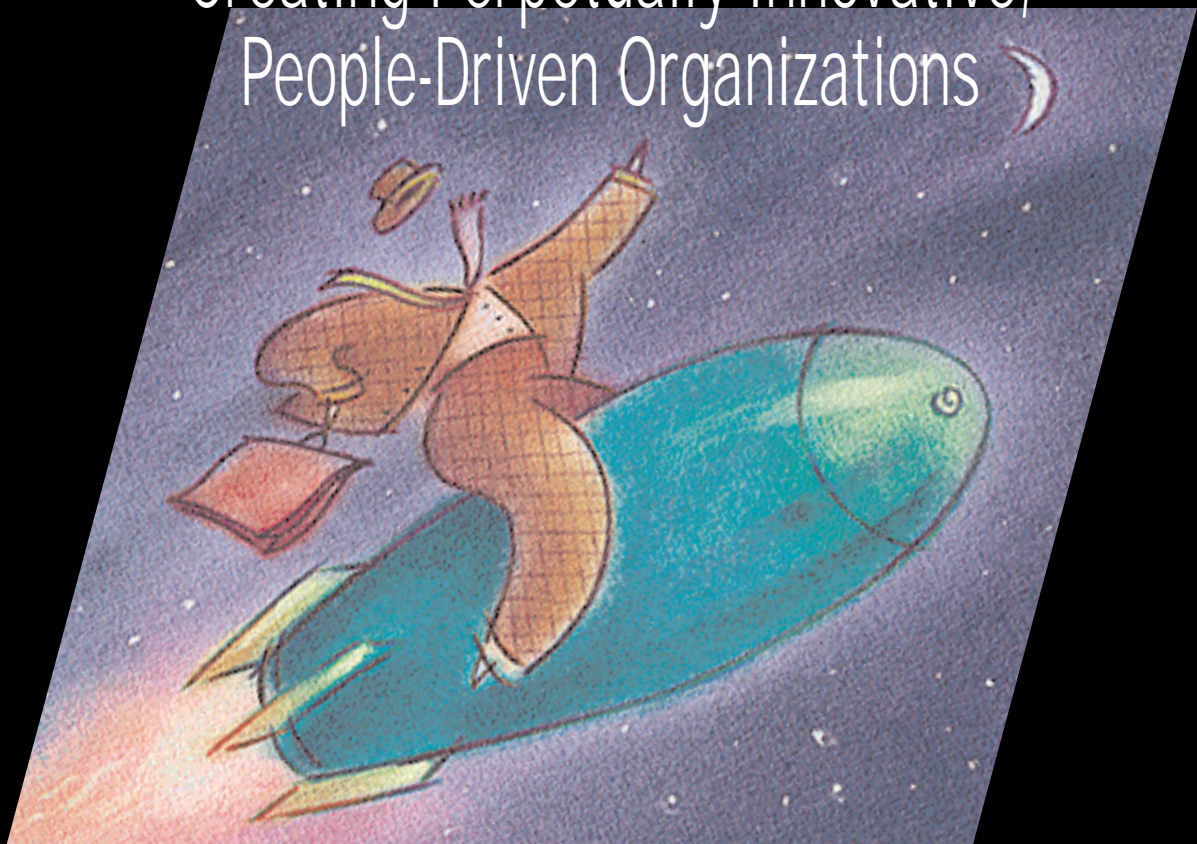


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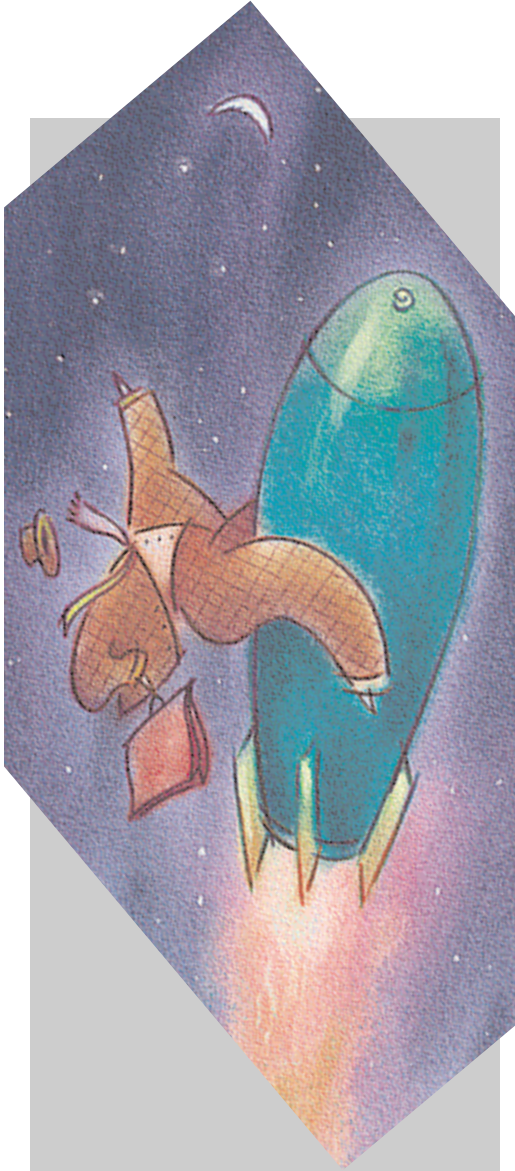


A WHITE PAPER

By Gerry Sexton
& Brian McDermott

“Every organization needs one core
competence: innovation.” — *Peter Drucker*

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Addendum

About GrowthWorks and the Authors

“Every organization needs one core competence: innovation.” – Peter Drucker

Creating Perpetually Innovative, People-Driven Organizations

The Premise for this White Paper

The world of business is faced with two critical challenges heading into the 21st century.

The first challenge is to discover new ways to create growth. In an effort to increase profits and shareholder value, businesses have spent the past two decades cutting expenses, downsizing, and reengineering. Much of that reorganization was necessary, and, *at least on paper*, was strategically successful. But one fact remains: we cannot shrink to greatness. Where will the next generation of increasing profits and shareholder value come from? Once “lean and mean,” how do we grow?

The second challenge is to make a successful transition from the industrial age into the information age. As we catapult ourselves into the future, the underlying value within organizations is shifting from tangible brick-and-mortar assets to intangible

knowledge-and-information assets. In this radically changing world marketplace, how do we define, measure, organize and manage these assets? What is the organizational structure for the future?

We believe that to meet these challenges it is essential to become perpetually innovative – as individuals, teams and organizations – and for organizations to be people-driven. We must master change, and we must stop saying people are our most important asset and start putting that belief into practice. Conceptually, these goals are not difficult to understand, but are enormously difficult to achieve.

Based on research and experience, the goal of this White Paper is to address these challenges and provide a framework for creating a competitive business advantage built on people and innovation.

■ Second, innovation is the only sustainable competitive advantage in an ever-changing marketplace.

■ Third, future growth will be through innovation.

Innovation creates market value.

The bottom line on innovation – the word from Wall Street, if you will – is that companies noted for their ability to continually come up with new products and services are the best investments. Companies that best meet changing market needs or take markets in totally new directions are more likely to have long-term success and therefore are worth more.

