

Innovation is not the “Best Practices” technique we eulogize today

Success in today's business climate requires companies to build foundations differently from the past.

We are all guilty of using the term “Management Best Practices” when discussing how we as managers are guiding our respective companies, divisions or product lines. Chemark is as guilty as anyone since we put forward this discipline as a branch of our footprint of offerings. Are you caught up in this dogma of “what’s popular this quarter and how-to spin-offs?”

There are many stories of companies that lagged behind new competitors and attempted to catch up over a 5-10 year period that are familiar to you. One prominent example is General Motors (GM). GM started losing market share to the Japanese in the mid-70s and has never caught up. It lost its position primarily due to the cornerstone upon which they were so successful prior to that time started to crumble at the edges, causing its adjacent foundation pieces to shift and lose strength thus shaking the GM house in the process. GM’s historical cornerstone strength was built on top down management style; staying conservative in all its decisions; total control of all its core manufacturing and distribution; high production equals low unit costs output concepts; give labor what makes them happy; and finally, self-contained product design.

GM and others are trying to catch-up. However, today, as Bill Gates has tagged in his book, “The Speed of Thought,” it will be impossible to catch-up let alone surpass some competitors using the old foundation truisms. The caution lights won’t even be noticed before you’re extraneous.

In the current business climate to be successful, the foundations must be built differently. They are described as novel innovation plans and they will defy every management principle you have ever used from the past. To understand, adopt and successfully practice this principle you must scrutinize every consideration that supported your historic

beliefs in running a business.

THE INNOVATION MODEL

The model for successful innovation inclusion into your business is simple and displayed in the pie chart on the opposite page. Each of these components of the new innovative model is critical for you to understand and, of course, to practice them is the key to strategic growth and wealth creation.

For example, here are a few test questions—out of a total of 12—regarding your organization’s present skill set versus the skills needed to become a revolutionary innovator:

- How many people understand the function industry revolution plays in wealth creation?
- How many know how to calculate the decay of current business models?
- How many know how to identify and deconstruct industry and company orthodoxies?
- How many are able to condense proprietary foresight out of a sea of information on discontinuities?
- How many are adept at inventing new business concepts and reinventing old ones?

Of course, the majority of this question set must be answered positively in order to be considered revolutionary-ready. How to perform the readiness tasks to become innovative-capable requires a great deal more time and space than we can devote herein. **CW**

