

# Growing Your Innovation Edge

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**BECAUZ**

*Experience Accelerated Growth*

# Who Is BECAUZ and What's In This For You?

**BECAUZ**  
Experience Accelerated Growth



HOME ABOUT US WHAT WE OFFER RESULTS CONTACT US

**CREATING TEAMING & LEADERSHIP CHEMISTRY**

"From leading conversations on high-level strategy, to aligning our executives and teams around core values and how they drive our business, BECAUZ has been a trusted partner, facilitator, co-creator and inspiration."

*- Kyo Suzuki  
Assistant to the CEO, Misumi Group Inc*

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**WHO WE ARE**  
BECAUZ is a global consulting firm that specializes in accelerating breakthrough change and results for leaders and teams in large, complex organizations.

**WHAT WE DO**  
ORGANIZATIONAL TRANSFORMATION  
CHANGE FACILITATION  
STRATEGIC CONSULTING  
LEADERSHIP & TEAM COACHING

**WHY WE DO IT**  
BECAUZ is passionate about changing the world by transforming the performance and experience of leaders and teams.

**Innovation = Generating VALUE:**

- For your peers
- For your clients
- For your organization
- For your career

# Driving Innovation

## Today's Conversation:

The link between innovation and impact

The sources of and barriers to innovation

How to align your organization to deliver innovation and compete

Innovation:

- Mindset
- Skillset
- Toolset

Q & A

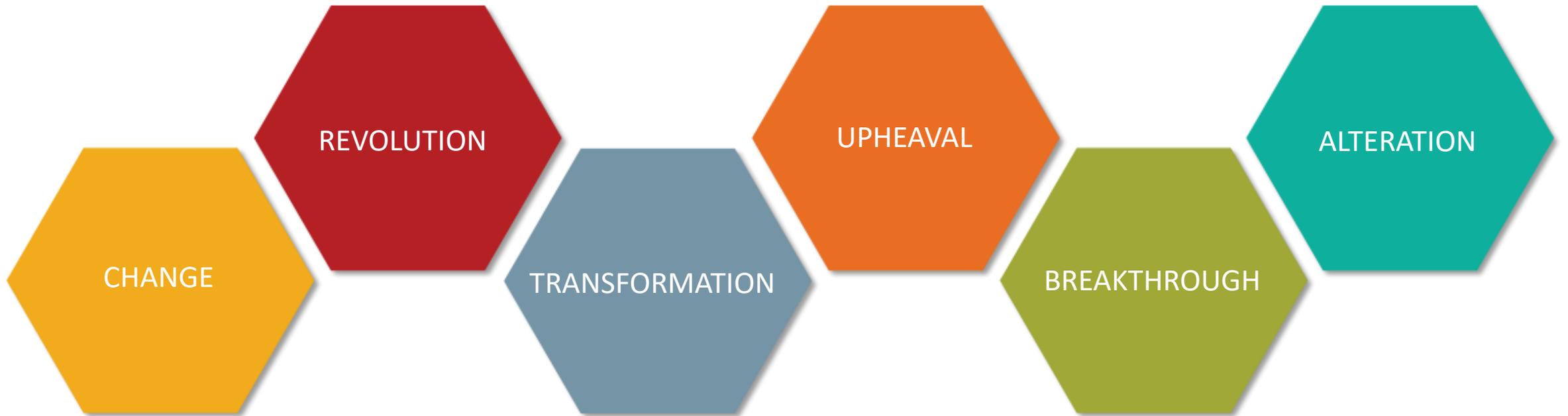
*How do you drive the innovation and performance you need to compete in today's market?*



# What is innovation?

in·no·va·tion – inə'vāSH(ə)n/ *noun*

The action or process of innovating. A new method, idea, product, etc.



