'Co-existence of Innovation and Quality cultures'

Chair; ASQ Innovation Thank Tank

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The World is Changing

- Market Place...Asia
- Technology...Digital
- Demographics...Aging
- Environment...Warming

*It is not the strongest that survive, nor the most intelligent, but the one most responsive to change.*

- Charles Darwin
We respond by Innovating

We Innovate through....
The Conversion of
New Knowledge into
New Products and
New Services

Knowledge is the Fuel
How do we find it?
An Innovative Culture
Releases Knowledge

- ‘Explicit’ (documented) knowledge is less than 20% of our available knowledge.

- ‘Creative Behaviours’ release the tacit and subconscious knowledge

But there is also the ‘execution’ behavior!!
One Process – Two ‘Cultures’

Creative phase
Where we develop ideas
Creative people are needed

Execution phase
Puts ideas into practice
Requires a ‘results’ type of person
Culture is Based on Behavior

1 Creators find Opportunity

2 Connectors find Solutions

3 Developers make the Solution work

4 Doers Deliver the Solution

Innovation People
### Creator, Connector, Developer, Doer?

<table>
<thead>
<tr>
<th></th>
<th>I ‘Connect the Dots’</th>
<th>I get things done</th>
<th>I like Possibilities</th>
<th>I bring things ‘down to earth’</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I need to understand</td>
<td>I make things work</td>
<td>Everything has a good and bad side</td>
<td>There has to be a right answer</td>
</tr>
<tr>
<td>2</td>
<td>Don’t tell me what to do</td>
<td>Give me facts not theory</td>
<td>I create choices</td>
<td>I like to analyze data</td>
</tr>
<tr>
<td>3</td>
<td>A Concept must be sound</td>
<td>I like ‘energy’</td>
<td>Don’t fuss with details</td>
<td>I like precision</td>
</tr>
<tr>
<td>4</td>
<td>I think things through</td>
<td>I take risks</td>
<td>I like to hear about problems</td>
<td>I focus</td>
</tr>
<tr>
<td>5</td>
<td>I like the big picture</td>
<td>I find a way that works</td>
<td>I want to own the problem</td>
<td>I am thorough</td>
</tr>
<tr>
<td>6</td>
<td>I like to define the problem</td>
<td>I push for acceptance</td>
<td>I find out the facts</td>
<td>I Plan</td>
</tr>
<tr>
<td>7</td>
<td>TOTAL</td>
<td>TOTAL</td>
<td>TOTAL</td>
<td>TOTAL</td>
</tr>
</tbody>
</table>


**Column 1 you’re a Connector, Column 2 a Doer, Column 3 a Creator and Column 4 a Developer**
Creative Phase

**Creator**
- See the Need
- Find the Opportunity
- Marketeer, Researcher
- **Practical** People
- Open Network
- ‘Loose’ Mode
- Allow subconscious

**Connector**
- Define the Problem
- “Connect” to Solution
- Design, R & D,
- Learn by **Thinking**
- Open Network
- ‘Loose’ Mode.
- “One is not enough”
Execution Phase

**Developer**
- User Friendly solution
- Engineer, Systems
- Learn by Thinking
- Closed Network
- Tight Mode
- Get the Result,
- Make it Work

**Doer**
- Deliver the solution
- Sales, Production
- Practical Person
- Closed network
- Tight Mode
- Need ‘Mix’ of People
Open Networks - Creative Behavior

- The Creative Network
- Open, Diverse, dispersed
  - People in other disciplines.
  - Not yet Customers/Partners
- Share/Grow knowledge.
  - finding opportunities
  - conceptual solutions
- Sparser, well distributed
  - ‘2 degrees separation’
Closed Networks - Execution Behavior

- The Execution Network
- Closed Network
- High level of trust
  - and collaboration.
- Forms more easily
- Gravitate to similar People
  - reinforce existing beliefs,
  - mirror others thoughts.
Creative Culture

- Produce new ideas thru
  - imagination and
  - unconventional approach
- Occurs when we
  - Have freedom to think
  - interact with new stimuli.
- Removed from us
- Daily work we do.
Creative Behaviors

- Exploration
  - we ‘step out of the box’

- Collaboration
  - ‘different’ types of people

- Experimentation
  - Willingness to fail
Exploration and Observation

- Step out of the box
- Go places, meet people
- ‘Network’ face to face.
- Have an open mind.
- what ‘bugs’ people?
- Get new ideas
- Best ideas not forced
- Always be learning.
Interaction and Collaboration

- People ‘different’ from ourselves
- Breakthroughs;
  - intersect of bodies of knowledge.
- Need essential ‘jolt’
- Release collective subconscious,
- Understand your partner’s asset
- Take time to form relationships
  - …Tolkein + Lewis
Experiment....

