. Some 40% feel innovation could be improved in their companies through clearer communication.

Building innovation goals into each and every employee job description and career plan is a must, as just over one third (35%) of employees across all levels say innovation isn't their responsibility because it isn't in their job description.

Tools

Technology is a key enabler and facilitator of EveryDay innovation. Some 86% of those surveyed see the concept of an "idea-sharing platform" as being useful. The same amount feel that the ability to share feedback, comments and vote on other colleagues' ideas would be also helpful (89%). This is reinforced when we consider that well over 60% of employees think their ideas will never be heard, or even if they are, they will be lost or never acted upon or recognised.

Specialist idea management platforms enable the structured capture and evaluation of ideas within an organisation and help to overcome these challenges whilst facilitating more open innovation practices across the organisation. As such, idea management software can be a beneficial solution for businesses seeking to drive employee engagement and start to deliver EveryDay innovation.

How to...

Waitrose has engaged 60,000 Partners, from senior management to those on the shop floor, to submit innovative ideas which can help the business achieve its corporate objectives.

Using Wazoku's collaborative idea management platform, Idea Spotlight, as the foundation for this Partner Ideas programme Waitrose has generated over 1,000 ideas from around the business, which has generated significant company cost savings. A single idea, which saw the formatting and management of till receipts transformed, allows the retailer to save over £100k annually.

What could help innovation?

26% 26%

86%



innovation sessions and workshops rewarding clear

communication

innovation

contributions

idea sharing platform



CONCLUSION





CONCLUSION



With consumer demand, technology and the global economy continuing to shift rapidly, innovation is only going to become an even bigger priority for British organisations and those who don't act now risk failure. While it will always be a complex and nuanced activity, if leaders commit to a thorough review and re-development of their strategy, leadership, management, culture and process, they can move from a state of paralysis to a high-performing culture of innovation.

Every organisation has an army of potential innovators at its disposal. Not only its staff but customers, partners, suppliers and beyond. Engaging them in a meaningful way may be challenging, but this journey poses an exciting opportunity to radically re-think the way organisations collaborate. The right approach will drive tangible results, fuel growth and create real competitive advantage in a sustainable and repeatable way.

Look out for our next paper in the EveryDay innovation series for a deeper dive into how to put the above recommendations into practice, as well as best- practice case studies.

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EveryDay innovation will be the difference between world-class market-leaders and the rest.

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Cris Beswick

Innovation Expert, Author, Founder of The Future Shapers

The concepts introduced in the book 'Building a Culture of Innovation' have helped to inform Wazoku's development of EveryDay innovation. Bibliography

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