# The sources of innovation

## BACK STAGE

The Execution Edge

### Results

Efficiencies

Revenue

Margin

Predictability

~ *Incremental Innovation*

## FRONT STAGE

The Evolution Edge

### Value Generation

Relevance

Ideas

Service

Uniqueness

~ *Exponential Innovation*

## CAPABILITIES

The Organization Edge

### Skills

Learning

Adaptability

Curiosity

Re-invention

~ *Iterative Innovation*

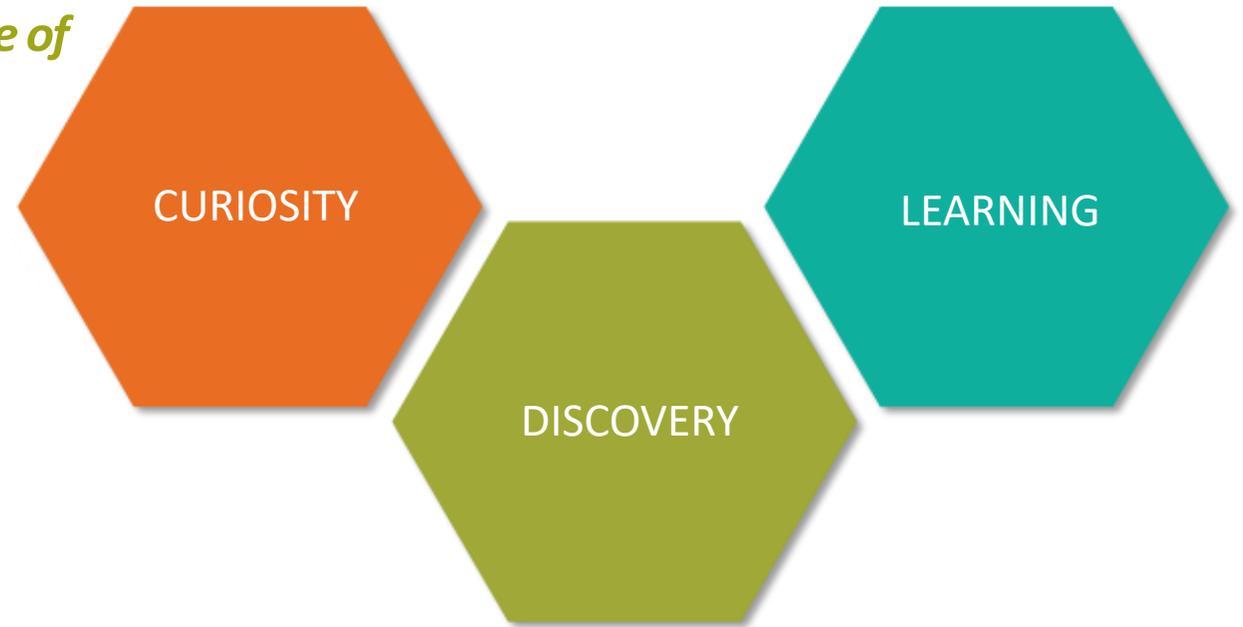
**THIS IS THE SEAT OF REAL COMPETITIVE ADVANTAGE**



# We need to look at innovation differently today

*It's not just the "Eureka" moments, you need a culture of continuous learning and curiosity*

- Must be able to experiment and change quickly
- Your people need to look around corners
- Rapid prototyping
- Offering strategy
- Can't always operate in a "build a business case, show the ROI" way
- ROI only occurs after the "tipping point"



# Barriers to Innovation

## Marketplace Barriers

## Customer Barriers



## Rethinking the incumbent advantage

- It used to be an advantage to be the incumbent.
- Today, digital technology lets new entrants quickly stand up and get to market
- And customer expectations have changed
- The incumbent, while still having some advantages, has to overcome inertia and change an existing business.
- They have to deal with the drag of a legacy business

## Customers both want—and don't want—innovation

- Customers may not want you to innovate, they want predictability in the products and companies they work with
- However, they are more than happy to jump to another, better solution offered by someone new



