# DIVING DEEP NIO CORPOZITE



# WHEN LEADING INNOVATION, YOU NEED TO EMBRACE DILEMMAS

Does innovation need a "home"? This is one of the most enduring questions in innovation management. It is also a paradox that seems almost unresolvable: If we give the job of innovation to a dedicated team or unit, won't we risk it becoming insulated and without impact on the rest of the organisation? On the other hand, if we seek to make innovation everybody's job without having specialist competencies and strategies to draw on, will it quickly become nobody's job?

Fortunately, this deep dive report you are holding doesn't seek to answer these questions. Instead, it embraces the dilemmas and lived experiences of leaders of teams who want to make innovation work in their organisations. It has been fascinating for us at the Danish Design Centre to listen, observe, and analyse the honest conversations between these ambitious managers. Because of their positions in some of the leading corporations in their respective countries (Denmark and Japan), the decisions they make potentially influence thousands of people and determine the future trajectories of their organisations.

And this is exactly why we have conducted this study.

As Denmark's lab for design, we strive to expand the boundaries of design in our quest for innovation and sustainable growth. And today, at the heart of innovation practices, there are always elements of design thinking:

The ability to start and end with users, to co-create new solutions together, and to create transformative strategies, products and services through iterative prototyping and testing.

With their global reach and impact, corporations are the frontrunners when it comes to managing complexity in today's turbulent, digital and changing environment. For that reason, we believe it is important to learn from them and support their ability to learn from each other. In the design spirit, we have approached this study with curiosity, empathy and an eye for the human story. We have looked for the concrete, tangible behaviours that truly matter in the leader's quest for unleashing creativity and change. We are indebted to the time and effort that the participants in this report have committed and the openness with which they have shared their experience.

I hope what we present here will inspire you to think and not least do innovation differently in your own context. May your new practices contribute to the sustainable transformation, so many businesses need, not just for their own sake, but for the sake of society and our planet.

Christian Bason, Ph.D., CEO Danish Design Centre Copenhagen, June 2021

# AN INVITATION TO JOIN THE CONVERSATION

On the following pages, you will find a collection of eight insights that give you a unique window into how cutting-edge corporate innovation works today.

Innovation is not easy for any company. Even in larger organisations, where you could think resources and capabilities would be plentiful - it still isn't. The thing is that there is no one-size-fits-all when it comes to rethinking your products and processes. Every organisation needs customised approaches, strategies and capabilities to succeed with innovation. But there are certain overall principles, tools, methodologies and perspectives that can guide you in establishing and running a unit of innovation in your organisation.

The need to uncover these principles and perspectives led us to partner with a diverse group of innovation leads from Danish and Japanese companies. The companies represent a wide range of industries, including pharma, energy, entertainment, and insurance, to name a few. The innovation units themselves also varied in size from small teams

consisting of just a couple of employees to large ones of more than 10,000 employees. Yet, they all have in common that they as innovation leads - and their unit - are pivotal in securing their company's relevance in a fast-paced, ever-changing market.

12 innovation leads engaged in a number of peer-to-peer conversations conducted in the fall of 2020. Together, we took a deep dive into the field of innovation practice in complex organisations by discussing key aspects of working as an innovation leader. It was an informal conversation-led format which allowed the dialogues to be guided by the passions, principles and current challenges of the participants.

This is our invitation to you to join their conversations.

Enjoy!



# Participating companies





















# **Partners**







EXPERIENCES, PITFALLS AND SUCCESSFUL APPROACHES.

The method we have used for collecting data and discovering insights is rather experimental. Consequently, our findings are not based on traditional research analysis but, instead, have been chosen as the most thought-provoking accounts from liveaction corporate innovation management, which have resonated among the participants during the peer-topeer conversations. For a more thorough run-through of the data collection method, take a look in the Appendix.

The conversations uncovered insights on both how to structure, enable and lead innovation. Still, instead of forcing the material into an overarching analytical framework, we have taken a different approach and presented each insight as its own entity. Thus, structuring each of the insights to fulfil different needs and be put to multipurpose use: To inspire, to learn, and to prompt action.

In order to conclude the whole thing, we have deliberately decided not to conclude. We do see this as a snapshot with a range of different entry points depending on your specific role and situation. That is why we would rather invite you into the conversation than attempt to give definitive answers on such a fast-paced area of corporate practice.

# Who is this for?

We expect this publication to be of interest to everyone involved in leading corporate innovation, including top

management executives. But with particular relevance to both experienced as well as newly started innovation unit leads, who seek to learn from existing practice and the trial  $\delta$  error learnings made by experienced practitioners.

The publication intends to give experienced practitioners validation of existing reflections and experiments and newcomers the ability to skip classic pitfalls by learning from more experienced peers.

# What this is not

It is not our intention to present a conventional analysis in a classical research-based report. In that sense, we do not try to add another chapter to the existing field of competent scientific literature.

As a design lab, our ambition has been to go to the frontlines of corporate innovation to see what is emerging, take out samples that inspire and move us and pass them on to the reader in order to spark a conversation.

To best present you with the insights, we now introduce you to a fictional character, who throughout this publication will act out different leadership strategies in corporate innovation settings.



# FOUR LEADERSHIP ROLES

Leadership is always demanding, but when working with innovation - which by definition challenges company's status quo - leadership can be particularly difficult. You are constantly balancing between stability and disruption in a very explicit way.

Leadership is the bedrock of corporate innovation and the source of our data collection in this analysis. Therefore, it is at the heart of this publication.

Looking at the successful, talented, and, above all, diverse group of leaders that have engaged in conversations with each other, it becomes clear that all of them have been forced into adopting and, eventually, mastering roles, strategies and approaches that are somewhat contrasting to those they would naturally rely on. It does not mean they play a role they are not comfortable with - at least not all of the time. This means they have realised that they - more than any other type of leader - need to be able to shift between very different roles depending on context, relations and timing.

To illustrate this, we introduce a fictional character - our innovation lead - and give her four roles to play. The roles serve to exemplify key aspects of the different leadership strategies and, hopefully, heighten your awareness of your own preferred strategy and how you can work with your own strengths and weaknesses.

The backdrop on which the innovation lead navigates between the four roles can be visualized in a matrix with two axes, representing extraordinary positions or roles that we detected during the conversations.

One axis covers 'direct-indirect' - describing how she communicates and leads. The other covers 'analytical-explorative' - describing how she approaches problems.



# She is mitigating risks

The leader builds rational plots and applies different means of analysis and meticulously planning before jumping to action.

# ANALYTIC

# She is showing the way

The leader places herself at the forefront of the action, whether communicating about the accomplishments of the innovation unit or getting her hands dirty engaging in user research.

DIRECT

# Role # 1 - Direct + Analytic Role # 3 - Direct + Explorative Role # 4 - Indirect + Explorative

# She is supporting the way

INDIRECT

The leader is enabling, helping and supporting others in their innovation endeavours. Sometimes she even let others take the shine for what has been developed by the innovation unit.

# **EXPLORATIVE**

# She is taking risks

The leader jumps headfirst into the action without knowing what it will lead to - only knowing that outcomes may take different forms.



"

I know my way around the ranch, I know my herd, and I know where we are heading! How to get us there is secondary.

"

Plan, experiment, learn, plan, experiment...

# ANALYTIC

# The Corporate Cowboy

The Corporate Cowboy works with innovation for the sake of the company. Innovation is what the company calls for right now, and she will gladly be the one leading this important work. She is very conscious of the organisation's overarching strategic goals and works relentlessly to realise these through her work in the innovation unit.

She uses herself and her position as a broker between the innovation unit and the other business units.

She works tirelessly on creating the right structures and

She works tirelessly on creating the right structures and incentives for collaboration so her team - together with the business units - can take the company to the next level.

# The Lab Rat

New ideas excite the Lab Rat. The planning of the process of getting to the results is as exciting as getting there. It's more important to do it right than doing it fast. She's got her numbers straight! Both in terms of innovation methods and how best to deal the cards in relation to pushing things through internally.

She knows that lots of good ideas lie within the core of the company. Just like diamonds in the rough, they just have not been cut properly, and there is a huge innovation potential in activating the different skills, knowledge areas and methodologies from the different departments in another way in order to attend to one side at a time, to cut the perfect diamond.

She leads by stimulating an organizational culture of stability, dependability on the one hand and a profound curiosity and ambition on the other.

# INDIRECT T

# **JIRECT**

# DIRECT

# The Agile Adventurer

The Agile Adventurer lets her curiosity lead the way. It truly is the excitement of "the new" and "the yet-to-be-uncovered" that motivates her.