For example, by all objective measures **General Motors** is one of the world’s largest companies, and continues to be the largest U.S. company, with annual revenues over \$168 billion. **Merck**, one of the world’s highest profile pharmaceutical companies, is significantly smaller with annual revenues of roughly \$19 billion. According to *Fortune* magazine, however, the market value for GM is about \$49 billion while Merck’s market value is over \$106 billion. This means that even though the drug maker has a little more than one-tenth the revenues of GM, investors give it more than twice the market value. Stockholders vote with their investment dollars; they say the buildings, raw materials for manufacturing, and even the durable items built by the car maker have less worth for them than the knowledge-based products of Merck.

Why Is Innovation the Answer?

Jeff Mauzy, of **The Synectics Corp.**, surveyed 750 executives at 150 U.S. companies on the subject of innovation. He found in 1993 that 80% of the executives felt innovation was critical to their companies’ survival, yet only 4% felt they were good at it. Not much has changed since that survey, and it doesn’t take a statistician to interpret the significance of those kinds of findings. There is a

huge gap between what business leaders know they should be doing and what’s getting done.

Peter Drucker and other management experts say innovation is the one core competence every business needs to succeed today. Why?

■ First, an organization’s underlying market value will be determined by its ability to innovate.

This market value for knowledge-based organizations is even more exaggerated when you consider that **Intel's** market value of \$113 billion, on a little more than \$20 billion in revenues, is more than the market value of **GM, Ford** and **Chrysler** combined. Together, the top three auto makers have revenues of more than \$370 billion, almost 19 times that of Intel, but a market value of only \$109 billion.

Surveys done by *Fortune* also show a correlation between innovation and perceived value and success of organizations. Data from the magazine's annual report on America's Most Admired Companies shows that a reputation for innovation plays a major role in creating market value. In the 1997 poll, **Merck** ranked as the third most admired company in America. Its score for innovation, one of the eight categories voted on in the sur-

vey, was 8.23 on a 10-point scale. **GM** ranked 330th overall, and its score for innovation didn't even show up in the top 100 innovation scores.

"Making it to the top of Fortune's most admired companies list is a bit like scaling a half-dozen Everests at once," the editors of that magazine write in exploring the role the mastery of innovation plays in business success. "A company has to conquer a slew of damnably difficult challenges. Management, product quality, and financial soundness must be unsurpassed. Stockholders must be seduced. A company needs to be an exemplary corporate citizen, and it has to attract white-hot talent. But to be genuinely admired, an ineluctable quality must be in the mix as well: a spark that ignites the workforce and allows the enterprise to respond readily to change. That ingredient is innovation, and all the top companies embrace it passionately."

Innovation is the only sustainable competitive advantage in an ever-changing marketplace.

Virtually every product or service can be copied, often in a different part of the world, for less money, almost overnight. The time you can stand alone in the market with a new product or service before a competitor enters the game is shrinking.

The pressures of change in the marketplace – such as increasing customer demands, mass customization, rapidly changing technology, global competition and a shift to the "knowledge-based" society – are so intense that even corporate giants that have strangleholds on their industries one day can be brought to their knees the next.

There are many well-studied examples. Consider **IBM**, which miscalculated the personal computer market and almost missed the Internet. Or look at **Sears**, which numbly ignored **Wal-Mart** as a competitor well into the 1980s. Both are on the rebound. Watch **McDonald's**, which in 1997 lost market share to **Burger King** for the first time ever, angered franchise owners, and began to face the need to radically rebuild its strategy and operations.

The editors of *Fast Company* magazine describe the pervasiveness of change in the marketplace this way:

"It's not that the business environment is changing. Change is the business environment. And it's not that every company is undergoing change. Change has overtaken every company. Creating change, managing it, mastering it, and surviving it is the agenda for anyone in business who aims to make a difference."

Innovators must develop what is not easily visible to competitors. They find ways to create, foster, harness and apply the collective intelligence of the organization –

Wall Street Earnings Show Innovation Pays Off

These figures for 1997 illustrate that "knowledge-based" companies generate less revenue but have a greater market value than companies less known for their focus on intellectual capital.

	Revenue (billions)	Market Value (billions)
Merck	\$19	\$106
<i>Intel</i>	<i>\$20</i>	<i>\$113</i>
GM	\$168	\$49
<i>Ford</i>	<i>\$146</i>	<i>\$38</i>
Chrysler	\$61	\$21

These figures for 1997 show a correlation between a reputation for innovation and market value. The Innovation and Most Admired rankings are from Fortune magazine. Companies are rated on 8 criteria for Most Admired balloting, including innovation.

	Revenue (billions)	Market Value	Innovation Score (1-10 scale)	Most Admired Rank
Coca Cola	\$18	\$147	8.03	1
<i>Merck</i>	<i>\$19</i>	<i>\$106</i>	<i>8.23</i>	<i>3</i>
Microsoft	\$9	\$119	7.82	5
<i>Ford</i>	<i>\$146</i>	<i>\$38</i>	<i>6.76</i>	<i>190</i>
GM	\$168	\$49	Not in Top 100	330

the intellectual capital – in ways that create a competitive advantage that is almost impossible to copy.

In the knowledge era, innovation is synonymous with growth.

In order to thrive, companies must grow.

Chuck Knight, CEO of the \$10 billion **Emerson Electric Co.**, is leading a deliberate cultural shift in that company, recognizing the manufacturing giant has done about all the profit-taking it can through cost reductions. He feared the company had become idea limited and would be unable to grow, but finally came to understand that their focus on cost-cutting is what was in the way. In response, he's using two-day "growth" conferences in each of the company's 60 divisions to generate ideas for new opportunities.

"It's just been amazing," he says, "sitting in those conferences, looking at all these growth programs, and thinking, 'Why haven't we done this stuff before?' Well, we hadn't done it before because we didn't have the resources to do it. And we didn't have the resources to do it because we were pounding the shit out of profit margins."

In a world moving ahead at today's incredible pace, it can spell death for an organization to focus on maintaining or moderately upgrading the status quo, even when the status quo includes quality products and services and a history of success. It's vital to be cost efficient, but businesses must learn to simultaneously and continuously grow through new products and services, new applications for existing products, and by penetrating or creating new markets.

Change is inevitable. Growth is optional.

Why "Perpetual" Innovation?

Some lessons business people tend to learn slowly, and so it is with our propensity for latching onto fads in search of easy answers to tough problems. Innovation is not a fad. Becoming more innovative is not a quick fix. Innovation can't be invoked though hollow proclamations from on high. Innovation is not an "event" or something you "do." Innovation is a way of "being" – a mindset. It must be ongoing and woven into all facets of a business on the individual, team and organizational levels.

Jim Champy, co-author of the successful book *Reengineering the Corporation*, pointed out a significant shortcoming in that book — after it had been on the market for about two years and sold 2 million copies. In his follow-up book, *Reengineering Management*, he said

the trouble is *"popular concepts sometimes look like magic, and the more popular they become the more powerful the magic seems. Some managers, misled by wishful thinking, believe merely repeating the key words in Reengineering the Corporation is enough to bring the transformation, like the newsboy in the comic strip who yelled 'Sha-zaam!' and became Captain Marvel ... Unfortunately, nothing is that simple. Reengineering prescribes action, not words, and difficult long-term actions at that, not just one-shot expedients like downsizing or outsourcing. Reengineering involves a voyage that will last years, possibly our entire management lifetime."*

If ever there were a time and a need to avoid falling into the trap of turning a solid idea into the next "program of the month," this is it. I

Why "People-Driven?"

Some people think it's technology that is innovation. It's not. It's the people.