# Barriers to Innovation

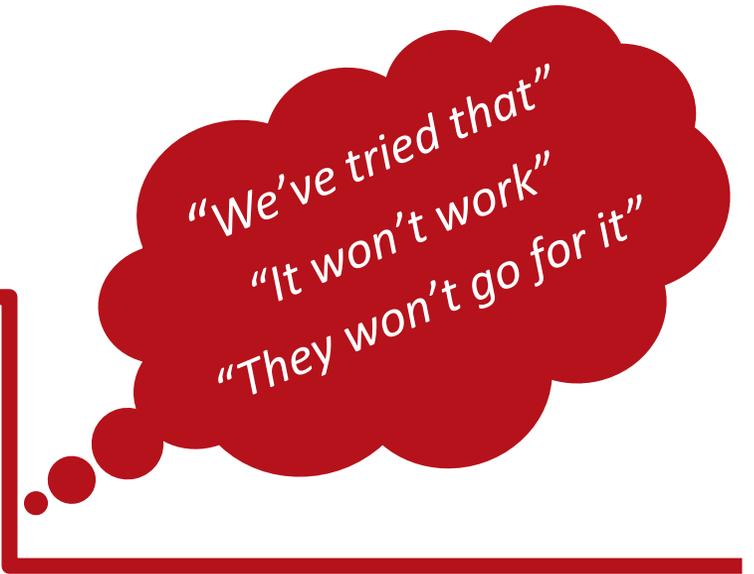
**Behavior Barriers**

**Culture Barriers**

**Political Barriers**



Cliff of Complacency





# Building a sustainable edge

# Culture delivers the innovation to compete

- Develop an environment that encourages people to take risks, bring new ideas
- Must be safe to fail, not “failsafe”
- Flatter organizations
- Skunkworks / Innovation portfolios
- Esteem and identity
- Rank and power – as an entrepreneur / leader – your rank can kill innovation
- You need to mainstream innovation – incremental, evolutionary and iterative



# Monday morning acid test

- Mindset
- Skillset
- Toolset

# Mindset - Behavioral change is hard

## Thoughts / Feelings / Actions / Results

### Single loop thinking

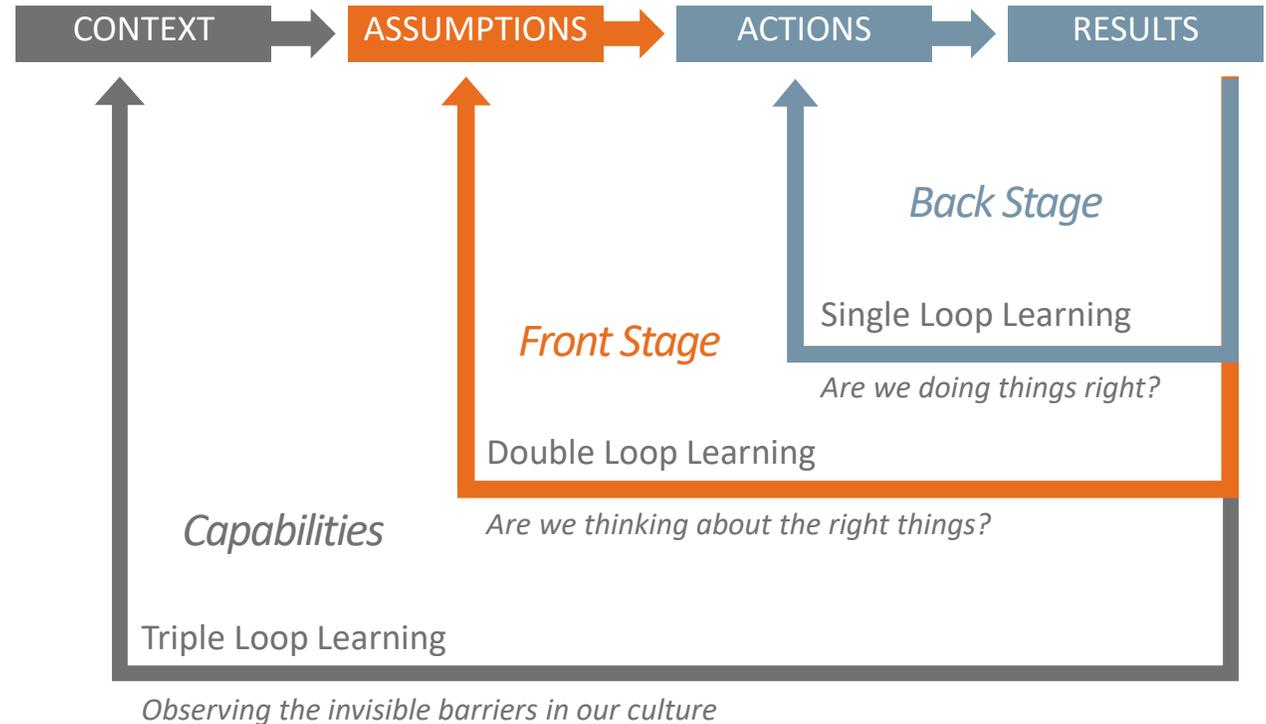
- In order to create a result, you simply need to take action.

