How to Deal with Innovation Frustration

by Bill Poston

I met with a Chief Technology Officer earlier this month to talk about innovation.

He was clearly frustrated by his organization.

The company is a multi-billion dollar diversified manufacturing operation that was once revered for its ability to deliver breakthrough innovation on a regular basis. In the past few years the company has been on the “operations excellence” bandwagon. Growth from innovation is all but lost.

According to this gentleman, business reviews by senior executives are consumed by discussions of COGS. There is little focus on the top line and no discussion of the drivers of future revenue. Cost savings initiatives get top priority and growth oriented projects are “risk adjusted” to the point of being unattractive.

He wants to change that and is trying hard to “lean into the wind” to bring some balance into the conversation. I can feel his pain. He is a growth oriented executive in a business with a cost savings mentality. The organization’s business strategy must be aligned with the innovation strategy. If the entire executive team is focused on COGS reduction, then a growth from innovation business strategy is never going to work.

He is left with the decision to leave the organization or stay and fight the good fight. My suggestion is to start by characterizing the current innovation pipeline and presenting it to the business leaders with an alarming message about future revenues. Businesses that fail to adapt, change and grow are doomed to eventually fail.

The folks that own the P&L will be able to see beyond the horizon or they will not.

If not, I suggest finding a different place to apply his energies.

Originally published on January 21st, 2015

What's your view? Add your question or comment
Bill Poston
bill.poston@kalypso.com
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.