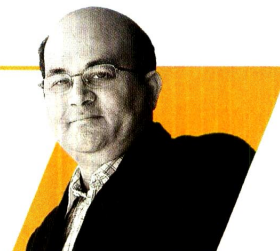


view | MANAGEMENT |

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Maintaining the momentum

WHILE IT'S EASY TO KICK OFF INNOVATION INITIATIVES, SUSTAINING THEM ISN'T

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As the dark clouds of slowdown and uncertainty stalk Indian industry, companies look for new ways to generate growth. They are turning to innovation for new options. Yet, many senior corporate executives complain that they started an innovation program seriously, but somehow it got stuck and lost momentum. They ask, "How can this be avoided?"

This is not an unusual problem. It's easy to crowd out innovation. The pressure of ongoing operations and quarterly targets leaves little time for thinking about or doing things differently. So, it's not surprising that even well-intentioned efforts to drive innovation peter out. But this can be avoided. To see how, let's learn from some of India's innovation leaders.

Titan Industries is arguably India's most innovative company because it innovates extensively on all four important dimensions of innovation — product, process, customer experience and business models.

Ideas are the essential raw material for innovation. One way to enhance the number of ideas generated is to increase the number of people who see themselves as innovators. Successful innovator companies today go beyond the notion that innovation is only for R&D folks or, at a stretch, the marketing department. Consistent with this, Titan has set itself the target of every employee being involved in innovation by 2015.

But just calling people innovators is not enough — you need to help them unlock their

creative potential. Tanishq, the jewellery business of Titan, addressed this problem by setting up an Innovation School of Management (ISM). Shopfloor employees of Tanishq are put through a three-day structured workshop on the tools and techniques of innovation, specially designed by consulting firm Erehwon. At the end of the workshop, they work on group projects chosen from a set of challenges already identified by the company. This ensures that their ideation efforts are directed towards problems



ILLUSTRATION BY KISHORE DAS

of importance to the company, and that managers sustain interest in the projects they are working on. Just assigning projects is not enough — employees need time and space to work on these projects. So, each group is allowed four hours every week to work on its project. Each group also has a mentor who helps the group if it gets stuck.

The chief driver of this innovation effort is quite simple — improved corporate performance. According to one estimate, 30% of the increased profitability of Tanishq in recent years can be attributed to innovations coming out of initiatives like the ISM. Now, Tanishq has extended its innovation programs beyond regular employees to *karigars* (traditional craftsmen) who work with the company on a contract basis to make gold jewellery.

Of course, a prerequisite for all this is a harmonious work climate inside the company. An atmosphere of distrust would hardly support innovation. It's also quite difficult to imagine employees engaging in creative pursuits for the company if their basic hygiene needs are not met. As Dan Pink, a motivational speaker and writer, says in one of his widely watched videos on YouTube, you need to pay people well enough "to take money off the table". Creating the right climate could take several years. And, at the core, such an initiative is more likely to succeed if the management genuinely believes in the creative potential of human beings.


Can this approach work in the services industry too? Yes, it can. In an effort to build a "managed innovation" program within the company, IT services major Cognizant Technology Solutions has used many of the same principles.

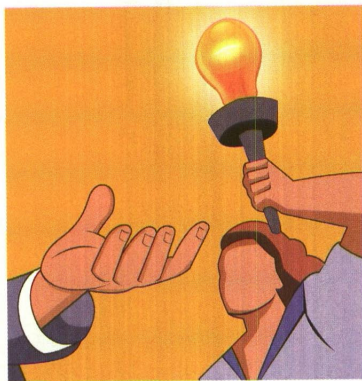
A basic question that often arises in the services context is "what is innovation"? After all, the client defines what he needs, and deliverables are defined by the contract between the service provider and the client. Where does innovation come into this? Cognizant has clarified this by defining innovation as additional value created for the client over and above the deliverables stated in the contract. The power of this definition is clear — with IT

services becoming increasingly commoditised, this kind of innovation creates tangible benefits for the client, and a potent differentiator for Cognizant.

To spread innovation capabilities across the company, it has trained thousands of employees as champions (that is supporters of innovation) and evangelists (employees equipped with the right tools and techniques). And why would an employee or team stretch to do such innovation? Cognizant has created a well-aligned system of metrics and recognition to make this stretch worthwhile. The dollar value of innovation is computed across the company at the individual, team, account and business unit levels. Well publicised awards and recognition are given at all these levels based on metrics designed by the company.

There are some features common to Tanishq and Cognizant that would be useful to all companies: to make sure that innovation gets the attention of senior management and the resources it deserves, define clearly what innovation means in your company context, and what kind of innovation is most relevant to you. Get a high degree of employee involvement and participation in innovation efforts. Companies need to help employees direct their creative energies towards innovation goals through carefully designed training programs and by providing a supportive network for innovation across the company.

Such structured efforts can be designed for product companies as well. At BMC Software, an idea contest on a theme of current interest to the company is used to draw wide participation in innovation. An incubator team in the company's development centre at Pune works closely with employees whose ideas have been shortlisted to refine them further. Employees with high potential ideas receive technical mentorship from experts across the company, and financial support comes from either a business unit or the incubator itself. Outcomes can vary — some projects result in patented features in new products, others in a "proof of concept" or technical paper. But the benefit to the company is clear — more motivated employees, greater learning and the foundation for future innovation. 



*By using an
ideation contest,
BMC Software
encourages employee
involvement in the
innovation process*