### Double loop thinking

- To sustainably change results, you have to go deeper, to the beliefs and assumptions that drive our “action set”. Change those, you change results exponentially.

### Triple loop thinking

- Observing ourselves trying to innovate in order to find the invisible behavioral and political boundaries.



Source: Chris Argyris, Professor Emeritus , Harvard Business School

# Double Loop Case study – Airbnb



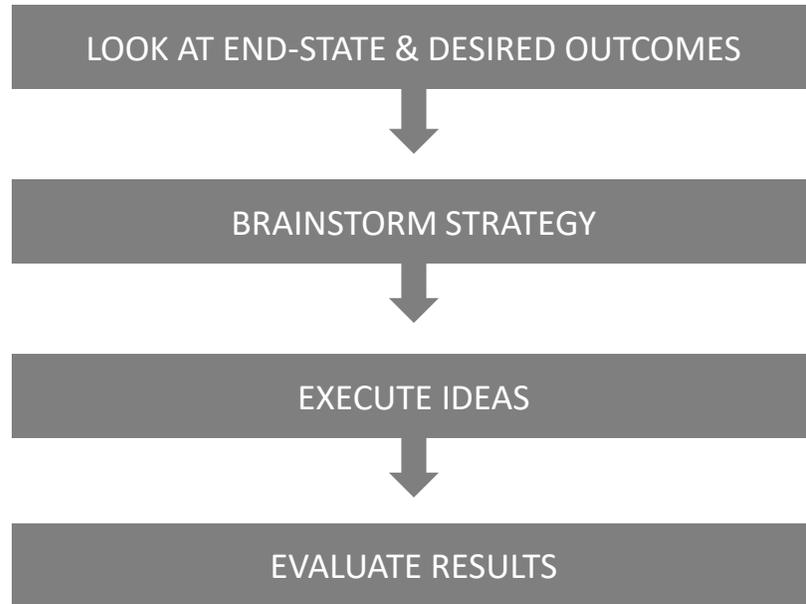
**Double Loop:** Assumptions pushed?  
*“As a hospitality company, we need to own rooms”*

What are the assumptions you are making?

# Skillset – embracing misalignments

Systems are perfectly aligned to generate the results they are generating today. If you want to change results, you need to find and change the misalignments that get in the way.

