

Selling Innovation to the “C-Suite”

8 Rules for Successfully Championing Innovation in Mature Organizations

By Peter Fuchs

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There’s a lot of talk these days about innovation. From Ford’s latest “Driving American Innovation” ad campaign to the rash of recent innovation-themed cover stories in the major business magazines, the word is on everyone’s lips. But don’t let all of this noise fool you—innovation is more than the latest buzzword. Much more. It’s actually one of the most powerful tools in the strategic arsenal of any business.

And it’s also extremely difficult to accomplish consistently. Especially in the mature organizations where most of us work.

Unlike young companies where the rules are still being written and the culture is a work-in-progress, most mature organizations have accumulated a fair amount of baggage on the road to maturity. Rules, relationships and requirements are well established and deeply ingrained. And as a result, challenges to conventional wisdom are not usually welcomed with open arms.

However, none of this makes innovation any less vital. Especially in today’s market, where safe, solid strategies have spawned a kind of rampant sameness that has left many leading firms—even entire industries—vulnerable to disruption by newcomers who don’t have the same attachments to conventional ideas and practices.

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The good news is that it's not a lack of worthy new ideas that's holding most mature organizations back. In most cases the knowledge, the ideas and the passion are already there. All that's missing is someone who can overcome organizational barriers and push ideas through to completion.

With this in mind, this paper will offer a series of concrete, road-tested tips to help you sell your case to the “c-suite” and make innovation happen in your mature organization.

First, though, let's define exactly what we mean by *innovation*.

What Is Innovation?

Thanks to the pioneering work of Harvard's Clayton M. Christensen, we now understand that there are two distinct kinds of innovation—incremental (or sustaining) and disruptive.

Incremental innovation is all about improving what's already there. Making your current products, services and practices more valuable to you and your current customers. This kind of innovation is important, but it is usually fairly easy for your competitors to replicate and therefore rarely results in any sustainable competitive advantage. The vast majority of innovation falls into this category.

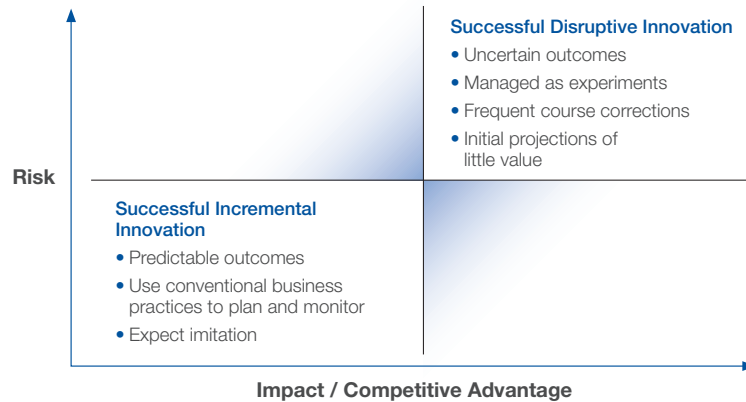
Disruptive innovation, meanwhile, has much more ambitious goals. It aims to disrupt—and redefine—the structure of an entire industry. Disruptive innovation dramatically alters the innovator's market share. And it is very difficult to replicate. In terms of risk, disruptive innovation carries much more than the incremental approach. But it also has the potential to deliver a much greater impact.

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Your strategy for securing c-suite buy-in will depend on which type of innovation you’re proposing. So before you book any meetings with your CEO, make sure you understand where your initiative sits on the quadrant below.



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Established Rules Frustrate Innovation

Conventional business methods and rules have a way of hindering the innovation process. These rules favor proven, tried-and-true strategies. But in most cases the value of innovations—especially disruptive ones—can only be validated in real time by the market.

That’s why successful innovators don’t waste too much time running long-term financial projections, building detailed business cases or testing ideas internally. Instead, they take small steps, learn as they go and don’t plan too much.

Of course, this approach often runs contrary to established rules and procedures. And innovative projects—especially disruptive ones—can’t get very far stretching the rules in mature organizations without senior executive buy-in.

So what can an innovator do to get the c-suite on side? Start by looking at things from their perspective.

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The C-Suite Point-Of-View

Few executives earn a c-level title without understanding that innovation is critical to long term success. So even though it may not always seem that way, the c-suite in your organization is likely to recognize that innovators need to be supported and nurtured. However, there are many other factors that will influence their decision to endorse or reject proposed innovations.