There's no arguing the fact that computer-driven technology, the beloved offspring of the industrial revolution, dramatically changes the way we work. But technology is not innovation; it is a result of innovation. In fact, technology levels the playing field between competing companies, but it is the people who develop and use these new tools that are capable of innovation.

In today's "knowledge era" business world, success depends almost entirely on brain power, a resource post-World War II industrial organizations deliberately limited. That is, managers did the thinking; everyone else was expected to follow instructions. Creativity and control were reserved for the select few in the executive suites or the marketing and research and development

areas. It worked. For a while.

The sad – and dangerous – truth, however, is that many organizations operate today under the illusion the industrial command-and-control model still works. They act as if the valuable intellectual assets of the organization are found only in a select few.

The rules of the game of business have changed. They continue to change daily. The industrial model is broken, and every organization using it in the struggle to figure out how to keep up with the constantly and radically changing demands of the market is missing the most promising course to the future.

The only way to innovate is to unleash the cumulative intelligence, ability and willingness of the workforce to be creative.

The problem is that there's 50 years of worn-out management practices and habits to overcome in the process. I

What Is Innovation?

Making a case for innovation is easier than arriving at a simple definition. Innovation within any organization, like personalities of individuals, is unique. Innovation “looks” different in every organization. While there is no single definition for innovation applicable to all organizations, or even all situations within a given organization, there are some key characteristics of innovation worth keeping in mind:

Innovation vs. Creativity

The terms innovation and creativity are often used interchangeably, but there is an important distinction to understand. Innovation is the practical application of creative ideas.

Creative ideas are essential to innovation. Techniques to generate ideas are numerous. The ability to nurture, analyze and select ideas that are appropriate to implement is a different story. Most corporate cultures and hierarchies can squelch or swallow good ideas as fast as people can put them on a meeting agenda. Ideas and idea-givers, although numerous, are fragile and can be blown away easily by misguided management practices.

Merely think about the troubling paradox of how people react to the term creativity itself and you begin to see the challenge. On one hand, “creative types” are often revered, seen as somehow more gifted or talented than the average person. In other circles, the word creativity can carry a negative stigma. To some hard-driving, bottom-line focused business leaders, creativity implies frivolous, risky, and expensive; it has no place in cost-benefit analyses or discussions about return on investment.

With knowledge being the most precious business commodity, cre-

ative ideas that have the potential for business application most certainly do have a place in bottom-line discussions. And under the right circumstances, every person in every organization has more creativity to bring to their work than their current situations allow.

Innovation Is a Mindset

The most important thing to recognize about innovation, whether it is individual, team or organizational, is that it is a mindset. It is not a specific process or set of rules to follow. It’s a way of thinking. It’s:

- An attitude that risk and failure must be tolerated if innovation is to occur.
- An orientation that change, rather than being something to resist or tolerate, should be actively sought out, because growth and opportunity are impossible without it.
- The ability to challenge assumptions and mental models and to shift paradigms when the need arises.
- Thinking of how to maximize potential rather than minimize losses.
- An understanding of the power of passion, joy, and humor in the creative process.
- A tolerance for ambiguity and uncertainty on the journey to solutions.

There is no end point for innovation. No finish line. And there is only one resting place on this journey – the point where you look at the world in a way that will never let you be comfortable with the way things are and never expect you can predict what will happen tomorrow based on what happened on a couple of yesterdays.

By definition, only the past can

be known or certain. But what evolution or innovation is possible with that mindset? It is the illusion of this security – of knowing – that causes us to frightfully cling to the comforts of the status quo.

Innovation, on the other hand, occurs through the bold embrace of the unknown and uncertain. It’s this mindset that can create freedom from the past and the ability to create a future.

Watts Wacker, a futurist and highly respected business consultant, states a warning about the dangers of complacency and certainty this way:

“What’s the most powerful force in the universe? Lots of people think it is love. Einstein said it was compound interest. I think it’s denial. It’s so easy to get locked into seeing the world from your particular engagement with it.”

Charles Handy, a British management philosopher and author, described change in his book *The Age of Unreason* as being discontinuous. Basically he elaborated on the belief that it is no longer possible to project the present on a straight line into the future. As a result, he says, the future belongs to the unreasonable, *“...the ones who look to the future not backward, who are certain only of uncertainty and who have the ability and confidence to think completely differently.”*

When he first grasped the significance in his life of the discontinuity of change, Handy says, he felt he had been waylaid and misguided by all his previous education. The main lesson he had learned up to that point, he says, is that the “experts” in the world — the teachers, scientists, religious leaders, etc. — had answers to all questions. His job as a student, if he had a problem or a question, was to find the expert with the answer. That belief, he says, was wrong...and crippling.

*“It never occurred to me in that world of certainty,” Handy says in his book *Beyond Certainty*, “that some problems were new, or that I might come up with my own answers. The*

world is not an unsolved puzzle waiting for the occasional genius to unlock its secrets. The world...is an empty space waiting to be filled."

Once it is firmly established in the beliefs or the culture of an organization that innovation is a mindset, it's possible to set a path for unleashing the creativity inherent in each individual, every team, and an entire organization.

Innovation Is Incremental, Monumental & Elemental

Innovation must be incremental and monumental, which means it must be elemental. That means ideas for change and improvement must happen simultaneously and consistently on a small scale and on a grand scale, and that the process must in some way involve everyone, everywhere, every day.

Innovation must include —or underlie and tie together — the best practices from total quality management, business process improvement, reengineering, quality service management and state-of-the-art R&D practices to simultaneously seek tiny improvements and major breakthroughs.

A survey published jointly by **Arthur Andersen**, the **American Productivity & Quality Center**, the **European Foundation for Quality Management**, **3M** and **Nortel**, defines four categories of innovation:

(1) Process Improvement Ideas (which, for example, reduce the number of steps in a production cycle or cut costs).

(2) Derivative Ideas (which come from an existing marketable product or service).

(3) Breakthrough Ideas (which are known ideas that are not in the market yet).

(4) Radical Innovations (which are new to the world).

Practical application of ideas in

categories 1 and 2 above would be incremental or adaptive innovation; categories 3 and 4 represent monumental innovation.

One mistake many organizations make is to believe they can get by focusing on incremental or monumental innovation alone. Another mistake is underplaying the role every person can potentially play in the quest for innovation, based on the mistaken belief that the responsibility for innovation should lie only in the hands of the scientists, engineers, statisticians and other specialists to whom we typically assign research and development responsibilities.

Certainly, a great deal of the innovation, especially for highly scientific and technical products, must come from the R & D circles of people with specific education and experiential backgrounds. But, innovation is not just for frizzy-haired scientists in white lab coats. It's not only for the gifted or the bastions of rare genius. It must come from

everyone in all aspects of product development and delivery, process efficiency, customer service, marketing and management. It must be elemental.

Consider the perennially innovative company **Rubbermaid**, which creates 356 new products and improves more than 5,000 existing products each year. Innovation, for Rubbermaid, is not contained in the chemistry of its plastics, but rather in the continuously creative way in which it uses plastic to solve the practical but mundane aspects of daily living. Rubbermaid dominates a market, once owned by **Tupperware**, by using cross-functional teams made up of people from every area of the company, and encouraging all of its employees to contribute to new product ideas. This approach has allowed them to explode out of the home and kitchen-products category into office furniture, health care, children's toys, and commercial markets.

Why Is It So Tough to Be Innovative?