## OLD WAY



**WHAT MUST YOU IMPACT TO GET OUTCOMES:**  
Look at misalignments & underlying challenges



# Systemic Misalignment Innovation Case Study

**Misalignments & Resistance:**  
*Look for nuggets in customer feedback and drive strategy*

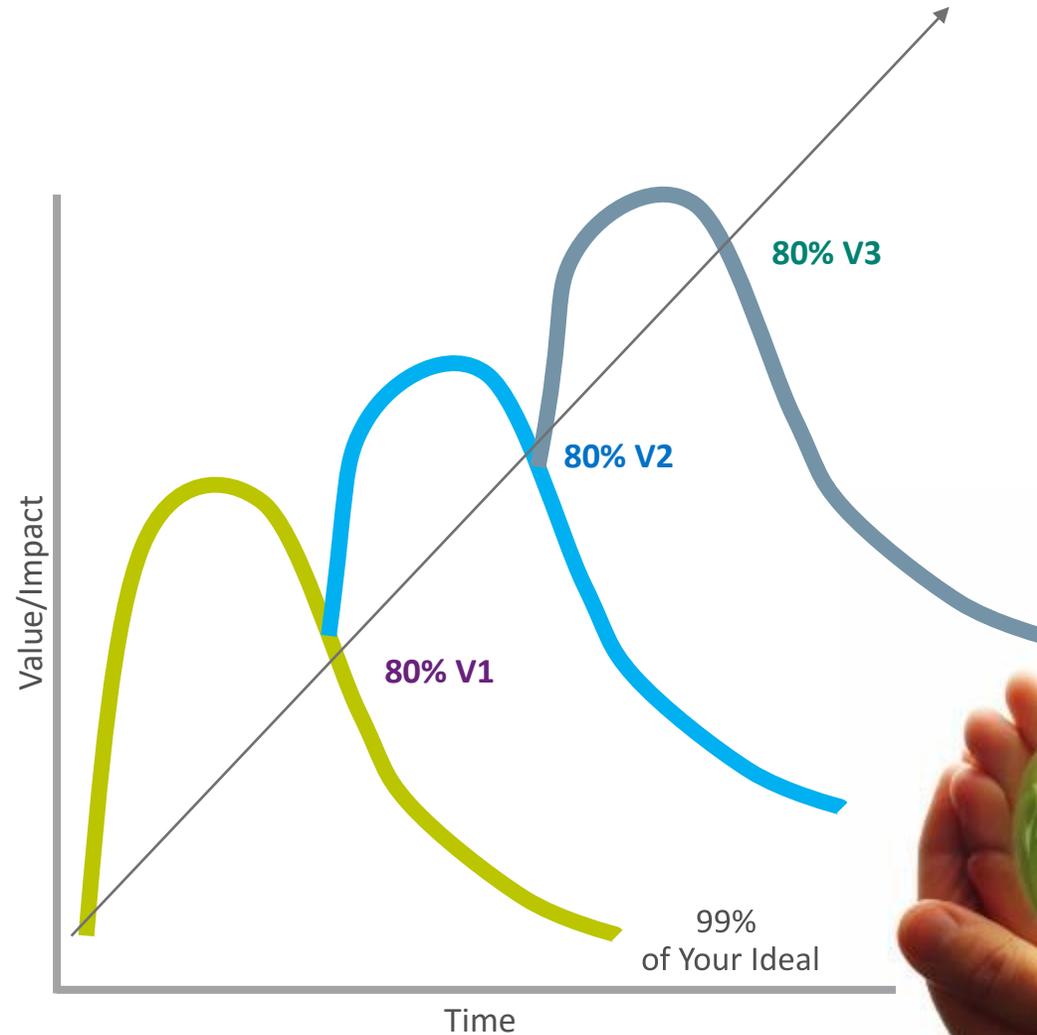
Where is there misalignment  
in your company?



# Toolset – Iterative, 80% acceleration approach



Project, Idea or Conversation  
Delegation / Setting Expectations



# Iterative Innovation Case Study – Xerox



**Iterative Approach:**  
*QIP's: Quick turn Quality Improvement Process – “Fix what bugs you”*  
*Meetings: Process, iteration*



How can you iterate faster in your business?

# Discovery questions

## BACK STAGE

The Execution Edge

### Results

## FRONT STAGE

The Evolution Edge

### Value Generation

## CAPABILITIES

The Organization Edge

### Skills

- What is our strategy?
- What does innovation mean to us?
- How are we set up to change?
- What are we missing?
- How quickly can we move?
- Where are our rewards/incentives driving behavior?