She always jumps headfirst into new projects and makes all imaginable (and unimaginable) twists and turns in order to expand and accelerate the innovation process. She engages people around her and leads by example in order to grow a following inside the organization: Across the entire vertical hierarchy.

However, sometimes, she also loses people on the way; when they do not have the stamina to keep expanding the scope as her instinct prompts her to do.

# The Innovation Guru

The Innovation Guru is leading innovation to push the company towards a vision to become a first-mover within its field. Getting employees, colleagues, managers, and sometimes even external thought leaders to respect her work gives her a kick.

She engages in the innovation processes herself. She may not be the one in the room who knows most about the company's products, but she sure knows how to approach big challenges and how to get employees and managers to play along. She works for a culture of innovation and the company's dominant culture to coexist but is mindful that it is necessary to keep the rest of the company at arm's length to come up with the genuinely radical ideas.



So much to explore, so little time!

66

There are two ingredients in success: Create the right process and create attention!



# Now on to the actual insights.

Any good conversation consists of a mix of relatable stories, aha moments and maybe even insights that inspire you to go out and do something different. So did the peer-to-peer conversations between the participants, and so have we also chosen to structure this publication for you to to get inspired, to learn and act. We do this by breaking each insight into three parts:

- 1. A compelling **story**. Be a fly on the wall when our innovation heroine shares her war stories which coin some of dilemmas of leading innovation in large corporations.
- 2. A **deep dive.** An analytical part that offers some more depth, insight and scientific perspective on the insight at hand.
- 3. **Ready, set, go!** The part where we bring you design-led approaches, concrete trails and tools to power your own work as a leader of innovation.

Insight #1

# Close it down

Manage the life cycle of innovation units

Insight #2

# Keep moving to maximize your impact

Balance your integration with core business

Insight #3

# Get the company on board

Align your goals and vision with the whole organisation

Insight #4

# Challenge the norm

Fulfill company potential by uncovering  $\delta$  challenging barriers

Insight #5

# Engage in diverse functions & activities

Let your unit take different roles

Insight #6

# Diversify the position of your innovation unit

Be ready to take many roles

Insight #7

# Mature ideas outside the organisation

Use external resources to grow better ideas

Insight #8

# Find someone to look out for your idea

Engage key colleagues to own  $\delta$  implement ideas early on





"I am going to surprise everyone and pull the plug", 'The Agile Adventurer' grinned to herself in front of the mirror while brushing her teeth. The very idea of closing down would never have crossed her mind as a goal back when she took on the role of innovation lead two years prior.

But if there was one thing she had learned already, it was that the world of innovation never stands still. "We need a reboot," she reminded herself.

Of course, the fact of the matter was, that in essence, she had no intention of actually closing down. Instead, she was shapeshifting: Taking things in a brand new direction. To do that, her unit's old structure and purpose seemed like more of a dead weight than useful for their new goals.

Her manager, too, had been close to choking on his morning coffee when she told him about her plans of closing down. That was before she revealed her thoughts on the transition, which he almost immediately had backed up, not least because of how she broke it to him. That had worked. So he also really bought into the idea of using the shock value of announcing 'mission accomplished' - before announcing the next big thing.

"



# Leadership reflections

- What would a more liquid state for your innovation unit look like? One that is not tied down to one particular structure or theme.
- If you could reboot start all over again how would you design your innovation unit? What would your main purpose be now?
- What reaction would your top management have if you decided to pull the plug? Can you leverage that reaction in a positive way?





# 1. Sow Define vision, purpose and secure mandate 4. Harvest Diffuse knowledge, skills and talent across the whole organisation LIFECYCLE Sketch new vision and **PERSPECTIVE** purpose (What do we OF A need to do next?) **CORPORATE** INNOVATION 2. Grow **UNIT** Attract talent and develop skills 3. Breed Replicate successful projects and programmes Evaluate impact and scan for new trends and opportunities both internally and externally

# DEEP DIVE THE CIRCLE OF LIFE

Innovation units are never meant to be stable entities that last forever. They are meant to be disruptive, explorative and bold - always in flux. There is a time and place for an innovation unit, but it is not permanent. It can be seen as a strategic tool, a "switch", to accelerate transformation in a specific domain, a way to cluster competencies and a physical manifestation for business as "unusual". But once unusual has become the new "usual", it is time to close down the unit - or redefine it - and start the cycle again. Reborn as something new.

# READY, SET, GO! PRΣPARE FOR WHAT YOU CANNOT PLAN FOR

# Tell the story of the day you will be closing down your innovation unit

Invite key people of your organisation, both working in and outside your unit, to a workshop you facilitate. The aim of the workshop is to imagine the day you decide to close down your innovation unit. Discuss what led up to this decision. Why is not there a need for the unit anymore? What does the company need going forward?

There are several tools you can use to facilitate this kind of speculative design process. The most famous one is filling in a newspaper front page of the future, telling the story of your success.

# Stop thinking only about end goals; start planning your unit's development and learnings

Have you ever considered your unit as something that is born at a certain point, grows up to be an adult, gets a social network around it and at some point retires to mentor other units? Then dies and gives space and room for new ideas and approaches? Try to make such a plan of development for your unit. What will be the indicators of shifting the shape, aim and capabilities of your unit?

The purpose here is not to construct milestones or KPls that define success or failure. Instead, it is about training your capability to spot the signs that change is demanded and then prepare for when that day comes and it is time for your innovation unit to transition into the next life phase. Sometimes things develop faster than expected and sometimes slower. So by paying attention to the little things, like the feeling of innovation fatigue, adaptation of new language and so on and adapting accordingly, you will keep your unit relevant.

# Celebrate when you are no longer needed

When you, as a unit of innovation, find yourself not needed anymore it is usually a sign of your success. For example, you succeeded in moving the organisation into new ways of working, or you had them adopt the ideas, products or services you developed.

But nobody likes feeling redundant, so you need to make it very clear for your employees and managers that this is a good thing for innovation. When business as 'unusual' becomes business as 'usual', it is time to pass the bubbles ground.

Just remember - this is also the time to aim higher. What is the next step? How can you keep on challenging the organisation?



# **Pro tip**

If you have been working with corporate innovation for a while, you have probably already experienced this - maybe without noticing it. Spend a minute thinking about how you can anticipate, maybe even predict, the next couple of life cycles of innovation in your company. Can you influence the course of these cycles to boost the innovation impact?

# KEEP MOVING TO MAXIMIZE YOUR IMPACT





It felt almost wrong to send that email confirmation. As if she had just willfully entered into an agreement against her will. Marrying the VP of the IT department in that way almost felt like an agreement to give up her autonomy and free agency.

But she reminded herself that the fact of the matter was that she had pushed for this. She needed this to happen in order to succeed.

'The Lab Rat' knew that this was the right step. She had followed the situation meticulously and had seen that

the power of the IT department was on the rise, so it was actually part of her plan. You don't change organisational culture by standing outside the door. On the contrary, you embed yourself inside the organism you want to transform. And she had now done so by committing to place more than two-thirds of her unit's portfolio in IT projects.

That meant she would have to play by someone else's rules and not her own. But this was part of her tactic. "We'll play by the rules for sure," 'The Lab Rat' grinned. "In order to change them."





# Leadership reflections

- Which way are the currents moving in your organisation right now? Towards more or less integration with core business?
- Have you ever been in a situation where you had to let go of some authority to succeed with your vision or ambitions?
- Do you have key people in your organisation that help you find the right degree of autonomy and integration with core business to succeed with innovation?





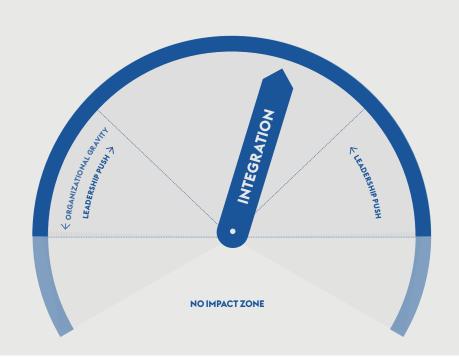
# FINDING THE RIGHT LEVEL OF INTEGRATION WITH CORE BUSINESS

A fair question to ask when establishing a unit with innovation as its main focus within a company is to discuss to what degree of integration and formal connection to the core business and activities of the organisation, the unit should have. Innovation units are by default created to challenge the status quo and business as usual but detaching the innovation unit completely and giving it total autonomy usually makes it harder and sometimes even impossible to integrate, implement and harvest the innovations created within the unit.

Finding the right level of formal integration is an ongoing process, not just when looking at the lifespan of an innovation unit, through its framing and goals, but also in the way everyday tasks, leadership and positioning are played out. Innovation activities, leadership and projects should push the boundaries, detaching itself from ordinary business, but without losing connection, credibility and a clear raison d'etre from the main organisation.

