



## BUILDING AN *INNOVATIVE* INNOVATION TEAM



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Before joining NineSigma in 2008, Denys was founder and President of TradeQuest, Inc., a consulting firm that developed and implemented international business growth strategies for global manufacturing and service companies. She brings 20 years of manufacturing and business development experience from companies such as RPM, Faber Castell, and FedEx.

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### Introduction

Previous generations of the global workforce were raised in a world where independence and self-reliance were valued above other attributes, and in many cases were demanded. In the past, people worked independently within a clearly defined career path. Expectations focused on performing one's tasks and staying the course to advance up the corporate ladder, while the end goal for the R&D teams and their employers was the prized patent. Although patents are still a valued outcome, the dollars from new innovations have become the bigger prize and the way to achieve financial success today is increasingly through collaborative innovation.

The world has changed. It has become more inter-related, more social, to the extent that it is difficult to visit a web site, watch a TV commercial or tune into the radio and not see the words "Share", "Tweet" and "Like". The same social and collaborative nature that is found in the public across industries and time zones is driving internal changes within companies today. From intranets and internal wikis to private corporate social networks, the expectation for people to work together in teams continues to grow. In many cases, employees want to be connected, and are influencing their employers to take advantage of the latest social networking tools, services and processes to improve their work culture and environments. More companies understand the importance of engaging their customers and employees, interaction and communications that ultimately lead to better products and work environments.

Among the many companies that have embraced the new socially connected world is Zappos, the billion dollar online shoe store that is now part of the Amazon.com family. Since 2007, the company has encouraged its employees to leverage new media technologies such as Twitter, Facebook and YouTube while continuing to use the phone and email to engage with their customers. Currently, Zappos has more than 1.75 million followers on Twitter, 96,000 friends on Facebook, and the company's fans and friends have watched its 200-plus videos nearly 2 million times. CEO Tony Hsieh once tweeted, "Following 'best practices' is a great way to stifle innovation and ensure that your business is average and behind the times." What Hsieh and other corporate leaders around the world are calling for in order to meet customers' and market needs, is to move away from predefined paths and traditional methods towards new innovative ways to leverage the connected workforce and opportunities for collaborative innovation.

The following white paper addresses the importance of establishing an appropriate culture and building an environment for effective collaborative innovation. Whereas skill sets and career paths have been clearly defined in professions such as sales, marketing, finance and accounting, finding the right people to join an open innovation team can be a challenge. Fortunately, with an increased focus on innovation, assessing, developing and nurturing innovation talent from among companies' own team members is possible and has become mission critical to survive and advance.

## Building an Innovative Culture

The latest generation of workers is highly connected and is bringing the need for collaboration into companies across industries. Zappos, like many modern companies, has established a culture where innovation is prized and corporate success is achieved through collaboration and communications. Innovation is a people-centered activity, and as such, requires a team-based, collaborative environment. A recent survey by the Boston Consulting Group and BusinessWeek found that “companies have recommitted to pursuing innovation... They have pushed it back to the top of their priority lists and plan to boost innovation spending.” In fact, a recent NineSigma survey found that 60 percent of those polled say collaboration is happening either at the business unit level or across all business units and divisions.

The Boston Consulting Group report also found that “Executives consider a risk-averse corporate culture” as one of the “biggest factors holding down the return on their innovation spending.” In the current global economy, companies cannot afford to stop because their competitors are unlikely to take a break while new players will continue to surface claiming their offerings are faster and better. In addition to being persistent companies must also be prepared to take risks. Maintaining the status quo and standing still might as well mean moving backwards.

Spurred by competition and the need to expand product pipelines and shorten time to market, companies of all sizes are embracing the concept of open innovation and leveraging the external innovation community. Traditionally, companies have worked to develop products internally; shunning opportunities to collaborate with external resources in fear of what the open market would do with their concepts and ideas. Many companies have come to learn, however, that with a better understanding of what is out there, they can reduce risk, increase speed and leverage external resources to identify new market opportunities. Collaborative innovation allows companies to increase their R&D focus on core strengths while leveraging the world’s top resources for new ideas. With this in mind, collaborative innovation is not just for the big companies like the Kraft Food’s of the world; rather all size companies can benefit from external networks to enhance and extend internal capabilities.

## Today’s Innovation Professional

A critical component of innovation is the people and teams who drive the corporate strategy. The role of an innovation professional is being defined in this era of open innovation, and the exact skills, experience and career path are not yet well established. While some newly minted innovation directors or managers may perceive the unknown as a negative, many embrace the opportunity to be a pioneer in shaping the direction of innovation for their companies.

