Innovation Fallacy #5 - Structure Slows Innovation

by Bill Poston

"Don’t mess with the mojo" was the mantra in a recent high-tech client I was serving. They operated as a multi-billion dollar startup with little structure, no discipline, and massive waste and inefficiency.

They were wildly successful. The fallacy was believing that this could continue as they grew.

Upon deeper analysis their success was derived from aging, but extremely profitable, innovations that were masking real troubles in product development. Their teams were frustrated and exhausted and turnover was high. The pipeline was overloaded with competing initiatives that people knew were not commercially viable and would likely never see the market. The organization was begging for structure, but the prideful leadership was hesitant to change what they considered an entrepreneurial model.

In reality, the company had outgrown the garage and needed structure to continue their success. What you can do with 50 engineers in a single location becomes impossible when trying to manage 3,800 engineers distributed around the world. In this case, structure speeds innovation by reducing wasted work, prioritizing initiatives, coordinating development effort, and ensuring cross-functional activity.

Sometimes you need to find some new mojo and adapt to the realities of a changing environment. Consider this the price of success. Structure itself doesn’t slow innovation. Applied properly, it can increase speed and throughput while making life a little easier for even the most driven development teams. In large organizations, structure can enable an entrepreneurial culture by creating channels for great ideas.

It may be time for your company to grow up. Maturity is not a bad thing.

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For the past 30 years, Bill has helped executives in technology-driven industries transform their competencies to deliver results. He is a highly regarded consultant, speaker, and writer on the topics of innovation strategy, product development, portfolio management, technology commercialization, and the software systems that enable innovation. Keep up with Bill’s latest research and thoughts on innovation and the rising role of the Chief Innovation Officer at www.TheChiefInnovationOfficer.com.