

# Developing an organisation's ability to innovate

**By Carel Redelinghuys**

The ability to innovate effectively is widely recognised as critical to long-term business success. The issue is how to develop concrete plans that have widespread support and lead to a measurable long-term improvement in innovative capability. The ability to innovate does not reside in one or a few people. It is an organisational capability that can be developed and nurtured. It has five components.

## ***1. Business purpose.***

Without a clear business purpose, stretch goals that require new ideas, and shared values so that people can rely on one another when working towards a common purpose, innovation is unlikely to thrive. Strategic purpose and clarity of organisational direction provides the focus necessary to harness the collective creative potential of the company. For this to be effective the strategy needs to be translated into an integrated set of business goals at the individual level.

## ***2. Creative Capability***

As well as creative people and space for them to create, an innovative organisation also needs an external orientation to spark ideas that are of value to others, and good partnering skills to gain the confidence and creative input from others. Partnering skills start with self knowledge, and knowledge of colleagues enhances sharing and collaboration in the company.

## ***3. Development Capability***

This is a convergent capability (in contrast to the diversity of creativity) and requires different skills and processes: the ability to make good decisions about which ideas to pursue and the ability to champion and establish projects. This is in essence a set of processes that ensures support and resource allocation to take new ideas forward.

## ***4. Implementation Capability***

This requires a specific type of project management, communications skills, and partnering skills. The project management approach must be based on a process of progressive elaboration. This ensures that, as the innovative concept develops, organisational support develops and the "political" support base grows while the conceptual idea develops into a concrete well-defined construct. This approach mitigates the risk of two contrasting but equally destructive organisational phenomena namely, "not invented here" and "outsiders know best".

## ***5. Learning Capability (Knowledge management)***

To increase the innovation capability of the organisation, the ability for the organisation to learn and to formalise its new knowledge is critical. Knowledge



management processes, taxonomies, tools and methodologies are required to enhance sharing and collaboration.

### ***Developing the firm's Innovative Capability***

Developing an innovative a capability has two major traps for the unwary:

**Either:** A superficial analysis (or no analysis at all) is done of areas of organisational innovation strength and weakness before jumping into detailed action planning. The result can often be that key areas are overlooked and/or there is insufficient buy-in to the action plans.

**Or:** A detailed analysis is done incorporating many diverse views, possibly including some fairly woolly discussions, but no action at the end of it because the subject is too difficult to get a handle on to reach shared conclusions on what needs to be done.

What is needed is a process that is sufficiently comprehensive and engaging that the analysis is of high quality and has wide ownership, but quickly leads to focused action planning. This programme needs to be dynamic and repeatable (on a regular basis) so that progress can be tracked and, if required, appropriate adjustments made to the developmental interventions.

### ***A way forward***

Creation of an innovative capacity cannot be achieved through reductionism and deterministic means. Contemporary organisational thinking is turning increasingly toward complex adaptive models to understand organisational behaviour.

Approaching the organisation as a complex adaptive system requires systems based thinking mindful of the multi-level dynamism present in organisational behaviour. It therefore needs to adjust interventions appropriately as behavioural changes take place. This requires management to view the creation of an innovation capability as an integral part of the development of an organisational culture that is based on innovation and entrepreneurship.

GTG Consulting uses sophisticated organisational diagnostics tools to analyse the extent to which the steps above are in place in your organisation and has a set of methodologies to assist in addressing any shortfalls identified. The overall approach is one of measure-adjust-measure, through which the behaviour of the organisation is shifted. The diagnostic tools will help your business management develop a shared understanding of what needs to be done. The methodologies provide you with practical steps to enhance your organisation's ability to innovate and prosper.

### ***About the Author***

Carel Redelinguys has extensive experience in managing business and IT projects and programmes of work. He holds an MBA in Project and Change Management from Henley Management College in the UK. Carel's programme successes cover both technology and general business programmes such as merger integration, corporate turnaround, large-scale system implementations and cost optimisation exercises. His innovative style and extensive knowledge of technology and organisational behaviour enables him to effectively combine programme and change management disciplines to achieve strategic goals. You can contact Carel via <http://www.gtg.co.nz>.