# GETTING SUCKED IN BY THE ORGANISA-TIONAL GRAVITY

Larger organisations and companies have grown because they manage to survive threats and instability over time. That also means that they are designed to stabilise, integrate and assimilate new ideas, new people, new departments. Trying to act as a counterweight to this natural stabilisation may feel like trying to fight against an invisible force of nature that may appear highly reluctant to your new ideas and pushing against anything radical. Slowly your innovation department becomes more business as usual - more "business development extra". You need to be aware of this natural movement and build several counter-movements into your portfolio of projects and activities, to not get entirely swallowed by the organisation's gravitational force.



# BECOMING TOTALLY DETACHED & DISCONNECTED

Being a completely independent innovation unit will, of course, ease your innovation endeavours in everyday work since you will not have to answer to the directions of the main organisation. However, if you lose grip of the ongoing purpose, direction, resources and mandate from the rest of the organisation, you will soon find yourself and your team floating away in the dark with little or no chance of integrating or implementing your work, results and ideas into the organisation. So make sure to nurture the connection with the rest of the organisation continuously. In particular, when moving into new and unknown territory.

# READY, SET GO! TAKE CONTROL OF YOUR INTEGRATION

# Create internal air cover

To find the right level of integration with the organisation, you should make sure you have allies working in key positions in the core business. VPs, CXOs or other actors that have a mandate and opportunity to give you air cover when you challenge business as usual.

A way to approach this is to identify these people, arrange meetings with them, and have them help you map out possible indicators of you getting 'pulled in by the organisational gravity' and together discuss joint strategies to counterbalance this.

By including them in defining these strategies, you equip them to look for signs of the organisation trying to over-integrate you and your work. Due to their position, they probably see the signs of this happening before you do, which can help you be proactive instead of reactive towards the organisation.

# Push and pull your team δ work into the unknown

As you already have experienced, it can be hard to juggle your efforts between pleasing the main organisation and motivating your staff to think in completely new directions. But don't worry - half of the job of pushing your team into working differently is shielding them from the ordinary demands of compliance and due diligence that potentially kill off their creativity and ability to challenge the status quo.

The other half of the job somewhat draws in an opposite direction, because that is about reminding your colleagues that their work is well connected to the organisation's larger vision and strategic aim. You do not want them to lose meaning in what they are doing, even though they might not get recognised by the rest of the organisation.

You might also want to segment your unit into different formats; some closer to the core business and others in a different direction, some might work on the more cultural part of innovating the company from within, and others may focus on innovation aid in the product development process. It becomes a matter of seeing what creates the largest impact and creating the flexibility to cover both ends of the scale.

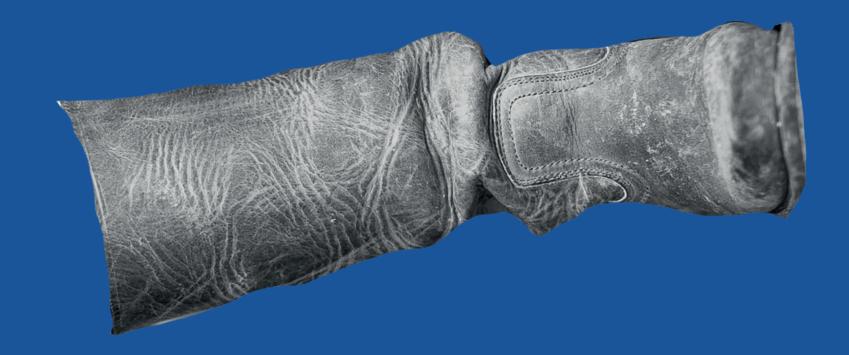
# Set up measures to stay attached to the organisation

Watch out. It might be fun working out there, completely detached from the restrictions that hold back the rest of the organisation, but at some point, you will need to reconvene with the rest of the organisation. One way is to proactively set up support or even training activities for core business employees across the organisation, where you introduce or help with everyday innovations. This makes them aware of your work and allows you to reach out for feedback, involve them in prototype testing and so on. Another, more drastic approach is to pull your unit formally closer to the organisation by aligning your projects or project portfolio to match the business unit's KPIs. It could be IT, sales or another department working within a domain that matches yours and where it makes sense to have indicators on your work as well.



When looking at successful leaders of innovation, they all seem to share the ability to identify when and how to apply the appropriate strategy to move either towards higher or lower integration with the core business. The situation and internal context of bigger companies can change with a blink of an eye. So make sure to keep your eyes open and be ready to change your level of integration with the mother organisation when needed to keep the innovation juices flowing.

# ON BOARD





'The Corporate Cowboy' stood somewhat nervously outside the door of the executive office. She was the newly appointed innovation lead, but surely not all top management understood her task. Yet, she understood it perfectly! She had been thrilled when she had been asked to be in charge of turning the old ship around because she knew just what the company needed right now to sustain its competitive edge. Now she just had to convince her new boss.

She took a deep, determined breath of air and opened the door. Inside, the Senior VP of Product Development was talking loudly into the phone as she always did. She noticed 'The Corporate Cowboy' and said, "Ah, come on in - but make it swift, I have another call in 15 minutes."

The senior VP clearly did not have time for this conversation. The cards were stacked against her.

'The Corporate Cowboy' sat down and started her carefully crafted spiel. This was it, bang or bust.

"I am here because I have a rock-solid plan to realize the vision you presented at the recent board meeting". She could see the VP's face turn from stern to curious - she had her attention. Suddenly the phone rang. I5 minutes had passed by in an instant, but it had been plenty of time. She left the office feeling light and ready to rumble. They had joined forces and now had a plan to realize both their visions.



# Leadership reflections

- Who would be the ideal top management candidate for you to connect with?
- Could your vision be refitted to align perfectly with that of one of your superiors?
- What would your tactic for the pitch be?

# JOIN FORCE4 TO REALIZE YOUR VI/10N



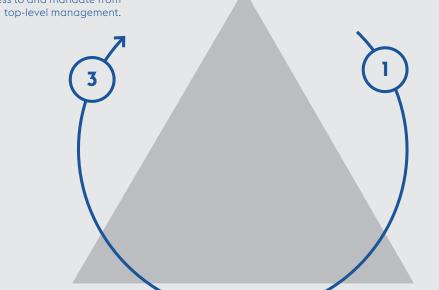
# 1. Strategic alignment

Align your work with the vision and mission of the overall strategy of the company. Take it even further and suggest a longer perspective aligned with the shorter future of the strategy, and break it down into a series of innovation activities.

# 3. Renew mandate through storytelling

By being very explicit about results, movements and successes, you can gradually get more access to and mandate from top-level management.

Organisational alignment



Top management alignment

2. Deep glignment

Organisational alignment

Use these activities to more deeply align your work and strategy with the rest of the organisation. Align your internal KPIs with those of the other business units, so that it is evident for everybody, that by supporting and working with you, they support their own work.

# DEEP DIVE MANDATE, FREEDOM & ACCESS - EMBRACE THE WHOLE ORGANISATION TO GET BROAD & LONG TERM LEGITIMACY

The motivation to install a corporate innovation unit can be top-down (being a "CEO's dream") or bottom-up (the quest of an "innovation champion"). Particularly the bottom-up approach is prone to conflicts, such as a misalignment of intentions and missing mandate or the lack of recognition of the potential value of the unit. Therefore, from the get-go, it is crucial to be aligned with top management regarding the unit's purpose and overall vision and mission.

But it is not enough to align with the top layer of the company. You will depend on getting other business units, departments and maybe even specific key individuals onboard to implement, develop and give life to your ideas and concepts.

So you do need to secure legitimacy, alignment and acknowledgement from all levels of the organisation. Make sure to revisit, refine and replan how you approach this strategic work from time to time.

# READY, SET, GO! GET OTHERS TO FECURE YOU A SEAT IN THEIR BOAT

# Always have a solid foot in the strategy

To make sure you are directly relevant and important to top management, including the board, you need to own at least one important goal of the corporate strategy. Your unit might have been started in order to deliver on strategic goals, and you might feel home safe in that case, but stay awake. Strategies rarely stay completely stable for a whole strategy period. The priority of goals may change, new top managers might shift directions and so on. So make sure to define a new position within the strategic agenda well before your original raison d'etre runs out. Yet, this goes for when you still have not fulfilled your intended purpose of the unit - otherwise, it might be time to kickstart a new life cycle for the innovation unit?

# Integrate your goals with the goals of other business units

To avoid finding your team working completely detached and out of sync with the rest of the organisation, take a tour around the most important business units and have a talk with them about their strategies, visions and ways to measure success (ie. KPIs, KBIs, OKRs, etc.). Explore, together with them, how some of their measures may be related to yours and use that to define shared goals that tie the work of the innovation unit directly to the work of other business units across the organisation.

