

Boost Innovation Without Spending a Dime

If your company is like most today, you're experiencing turmoil – in your markets, your competition, and even within your company. Customers are becoming increasingly demanding and less loyal. Your competition may be introducing successful new products or services at a faster rate than you are. You may see internal teams or functional groups operating as silos. And in the midst of the chaos, it may feel as if there is little real creativity emerging.

Staying on top of your game has become harder for companies in nearly every industry. Every year it feels as if you have to adapt more rapidly to change while simultaneously pumping up the pace of innovation in your firm.

Fortunately, a simple shift in your perspective on how your team solves problems can help you reach your goals more creatively and with more cooperation among staff. **Understanding how change and transition impact your managers can help you increase creativity and innovation, improve team cohesiveness, and kick-start your progress toward your objectives.**

We all experience transition during a significant change event – as individuals, as organizations, and as communities. We can describe this transition in 6 stages that begin and end with stability.

The stages are:

- 1) Life as usual**
- 2) Change!**
- 3) Let down and letting go**
- 4) Confusion and creativity**
- 5) Eureka! and renewal**
- 6) Back to life as usual, only different**

People and groups move through transitions at different paces, and these differences can easily affect your business outcomes. Let's use a real business scenario to illustrate how this might work. A food manufacturer, GoodforYou, makes a product that has been a mainstay in the market (and for the company's revenues) for years. However, sales have been flat and the company would like to turn the business around.

The **first stage of a transition** process is one of blissful ignorance; life is marching along as usual. GoodforYou has been living comfortably in this stage for several years, happily milking their cash cow.

On a sunny morning in June, José Smith, the marketing manager at GoodforYou, has a sinking feeling about the security of his bonus for this year. He has just realized that the growth rate of the company's cash cow has actually been slipping for several years. Only continuous cost-improvement measures have maintained revenues. In identifying this turning point, José is experiencing the **second stage of a transition**. This realization is a significant step towards recognizing that José's marketing team has to look at the business differently.

In hindsight, GoodforYou executives will probably see this as a turning point towards increased profitability. In the present, however, the marketing team is feeling the pressure. The team may deny the business conditions or see the declining sales as an aberration, a temporary dip in revenue that can be readily fixed.

As José and his team focus on their business crisis, they launch the roller coaster ride of the transition process. The team takes this ride together and each individual also experiences his or her own unique ride. As the roller coaster takes the first plunge out of the gate into the **third stage of transition**, the team is likely to react in a variety of ways. José is hearing several team members deny that the problem is critical, and some are clinging to the belief that applying old strategies can return the business to its former glory (and profitability). And, he suspects that the group is participating in the time-honored practice of searching for a scapegoat for their problems.

José and his teammates are feeling a wide range of emotions about the insecurity of their business, ranging from guilt to anxiety to fear. How the senior executives at GoodforYou acknowledge and leverage these emotions can affect the brand team's productivity and ability to slog through this stage more quickly. José's vice president, Susan Sharpe, must sidestep the danger of this stage – her natural tendency to move rapidly to patch the situation in order to relieve everybody's anxiety.

If Susan demands immediate action, José's product team will be tempted to apply old solutions to this new problem. The team may quickly offer discounts to distributors, run coupons or sales targeted at the customer, or boost advertising. What manager hasn't been tempted to apply quick fixes that have worked for them in the past? José may have to take a few of these steps to stem the losses if the business is in serious trouble, but his team is unlikely to produce an innovative solution that really strengthens the brand's market or customer base.

José and his team must forge ahead through the remainder of the transition in order to identify real, long-term shifts that can address the underlying business dilemma. The third stage of transition bottoms out when José and the team can let go of the beliefs they held about their business, the product, and how success should be achieved.

José's marketing team has the capacity to unleash their creativity during the **fourth stage of the transition** process. When individuals let go of beliefs about how the brand operated in the past, they can open to new ways of viewing the business, the competition, and the customer. José has negotiated with Susan for the time and budget he needs to conduct research and examine new competitive products that are giving his brand a run for the money. This is the stage for gathering data, conducting exploratory market research, and developing hypotheses on the new business dynamics. José isn't finding it easy to stay patient. As he sits in on team meetings, José feels that his team appears to be 'shopping' for ideas or new perspectives, and making few decisions about actions the team must take.

And that's all right. To create a new strategy for the ailing brand, José's team must accomplish two tasks during this stage of transition, 1) explore new facts, perspectives, and ways of thinking about the business, and 2) take time for this information to simmer in order for new syntheses to emerge.

As the senior executive, Susan has a critical role in this stage of transition. She can make sure that deadlines for the new strategy allow adequate time for the brand team to collect and digest the data. And importantly, she can allow the team to take time away from the issue – even a day helps – for the information to incubate. As the team digests the new information, real innovation can happen.

José can boost the quality of the team's thinking during this stage by bringing the group together for an exercise in which they 1) review the data and 2) create a clear image of the business they want in the future. A review of what is known about the brand, its customers, competitors, and environment builds a shared foundation for creative analysis. When the group takes the second step to focus on what they want the business to be, rather than where they predict it will go, the team is more likely to generate innovative insights on how to address the sales issue.

Eureka! José and the marketing team are beginning the **fifth stage of transition**. The team has survived the period of confusion, digested all of the data and has new insight that can direct the business. Our food company team has determined that the basic consumer needs driving their legacy brand have changed along with patterns of shopping that affect exposure to the brand's category. Aha! As the team progresses through this stage, it hones the working hypothesis down to a clear statement of direction that will guide the development of the business strategy for the coming fiscal year. Managers determine a new role for the brand in the contemporary consumer's life and plan specific ways to address the distribution and in-store stocking issues.

Finally, the marketing team re-stabilizes around the new direction. In the **sixth stage of transition**, life, once again, becomes business as usual. Until the next news from the marketplace.....

Key points for the marketing manager are:

- Realize that individuals, teams, and your organization work through this entire transition process with every significant change. You will likely get less innovative results if you try to skip stages by demanding 'yesterday' deadlines.
- Understand that as a senior executive, you may already have passed through several of the transition stages by the time the change is widely announced. Everyone else is just beginning. Do what you need to do immediately to stop any red ink, then allocate adequate time for a new strategy to emerge.

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