



Generating Learning-Based Innovation

“The nature of innovation has changed today from what it was in the past. It’s no longer individuals toiling in the laboratory, coming up with some great invention. It’s not an individual. It’s individuals. It’s multidisciplinary. It’s global. It’s collaborative.”

- Sam Palmisano, zChairman and CEO, IBM

INNOVATE OR DIE

Companies across nearly every industry are realising that innovation has become imperative for surviving and thriving in today’s competitive environment. In a 2006 survey conducted by the Boston Consulting Group, over 70% of executives ranked innovation as one of their top three strategic priorities for 2007.

Unfortunately, despite widespread acknowledgement that innovation is important, most companies struggle to generate viable ideas for innovation, especially from the people who are best positioned to develop these ideas – their employees. And even fewer organisations are able to take these ideas, spread them across the organisation and translate them into tangible action and results.

For years, companies have tried to generate cost savings and work process improvement ideas from their employees through the use of the suggestion box. Although this has been met with some success, it often falls short in providing a continuous flow of ideas for improvement or innovation that companies need to stay competitive.

One reason why companies do not generate enough ideas from their staff is that employees often do not know what happens to their suggestions after they have been submitted. Are their ideas taken seriously? Have their ideas reached the relevant parties? Who are the people evaluating their ideas? Will their ideas be implemented? If so, by who and by when?

Another reason is that the employees often do not have the adequate skills or knowledge to effectively generate ideas that are viable, and then shape them into actionable plans for innovation. These skills or knowledge may include systematic ways to evaluate ideas, develop sound business cases, and create clear action plans.

John Parkinson, a former Partner at Ernst & Young, noted this

when recalling his experience in designing a large-scale innovation program for Ernst & Young, “There were plenty of ideas for which there was just no viable business case – for anyone. I was surprised at how little understanding there was amongst highly educated, numerate people about what goes into a business case, even though we supplied a template and a comprehensive guide as a part of the innovation programme. I must have looked at hundreds of plans that basically said, ‘There is a huge market for idea ‘X’. We should be able to get 10% of this market – which is still a huge number. So let’s go do it!’ No thought of working capital requirements, IRR (internal rate of return) hurdles, route to market, channel strategy, customer acquisition and service, and on and on.”

“From the 1,200 or so growth-related areas, we actually found less than 20 that were assessed as viable for the firm,” added Parkinson.

THE CASE FOR LEARNING-BASED INNOVATION

In this way, employee training and development are integral to the innovation process within an organisation. How can companies expect their employees to formulate and implement viable ideas for new products, processes and strategies without first equipping them with the knowledge and tools they need to conduct the required analysis and planning?

Not only is employee learning an essential ingredient for innovation, but the learning experience itself can be a powerful laboratory for the creation of new business ideas and solutions. Learning often opens a person’s mind to new knowledge as well as new perspectives on the subject matter. This allows him to see the same challenges from a different perspective and provides him with a new set of tools to tackle his tasks in more innovative, effective

ways. The result is what we call “Learning-Based Innovation”.

From our experience in facilitating training programmes for thousands of multi-national company executives throughout 80 countries, we found that there can be a tremendous flow of new ideas that are created and shared in any given training programme. Particularly when you bring together participants from different backgrounds, geographies and departments, there is a wonderful diversity of new ideas that are raised, shared and discussed, which have the potential to benefit their collective businesses. These ideas can range from new competitive strategies to new product or service offerings, and from techniques to improve communication in the organisation to approaches for improving team morale and cohesiveness.

With one of our clients, a Fortune Global 500 electronics company, we designed a training programme that lasted six weeks and culminated in a team project in which each team crafted solutions to a real performance issue they faced. During the six weeks of training, participants acquired new skills for managing and motivating their employees. They then directed this newly acquired knowledge towards coming up with actionable ideas aimed at improving various areas of their division’s performance. The result was a plethora of new ideas that offered innovative solutions to issues ranging from how to reduce employee turnover and absenteeism to how to improve productivity and work quality. The teams presented their ideas to their peers and senior management in a closing workshop, and are now working on implementing their ideas in their workplace.

Thus, it is not difficult to see how the best time to cultivate new ideas from your employees can be during or immediately after a learning experience, when they have acquired the tools that enable them to attack business problems in fresh new ways. But far too many training programmes fail to take advantage of this valuable opportunity, and they end with just the training. Think about your own organisation. How many of your recent training programmes have actually yielded new ideas that were carried forward and implemented to produce benefits for your business? For most companies, the answer is very few, or even none at all.

One of the reasons that this gap between learning and innovation exists is the lack of formal mechanisms that allow ideas from training programmes to be openly shared, and for collaboration on these ideas to continue beyond the end of the training programme and into the workplace. Traditionally, once the classroom lights go off, or the online course term is over, the ideas for innovation are lost.


INNOVATION LAB

To meet this growing need, we have introduced a new solution called Innovation Lab. Innovation Lab is designed to bridge the gap between corporate learning and innovation, making each learning experience an engine for innovation and performance improvement.

Innovation Lab is a web-based solution that allows employees to generate, share and collaborate on ideas for innovation in their

company. Innovation Lab helps employees translate what they have learned from a training programme into actionable ideas and plans for improving their businesses.

Users formulate ideas to address a particular challenge they are facing in their companies – such as how to promote a new product, how to improve customer service or how to improve employee morale. Ideas are published and stored in the Innovation Lab system so that other employees can provide comments and suggestions, as well as use these ideas in their own teams or businesses.

Collaboration is at the heart of the Innovation Lab model. In his article, *The Five Principles that Drive Innovation* (Financial Times, 12 September 2006), CEO of Sun Microsystems, Jonathan Schwartz encourages the formation of communities that allow for collaboration as “this is the participation age.” To this end, Innovation Lab provides employees with the opportunity to lead the creation of an idea and resolution of a problem with input and recognition from others in the company. It also gives the CEO, senior managers and HR visibility to the key problems faced and the key ideas created by their employees around the world. 

HOW THE INNOVATION LAB WORKS

A group of employees from a single company (as few as 10 and as many as 500) are placed into an Innovation Lab “workgroup”. An Innovation Lab workgroup can be conducted as a follow-up activity after a training programme, or as a standalone innovation activity.

In the workgroup, employees formulate and share solutions for a specific challenge that the company has identified. The workgroup is conducted over a period of four to six weeks and is guided by an expert facilitator who provides personal coaching and ensures that each participant contributes actively. During the workgroup, users progress through three stages:

1. Formulate ideas. Employees sign into the Innovation Lab system and create their ideas (which we call ‘iQubes’) with the help of easy-to-use templates that are customised for each challenge. Employees can also access a library of knowledge resources (articles, frameworks, etc.) and a searchable depository of past iQubes.
2. Collaborate and review. Employees publish their iQubes in the Innovation Lab system and receive feedback, suggestions and ratings from their peers and the facilitator. Employees use this feedback to refine and improve their iQubes and prepare them for implementation.
3. Implement and measure. Employees or designated teams can then implement selected iQubes, and they can return to Innovation Lab to publish a brief report about the outcomes achieved, so that others in the organisation may benefit from their experiences.



About the author:

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