First, an effective c-suite knows how to balance short and long term needs. They know how important it is to invest in the future, but they also know how vital it is to meet investor expectations and deliver solid performance quarter over quarter. After all, they’re accountable to the board and the shareholders, just like you’re accountable to them. For this reason, you can safely expect a bias towards innovations that benefit the firm’s immediate revenue source—its current clients.

A second, closely related issue is the matter of risk. C-level executives recognize that innovation is important. But they also know how risky it can be. And too much risk makes short term results less predictable. So don’t be surprised if their need for balance leads to hard questions about the potential risks of your proposed innovation.

And finally, long years of management experience have taught the c-suite that different people have different strengths and weaknesses. For example, they know that innovators are frequently not the best implementers, yet are often reluctant to let go of the reigns of projects they’ve set in motion. And they know that passionate innovators often downplay the risks when selling their vision.

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8 Rules For Building C-Suite Credibility as an Innovator

1 Be passionate but balanced

This is the first and most important rule. In order to sell an idea to the c-suite, you must be forthcoming about the risks.

This is a difficult thing. When it comes to selling new ideas, there’s a natural tendency to go into sales pitch mode—to focus only on the upside and gloss over the risks. But this is the wrong approach to take. No matter how strongly you believe in the idea, you need to make it clear to the c-suite that you’re not so blinded by your enthusiasm that you can’t see the potential downside.

Even after you’ve secured c-level buy-in, be sure to demonstrate your awareness of the risks. If the c-suite don’t think they’re getting a balanced view, they may decide to invent their own downside. If this happens, you can bet they’ll be much less generous in their risk assessment than you would have been.

2 Measure creatively

Even though innovations—especially disruptive ones—are extremely difficult to measure, the c-suite demands and expects measurable results from every project.

To address this, focus on coming up with creative, non-traditional ways to measure the potential and performance of your project. For example, try focusing on marketplace acceptance. Do customers seem interested in your

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new product or service? If so, which ones? And more importantly—are they willing to pay enough for it?

And once you’ve measured, take what you’ve learned, internalize it and recalibrate.

3 Change course willingly

If your program is not meeting expectations or otherwise not going as planned, make sure you’re the first in line to recommend potential course corrections.

Remember: the more disruptive a new idea is, the more likely it is that some of your assumptions about it will turn out to be wrong. In other words, course corrections don’t necessarily reflect badly on you—as long as you’re ready and willing to make adjustments when the situation warrants it.

4 Give direct answers, even when the answer is “I don’t know”

Acknowledging risk means admitting to the limits of what you know—and doing so openly and promptly. A perceived attempt to dodge or delay answering the tough questions can undermine your credibility and raise doubts about your project.

5 Ask for regular reviews

Believe it or not, benign neglect is actually a bad thing. When faced with a large, difficult project, it’s human nature to crave more time, more freedom and less distractions. But too much freedom is actually the kiss of death for an innovator, breeding mistrust and setting the stage for disaster.

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Think of it from the c-suite perspective. CEOs hate unpleasant surprises. Regular reviews ensure you'll never have to give them any. And as an added bonus, frequent reviews also enable rapid course corrections that will help you keep the c-suite on-side as you navigate unknown territory.

6 Don't take all the credit

Projects driven by ego are more likely to fail, and the c-suite knows it. So make it clear from the start that the project is not about you. Keep the focus on the greater good and give your team all of the credit they deserve—and then some.

7 Defend without being defensive

A CEO plays many roles but cheerleader is not usually one of them. So don't be surprised if c-suite backing of your project comes with constant questions and challenges instead of heartfelt encouragement.

When these challenges come, don't take them personally. Think of them as opportunities—to fine-tune your case, or even to expose key flaws and weaknesses while you still have time to change course.

8 Be passionate but balanced

This rule is so important that it's worth repeating.

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Trust and Credibility

In mature organizations, innovation requires more than a good idea and a healthy amount of passion and commitment. Nine times out of ten, even the best idea will die on the vine without the help of a champion who has built trust and credibility in the c-suite.

Follow these 8 Rules and you'll be well on your way to making high impact innovation happen in your organization. It's not an easy mission, but if you can pull it off you may find *yourself* in the c-suite before long.

About Peter Fuchs

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Peter Fuchs has over 35 years of extensive experience in management consulting, working closely with Boards and senior management teams on key strategic business and technology issues in a variety of industries such as Consumer Products, Electronics and Hi-Technology, Telecommunications and Financial Services.

During his tenure with Accenture, Peter held many strategic responsibilities. He became a Partner in 1975 and remained in that role until his retirement from the firm in 2000.

Peter holds a B.S. Accounting from Lehigh University and a MA in Finance and Economics from the University of Pennsylvania.



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