# Key take-aways

**If you're not innovating, you're not competing**

**The pace of change matters**

- Pace changes as you build capability. This is essential in order to succeed and avoid “tissue rejection”

**You have to do all three at once**

- Encourage backstage incremental innovation
- Drive frontstage exponential innovation
- Build a culture of iterative innovation

**Look for quick wins**

- You have to bring your people along with you – show success as you go



# Re-Invention

Stages of Adult Thinking:  
Expert, Learner, Catalyst

# Questions?



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# Why Should You Care?

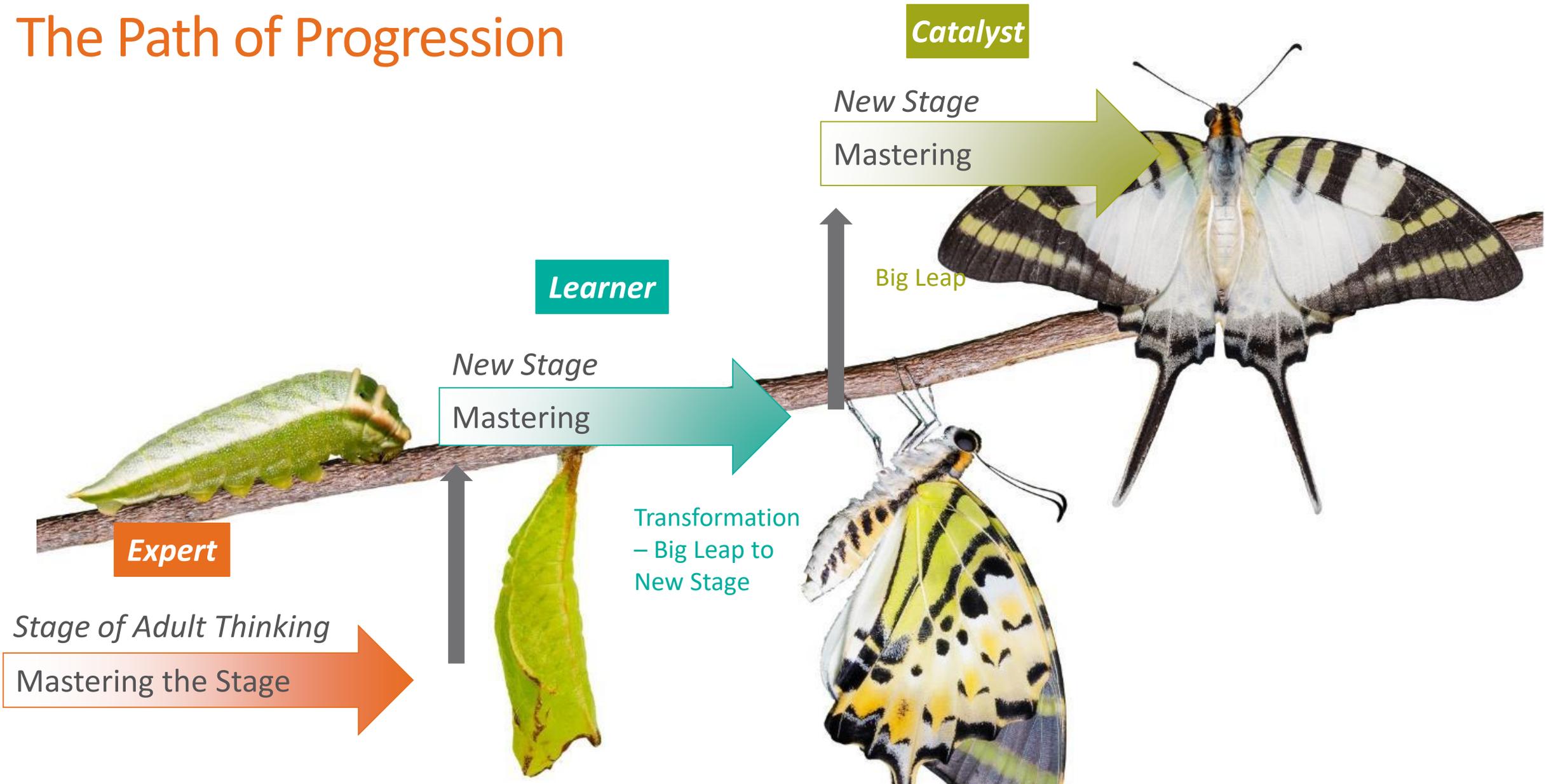
- Understanding *Stages of Adult Thinking* helps us to differentiate our ability to **handle complexity**
- In today's world, leadership increasingly requires us to confront **SIMULTANEOUS COMPLEXITY**
  - Too much!
  - Too fast!
  - All at once!