Usually, business departments have internal success measures on developing new products, offerings or procedural changes. These will be easy for you to tap into. If you are still in the process of defining and suggesting ways to measure success for your unit, then take the tour as a way of mapping out needs and potentials. Getting your measuring scales aligned with those of others from the beginning will make it easier for you to be brought on board for projects initiated elsewhere in the organisation since you can help other business units reach their own goals and objectives - while at the same time working on yours.

# Measure & communicate your impact through storytelling

Remember that numbers and stories showing your positive impact on the overall business give you mandate, resources and respect. No matter how little, fluffy or seemingly unimportant progress you have made in a particular project, make sure to document it in numbers and concise, descriptive texts. Prepare, from the very start, how you will develop and use formats of documentation that have the chance of ending on the table of the ones calling the shots.

A good approach could be to build a narrative over time - through storytelling where you make a plan for how you would like your innovation unit to be perceived and look for stories that enforce that narrative.



Watch out not to become too occupied with getting the attention of the top management. After all, they seldom play a crucial role in realising your innovations. You need to be a friend of all, an ally of all. Not least the man on the floor, who is in daily contact with customers, suppliers and other important stakeholders.

# THE NORM #4





Sometimes 'The Innovation Guru' just wanted to shout into their faces and leave. In fact she had been yelling a bit. Had it been too much?

This had been another one of those meetings in which the board had not only not understood what their company needed to do to stay relevant but also actively tried to sabotage her and her team's work. Or so she felt, at least. "Isn't design something that belongs at the end of the product development process?" as one had put it. This was what really threw her off!

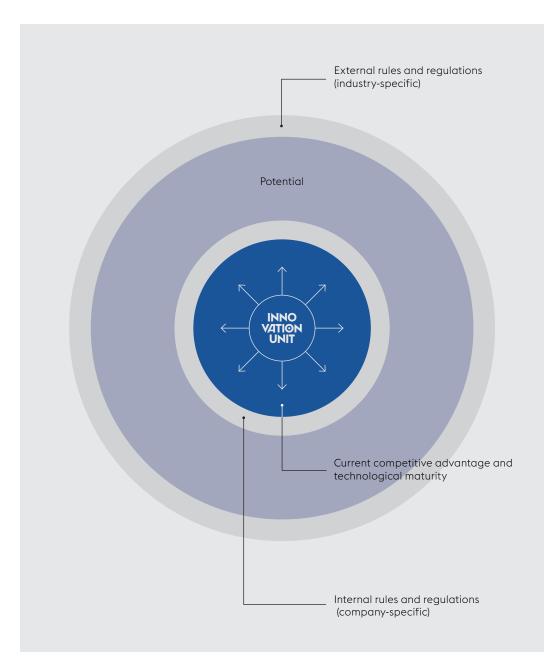
She knew, of course, that this is just something you have to deal with when you work with innovation and want to change things. And oh - she wanted to change things! Not just pat these people on their backs and salute "the old way" as the company slowly out-manoeuvered itself in the market. She thought to herself, "yelling probably won't do the trick - maybe I should try moving ahead in a more silent manner?" Yes, maybe a little guerilla warfare was what was necessary. You cannot simply play by the rules when you try to change things radically. The only question was: How hard could she push things without going too far?

# oly play dically. It is things

# Leadership reflections

- Where do you see barriers in your organisation in the way of fulfilling your full potential as a company? How could you best challenge it?
- Have you ever used external resources to challenge your organisational habits? What were your experiences with that approach?
- What are your personal barriers that need to be challenged to fulfil the potential of the unit or department you lead or are part of?

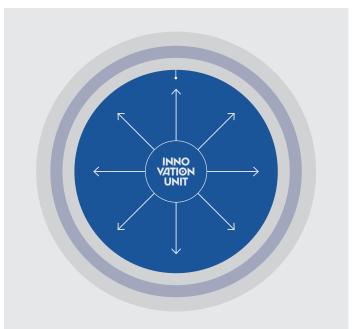
# A LITTLE GUERILLA WARFARE NEVER HURT NOBODY



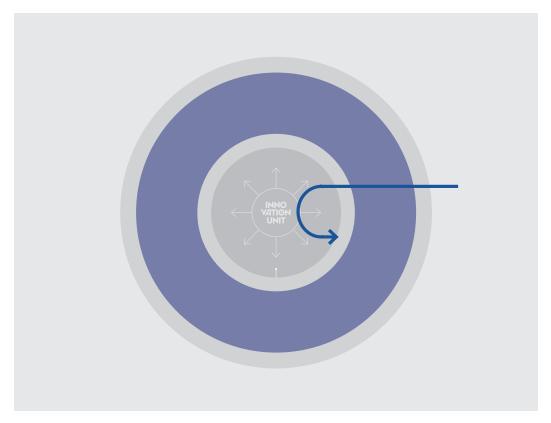
# DEEP DIVE START AN INNOVATION REBELLION FROM WITHIN

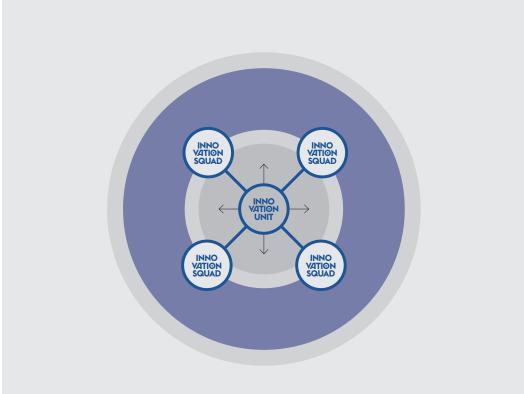
Companies can be "locked-in" by internal rules and regulations and a "this is the way we have always done things"-mentality. To break free and get closer to the outer circle of the competitive edge and technological frontier, they need a little "guerilla warfare" – rebellious behaviour that pushes the boundaries. We identified two approaches for how innovation leads utilize guerilla warfare to bend and break internal rules to get closer to the outer circle.

The goal is to exploit the potential within industry-specific restrictions and barriers









# Approach 1

# Use external inputs to break through the mould

External pressures, such as digital transformation, COVID-19 or globalisation, challenges companies. External inputs can help look at an old company with new eyes. External stimuli can inspire, motivate or support an innovation rebellion.

# Different kinds of external stimuli

- Look beyond your periphery to find inspiration. As one respondent said: If you look at railroads, you get railroads!
- Hire people with twisted minds: Add a wild flavour to your team, someone who is opposing conformity, who doesn't look like your "regular insurance guy."
- Work with consultants: Consultants can raise issues that are difficult for internal employees to address.
- Co-create with external partners: Through open innovation, you can bring in new ideas and approaches.

# Approach 2

# Create small "innovation squads" to lead the rebellion

Companies can use "innovation squads" to lead the querilla war. By extending the circle of internal rules and regulations, former rebels become good corporate citizens that act within the boundaries.

Some key characteristics of "innovation squads"

- Size: Small teams of fast-moving and well-connected people who can work hands-on with the development process. Often referred to as '2-pizza teams'.
- Temporality: Non-permanent "pop-up" teams for 6-12 months.
- Task: They need to have a specific goal and clearly defined goals and mandate.
- External inputs: Just as with the other approach Get inspired! Hire specific roles, work with consultants or co-create with external partners in these innovation squads.

# READY, SET, GO! IF YOU LOVE IT, CHALLENGE IT!

# Dare to ask the stupid questions $\delta$ map out the grey zones

In companies, there are usually internal rules and regulations that are company-specific and set by habit, HR, legal or compliance departments.

You can map these 'rules, regulations, habits and routines' in order to predict when and how your suggestions of change and new products will hit an internal wall. But be mindful not to challenge the internal boundaries and barriers more often than you need to. They usually uphold the stability, security and predictability that has led to the company's success so far and making too much fuss may even cause a strengthening of them. Your job is to, respectfully and with love, point to places in which these internal rules and regulations are barriers to further development and prosperity.

# Seek out *unusual suspects*, δ invite them in

If you have been part of your organisation for several years, you might have been brought up within the same imaginary boundaries. To make sure you see the potentials, challenges and grey zones without your own bias, invite external eyes with industry knowledge, different backgrounds or different methods to have a look at your work. To do so, make sure to research and map key voices in not only your own field but also adjacent fields - and sometimes completely off-beat fields - to create a repository of quirky minds you can reach out to when needed. Even better, create personal relations with such people by seeking them out in online communities and networks and approaching thought leaders and maybe even practitioners that could be considered your competitors, for example.

You might need to expose sensitive material and insight, so make sure to take precautions like NDAs etc., if needed.