While 80% of the CEOs of *Fortune* 500 companies identify innovation as a key strategic challenge for the 21st century, only 4% know how to become innovative. Why such a gap?

There is significant fear of innovation. There are risks and costs, but no guarantees.

■ There's no simple formula or "cookbook" for innovation.

■ It requires an acceptance of failure. An organization not failing is not innovating.

■ It requires a long-term perspective. A focus on quarterly returns won't lead to growth or new ideas, markets, strategies products or services.

■ The undertaking can seem ominous and daunting.

■ Innovation can't merely be assigned. Leaders must demonstrate — through deeds — a commitment to creativity and change.

The greatest risk in innovation, however, is to stand still.

Chances are, your biggest competitor in five years — no matter what industry you're in or what job you do — will probably be someone not in your business today.

The greatest risk you may face personally or as an organization is putting all your energy into holding on to what you have. One of the great challenges of modern society is to learn to let go of what we know in order to get where we've never been. I

How to Create an Innovative Organization

There are no step-by-step prescriptions for becoming more innovative, whether you are a CEO, mid-level manager or front-line worker. No pills to take. No perfect models to replicate. To the degree we look outside of ourselves or our organizations for simple and specific answers to replicate on the journey to becoming more innovative is the degree to which we do not yet understand the nature of innovation. That's because specific strategies for successfully developing innovative mindsets in organizations are as numerous and unique as the organizations creating them.

There are, however, fundamental guidelines that can help organizations and individuals operate with open minds, stimulate and harness the collective intelligence, prioritize the use of resources, direct daily activities, and align gifts and talents in new ways.

The key is to build your own innovation blueprint around three critical organizational elements: culture, management and people. While each element is explored separately in this White Paper, it is imperative to understand that each is intrinsically interdependent and mutually influential of the others.

Creating a Culture of Innovation

Culture is what people are doing when nobody is watching, which is why it is such an ominous task to understand, define, communicate and direct, and why so many people avoid dealing with it. Nothing could be more deleterious on the journey to organizational innovation.

To foster innovation, whether the target group is an entire company, a division or department, a team or a group of key individuals, the leader

or management team must be committed to creating an environment and culture that unleashes creativity, a willingness to contribute and the ability to embrace change. Innovation can't be mandated, required by policy, or turned on with a switch. It has to flow from people.

In the early 1980s there was a fascination about the role of culture in business success. As with all management "fads," some companies tried it, stuck with it and continue to reap the benefits. Others tried it, faltered, gave up and blamed the failure on the idea, not themselves.

What was true then is true now: a company's culture is built on its shared values, beliefs and norms. Like the values and beliefs of individuals, culture drives organiza-

“Creating a culture of innovation is the best competitive tool a company can have today, and the best weapon American business has in the increasingly global marketplace.”

Lewis W. Lehr,
Former CEO, 3M

tional behavior. Every organization is designed to get exactly the results that it gets. That's not to say, of course, that every organization gets exactly the results it wants. The point is that to become more innovative an organization must develop its culture in ways that define, lead and nurture innovative behaviors and performance.

Observers often ask Ken Iverson about the stunning success of his

organization, **Nucor Steel**. Beginning in a period when that industry was in steep decline in the U.S., Nucor used innovation to rewrite the rules for the manufacture of steel products. Underlying that innovation, Iverson says, has been culture.

“Seventy percent of [Nucor's success] has to do with culture and 30% has to do with technology,” he says. He admits the percentages are guesses; they might be 80-20 or 60-40, but says, “Without a doubt, Nucor's culture is its most important source of competitive advantage, and it always will be.”

Vincent DiBianca is a senior vice president with **CSC Index**, a pioneering information-systems consulting firm that spawned Jim Champy and Michael Hammer's book, *Reengineering Management*. He told Geoffrey Colvin, a columnist with *Fortune*, *“Fifteen years ago I couldn't use the word 'culture.' It was too soft. Now everyone wants to know how to change it.”*

According to Colvin (and many others), no one expresses the power of cultural advantage better than Herb Kelleher, founder and CEO of **Southwest Airlines**, famed for its culture of humor and individual responsibility, and for 25 years of extreme customer satisfaction, profitability and growth.

“Once — mostly to provoke [Kelleher],” Colvin says, “I tried telling Herb that culture wasn't all that important. ‘I can explain Southwest's success, I said. You fly one type of aircraft, serve no meals, transfer no luggage, give no assigned seats, fly mostly short hauls, and always charge the lowest fares on your routes. There's the formula. What's culture got to do with it?’ Perhaps steam did not actually shoot out of his ears, but it looked as if it would. He slammed the table and said, ‘Culture has everything to do with it — because everything you said our competitors could copy tomorrow. But they can't copy the culture, and they

know it.' ”

Actually, Southwest competitors have tried the “formula” — without the culture — and failed.

Again, there are as many ways to influence culture as there are corporations, but in the knowledge era, innovation is most likely in environments that nurture, excite and engage people to willingly contribute their capacity to the intellectual asset base of the organization.

Gary Hamel, co-author of the influential book *Competing for the Future*, describes the need and the

Culture is what people are doing when nobody is watching.

effort to create a culture of innovation as perplexing and pressing.

“While most of today’s business leaders know they must change the rules of the game, few understand how to create a revolution in their own companies.” The only alternative to hiring the rare innovation-obsessed CEO who can single-handedly drive innovation, he says, “is to unleash the spirit of strategy innovation” — to make innovation elemental and to involve everyone, everywhere, every day. That culture, he says, “will be the next fundamental advantage for companies around the world.”

Key to creating a culture capable of perpetual innovation is integrity. You can’t “fake” it here. Any discrepancy between what you say and what you do will be apparent and work against you. If it can’t be done, don’t say it. As Eric Harvey, co-author of *Walk The Talk*, says, “We judge ourselves by our intentions, others judge us by our actions.”

Key to building and maintaining integrity is understanding that cul-

ture and management systems grow out of purpose – individual and organizational. Purpose acts as the bond that keeps individuals and organizations working together; the stronger the purpose the more cohesive the effort. Purpose provides guidance for day-to-day decision making – “Does this particular action support our purpose?”

Knowledge workers need meaningful work. Innovative organizations need meaningful work. If your view of the purpose of your organization is limited to what you make or the services you provide, you face a major obstacle in becoming more innovative and therefore more successful. Why are you in business? Why is your organization managed the way it is? Why do you do the work you do?

Jim Collins is co-author of the book *Built to Last*, which chronicles the history and inner workings of some of the most successful and most enduring companies in the United States. His research, he says, shows a correlation between purpose, longevity and prosperity.

“Concentrating on products or services is a trap. It’s not that what a company makes is irrelevant; only that we’ll see more companies finding their identity in terms of their core purpose ... It’s more important than ever to define yourself in terms of what you stand for than what you make, because what you make is going to become outmoded faster than it has at any time in the past. [So,] you hang on to the idea of who you are as a company, and you focus not on what you do but what you could do.”

Collins uses **Motorola** and **Zenith** as an example. In the 1950s they were competitors making television sets. Zenith, he says, saw its purpose as making TVs. Motorola saw its purpose as finding ways to apply technology for the benefit of society. Zenith, once a household name, is now little more than a memory. Motorola is one of the world’s most successful companies.