This is ***NOT*** related to:

- IQ
- Personality
- Age
- Education
- Being happy
- Being a good person

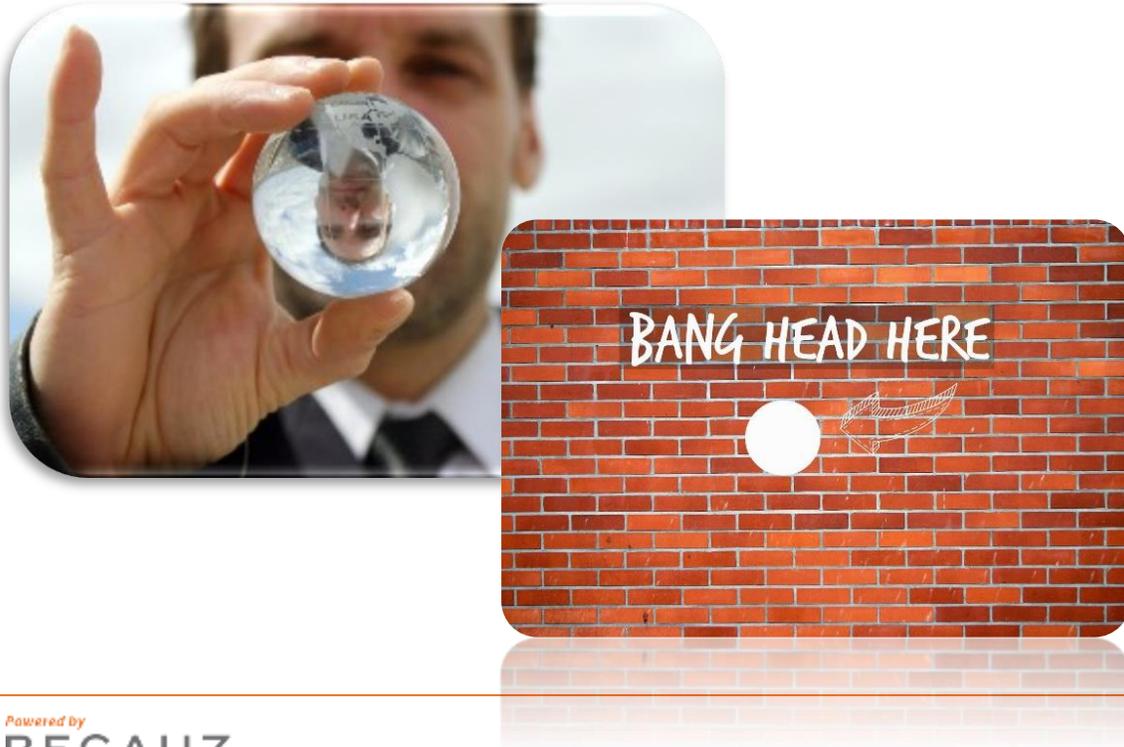


# The Path of Progression



# Characteristics of the Expert / Knower

- Technical mastery; flawless execution
- Hard work
- If I want something done right, I have to do it myself