Use the input from externals to challenge your colleagues and management when you need to propose new ideas that could be stalled due to internal boundaries and norms.

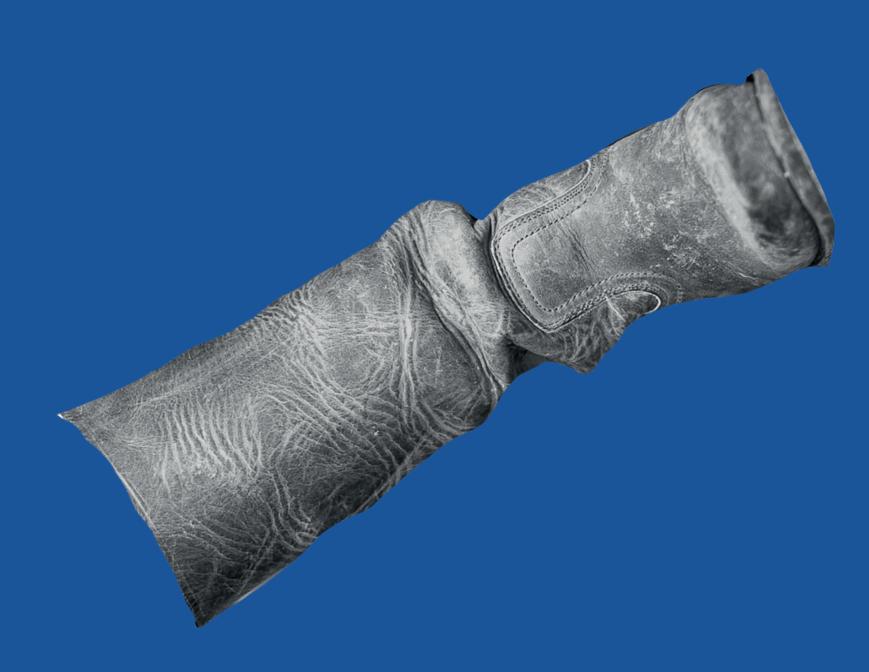
# Form autonomous squad teams

In some companies, the potential for innovation lies exactly where internal cultural boundaries are to be found. In that case, it could be an idea to break your innovation department into two: one part acting as a more subtle innovation unit and the other as a boundary-seeking/challenging squad. The squad should be given complete freedom to roam around the company to talk to, work with and observe departments, units, teams and individuals. They should report back to you with insights that you translate into innovation projects and initiatives that can transform or inspire new ways of working.



# Pro tip

Depending on your organisation's innovation maturity, you could consider training regular business units to be aware of the boundaries they put up for themselves in order to challenge them locally and develop more efficient ways of working. But remember that challenging for the sole sake of challenging is not innovation! Innovation is when changing the existing leads to valuable improvements.





"Welcome to the jungle", 'The Agile Adventurer' thought to herself as she listened to her colleagues from the business unit engage in spirited discussions about their new idea. Dragging them into this process had been hard work! She had been trying to approach them in many ways - some very direct, others more subtle - in order to force them to wrap their minds around this thing in a different wav.

"It won't work", "this stuff is too complicated", "we still need a bit more research" had been some of their answers to her invitation. They had such a hard time seeing their next step in this. Now they were finally there, and it was evident that they were extremely excited about their idea and how she forced them to approach it, but also that trying to flesh it out was super complicated. But not impossible. And they could see that now. They just needed to feel safe.

"This is exactly what someone in my position needs to do," she continued in her inner monologue. "My role is to set the stage to get the creative juices flowing, but also to offer a set of boundaries, some tools and a platform to do it on. They need to feel safe and supported even when they are going into deep waters."

Now she just had to get them out of the jungle just as safely and then her job would be done for now. She smiled. This was exactly what her role was all about.





# Leadership reflections

• What is that you do right, when you succeed in having your colleagues commit to ideas and processes that are unfamiliar to them?

 What are you most known for in your organisation? Being someone who leads the way of innovation or the one supporting others to innovate themselves? From your perspective, how are these two kinds of leadership different from each other?

• What kind of leadership is most important in your organisation? The one that helps employees to make better decisions? Or the one that helps employees to explore unknown possibilities and directions?

# WELCOME TO THE JUNGLE



# Detector

Identify barriers for innovation in your organisation and overcome the resistance.

# Sponge

Learn from collaborations with external partners and start-ups and open up the innovation process.

# Glasshouse

Make innovation processes transparent and tangible by inviting clients, partners and staff to participate.

# Scout

Scout for new technologies and trends that may have an impact on the company.

# Runway

Create a playing field for employees to perform their absolute best.

# Tailor

Test and customize new methods and technologies to secure the best to the specific corporate context.

# Gym

ANALYTIC

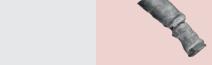
Train employees in innovation methods and technologies.

# Enabler

Support the work of the business units by initiating co-creation processes with external partners - opening up the innovation process.

# ONE UNIT - A MULTITUDE OF FUNCTIONS TO PLAY

An innovation unit can play multiple functions in the overall corporate innovation process. But it is important to understand the distinction between direct and indirect roles - between leading the way and supporting the way. An innovation unit often has tangible functions like generating ideas and creating prototypes, customizing design methods or training employees. At the same time, innovation units can have several intangible functions, such as improving a company's reputation or giving designers, programmers or innovators a sense of "home".





# DIRECT





# INDIRECT

# Launchpad

Explore territory that has not been visited before and look beyond the immediate frontier and further into the future.

# Temple

Inspire the many and change peoples' mindset. Removing the employees' "mind cuffs".

# Slingshot

Become a dynamic unit that can accelerate digital innovation and design thinking in specific domains.

# **Builder**

Become a high-impact unit by doing hands-on work that moves beyond being slide monkeys.

# Duster

Portray the company as innovative and lean to improve its image and positioning in talent recruiting.

# Booster

Give your organisation an innovation boost by manifesting the innovation work in some form like setting up a lab.

# Compass

Be a driving force and show the way for innovation in your company and industry.

# Benchmarker

Increase the overall innovation height in the company and build innovation into the walls.

# Home

**EXPLORATIVE** 

Become a home for quirky people with a different perspective and background than other staff.

# READY, SET, GO! KNOW YOUR FUNCTIONS

# **Make function descriptions**

Spend time considering the different functions your unit has. No functions are too small, nor too big. Get them all noted down. Map them out to see if you mainly take on direct (leading the way) or indirect (supporting the way) functions. What does that say about your work and position? Making this map and making sure to revisit it once in a while make it easier for you to consider and plan the skills and resources needed to do the work you set out to do. Furthermore, it serves as a great foundation for conversations with the top management team about your work.

# Be both the lighthouse & the tugboat

You cannot just be the innovative lighthouse that stands in solitude for others to steer after or the tugboat breaking through the ice and dragging all of the core business along. You need to be both. Balanced and equally ambitious. Focusing solely on one side (indirect/ direct or analytic/ explorative) could have detrimental effects on your unit's team and the core business staff. Start a conversation within your team and with your leaders about your positioning the unit through several roles across both direct and indirect and analytic. A successful innovation unit both shows the way and leads the way. Depending on culture, timing and resources, you need to be able to deploy both approaches.

# Play a role in the culture of the company

Part of your job as a unit of innovation, explicit or not, is to help your organisation develop and change. Your work will affect the culture of the business, no matter if you develop new products that go to market or new ways of working internally. Embrace this and make sure to share and diffuse the capabilities, insights and new perspectives you uncover. Three things to remember:

- First, make sure that cultural change is part of your mandate – if not, make sure that you are recognised for the extra hours you put into it.
- Second, cultural change takes time.
- And third, use the time it takes to reposition your unit.
   If the organisation absorbs your once unique skills, you become, or better, you make yourself dispensable.
   Find a new focus that is relevant to the organisation and challenges the new status quo this way you become the beginning of a new life cycle for innovation in the organisation.



# Pro tip

Find a new, distinct composition of roles. You can use the fact that there are multiple roles for an innovation unit in your favour! Innovation units are temporary, that means there is a risk that sooner or later your unit will be closed down, even if you are successful. So see if you can "reinvent" your unit by finding a new role – or a new composition of direct and indirect roles.

# POSITION OF YOUR INNOVATION WAS VERSIFY THE





It was great seeing the front page of the paper. 'The Lab Rat' was happy. She had worked so hard for this. At times she had almost given up. But here she was, and her idea was not only out there on the market but making headlines. "Digital disruption of the year", "How one of Europe's oldest companies is leading digital transformation" and so on.

It had been a rough start. She had been forced to expose herself much more than she was accustomed to. Yet, she knew that she had to take this first stretch as a frontrunner for management to move their gaze up from their "business as usual" playbook and give into her idea.