In his own experience, Collins says he learned this lesson while

working as a junior project manager at **Hewlett-Packard**. His team was charged with selecting its next project. It seemed clear to him at that time that the market was calling for an inexpensive IBM-compatible personal computer. He pushed the idea and was shot down because it wouldn’t have fulfilled one of Hewlett-Packard’s most important criteria for product development – to advance technology.

Managing Innovation

The following five-step process is a useful framework for aligning management systems to make an organization more innovative. It’s important to recognize that the specific actions taken in each step must be unique to each organization in which the process is used.

(1) Define and Commit to an Innovation Strategy.

Your definition and outline of innovation will be different from your competitors. That doesn’t matter. What does matter is that every-one in your organization understands what you mean by innovation – in the context of your business. It is not enough to simply write “innovation” in mission statements, corporate reports or memos to managers and employees and expect them to know what to do next.

All too often, that approach leaves everyone talking about innovation but responding with blank stares or vague approximations when asked what it means in terms of daily performance.

You need an innovation blueprint or master plan that describes how you will integrate innovation as a key strategy into the fabric of your organization. It should address management structure, product or service development, process improvement, systems, customer service and sales and marketing. It should set out specific inno-

vation goals for the different areas and functions of the company.

Creating and committing to a definition of innovation is the responsibility of leadership. A vivid picture must be painted of what the organization will look and feel like when it is operating with an innovative culture. What will the company's commitment to creating this culture be? What mindsets must change? How will people think? What behaviors must change? What role will leaders play? What roles will employees play?

This task can be undertaken solely by the CEO, an executive team, guided by an internal champion, and/or with the assistance and facilitation of an outside organization. In any case, the importance of visible and concrete support from top management of what innovation and people-centric elements look like in day-to-day practice is essential. That point is highlighted by a study of 350 executives from companies in 14 industries done by Arthur D. Little Co. Six factors were cited as being most important to the successful implementation of any organizational change. The factors cited most often were:

- 95% – *A clear vision of the proposed change.*
- 94% – *Management's support — through actions not just words.*
- 90% – *Measurable targets.*
- 83% – *Doable targets.*
- 76% – *The improvement sought is perceived as being worthwhile.*
- 74% – *Employee empowerment.*

Don't try to make the change overnight. But also don't get started down the road to innovation if you don't intend to commit the resources. You must be willing to accept some failures and setbacks along the way, but if this is simply the latest "fad" you're sure to fail and the increased cynicism and skepticism will be even greater hurdles.

(2) Assess Your Innovation Climate and Target Your Resources

Once an innovation strategy is created, it's important that management acknowledge and appreciate the areas of the organization that are currently doing well in stimulating creativity and innovation. It is critical to build on success. Setting out to become more innovative should not carry the message that *everything* being done today is wrong or not innovative. There also are, of course, aspects of the organization that are inhibiting innovation and must be addressed.

Even if management believes it understands the organizational stimulants and obstacles that are encouraging or inhibiting creativity and innovation, it is advantageous to objectively evaluate these ele-

ments. The evaluation or assessment can be formal or informal. The insight will provide an innovation gap analysis showing where the organization is today relative to the clearly defined – and improved – innovation strategy.

There are several other additional benefits that an objective up-front evaluation can provide to a change initiative targeted at increasing innovation:

First, it provides an ability to focus resources. It pinpoints the specific and critical elements — the management systems, behaviors, work conditions, etc. — that discourage employees from achieving peak performance and makes them unwilling or unable to take reasonable risks, generate ideas, and embrace change in ways that can

Do Your Your Management Structure and Systems ...

Whether you are a CEO, a manager with a smaller sphere of influence, or a champion for innovation with a less formal leadership role, there are several environmental factors that are important to monitor as you lead toward innovation. This list includes 13 items. Each includes questions that can be used to assess how well your work climate fosters innovation, whether you are talking about an entire company, division, department or work team.

Risk-Taking. Can people take bold action? Is it okay to try new things even when the outcome is unclear? Is individual initiative encouraged and reinforced?

Trust and Openness. Do people feel safe in speaking their minds and openly putting forward different points of view? Is

there an inherent trust in people that goes both ways, employees trusting management and the company, and the company trusting employees?

Challenge and Involvement. How challenged and emotionally involved do people feel about their work? Do people feel deeply committed to their jobs? Is there opportunity for people to share and act on their ideas?

Freedom. How much autonomy do people have in their work? How free are they to decide how to do the specifics of their jobs? How much discretion do they exercise?

Playfulness/Humor. Is work a place where it's okay to have fun? Is the atmosphere easygoing, light-hearted and team-oriented?

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augment the success of the company. With that information, you can zero in on the areas with the greatest potential for improving creativity and innovation.

Second, involving the employees in the process communicates management's commitment to making innovation elemental – involving everyone, everywhere, every day. Respecting employees' concerns and ideas about what in the work environment fosters or inhibits creativity begins the process of getting them involved in the solution. It engenders buy-in and ownership.

Finally, the outcomes of innovation climate assessments also serve as a baseline against which an organization can measure results and target future specific strategies to enhance innovation.

Remember, this is a journey not a destination, not a single initiative, “program-of-the-month,” or quick fix. The value of auditing and measuring specific innovation goals is enhanced when repeated with groups of employees at designated intervals to measure progress toward creating an innovative culture.

(3) Align Structures and Systems to Support a Culture of Innovation.

Although culture can't be held in your hands, there are tangible methods to mold it. Those methods are the structures and systems upon which an organization operates — the policies and procedures, management structures and processes that define everything from hiring and firing practices, performance appraisals and training, to reward

and recognition and information management systems.

Becoming an innovative organization mandates a “systems thinking” or holistic approach to the structuring of the organization and its systems. Every action and decision is connected. We tend to understand this idea better as we begin to use more biological rather than mechanical metaphors to describe business – to view companies as living organisms rather than machines with replaceable parts. The organization of the future will be a thinking and learning organization. In this paradigm, the organization will need to, in the face of adversity or market change, be able to think, adapt, respond and remember — as an organizational whole — to stave off competitive threats.

Geary Rummler and other experts in the human resources field who focus on performance management have argued for years that if you put good people into a bad system, (e.g. putting “knowledge workers” into a hierarchical command-and control industrial environment) the system will win every time. A classic dysfunctional behavior, for example, is for a management team to “talk” about innovation but to “walk” the status quo — to ask people to take risks in the name of needed change and then create systems that tell them any ideas they have must pass through a chain of command 12 layers thick, or to “reward” failure with a pink slip.

Organizations that use a systems-thinking perspective are forced to look beyond individual mistakes, personalities and events to understand what underlies their problems. Instead of providing a simple way to affix blame, the systems approach guides us to look for ways to fix the underlying structures that shape individual action and create the conditions that encourage certain kinds of behavior and performance. Systems thinkers have grasped a profound and dif-

... Support a Culture of Perpetual Innovation?

Open Dialogue. Do people engage in lively discussions about the major issues and challenges? Are diverse perspectives allowed? Is information shared freely with those who need it?

Encourage New Ideas. Is the atmosphere surrounding new ideas constructive and positive? Are new ideas fostered or *firehosed*?

Sufficient Resources. Is there access to appropriate resources (information, equipment, time, facilities, funds, etc.) to consider alternatives, test impulses and try fresh approaches? Is the organization overly bureaucratic?

Reinforcement. Is innovation rewarded and recognized? Do managers demonstrate their belief, support and appreciation for people willing to take risks, speak openly, challenge assumptions and work

with passion?

