



Innovation – The outrigger model!

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Tie me with rope – Now ask me to be innovative!

Unfortunately many organisations that have embraced the innovation initiative have done so in an entirely predictable manner, mostly with entirely predictable results.

Almost without exception the innovation department will be bound with red tape and underpinned by a stage gate analysis tool steeped in accounting nonsense and surrounded by naysayers most of whom find it easier to kill rather than embrace new ideas. Remember, people resist change. It's far easier and safer for people to keep their heads below the parapet and do nothing.

Bound with such encumbrances, why would anybody be interested in being “out there”? It's just too hard.

Business Plans never do work

Believe it or not, most business plans fail to deliver what was expected. What they do achieve however is to start you on a journey of innovation and discovery where the end point is seldom the initial target.

Interestingly, the failures are usually championed by people with great tenacity but tunnel vision, people who have difficulty in refocusing their endeavours when their ideas are not working. The mindset that persistence will ultimately win is simply flawed as no amount of persistence will turn a bad idea into a good one.

Hence the suggestion that “Fast Failure” is a good mindset with which to explore new horizons.

The good entrepreneur is one who can see when things are not working and with the backing of some money and a good team can re-direct efforts to where the target really is. This is the sort of open mindedness that is essential in any good entrepreneur or innovator.

But do we give our people this freedom? Probably not!

What is your Return on Investment (ROI) in Innovation?

The above is a great question but one that is seldom asked for fear of learning the truth. Too often the ROI is near zero but “hope” still prevails.

One Australia Company has spent over \$500k on an innovation department that has yet to produce a single outcome. No doubt there are many more such companies.

The initiative is to be applauded, but the failure is not.

If a full time innovation department is not producing tangible outcomes and real ROI within 18 months at the most, then it is likely the model is flawed.

The simple solution is not found in persistence, but in changing the model.

“If you wish to think differently, then start by doing it differently”.

Avoiding Risk

One risk with a radical innovation model may be that the resulting ideas and outcomes are not seen as “core business” and thus need to be discarded. Indeed so common is the practise of discarding non-core activities that there are complete businesses that do nothing more than collect and commercialise so called “Orphan Technologies” that have been discarded by larger companies as non-core.

It beggars belief that this mind set still prevails especially in the light of some classic successes.

NOKIA, the company that essentially “owned” the cell phone business before Apple, was in the lumber industry before it decided to re-invent itself and become the number one cell phone maker.

IBM, or Big Blue, the supplier of major computer systems in days when computer centres occupied entire floors, one day came to the realisation that the personal computer may be a new horizon. This was something quite new to them and their major systems engineering thinkers.

In order to implement the PC development and avoid the risk to the “mother ship” if this PC was just a “flash in the pan” fad and thus a potential threat to their brand; and to avoid the nightmare that an in-house development would have meant. IBM took a novel approach.

Rather than doing the development in-house”, a development that would have taken a decade or more with all the internal bureaucracy and inertia of IBM, instead they simply put a small team together, put them in a separate building, gave them an objective and let them at it. The outcome was the IBM PC, developed and delivered in just 12 months.

We might call this the “outrigger” model.

The “Outrigger” model has a “lot of legs”

Given the right person to lead the charge, some freedom to operate and some budget, almost without doubt the seed of an idea or opportunity will soon grow into a profitable outcome.

The key to success is to identify a new initiative, put a small team together, fund them and set them adrift to survive or succumb. Let them be an “outrigger” to your core business so they can do no harm to the “mother ship” or the brand if they fail.

The cost is probably far less than funding an innovation bureaucracy, the risk is minimal, but the likelihood of success is high.

There is a clear message here!

If you are looking to get a different outcome you need to provide a different approach. Perhaps the outrigger model presents one possibility!

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