

# VIEWPOINTS ON INNOVATION



VIEWPOINTS ON **ORGANIZATIONAL CHANGE MANAGEMENT**  
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IN THIS ISSUE:

## Organizational Change Management

### Transform Innovation with

### Organizational Change Management.....3

▶ Organizational Change Management  
Designing Change that Sticks.....4

▶ Organizational Change Management  
Design Change for the Whole Organization.....5

▶ Organizational Change Management  
Sesame Street Simple .....6

### Accountability Supports Sustainable Innovation.....7

### March Madness Teams That Win in Innovation .....8

### Five Tips for Successful

### Adoption of a P&PM System.....9



# Transform Innovation with Organizational Change Management

Delivering breakthrough results from innovation is a journey - it's a transformation. And like all transformations, bringing your organization along for the journey isn't easy. In fact, many companies never get their associates on board for large scale changes; they set their sails for some far away innovation goal but forget to bring along the people who actually have to do the work.

To make this journey successful - or any journey for that matter - you need three things:

1. **Clarity** - understand how you are doing on the metrics that matter and acting to drive results
2. **Learning** - access lessons from previous successes/failures and let this knowledge guide your path forward
3. **Change** - set a strategic vision, clearly show a path forward and bring people along for the journey

When most people think of managing change, they think: Oh, that's easy! All I need to do is communicate the change, find champions and keep resistors at bay. This shouldn't be all that difficult.

Then they have some extra meetings, send a ton of emails, ask people to champion the initiative and call it a day.

Yes, these are all important components of change management, but they're still missing the point. They are ignoring a fundamental, universal truth:

## All organizations are perfectly designed to get the results they get

If you don't change the underlying culture of your organization - the way people actually behave and the way work gets done - the change will never sustain itself.

Your people act the way they do because your organization is set up in a manner that allows them to do so. These behaviors in turn drive your in-market results.

Strategy is what you do, not what is written on paper. When managing change, you can send emails, get executive sponsorship and council resistors until you are blue in the face. But this won't have much of an effect.

For the change to stick, you must understand why your employees are behaving the way they do and address the core organizational elements that impact culture. Otherwise, people will shift back to the way they have always done things.

Don't set sail toward your innovation goal without your people onboard. Your brilliant strategy, consumer insight, capability or information system will be a beautiful ship, ready to conquer the marketplace with no one to man it. Instead, design your transformation to change the behaviors that ultimately drive results.



# Organizational Change Management Designing Change that Sticks

Often, seemingly well-planned organizational change initiatives fail. So what gives? We believe that all organizations are designed to get the results they get and that everything you do as a company leads to what you get in market.

This series on **Organizational Change Management** discusses the importance



of understanding why are you getting the results you're getting, planning how you're going to **design** the components of change and then getting specific on what you're going to do to empower your organization to **align and adopt** the initiative.

# Organizational Change Management Design Change for the Whole Organization

Focus on all areas of your business to drive  
drastically different results in-market



When thinking about organizational change, avoid a myopic focus on one area of your business. To drive drastically improved in-market results, look holistically across all areas of your organization for clarity and insight.



# Organizational Change Management Sesame Street Simple

Organizational Change Management is a complex journey - but when it comes down to communicating direction, it's important to keep things Sesame Street simple so everyone is clear on their part in the larger initiative.



# Accountability Supports Sustainable Innovation

Without risk there can be no innovation, but what happens when success is finally achieved? In order for innovation to be sustainable it must be driven by a structured management approach that strives for accountability, invention, and re-invention.

Back in December, Innovation Enterprise held a Chief Innovation Officer Summit in New York City. One of the best discussions was by Naomi Fried of Boston Children's Hospital. Ideation is not innovation, she said. It's true.

It is not enough to rely on each innovation team or group to effectively execute every idea that is put through the pipeline. Accountability is imperative. Members of a corporate team need to feel responsible for their work – to meet deadlines and to deliver what was agreed upon.

Holding others accountable begins with clear communication of what is expected of them. To

promote this point, put it in writing. By putting expectations to pen and paper, you ensure that everyone is on the same page and that your team is given the freedom to work towards their goals with confidence.

In order to promote accountability it is also important to have a dedicated team that can fully vet and execute those ideas. Ultimately the decision must be made as to whether or not the idea moves forward, and your team must be given both ownership and accountability to make that call. Set clear action items, and expect follow through. Engage leadership in the process.