Respect. Is there a fundamental respect of each and every contributor within the organization?

Opportunity. Does opportunity exist for everyone to excel rather than merely exist? Does the organization encourage people to feel a sense of ownership?

Long-Term Perspective. Is it understood that culture is created over time and may take years to change?

People Advantage. Does the organization view and treat people as the only sustainable competitive advantage? Is there training that develops an innovation focus in managers and employees? I

ferent insight: systems cause their own behavior.

Leo Tolstoy, the author of *War and Peace*, made the same kinds of observations about history, historians and political systems more than a hundred years ago. Basically, he said historians wrongly attributed the cause of the French Revolution to Napoleon and the thinking of a few political elite in Paris. At one interlude in *War and Peace* he wrote, “*The sum of men’s individual wills produced both the revolution and Napoleon; and only the sum of those wills endured them and destroyed them.*”

The point: Put good people into a bad system and the system wins. Put good people into a good system and everybody wins.

It makes no sense to push innovation as a corporate priority then fail to ruthlessly evaluate every structure and system for its alignment to the particular corporation’s innovation strategy and culture.

(4) Involve the Entire Management Team Early in the Process.

Central to the success of creating a perpetually innovative work culture is the requirement that managers at every level be deeply committed to promoting human creative energy and translating it into collective business results. If we are expecting innovation at the front line, it must be lived by example in the management ranks.

Unfortunately, from the executive suite the need to be more innovative can seem like a no-brainer and in the excitement and haste to get “there” the essential step of involving the upper and mid-level management is often skipped. Great new innovation initiatives and directives are laid out and announced. Training is implemented to improve creativity, problem-solving, decision-making, etc., only to have the resources wasted and the initiative relegated to another “program-of-the-month” by a threatened, cynical and passively resistant management team.

Why would we expect anything else? There is no ownership, commitment and involvement by the group that is in the best position to make the transformation happen.

The role of the manager in the perpetually innovative people-driven organization is to manage the environment or context in which the work is done, rather than controlling the workers themselves.

Before managers can be expected to lead others in innovation they must understand and master:

- An enhanced appreciation of the role change plays in continuously reshaping business strategy and remaining competitive.
- A new mental framework for proactively dealing with business challenges in positive, innovative ways, despite continuous change in

the marketplace.

- The capacity to lead others through change.

- A greater appreciation of the inherent opportunities residing within ambiguity and uncertainty.

- The confidence and desire to pursue reasonable risk-taking.

- The ability to foster the innovative contributions of the people they manage by leveraging emotional energy, strengths, and past successes and managing weaknesses.

- The understanding and skills needed to manage and lead innovation at two levels – individual and organizational.

- The leadership behaviors that foster – and those that inhibit – organizational innovation.

- The keys to creating trust in the workplace.

Communicating, Challenging Status Quo and Celebrating ...

It’s vital when using a systems approach for developing a culture of innovation to:

Communicate incessantly.

There must be:

- Constant, consistent and pervasive communication throughout the organization.

- Systems, behaviors and incentives that develop a true form of active involvement and ownership for all employees.

- Feedback that keeps everyone knowledgeable of the rules – and score – of the company’s business game.

Leaders must present the vision, provide information about where the company is going, then spell out what’s in that vision for all the stakeholders – employees, clients, and partners.

Challenge every assumption on which your organization operates.

A climate of perpetual innovation and self-reliance also requires

continually challenging every mental model central to an organization’s operations. There must be respect for what every person contributes to the success of the organization, a true sense of ownership and involvement by all employees, and a sense of self-responsibility and personal determination. Building this kind of culture and climate requires reward and recognition of the successes, victories and “nice tries.” And it requires an intense focus on leveraging strengths while managing weaknesses and self-limiting attitudes.

The status quo won’t create growth. You have to question everything you do and how you do it. Charles Kittering, the founder of **Delco**, was notorious for this kind of thinking. He sold his auto parts company to **General Motors** in 1919 and continued to work within the organization.

A team of GM engineers working

(5) Maintain the Innovation Momentum

From the beginning, institute a continuous process of planning, implementing, checking, refining and acting upon needed improvements to the innovation strategy. It's vital to continually evaluate what's working and what's not when it comes to efforts to foster innovation. Training needs will change. The effectiveness of rewards and incentives will change. Your definition of innovation will likely evolve. But you will know you are on the right path when the predominant philosophy is, "If something's broke, fix it, if something isn't broke, fix it." You'll know the organization is evolving into being perpetually innovative when you understand that what's

working today won't be working tomorrow in a radically changing marketplace.

The competitive advantage of having an entire organization operate based on innovation-driven goals is significant. To make sure this kind of endeavor doesn't fall into becoming the latest "management fad of the month," management must remain consistently supportive of these core competencies and patiently and persistently develop and evolve exact action plans over time. It's important to develop a long-term plan for creating and sustaining an innovative culture. It helps to conduct ongoing learning events and to develop new resources and strategies as needed. Basically, this step entails an ongoing process that ensures progress

toward goals, modifications as needed, continuous improvement, the development of new learning tools as needed, and continual alignment and realignment with business objectives.

To reach these goals, corporate leaders need to nurture the mindset and environment where people feel safe and valued in contributing in ways that will foster innovation – to create an environment that evokes commitment not compliance. And then it is up to each individual to take personal responsibility to contribute within that culture.

Developing Innovative People

The Role of the Individual in Innovation

It's a motherhood-and-apple-pie move to acknowledge the importance of people and "intellectual capital" in today's knowledge era marketplace. Who would argue against the wisdom of building an organization on the strengths of workers and the needs of customers? The reality, however, is that many organizations continue to understand best, and invest most, in their hard assets, and tend to waiver about the value of sinking time and money into developing the intangible assets that define intellectual capital.

Here's the justification to reverse this trend:

- The market is in a state of constant change. Consumers want better, faster, cheaper, more customized products and services. Global competition, speed of development and delivery of new products and services, and the use of ever-more-powerful technology keep raising the basic stakes for remaining a viable player in any market.

- Organizations, in response to this ever-changing marketplace, continuously reorganize and evolve

... Foster a Long-Term Commitment to Innovation

with Kittering reported to him on one occasion that they thought they could reduce the 37-day car painting process to 30 days. Kittering wasn't impressed. He scoffed and said an hour would be more like it. He went on to develop his own fast-drying paint. He later invited one of the skeptical engineers to lunch. After they ate he walked the engineer to the parking lot where, rather embarrassed, the engineer said, "I can't seem to find my car." Kittering pointed and said, "Isn't that it right there?" The engineer said, "That looks like mine, but my car isn't that color." Kittering said, "It is now."

Celebrate regularly — successes and "failures."

The lesson Thomas Edison taught us all when he invented the light bulb is that there really are no failures. He saw his thousands of unsuccessful attempts to invent the electric light as valuable steps in his ultimate success.

Ken Melrose, CEO of **Toro Corp.**,

once convened a meeting of a small team of engineers who had attempted, and, at the end of a year on a project, failed to design a product they thought would be greatly profitable for the company. Much time and money had gone into the effort. When the engineers met in Melrose's outer office they feared the worst — that they would all be fired or at least severely reprimanded for the mistake.

When Melrose invited them in, he had balloons, lemonade and chocolate chip cookies on hand to celebrate their good try.

