

Fostering innovation

Research has shown that non-innovative company owners have fewer skills in managing projects and managing people than innovative company owners. How well do you rate yourself in these areas?

Here are some more questions for you to consider:

Attitude to innovation

What is your attitude to innovation in your business? Could you briefly sum up the culture of your business and how it fosters innovation? Now take this a step further. If someone were to ring up your business and ask one of your staff members or associates the same question, would they get the same answer as you've just formulated? In other words, is everyone in your business singing from the same songbook?

The point here is that in truly innovative businesses the lines of communication are truly open. Everyone is very clear about the purpose and direction of the business (the business culture) and the processes that foster innovation and creativity.

Receptiveness to new ideas

How receptive are you to new ideas, especially those ideas that have the potential to radically change the direction of your company? Are you threatened by new ideas, or do you welcome them? Are you more open to new ideas when things are not going well? Do you dismiss ideas ("Too busy") when business is booming?

Do you have a formal process for evaluating new ideas (such as regular team meetings with selected staff members) or do you simply accept or reject ideas on an ad hoc basis?

It's not enough simply to say, "That's a great idea, we should try it!" Too many ideas simply disappear that way because good intentions are not a substitute for action. You need to appoint an 'idea champion' and have in place a system for processing good ideas through to completion, along with action deadlines. In addition, many ideas die because they are not properly resourced. A more formal idea evaluation process will allow you to assess and allocate the resources needed to bring ideas to fruition.

Fostering and rewarding creativity

Can one of your staff come directly to you with an innovative idea, or would they have to go through a supervisor? If so, would the supervisor take the credit for the idea?

Experience has shown that if the supervisor routinely takes the credit for cost-saving or improved productivity ideas suggested by others, this is as good a way as any to shut off the flow of creativity. After all, who would bother to make improvement suggestions if someone else is going to take the credit?

Suppose an employee comes to you and says: "I have a brilliant new idea that will save the business heaps, but it will make my own job redundant."

The first question to ask yourself is this: is this ever likely to happen in your own business? Do your employees have sufficient confidence to do this?

The second question is what would your response be? "Thanks, great idea, here's your redundancy cheque," or: "Thanks great idea. I'll find another role in the business for you because we don't want to lose your creative abilities". Your attitude in this respect - which you convey in your everyday business dealings with your staff- will undoubtedly determine whether a 'great idea' along these lines would ever be put forward to you.

Broadening this concept, what processes do you have in place to encourage a constant flow of improvement suggestions from your staff? Research done ten years ago into more than 500 innovations showed that small incremental innovations contribute significantly to the economic success of a business. The Japanese recognised the power of this decades ago, and their kaizen type continuous improvement programmes produce an astonishing number of ideas per year from each employee.

Interestingly, while American businesses tend to reward cost-saving or innovative ideas with cash rewards, Japanese businesses pay their employees comparatively little for their ideas, and get far more ideas per employee! It seems that the 'culture' of Japanese businesses encourages people to produce innovative ideas because they are motivated to do so.

The question for you is how many ideas have your staff submitted to you over the past month or indeed the past year? And what can you do to encourage a greater flow of creativity from your staff? Do you keep records that you can use as a benchmark to determine if the flow of ideas is increasing or decreasing?

Encouraging failure

Do you punish failure, or do you regard it as an essential part of the learning process?

Here are two quotes for you to consider. The first is from Steve Ross, late CEO of Time Warner: "In this company, you'll be fired for not making quotes."

The second is from author Michael Malone: "Failure is Silicon Valley's No. 1 strength."

The message is clear: if you operate a business where people are not afraid to experiment and perhaps fail, you are more likely to foster a truly creative environment. Fear of failure, however, is a sure way to extinguish creativity.

Innovation processes

Finally, describe all the things you currently do to encourage innovation in your business. For example:

- regular brainstorming sessions with staff
- encouraging staff to feed through ideas
- having in place a continuous improvement type scheme for your products and services, and for your business systems
- delegating staff to research the Internet for a designated number of hours each week
- encouraging fact-finding travel or visits to similar businesses
- encouraging staff to upskill through training programmes
- 'mystery shopping' your opposition for ideas or gaps that you can fill
- thinking about joint ventures with complementary businesses
- working on new ways to improve your business systems
- exploring greater use of the Internet and e-commerce possibilities
- exploring new marketing promotions

And so on.

To conclude: use the questions and list you've just worked through to reflect on the 'innovation culture' in your business. Try to outline some ideas that will make your business more open and receptive to innovative ideas. In particular, focus on new ways to harness the creativity of your staff. Your task is to provide the right environment for them to unlock their full potential.

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