As Ed Hoffman of NASA put it, "if the leadership is not engaged, there is no point". Make sure that your leaders are present and accessible. Meet regularly to identify potential obstacles and opportunities before they become larger issues.

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# March Madness Teams That Win in Innovation

The excitement of March Madness sparks a certain fire in my belly to write about the optimal structure of innovation teams.

Innovation is inherently cross-functional and requires transformational leadership across multiple roles. Working across business units, functions, and geographies is critical to successful innovation projects because it intentionally breaks down organizational silos that hinder collaboration, creativity, and diversity of perspective. Inc. Magazine highlights the benefits of working across business units saying, "Bringing people together from different disciplines can improve problem solving and lead to more thorough decision making."

In the spirit of March Madness, let's think about innovation teams in these terms: The Chief Innovation Officer is the coach who gets the funding, formulates strategy, and creates capability building roadmaps, and the business unit leads are the star players who execute the project and drive home the results. One characteristic of a well-designed team is the presence of an expert in every position. In business, this means a successful innovation team spans organizational boundaries and accounts for every necessary function, thus improving coordination and integration.

Cross-functional teams are composed of members who may have competing loyalties and obligations

within their sub-units, and are usually temporary teams organized for one important purpose. This puts a considerable amount of pressure on the innovation team to reduce the production cycle time in new product development. Effective communication is often reported as the number one barrier to cross-functional team effectiveness, which hammers home the importance of establishing a strong "coach" with exemplary communication skills. Without adequate communication in place, the team will never stand a chance to advance to the "championship game."

No matter what size, type, industry, or location of a company, every organization requires that people work together. It's the Chief Innovation Officer's responsibility to make sure that those teams are structured in the right way to fuel successful execution. Innovation is a deliberate departure from the past; by challenging organizational silos and applying cross-functional team structures, companies everywhere can drive better results from innovation initiatives.



"To improve is to change; to be perfect is to change often." – Winston Churchill

# Five Tips for Successful Adoption of a P&PM System

Change can be difficult. Organizations, like people, are creatures of habit. We tend to stick to paths, plans, and processes that are familiar to us.

Portfolio & Pipeline Management (P&PM) involves driving change throughout an organization. You enable your business with P&PM because you want to manage your new product development process differently, and more efficiently, than you did before.

So, when a well-established business attempts to systematize portfolio and pipeline management by adding the people, processes, and tools necessary for this capability, it's not surprising to encounter strong resistance to change.

Whether it's the entrenched management veteran or the self-described amateur technologist, some individuals within your organization will likely resist your new P&PM initiative and the accompanying software system.

## Here are five tips to drive successful adoption of your P&PM tool:

1. **Start Small** - You don't need to create the entire organizational change by yourself, and you certainly don't need to do it all at once. Begin by establishing P&PM capabilities at a single division or business unit. Once you're successful there, you'll have new advocates to help you transform the rest of the company.
2. **Share Success** - Once you're up and rolling, be sure to share your success and the actual business results with the rest of the organization. If you've proved that P&PM can work, these stories will greatly increase your chances of successful organization-wide adoption.

3. **Simplify the System** - Learning a new software tool, or process can be very difficult. Users expect clean, simple, and easy interfaces, which often aren't the strength of P&PM software. While the capability of the system may be very robust, you should initially only incorporate the functionality that is necessary to accomplish your goals. When it comes to the configuration, easy does it.
4. **Spell out Benefits** - When implementing your new tool, users will immediately ask, "What's in it for me? Why should I be doing this?" It's extremely important to clearly communicate senior leadership's reasoning behind this investment and change. It's not good enough to keep the benefits at the highest levels of the organization. Even the financial analyst that is punching data into the system needs to know why he is doing it and how they're benefiting the business. Spell it out for everyone.
5. **Supply Documentation** - Document everything and make it available to users. Your personnel will change, people will be promoted, and the tool will evolve. Nothing is more powerful in these situations than step-by-step documentation explaining how the tool is used. The software may not be intuitive at first. It's easy to create learning modules with tools like **Office Mix** to ensure that a new user can step in and keep your portfolio process running smoothly.

By following these recommendations, you'll increase buy-in and drive adoption of your new P&PM system and processes. Remember, this one change is part of a much larger **transformation** for your organization; and to change is to improve.

A large group of people, mostly young adults, are arranged in a circular formation, holding hands. They are all wearing red clothing, and the entire image is overlaid with a semi-transparent red filter. The people are in various dynamic poses, suggesting movement or a dance.

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