Embrace Failure

- Involve business partners
- Embrace Failure...WD40
- Capture “Lessons Learned”
- Source of knowledge!
- New Solutions

“The only competitive edge an organization has is the ability to learn faster than the competition”.

Peter Senge’s; ‘The Fifth Discipline’
Creative Solutions

- Knowledge
  - People know the problem

- Diversity
  - To challenge solutions

- Disruption
  - are Disruptor’s present?

- Include Customers, Suppliers

- Mix disciplines
  - creates ‘spark of genius’
Creative Process

- Clear Problem Definition
- People write first ideas
- Circulate and stimulate
- Randomness
- Eliminates ‘loud voice’
  - Avoids fear of rejection.
- Allow wild ideas
- 40% more ideas
- Brainwriting, Clustering….
‘Tipping Point’ - Behaviour change

Loose

1 Opportunity

Innovation Process

2 Solution

3 Development

Select solution
Narrow focus

4 Delivery

Tight
Execution Culture

- Have selected Solution
  - So narrow Focus
- Tight Team
  - Lean Process
- Focus;
  - Speed not secrecy
  - Discipline vital.
- Retain some creativity
- 3000 ideas; 1 makes it
- 1% inspiration
  - 99% perspiration’
Execution Behaviors

- Mission;
  - “User friendly” solution
  - Deliver the Solution

- ‘Thinkers’
  - Go wrong staying ‘loose’

- High Focus
- Speed and Discipline.
- Work Ethic
- Project Management
  - Monitoring/Control
Mission is Delivery

- QMS Delivers
- Leadership Monitor
  - Behaviour change
- Regular Reviews
  - Monthly or Quarterly
- Project group changes;
  - Operations and Sales
- Risk and ROI changes
  - Adjust the plan
Creativity and Execution

- Organizations grow
  - become less agile
- Co-existence of Agility & Focus?
- **Structure** is the issue
- Optimum size
- 6 people Span x 3 layers.
  - >> 259 people
- Over 300 people
  - Communication problems
  - Lack of Agility
Spin-off Creativity?

- Need Agility
  - Reduce hierarchy
  - Allow diversity, independence
- Leader reports higher level
- New knowledge & behavior
  - Separate IT and HR
- P&G outsourced creativity
  - InnoCentive, R&D company
- Lockheed Martin
  - Skunk Works
- Communication problem…
Gore-Tex
Flat organization
- 150-200 person units
- Campus of buildings
Self-managed teams.
- 8-12 people
- Sales & R&D collaborate
Too often, we separate
- Sales & R&D
- They seem different.
Shift Team Members and hence Culture

<table>
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<th>Find the Opportunity</th>
<th>Connect to the Solution</th>
<th>Make it User Friendly</th>
<th>Get to Market</th>
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<td>Creators</td>
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‘Structure Looseness’

- Excellent companies
  - ‘looseness’ important
- Structure ‘looseness’
  - into the organization.
- Wisdom of Crowds
- ‘Google’
  - Day a week (???)
  - pursuit of wild ideas’.
- ‘Group Genius’
  - practice regularly.
- So how do we start?
Change map to an Innovative Culture

People
- Create Urgency
- Core Team
- Communicate Vision
- Critical Mass
- Recognize

Process
- Assessment
- Early Win
- Integrate Win
- Raise Bar
- Bigger Win

Enablers
- Resources
Path Forward

- Organizational Assessment
  - On line
  - [www.petermerrill.com](http://www.petermerrill.com)

- Identify your Need
  - Organization
  - …and your offering

- Form the Team

- Execute a Project

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