So, naturally, she felt a bit dejected by the fact that it was 'The CEO' they all quoted, not her. But she reminded herself that this was part of her plan and that none of this could've possibly happened if it wasn't for her explicit strategy and years of hard work to make sure that ownership was placed firmly in top management. It was her time to take to the shadows and let top management get their shine.

In many ways, she saw herself as a diplomat. "Mission accomplished," she thought to herself, smiling as she made a gesture as if pulling strings.





# Leadership reflections

- Have you tried making radical pivots with your innovation unit? If not, do you feel ready to try one? What would be needed to do so?
- How do you feel about doing the legwork and letting others tell the story and potentially get to enjoy the spotlight? Could it radically change your innovation unit's ability to have an impact?
- What are your current opportunities to pull strings to create the desired outcome? Do you have the necessary setup in place?

# PULLING THE STRINGS



# ← Conveyor Promoter →

processes and become a sought after innovation in the company unit for visionary projects

Democratize innovation Create renewed enthusiasm for corporate

# Welcome internal interest

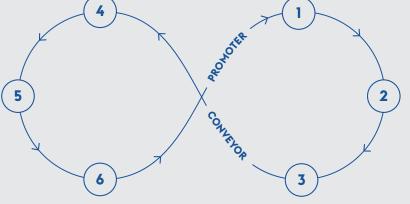
Let the people and projects come to you. Guide, coach and help out colleagues around the organisation. Make sure to engage yourself in the most promising projects.

# **Identify strategic** promoters of innovation

Take a tour around the organisation and identify individuals who align with your vision and approach to innovation.

# Be explicit about your goals

Make sure to build an understanding among the projects and colleagues you work with that you are also doing it to realize your own vision and goals.



# 2. **Create fast** δ tangible results

Detect a complex problem in the organisation and come up with appealing prototypes and concepts showing that you can develop value-adding solutions.

# Define new flagship projects

Keep an eye out for 'runways' that can accommodate and host your prestigious projects. It can be business units that have specific problems you can solve, a strategic nut to crack within a certain management group, etc.

# Let others tell the story

Make the promoters tell your story bluntly and emphasize the value-adding potential your innovation unit can create for the organisation.

# DEEP DIVE **BEWARE OF YOUR** LEADERSHIP LOOPS

Your role as a leader of innovation is never a stable or fixed one. Neither should the positioning of your innovation unit be. You need to be able to change your approach, attitude or even leadership practice as the tide of the company turns. Because of this, it can be hard to find your place and role within a traditional company structure. For many, a certain degree of professional loneliness in their job and role as an innovation leader is a well-known feeling. This makes sense because you represent 'the business as unusual' to the 'business as usual' part of the company and impose 'business as usual' onto your team trying to develop' business as unusual'. Phew! That was a tongue twister - much like the feeling of being an innovation lead.

A way to position yourself could be to embrace the fact that you fulfil different roles at different times and need to create your own 'loop of roles'. Sometimes, you will have several such loops happening at once, but try to envision and even plan your different loops. This can end up securing you a sweet position "in the curve" and help you achieve greater control of your role, position and wiggle room as a leader.

# READY, SET, GO! EMBRACE YOUR POSITION

# Look at your position, more than anything else, as a broker between the old and the new

Get used to being caught in the middle of contradicting interest, agendas and mindsets. This is the true job of an innovation lead: To mediate between the old and new, between consolidation and disruption.

Make sure you have plenty of time in your schedule to focus on these, sometimes subtle, differences between business as usual and business as unusual, and pick up on and develop your personal strategies, approaches and tricks in order to learn, exchange and build on not only your own experience, results and mindsets but also from others on your team (and beyond). Make sure to look back on it at regular intervals; then, you will experience how your broker skills develop over time.

# Make your positions explicit

If you are not explicit and clear about the different positions, you take in different situations, challenges and context, some of your staff and colleagues might get confused and insecure around you. Be over-explanatory to those you depend upon - really get them to understand why you do what you do.

Or even better, write down the characteristics, approaches and motivations of each of the positions you take and show them - tell about them.

This will not just help your staff and management colleagues understand your job better. It will also give you a chance to understand better, evaluate and develop the roles you play out in your job. New positions might appear over time, and by keeping track of these, you also become aware of which you should continue in and which you could pass on to others or simply throw out.

# Have people follow you

A stereotypical understanding and depiction of a leader is someone who can engage the employees through inspiring pep talks and visionary keynotes. This ability is important, but good leaders are also those who quietly but with authenticity get their employees to follow them, listen to them, and welcome guidance and opinions as important and relevant input in doing their jobs even better. You will eventually find yourself in situations where you need to step up on the soapbox and tell the engaging story of the future you are trying to create for the company. And you will also find yourself in situations where you need to build a tight, authentic and highly motivated community around you. Being at the centre of a genuine community of innovators will demand a more subtle way of conveying your vision. If you do not feel comfortable about both approaches, go find occasions to train the one you feel uncomfortable with.

You can look into the practice of the best public speakers or strongest community builders of history. Learn from their approaches and their toolbox and find your personal and authentic way of creating a fellowship of visionaries and decision-makers listening to your vision.



# Pro tip

Watch out for your success. When you succeed in your role as a leader, you will quickly have more of a say in higher company levels. If you get too detached from the actual work of innovation and too tangled up in company politics, you will lose grip on moving the company forward. In this context, growing as a leader does not mean you get closer to the board room. It means you can handle a broader and more complex combination of roles.

# ONGANISATION ONGANISATION





'The Agile Adventurer' smiled a victorious but also grateful smile. It had worked. For the first time, one of her team's radical ideas had not only been received positively by the business unit; the CEO and his team were presenting it to the board as if they had created it themselves!

This was the bit that she was not so fond of. But contrasting it with the risk she took on this one then maybe it was OK to give up a little shine this time.

She thought of the summer gone by when they had tested it with an external panel - including one of their

big competitors. It had been a rugged, trimmed down version, but nonetheless, it had proven the concept. And where the CEO before never returned her calls, he sure did when she mentioned who was interested in the tested prototype and was talking to investors already.

It had been a bold move. But the fact was simple - it worked! "This is how you do it," she thought and looked at the pipeline and smiled again. This was only the beginning...



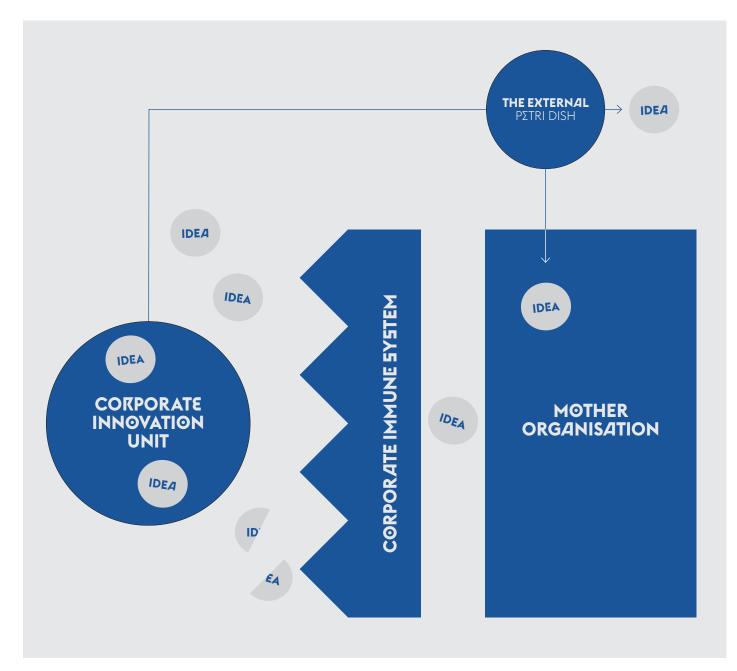


### Leadership reflections

- What would happen to your best current business idea outside the company for testing and maturation? Do you have network contacts who could help you?
- What reaction would your organisation have? Outrage, indifference, competitiveness? Could you use this as an advantage to kick the bucket?
- If you were to have a place outside of the company where your ideas could mature and be tested, how would this 'place' look like?

# OUR COMPETITOR WAS READY TO BUY THE IDEA





## DEEP DIVE BYPASS THE CORPORATE IMMUNE SYSTEM

Corporate innovation units come up with many, potentially, game-changing ideas. But when it comes to implementation, they often hit a wall of rejection and delay: the corporate immune system. A corporate immune system is there for a reason: to protect the stability and efficiency of the existing operations. But it also delays and, in some cases, even kills off ideas that would benefit the company in the long run.