It's in this kind of environment that individual employees are most inclined to willingly and energetically take up the challenge to become self-reliant, learn to leverage their strengths, and begin to take the educated risks needed to evolve trust, opportunity and innovation. I

themselves to meet the challenge. They downsize. They invest in total quality management. They empower. They merge. They acquire. They create strategic alliances. They outsource. They seek structural magic through reengineering. Anyone involved in any of these organizational shifts in the past couple of decades can attest to one thing: The

problem in achieving successful results was not how well the plan was laid out, but, ultimately how well the people adopted and implemented the changes.

■ Therefore, individual knowledge workers must be capable of continuously understanding, embracing, implementing and even leading change and creating the

innovations organizations need to meet market demands. Nothing happens if there isn't a person responsible. The ultimate factor in achieving results is individual performance. It is individual behavior – by everyone from the CEO to the

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The Role of Technology in Creating Innovative, People-Driven Organizations

Technology, innovation and business are inextricably interwoven. Since the early 1800s, at least, modern society has had a love-hate relationship with technology that has spawned extreme support and dissent. Between 1811 and 1816, fear and distrust of mechanization went to a negative extreme, driving some British workers to riot and destroy labor-saving textile machinery. They were called Luddites, a term still used today to describe technophobes.

What would those anti-progressives say about technology today? The enthusiasm for the Internet and the increased use of robotics is feverish. And rightly so. We're on the cusp of the new century, linked virtually to the entire world through technology. We're continually refining the use of mechanics and digitization to create new jobs and eliminate old ones, improve old services and products and create others that are bringing us into the realm of what once was considered fantasy.

It would be wonderful if technology or some process improvement could magically make an organization innovative, but it won't. Researcher Robert Kelley uses the work he's done at **Carnegie Mellon**

University to bring us back around to the importance of people and culture in the ability to innovate.

"It's a given that today's companies must keep new products and services coming — and respond quickly to continually shifting consumer demands. To maintain this competitive pace, managers need to improve the productivity of knowledge professionals. But while many have expected new technologies like company-wide computer networks to boost performance, the real promise lies elsewhere. Changing the way professionals work, not installing new computers, is the best way to leverage this intellectual capital."

We can use technology to create, gather, store, and manipulate information. Information can help us be bright, but information isn't knowledge. And technology is not innovation. Geoffrey Colvin, a columnist for *Fortune*, says *"The dawning realization is that in the age of infotech, infotech is rarely a source of sustainable competitive advantage. How could it be otherwise? Part of technology's marvel is that it's so cheap and widely available. What I've got, you've got, or can get. Yes, some companies have built businesses on infotech superiority, but that's a mean and relentless game.*

"The fact is," Colvin says, "that for most of us most of the time, infotech will not catapult us ahead of the competition in any reliable way. You must keep your infotech current with that of competitors — but for sustainable competitive advantage you'll have to look elsewhere. Where? The answer I'm hearing from executives around the world and in all sorts of industries is: in the most distinctively human elements of business — culture, leadership, character."

Technology has a potent influence in business, but with every step we take deeper into the knowledge era it's clearer that successful organizations are coming to understand the importance of tapping the unique talents and skills that people bring to the work formula. John Naisbitt captured the essence of this important truth in a succinct phrase in his eye-opening book, *Megatrends: High-tech, high-touch.*

Innovation may indeed result in new technology, but it's people in which the potential for all innovation lives. John Mickelthwait and Adrian Wooldrige emphasize in their book, *The Witch Doctors*, the need to tap this reservoir. *"To harness [the knowledge in workers' heads], the manager needs to be able to understand it, define it, locate it, measure it, and encourage it to grow. Above all, the manager must be able to turn that abstract phenomenon into winning products."* I

people on the shop floor – that determines an organization’s ability to be creative and innovative.

Processes don’t think, systems don’t conceive and technologies don’t act. Only people can think big thoughts. Only people can help organizations innovate.

But, obviously, organizations that want innovative results must design themselves to support those objectives. It doesn’t work to merely point a corporate finger at the workforce and say, “Change!”

If a company wants change and innovation, will individuals make it happen? Will teams? Will divisions? If not, why not?

It’s easy to stay locked in the “us vs. them” mindset and to point fingers. It’s easy for front-liners to blame problems on high-pressure hierarchical organizations or tyrannical bosses. And it’s just as simple for managers to argue that it’s individual bad attitudes that are the cause of all troubles. Real-world experience, however, says the organization and the individual both have a role to play.

The Mindset and Skills Needed

For innovation to be elemental, every employee must have the mindset, skills and incentive to contribute to a culture of innovation. There are three basic traits that are characteristic of people who are most innovative, flexible and able to deal successfully with change:

(1) A tolerance for ambiguity.

Innovative thinkers partner with change. They understand the necessity to accept the inevitable – that their best laid plans will be undone – and to use change to their advantage. Leaders in every field emphasize the importance of managing the effects of change because, no matter how positive the planned outcome of the change, the first reaction of many people is to avoid or resist it. Change is disturbing. It’s natural to stick with what we know, to play it safe. But staying in our comfort zones extinguishes the

sparks of innovation, enthusiasm and creativity that are needed for progress. Innovative thinkers appreciate the opportunity that resides in uncertainty.

To develop this trait we need to help people:

- Broaden their understanding of the forces of change that constantly reshape business today.
- Improve individual ability to deal with, and find opportunities in, the demands of change.
- Prepare to better handle the stress of change and competition.

(2) A bias for independent action.

Innovative thinkers understand the need to invent their own futures rather than let life happen to them. They take informed risks. They understand “trying” is the greatest teacher. Through “action-learning” they are able to learn faster because

they are moving, putting their ideas into action, checking the results, adjusting and moving again. They think like beginners, looking at the world without inhibitions or limiting preconceptions so that they address problems eagerly and with unbridled inquisitiveness. And they mess with success.

It’s widely believed that the leaders of the future must be creators, not responders. Innovative thinkers know that the future is not found, it’s invented. It can be shaped by people with vision, courage and the wisdom and habit of thinking beyond traditional boundaries. Innovative thinkers know that to create the future they have to break with the past – break old habits and break new ground.

When this trait is evident, people

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What Distinguishes Innovative Thinkers?

Innovative Thinkers:

- See change as opportunity.
- Make change happen.
- Are mentally free to create the future.
- Think non-linear, connecting seemingly unrelated ideas for new solutions.
- Change the rules of the game.
- Constantly seek a new, better future.
- ◇ Focus on their “own” best game.
- ◇ Focus on the positives and what’s possible.
- ◇ Make fun, joy and passion part of everyday work.

Traditional Thinkers:

- See change as a threat.
- Try to avoid change.
- Are held back by tradition.
- Think in one dimension, along straight lines.
- Compete head on.
- Project the status quo into the future.
- ◇ Take on others at “their” game.
- ◇ Focus on problems and minimization of risk.
- ◇ See no place for emotions in the work environment.

7 New Work Habits of an Innovative Workforce

What will day-to-day performance look like if your organization fosters creativity and you and your team take up the challenge? You'll exhibit seven work habits essential for innovation and growth. You will:

1) Go for Broke. Competition moves too fast to be timid or cautious. Hustle — anticipation, speed, mobility, nimbleness — needs to become the hallmark of your normal, everyday operating style. **Abraham Lincoln** once said, *"Things may come to those who wait, but only the things left by those who hustle."*

2) Create Destruction. Seemingly an oxymoron, but as **Pablo Picasso** said, *"To create, you must first destroy."* It's essential to mess with success. Nothing lasts forever. Instead of idly standing by while obsolescence sets in, take the initiative and break old habits, break with tradition, break the mold.

