



INNOVATIVE DECISION MAKING

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Masterclass | 16 May 2019

Why does innovation fail?

It's a question that has plagued the business world for decades. Various (often disputed) figures have been given the failure rate of innovation projects as inordinately high but, beyond the raw numbers, what is it within an individual, team or organisation that causes innovation to succeed or fail?

This question was one of the core elements in Beth Altringer's, Harvard Professor and Co-Founder of the Desirability Lab, IMI Masterclass. An expert in product design and innovation, Beth and her team have thoroughly researched this question, defining the elements involved in an innovation process, the key ones you have to get right, and the behaviours leaders need to encourage.

One of the difficulties in getting to the heart of what's happening when innovating within a company is defining how what is really happening; what elements are at play when an innovation process is in train.

The Innovation Mix

The project idea is typically the element we go to first in our minds – is this product novel, new and desired by the market? Is it technically feasible? When the answers to these are positive, it can seem almost inevitable that the innovation will be successful, but experience shows us this isn't the case.

While a great project idea is very valuable, all the research points to the fact that the people within the team tasked with bringing the product to market are the real levers on whether the innovation is a success or failure.

Individual creativity is high on the list. This is particularly true when it is matched with innate motivation (which may come from simply working on a project that interest them rather than some permanent inner drive) and an expertise in the area they'd be working in.



Function diversity - people with different skills - is a real advantage when it comes to delivering innovation as a team

'We know that individuals that can think 'outside of the box' are very helpful for these projects' said Beth. 'But these individuals need to have subject expertise to really contribute, as well as that intrinsic motivation.'

Diverse teams have been shown to be more creative and productive than non-diverse teams, and it is no different when applied to an innovation process. While there are many types of diversity (gender, race, age etc.) it is functional diversity that 'boosts' the innovation process most effectively.

This functional diversity, for example, can come from technical and non-technical teams working together on a project, bringing their innate skills and different ways of thinking and applying it to a problem.

There are other things at play too. At a group level, there is a concept known as 'collaborative intelligence' which demonstrates that people working in a team will often show intelligence more than the average levels of the individuals.

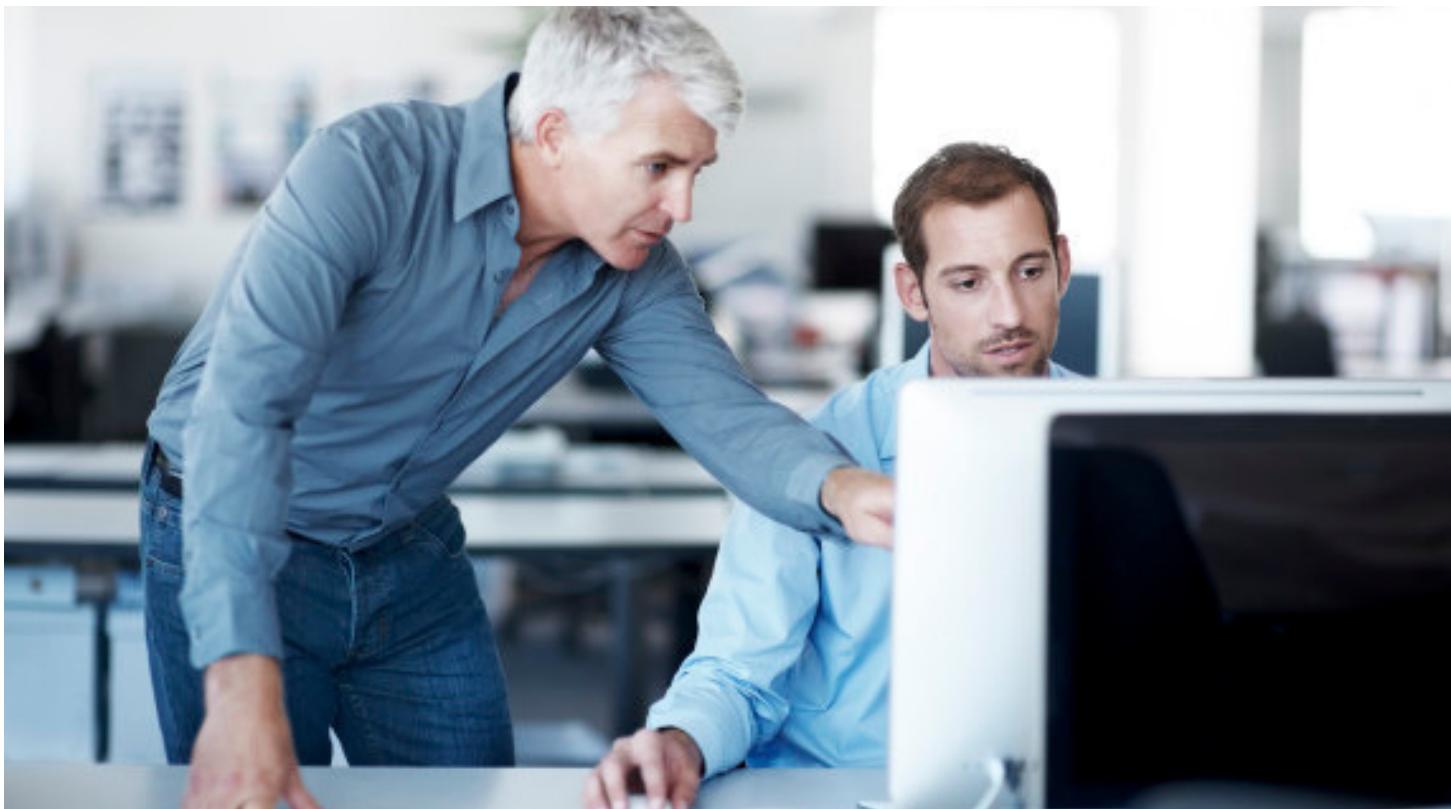
Most innovation projects will bring all these (and more) elements together in a single mix. It's how they are stirred through the interpersonal relationships that largely defines whether the project will succeed or not, and the team leader will have a large role to play in making sure that mix is correct.