A strategy is to bypass this immune system by directing their ideas into spin-outs or getting external feedback instead of trying to penetrate and fight the immune system head-on. In a way, you could say that by doing this, you mature the ideas in an artificial environment, like you would in a petri dish in a lab.

### External environment to mature idea (the 'petri dish')

When you place an idea in an external environment for maturation, it is important to set things up so that you remain in charge of the idea in order to be able to pull it back into your organisation later on. Also, if you cannot find a suitable environment, you should consider creating it yourself. Maybe as a startup, that can later be integrated or further spun out of the company.

## **READY, SET, GO!**NURTUKE YOUR IDEAS BY SETTING THEM FREΣ

### Create a playing field outside the organisation

Usually, as an innovation lead, you will quickly figure out that the ability and desire to take risks and implement early ideas of innovation may be rather limited in an established company. Sometimes this self-preserving nature of bigger organisations kills groundbreaking ideas before they even hit the desk of the appropriate decision-maker. That is why it is important that you build yourself a playing field outside the organisation. This will enable you to keep up with and keep in contact with the most innovative and progressive actors in the industry ecosystem that your company is part of. It can be startup communities, competitors and their innovation teams, media, educational institutions etc. It is up to you to know or explore whom to engage when you need external evaluation, feedback or collaboration on your projects. You might even use outsiders as testbeds for maturing your initial ideas by giving them access, co-ownership and potential partnerships around new products for instance.

### Make an internal incubator for good ideas

A well-known model for detaching the maturation of new ideas from the everyday business of corporates is to make a programme for employees, where they can use a certain percentage of their time developing and maturing an idea. An idea that can either result in a spin-out or a direct implementation into the company. It can either take on the form of an incubator or be a challenge format which is also a popular way to promote innovation among staff. Either way, you should find a process that fits your culture and company the best for submitting, evaluating and awarding the best ideas to work with and move forward.

A side effect of setting up a programme like this is that you, as a company and workplace, will encourage employees across the organisation to look for potential innovations. And you might uncover talents of innovation and creativity in places where you would never think they existed. Yet, a programme like this will only work if it is planned, processed and well-fitted with both your mandate as an innovation unit and the corporate vision.

### Create a procedure for spin-outs

If you do not already have a procedure for creating successful spin-outs in your organisation, maybe now is the time to start building that? Some of the ideas that your unit produces may not fit into the organisation at this moment in time and might be better off living by themselves outside the organisation. Maybe you have colleagues or employees that wish to follow an idea or concept as a startup that would otherwise just have died in someone's drawer - why not let them do that? But this is just one way of doing it. There are several and which one is the right one all depends on the circumstances of your company.



Business-critical information may make it hard to adopt the method of maturing ideas outside the organisation. Thus, it may be guite a radical measure to take in order to convince internal stakeholders that the idea is worth pursuing. However, using external communication for internal purposes is also a way of using the external environment as a testbed and an amplifier that can showcase the potential of an idea. Seeing the interest black on white - or likes on LinkedIn - makes it harder for the stakeholders to discard it as superfluous or irrelevant.

# FOR YOUR IDEA





"It's dead... It's dead in the water, and there's nothing we can do about it!" 'The Innovation Guru' said with a sigh. She sat with her team and looked at what was once - or still was - a killer product idea and prototype.

Everyone looked at each other in silence as they thought about the massive sunk cost. They had really prioritized this one, and it had been a drop-dead beautiful innovation process where all their different skills and their knowledge had been orchestrated to perfection. The kind of development process they had talked about so many times as utopian: How great it would be to set just the right team for the job for once, instead of letting busy schedules dictate who could join.

But now they realized: It was not the right team after all. One team member had been left out in the heat of the action. The director of the business unit they worked with had only followed the process on the side and let his employees participate, but he had not been brought onboard himself until it was too late. As a direct result, he had not felt the urge to sponsor the idea - to make the adoption. This meant there was no business unit in support of the product. The idea had been orphaned.

"From now on," 'The Innovation Guru' said firmly while leaving the room. "The godparent is the first team member to be brought onboard for each problem we're trying to solve. Okay?"



### Leadership reflections

- Can you identify one or more good candidates for the godparent role in your organisation?
- Do you have a full overview of the value chain for ideas in your organisation? If not, what are the blind spots, and how can you remove them?
- What would be a good tactic for getting each of the godparents on board with you?

# SETTING IDEAS UP FOR ADOPTION

# DEEP DIVE SET UP YOUR INNOVATION UNIT SO IT HAS TENTACLES INTO THE MAIN ORGANISATION

Way too often, good efforts to turn ideas into viable products and services or other impactful deliveries are left stranded because of disconnects between those who develop the idea and those who have the mandate to implement them. As a result, innovation leads tend to focus on the alignment between their unit and the rest of the organization, which of course, is relevant. But it is not necessarily the only way to overcome this problem: In fact, addressing the way ideas are owned may be an easier route. Some innovation leads create a new informal role called "idea godparent" to ensure that ideas are adopted, in a metaphorical sense, at the very beginning of the development cycle by those who can implement them - ie. business units. Such godparents take on a key role - if not the key role - in the idea and innovation ecosystem that makes up the internal factory of innovation. In a way, you can say that they build a tunnel from the factory to the core in order to ensure the path is cleared for implementation.

### READY, SET, GO! ESCORT YOUR IDEAS & CONCEPTS

### Try taking your own medicine

One of the key tools of an innovation unit is an idea roadmap or pipeline. You are probably already an expert in user road mapping, blueprints and the like but have you considered making one for the journey of your work throughout the organisation?

- Who is involved in which phases, and what kind of pains and pain relievers do you see for different internal and external stakeholders of the successful implementation of your ideas?
- Are there activities you need to put in place or, maybe even more importantly, are there people you need to build a relationship to and engage in the journey of your work through the organisation?
- Maybe there are phases in which you do not have control or access?
- Who needs to be on board?

Use the roadmap or journey mapping as a template for planning every project and stay proactive when setting the team - making sure to get the right people on board before you need them.

### Find the right godparent

As an innovation lead, you will find that a great deal of your work is about finding the right godparent to take care of your ideas or concepts when they leave your hands. This is not always easy. So you better consider in due time who could be a potential godparent for your next project. Generally speaking, it should be a well-established colleague of certain seniority who can pursue an idea for more than a product generation and is likely to stay within the company for several years (withstanding the natural churn). Questions that may guide you are:

- Who could be a good facilitator or sponsor of our ideas?
- Does he/she have the necessary background to grasp the idea fully?
- Does he/she have the right position in the company to open doors?

Typically, the idea godfather is at the (senior) director or vice president level. And remember, it is possible to make opponents godparents - that way, you silence the critics.

### Watch out for favours and focus your energy on creating ownership

The success of your work will undeniably be very dependent on how well you involve and engage decision-makers of the organisation. There are different ways of ensuring that engagement. Without a doubt, you probably already have a strategy for how to do it. Yet, we would encourage you to think twice about your engagement strategy. Often it comes down to politics, where a favour of supporting an idea needs to get paid back in the form of another favour. Be aware of this strategy since it may leave you locked in at some point to go against your beliefs and visions in order to pay back someone who did you a favour. Instead, try going for engagement over the long haul and get senior managers, decisionmakers and other relevant colleagues involved in your projects at a very early stage. Let them have a direct influence already in the ideation phase. Let your team know that even though they think it is too early to let them into the process, it is done to ensure support later on. If you succeed in having them join the project early on, you give them a sense of ownership and psychological investment that they need to protect it later on. Not because they are doing you a favour, but because they are protecting their own investment in the project.



Talking about an idea, as an individual that can be "abandoned" or "orphaned" and that godparents can take care of, helps show the value of a big idea. Every potential solution to a problem is potentially worth a lot, so do not let good ideas end up in a scrapyard.



APPENDIX
METHOD
PARTICIPANT9
RESOURCES
& FURTHER READING

This publication has been made using an experimental approach which we call "peer-to-peer based interviewing". Specifically, we have facilitated a wide range of open and honest 1:1 conversations between executives on the very forefront of corporate innovation: Namely, 12 leading executives in dedicated innovation units (as often referred to in the past as x-labs, corporate garages, etc.) in Denmark and Japan as well as in larger roundtable-conversations with everyone gathered for a conversation with external voices from the frontlines of innovation and academia see participant list elsewhere in this publication.

In the 1:1 conversations, the executives were paired together based on their response to a detailed survey in which they had expressed their interest across a spectrum of pre-defined themes (which was originally crowd-sourced in a network hosted by the Danish Design Centre for innovation unit leads called the X-Lab Community). Once paired with each other, based on such alignment, they each had 2-3 conversations of two hours together in a deep conversation facilitated by the Danish Design Centre.