3) Leap Before You Look. In today's world, indecision is fatal more often than mistakes. Playing it safe is dangerous. Windows of opportunity open and shut very quickly. Intuition is a key decision-making skill because of the role it can play in knowing when to analyze and when to act. **Helen Keller** put it this way: *"Security is mostly a superstition. Avoiding danger is no safer in the long run than outright exposure. Life is either a daring adventure or nothing."*

4) Fire Yourself. With the demise of what we once thought of as the "lifetime employment contract" — do a good job and the company will take care of you — it's a fundamental mistake to think of yourself as working for someone else. So, "mentally" fire yourself before someone else does, and with this new mindset, assume personal

responsibility for your actions and your career development. Your employer is now your customer. **Peter Kim**, chief strategy officer at McCann Erickson says, *"I'm on the verge of being fired every day. If I'm not, I'm not doing my job. If I cease to push the envelope, I've failed."*

5) Disturb the Peace. The status quo won't create growth. You have to question everything, especially the "how we've always done things in the past" practices. Most of us spend a lifetime conforming — trying to "fit in." Predictable, rational workplaces and work routines — of which there are few today — are woefully inadequate for accommodating the freshness, originality, vitality and passion needed to remain on top tomorrow. Poet **Robert Frost** once said in an interview, *"Thinking isn't agreeing or disagreeing. That's voting."*

6) Learn Like Crazy. Just as the status quo for organizational management is an obstacle for growth, status quo for personal knowledge and skill is a path to individual career obsolescence. Lifelong learning is required, not optional, for personal success. We must make a habit of learning, unlearning, and relearning. And part of learning is the ability to cherish failures — for the learning inherent in them. **Thomas J. Barlow** quips, *"Even in the space age, the most important space is between the ears."*

7) Lighten Up. Laughter is a great resource. Not only will it help you relax and tap your creativity, it will cause you to reflect on your personal passions and purpose, which will help you guide your work. Lose the "having fun and working hard are mutually exclusive events" mentality. **Clarence Darrow** said, *"If you lose the power to laugh, you lose the power to think."* I

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think beyond current boundaries of their jobs and any inhibiting performance guidelines. They break through to new levels of customer service, continuous improvement, and personal empowerment. They are more involved in the all-important process of challenging conventional business practices, and they are better able to apply creative problem-solving skills.

(3) A strong belief in oneself. Innovative thinkers work to unleash their best. They leverage personal strengths and manage weaknesses. They work for joy and focus on their passions. They know who they are. They know they're at their best when they are true to themselves instead of copying others. They are driven by a personal mission.

Conclusion

Where does this leave us? Convinced, we hope, that:

- Innovation is the core competence that distinguishes winners from losers in today's marketplace, and will so even more in the future. Innovation must underlie any strategic business initiative or strategy.

- Companies must innovate to survive.

- Organizations — on whatever scale — that value people as their only sustainable competitive advantage have the greatest opportunity for success. Individuals must take responsibility for innovation, and organizations in which they work must have a purpose, culture and management systems that foster and reward innovative performance.

- Innovation is a mindset, and despite its intangibility, it has tremendous potential to throw dollars to any company's bottom line.

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Addendum

GrowthWorks Inc.

Facilitation, Training & Consulting

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Helping Organizations and Individuals Make Effective Change

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"Out of clutter, find simplicity. From discord, find harmony.
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Brian McDermott is Senior Consultant and Chief Storyteller with GrowthWorks Incorporated, a training and consulting company based in Minneapolis that helps organizations worldwide grow and compete through the creative power of their people. He has provided training and consulting services to numerous clients, including Microsoft, Lockheed Martin, Imation, Freightliner, Fingerhut, Communicolor Inc., Merrill Corp. and Textron Financial Corp.

Prior to joining GrowthWorks, Brian spent 12 years at Lakewood Publications, one of the leading U.S. publishers in the training, human resources and general management areas. At Lakewood he served as the Executive Director of the Positive Employee Practices Institute and worked as a business journalist, a conference planner, editor, and video producer. He has published hundreds of articles related to management, quality, innovation, customer service, and training, as well as organization development and all-around best business practices. Brian was also instrumental in developing a successful series of international conferences dealing with training, service, quality and other management issues. He has also spoken at and facilitated national conferences sponsored by Lakewood Publications and Training Magazine, the American Society for Training and Development, and will present at the Association for Quality and Participation's 21st Annual Spring Conference in 1999 and at the Innovation Network's Convergence '99.

Brian launched Lakewood's Newsletter Division as part of a strategic initiative to diversify and build on the success of Lakewood's highly regarded Training Magazine. As the editorial director of the newsletter division, he led the start-up and management of Training Directors' Forum Newsletter, Creative Training Techniques, The Service Edge, Front-Line Service, Total Quality Newsletter, and The Lakewood Report on Positive Employee Practices.

As a business journalist and consultant, Brian has developed leading-edge knowledge about management, quality, customer service, creativity, innovation, change, personal development and training, as well as organization development and all-around best business practices. He also pushed the use of technology – leading Lakewood's move to desktop publishing and use of the Internet – to improve performance and productivity, building on earlier experience as an editor with a computer communications magazine called Link-Up.

Brian's experience also includes work in corporate communications for Ecolab, a stint as a newspaper reporter and photographer, independent business ownership as a freelance writer and photographer, and non-profit experience as a resource developer and grant writer as a Volunteer in Service to America (VISTA).

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Dr. Gerry Sexton is a Senior Partner and Chief Explorer of GrowthWorks Inc., a Minneapolis, Minnesota-based training and consulting company that helps organizations worldwide grow and compete through the creative power of their people.

Gerry has provided speaking and training experiences in the area of personal development throughout the U.S., as well as in Brazil, Italy, France, the U.K. and The Netherlands. His recent speaking engagements include the 1998 Training Director's Forum, and being a featured speaker in the 1998 Phoenix Executive Briefing Series, which is an interactive distance learning series produced by LiveWare5.

His goal, and the focus of GrowthWorks' products and services, is to help organizations link innovation, knowledge and the human spirit in order to maximize the performance of their greatest assets – their people.

GrowthWorks is committed to helping clients achieve focused business results by creating workforces that choose to contribute – willingly and eagerly – to organizational success. The GrowthWorks emphasis is on creating skills, attitudes and cultural norms that closely tie together personal responsibility for performance, fulfillment and success with organizational profitability and success.

He earned his Doctorate of Medicine at the University of Texas Health Science Center at San Antonio, Texas, where he graduated with honors as a member of the medical honorary society Alpha Omega Alpha. He received his Bachelor of Science Degree in Aeronautical Studies from the University of North Dakota, graduating Summa Cum Laude while also attaining a commercial pilot's license.

Gerry began his training career consulting and developing programs in the health field, helping people make effective changes in their lives. Those programs included health promotion, weight management and physical rehabilitation. Later, he expanded his training and consulting work to include programs and services that help people create more meaningful work and personal lives. Central to his philosophy is the concept that individuals can and must take personal responsibility for creating success and fulfillment in life — a belief that guides his consistent efforts to put the learner at the center of the development process.

Gerry is a passionate teacher because he is an active learner. He has a unique ability to make complex subject matter understandable, and he is a lifelong student who lives what he teaches when it comes to pursuing success through personal development.

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