CIO – Innovation management best practices
Tools – Step Four – Planning Implementation

Planning for implementation starts with a clear vision of what is to be accomplished, a clear definition of the scope of work, how to manage the process and an effective means to *a means to measure progress. Clearly stating the objectives for innovation can motivate the organization.*

Management needs to provide vision, encourage idea generation, manage search process, empower champions, commit resources, nurture projects, sustain and reward innovators, all of which are part of the process. But how is this to be accomplished? Which initiatives come first? How does one set priorities? Are there some immediate problems – raised during diagnosis – that can and should be addressed immediately? These are the questions to be addressed in the planning step.

Having diagnosed the innovation 'situation' and secured an understanding of the Best of the Breed, the next step is to build on the strengths which have been identified, address the issues identified in the diagnosis and select the most appropriate mechanisms for improving innovation performance. A time frame needs to be established.

Take a moment to **think about change and how it is likely to be received**. The term "*change management*" is commonly used to describe activities associated with managing *physical changes* to plant and equipment, or *scope changes* in projects such as the development of computer software or the design and construction of new facilities, etc. It is also used to describe activities associated with helping people make the transition from an old way of doing things to a new way.

The notion of applying "*change management*" to people usually arises after a decision has been made to implement a change. Because the decision has already been made (*eg; to implement a new set of procedures*), the resulting "solution" often needs to be "sold" to the people affected by it. Such "*change management*" is almost always faced with significant resistance. Ideas for addressing up front issues are presented in Tip#32;

- Appreciate the difference between driven and emergent change
- Lift everybody into a common, higher level context
- Take account of all stakeholder's needs and concerns
- Keep information and its interpretation open for all
- Draw hypotheses and let solutions emerge
- Help people develop their own implementation plan
- Create conditions that enable future adaptation and change

Setting objectives for the program to improve innovation has to be the first step in planning. What are we trying to accomplish? Overcome problems, yes, but over and above that, are there some objectives that are key to the corporation's strategy. Integrating innovation initiatives with strategy ensures that the two are approached simultaneously and thus have a greater chance of succeeding. Practical objectives, tied to strategy, also give rise to the ability to measure progress as implementation unfolds.

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What we have learned is that the organization should set no fewer than three forward-looking objectives which are consistent with corporate strategy. Objectives can vary from simple cost reduction – obviously oriented towards the innovation of continuous improvement –through to introducing new products – i.e. calling into play the corporation's ability to develop and market new products.

Examples of objectives for innovation and drawn from research into objectives from successful SMEs include the following. With few exceptions, the stated objectives lead to a result which is measurable at the detail or summary level providing appropriate reporting is put in place.

Objectives for innovation - examples

Use sustainable materials	Improve processes	Reduce energy consumption
Offer a % of total new products as new product offerings	Reduce use of raw materials	Conform to regulations
Reduce costs overall	Reduce labor costs	Create new markets
Extend product range	Improve quality of processes, products and services	Reduce environmental damage

Planning is also the time to establish any **compensation changes** which are deemed part of the process of improving innovation. Revisit at least the following compensation arrangements.

- The differential between base pay of those with innovator responsibilities and those not so identified.
- The setting up of special non-monetary rewards for personal or group performance. A decision to reward group versus personal performance, or vice versa.
- The use of special monetary incentives based on milestone accomplishments.
- Factoring in incentives into annual pay rises.
- Rewarding success with additional responsibility.
- Review various types of compensation which could be geared to longer-term contribution.

Revising compensation arrangements can raise a number of responses from those most affected. A good idea is to survey stakeholders to ascertain the level of acceptance of the current level of rewards among employees, supply-chain partners and other key players in the innovation initiatives. Opening up the discussion amongst stakeholders to identify the most attractive options along with affordability is wise. Effective communication and understanding is paramount.

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While compensation arrangements will vary depending on the stages of maturity of the industry and the business there are seven golden rules about engaging staff in innovation improvement.

- Entrust power to champions
- Provide extensive training
- Tolerate failure
- Shield ventures and innovators – develop products off line if need be, set innovation budgets which use performance criteria different from on-going business
- Cultivate and reward innovators – shelter them if need be, use dedicated work groups.
- Communicate
- Measure results

Examine the total allocation of human energy/investment that is to be applied to the innovation initiative by asking at least the following questions. As a guide to the definition of innovation, we offer the 'Spectrum of Innovation' as a template. The term 'innovation interest' is used as this accounts for not only direct fiscal investment but also emotional investment in new ideas; ideas which consume emotional as well as political collateral.

- What are the total committed $ in support of innovation initiatives?
- R&D spending is better that the competition or at least equal.
- Costs of license acquisition of new technology?
- Procurement and implementation of Idea management software or protocols.
- Funding of new business models.
- Rewards/incentives for innovation; providing a special budget for trail blazers.
- Senior management and Board meeting agendas incorporate a report on innovation's progress.
- Identify extent of personal commitment – emotion - attached to innovation initiatives.

Is the total allocation and balance appropriate?

Is the organization ready for change? Realizing the gravity of the changes relative to their potential acceptance is one step towards being in a position to anticipate and plan for likely difficulties as change unfolds. Much of the acceptance of change in an organization relates to the organizations previous experience with similar change, how change was managed in the past and, of course, the inherent culture of the organization. While surveys are no substitute with face-to-face engagement with staff, they can provide some insight into changes likely acceptance. Issues such as; tolerance, receptivity to communications from management, collaboration, and whether there is sufficient delegation within the organization are able to be probed more deeply by raising the questions set out in this check list.