In Beth's research, even projects with all the right elements only succeeded just over 30% of the time. When putting an innovation process together then, what should a leader be looking out for?

Innovation is personal

The single largest factor in a successful innovation project is the interpersonal dynamics within the innovation team. For leaders then, their most important function is to create the right environment for positive interpersonal relationships.

'One of the ways of thinking about these innovation processes is as a 'Supervisory Motivation System' – you're aiming to keep people motivated and engaged' said Beth. '



An engaged and supportive leader is key to delivering a successful change initiative

This is especially important because it's hard to judge the productivity levels of individuals in a creative project. It's also important because these projects are hard; you're literally trying to break the mould. So, being motivated is key.'

An example of this comes during the idea and technical stage in the innovation stage, potentially using a physical prototype of a product or a service at the experimental stage. If individuals do not feel they are being supported by their leaders and see them as creatively disengaged their motivation will decrease significantly enough that in all likelihood the innovation process will fail.

Where individuals see their leaders as highly supportive and creatively engaged with the process, their motivation (and resilience to setbacks) soars and the project becomes much more likely to succeed.

For leaders then, if you are not willing to support the often-frustrating innovation process or don't have the capacity to be creatively engaged in it, then the whole innovation project should be considered.

Research also showed that a flat hierarchy within an innovative team is the ideal structure. This again can be related back to interpersonal dynamics. In a flat structure open discussion and healthy disagreements are encouraged and information is shared more freely.

'This comes with a caveat, however' said Beth. 'It is often said that innovation comes easier in organisations with a flatter structure compared with a hierarchical structure but the expectations of the team members themselves is important - they may want a more structured approach.'



An innovation project will largely fail or succeed based on the people delivering it - not the idea itself.

By the people, for the people

Innovation can be a chaotic and confusing process, but it is a process. It is also an activity that has humans at its core, with all their inherent biases, personalities and strengths and weaknesses.

Leaders of teams looking to innovate must put this human element at the centre of their thinking when it comes to innovation. How can I support and motivate this team? How can I keep them creatively engaged, and do the same myself?

If a leader is successful in doing these things, they will not only be much more likely for their innovation project to succeed, they and their organisation will reap the benefits over and over again, no matter if the original idea didn't get off the ground.

Why do innovations fail? People. Why do they succeed? Same answer.