## Worldview: *"Craft & Logic Rule"*

- With mastery comes identity
- Mastery of the craft defines me, my values and environment
- Per my given mastery, I construct *"Me, Inc."*
- *"Me, Inc."* has worked out the right answers and now holds objective truth
- My security is my expertise

## When challenged:

- Biggest concern: finding the *One Right Answer*
- Control through knowledge: facts and data
- There's a *right answer* professionally and personally

# Characteristics of the Learner/Achiever

- Focus on the outcome
- Open to feedback
- Together, we can be more effective and efficient



## Worldview: *“Outcomes Rule Logic”*

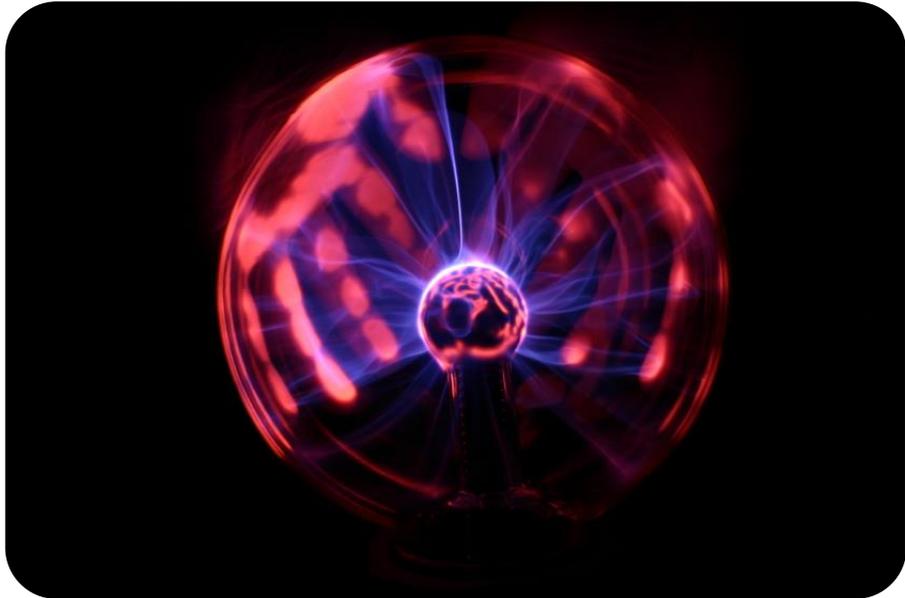
- Sees the self as the “coordinator” of “Me, Inc.,” while also remaining open to various “You, Incs.”
- Recognizes limitations to their own point of view
- It takes multiple areas of expertise to fully understand the dynamics of complex organizational functioning

## When challenged:

- Bias for action
- Outcome is key: relentless forward movement
- Biggest concern: failure to make the project succeed
- Control and coordinate the actions of others towards a common goal

# Characteristics of the Catalyst

- Principles trump rules
- There is no one right answer: it depends
- Help me see the world from your point of view



## Worldview: “Principles Rule Outcomes”

- The Self in “*Me, Inc.*” is ever-evolving
- I am the author of my own script (self) and can rewrite my self-direction if I choose to
- The self is responsive to considering values and principles regardless of the source or implication
- There is no one “right” answer: *All* answers are relative and subjective

## Focus when challenged:

- How to live with integrity: balancing their own values and principles with living in the world of concrete actions

# Distribution of Leaders Within Major Stages

Stage Name	% Leaders		% Population	
<b>Conventional Stages of Adult Thinking</b>				
Realist	5%		10%	
Diplomat	10%		30%	
Expert	45%	75%	30%	50%
Achiever	30%		20%	
<b>Post-Conventional Stages of Adult Thinking</b>				
Catalyst	5%		Not Known	
Co-Creator/Strategist	4%		Not Known	
Synergist/Alchemist	1%		Not Known	



# Questions?