While originally intended to be physical meetings on location in all the companies, the conversations took place virtually, given the forced context of the COVID-19 pandemic. They followed a very open-ended yet carefully designed process outlined in a "conversation" menu."

The conversations were subsequently carefully dissected, mapped and cross-analysed in collaboration with Matthias Trischler, a PhD student from the Danish University of Technology (DTU), for the revealing of the emergent patterns that form the insights provided here. This written output has, furthermore, accompanied by a masterclass format held by the Danish Design Centre. These masterclasses allowed the innovation leads to expose the findings and learnings to a wider audience in their innovation units and top management levels of the mother organisation.

Since much of the content in this publication described intricate and otherwise private reflections from the participants, the entire process has followed the Chatham House Rule. Under this principle, anyone who has taken part is free to use information from the discussion but not allowed to reveal who made any comment. It is designed to increase the openness of discussion.



# AS ANY OTHER GREAT MEAL, THE CONVERSATION MENLI HAD THREE COURSES

- A starter, in which the two executives got to know each other and introduced their companies in general, their innovation unit/team in particular and finally, and perhaps most importantly, their personal leadership style and personal touch on the role.
- This paved the way for the main course, in which the
  two were presented with suggested conversation
  topics derived from the three themes that they had
  both expressed interest in: These were concrete
  questions, but the executives were free to digress in
  any direction they desired.
- Finally, the dessert included two small activities:
   Firstly, they were presented with a question
   formulated by two other peers in the previous
   conversation. This was passed on like a baton for
   them to discuss. Secondly, they were tasked with
   formulating a question to send on to the next
   conversation: A question which either summarized
   their most interesting part from the conversation
   they had just had with each other or addressed a
   pressing issue that they did not have time to cover
   themselves.



## THE **COMPANIES**

		Tryg S		<b>O</b> rsted	DSR
	Danske Spil	11 75 5	L E O	Orsted	DSB
Mother organsiation	Danske Spil Provides lotteries, gaming and gambling experien- ces for the citizens of Denmark by the authority of the Danish state.	Tryg A/S is a Scandinavian insurance company present in Denmark, Norway and Sweden.	LEO Pharma A/S is a multina- tional Danish pharmaceutical company, founded in 1908, with a presence in about 100 countries.	Ørsted A/S is a Danish multinational power company particular known for its work on transitioning to green energy.	DSB is the largest Danish train operating company and the largest in Scandinavia.
Size of organisation	450	4000	6000	6800	6819
Name of innovation unit	Danske Spil Digital Lab	New Business δ Customer Innovation	LEO Innovation Lab	Ørsted	DSB Digital Labs
Size of unit	2	17	81	6	24
Purpose of innovation unit	Innovating not only our products and services but also our ways of working introducing Design Thinking and Lean corporate start-up mindset	Creating growth through explorative and user-driven development	Innovation to improve the lives of people living with a chronic skin condition	Build and operate design thinking to support the digital transformation of Ørsted	To unleash DSB's innovative potential through digital products and services that lead DSB towards a sustainable future
Units integration with main organisation					

## THE **COMPANIES**

		DNP	NRI	■ KM⊃	Empowering your future
	KONICA MINOLTA	Ditti	1431		◆ SUMITOMO LIFE
Mother organsiation	Konica Minolta Co., Ltd. is a Japanese multinational techno- logy company with offices in 49 countries worldwide.	Dai Nippon Printing Co.,Ltd (DNP) is a Japanese printing company working in three areas: information communications, lifestyle and industrial supplies, and electronics.	Nomura Research Institute, Ltd. is the largest economic research and consulting firm in Japan.	KMD develops IT solutions for Danish municipalities, govern- ment and others, as well as some branches of the army.	Sumitomo Life Insurance Company is a mutual life insurance company in Japan.
Size of organisation	43961	38051	6000	3500	42900
Name of innovation unit	DX transform function	Information Innovation Operations	NRI digital, Ltd., Corporate Innovation Consulting Department	KMD / Charlie Tango	Digital Innovation Promotion Office, New Business Planning Department
Size of unit	100	9916	30	70	32
Purpose of innovation unit	To Improve business efficiency by promoting DX (digital transformation) andproposing new value for customers.	To be a partner of our clients in bridging the real and the virtual space to provide efficient and valuable customer experiences.	To create new business opportunities from customer needs and alternative business models for our company.	To help Brands transform through coherent customer experiences, by combining strategy, creativity, and technology.	To develop new services and products focusing on a 360 degree view on customers life using data and knowledge.
Units integration with main organisation					

Appendix

"In large corporations consistent focus on not only innovation itself but also on how you work with innovation is vital to mitigate the risk of ultimately becoming irrelevant in the marketplace."

LINE GHISLER Director of Digital Sales, Danske Spil

**ANNE FLEISCHER** 

CEO, Leo Innovation Lab

"Working across diverse interests to create holistic long term value, we are able to prove the results along the way. Combining strategy with actual DOING"

**JANE KAASGAARD** Vice President, New Business & Customer Innovation, Tryg

"Challenge status quo, "Main driver is the curiosity of how to create cultures Create exponential that are capable of improvement, not to scale current (business) model." succeeding with repeated breakthrough innovation."

MICHAEL MCKAY

Head of Design Thinking

δ UX, Ørsted

"Make a difference for society."



"Our future is characterized by both transformational opportunities, and existential challenges."

YUKIHIRO IMAIZUMI **Business Process** Transformation Division Senior Manager



**CLARISSA LEON** 

Head of Digital, DSB

YOSHIKI NUMANO Senior Corporate Officer δ General Manager, Dai Nippon Printing Co.



"We create value by leveraging the rich resources of large organisations."

**JURI YANAGISAWA** Senior Consultant. Nomura Research Institute



"I think that the ability to reinvent yourself while maintaining your core, is key to survival of almost every company."



"Maximisation of customer experience is what we want to achieve. To do so, we'll need to continue to transform digitally and integrate digital and human elements to create new products and services."

**TORU SHIOMITSU** Managing Executive Officer

Chief Digital

Officer, KM

"Customer connections and technology assets are big advantages in creating an innovative edge."



"I am concerned about the decline of existing businesses."

**TAKESHI ARIHARA** Business Consultant. Nomura Research Institute



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## WANT TO DIVE DEEPER? KESOURCES & FURTHER KEADING

Hopefully, reading the above made you thirsty for more, so below we have collected some resources for you to dig even deeper into. The resources below have not directly influenced the study, but since both the participating leaders and the staff who has crunched, analysed and written the report know about most of this material, the ideas and theories shine through the material.

We have identified 3 tool-collections we think are particularly interesting for you to know about:

### Accessible and proven tools

A smaller, but to the point collection of tools for all phases of the design process.

Danish Design Centre Toolbox

### Comprehensive collection of tools for change

These tools are both good for quick plug-and-play use and inspiration to develop your own custom tools for changing business model, products, strategy etc.

Board of Innovation Toolbox

### Find a canvas that fits your needs

More than 100 different canvases helping you expanding insights and the work of strategic business development

Wedesignthinking δ Canvas Generation The open Visual Design Thinking Library

### Be tactical about co-designing

Focusing on tools and process phases that brings partners together, this tool collection is useful for just about anyone involving partners, costumers, users or colleagues in co-creation.

MIT D-lab & SEED P.ACT: Partnership Co-Design Toolkit



If you are looking for some in depth reading, we would recommend you getting your hands on these books:

Prahalad & Krishnan

The New Age of Innovation

Kotter, John
Accelerate (XLR8)

Hassan, Zaid
The Social Labs Revolution

Hamel, Gary
The Future of Management

### WANT TO DIVE DEEPER? RESOURCES & FURTHER READING

There are tons of interesting articles out there about corporate innovation, innovation labs and design. Below we have put together a collection we think you might find interesting to dig into:

Navigating opportunities for innovation and entrepreneurship under COVID-19

California Management Review (berkeley.edu)

Satell, Greg

Four Ways to Build an Innovative Team, HBR

Bason, Christian and Austin, Robert (2019) The Right Way to Lead Design Thinking,

HBR

Jürgen Stetter

Four Ways to Get Your Innovation Unit to Work

MIT Sloan Management Review

Trompenaars, F. & Wooliams, P. (2003)

A new framework for managing change across cultures.

Journal of Change Management

Ahuja, S. B. (2019)

Why Innovation Labs Fail, and How to Ensure Yours Doesn't.

Harvard Business Review

Fecher et al. (2020):

Innovation Labs from a Participants' Perspective.

Journal of Business Research.

Petry, T. (2018):

Digital Leadership.

Book Chapter in: Knowledge Management in Digital Change;

K North et al (eds.)