Innovation roles require people who can function in a broad conceptual environment, are technical, and are adept at communicating. Unlike the specialists of yesterday, an innovation professional is someone who wears many hats and can contribute in a variety of technical and strategic ways across multiple areas of the business. It is someone who has passion for innovation, but also brings business acumen, an entrepreneurial spirit and negotiation skills. Finding one person that meets these criteria within an organization requires more than simply looking at

a resume, and building a team of innovation professionals to lead a company's open innovation efforts requires more than asking for volunteers. **To be successful, companies need to ask themselves, "How innovative is our innovation team?"**

Unlike most business professionals in sales, marketing, accounting, law and other defined roles, innovation professionals are not afforded volumes of literature, articles, motivational tapes, webinars and professional development opportunities. A quick search of Google for "sales tools" produces more than 41 million results, while "attorney continuing education" produces more than 8.6 million. Business professionals are typically evaluated and measured through annual reviews and developed through professional training, continuing education and conferences. Unfortunately, innovation professionals do not have the same levels of support because their roles are often defined by their company or industry, and are impacted by how open or closed the organization is. While innovation leaders have an idea of the personal and professional traits they need for innovation team members, it is helpful to have a set of defined behaviors as a standard in order to assess the fit of the individual and predict the likelihood of success in his or her role.

Among the many tools and techniques used to assess business professionals are psychometric tests, which measure an individual's abilities, aptitude, personality and motivation. These tests help employers to understand an individual's job-related strengths and potential limitations within the context of the success competencies for a specific role. The results of the tests are compiled into statistical data to produce a personal profile. The data and profile are then analyzed to determine if the person is a match for the position and company. While psychometric assessment tools have been around for years, they are just now being developed to determine how innovation professionals can be evaluated, developed and rewarded.

## The Importance of Talent Assessment and Development

Collaborative innovation is not a course that is taught in school, which makes it difficult for many employers to determine who, among their employees, would be successful in emerging innovation roles. For companies to be successful in identifying the right people to lead innovation, they need to understand the importance of talent assessment and why talent development is critical to increased output and performance. In terms of assessing and developing talent in the context of open innovation, innovation professionals need to have a broad skill set, in addition to passion, deal making capabilities and problem solving acumen. For many companies, professional assessments of current staff may reveal the need to hire a person with specific characteristics to balance the team. It may also reveal that a company's culture and core values need to shift to effectively use innovation as a strategy and engage existing staff.

An innovation leader is likely to be strong in the following competencies:

- Innovation and creativity
- Ability to create and communicate collaborative innovation vision
- Analytical thinking
- Leading change
- Organizational awareness
- Strategic partnering

For individuals, an innovation profile provides detailed insight into their own behavioral attributes and personal motivators. The results can be eye-opening, revealing personal and professional needs that individuals may not have realized. Individuals can use the information to chart a course for their own personal improvement, working with their employer to identify the best resources and training opportunities to strengthen their weaknesses and build upon their strengths. In addition, with an understanding of strengths and weaknesses, individuals are likely to have greater respect for other team members' talents and contributions. As individuals work to improve their own skills and attributes, their efforts will ultimately impact the performance of their teams; providing complementary pieces that will help the team work together effectively.

Collaborative innovation profiles of prospective team members can influence everything from innovation leadership to future hiring practices. Aggregating the behavioral tendencies and motivators into a team picture will help leaders understand individual strengths and weaknesses and provide a much clearer picture of who they can enlist for an innovation leadership or project leadership role. For instance, innovation leaders can learn from the individual assessments, identify who among their teams is a risk taker and can persuasively lead change, who can effectively create and communicate the company's vision and who can evaluate alternative solutions and the issues and situations that may arise from certain courses of action.

## Creating a High-Performing Innovation Team

The saying that a chain is only as strong as its individual links is apropos when it comes to forming a collaborative innovation team. Organizations looking to gain a competitive advantage and drive product innovation cannot afford to have anyone in their organization who does not have an open mindset. The right mix of people that scores high on innovation and creativity competencies, when combined with analytical thinkers, planners, leaders, communicators and organizers, will produce a much more balanced team than one comprised of individuals with similar strengths and weaknesses.

To be effective, innovation teams need to include representatives from all areas of the business so innovation strategies can address issues across business functions, departments, units and geography. In some cases, departments such as purchasing, accounting and legal departments may not be prepared for the inevitable changes driven by open innovation, but with the right combination of team members, any and all challenges can be overcome.

Five ways a company's leadership can help their innovations team to be successful:

1. Clearly define and communicate the company's innovations goals and expectations for the innovation team
2. Use individual profiles to identify training needs. Identify resources and develop courses of action that will enhance individual weaknesses and build-upon individual strengths
3. Establish aggressive goals that force team members out of their comfort zones
4. Create an environment that embraces risk
5. Reward failure because not every idea will be successful. Employees that are allowed to learn from their mistakes will be less likely to repeat them, and the confidence expressed from management will be fuel for personal, team and corporate improvements and success

The responsibility for forming the innovation teams resides on the shoulders of the company's executive team, appointed innovation leaders and heads of human resources, who may be responsible for administering the psychometric tests and reviewing individual assessments. Armed with personal collaborative innovation profiles, innovation leaders can build well-rounded teams that capitalize on individual strengths, and draw resources from across the organization. They can use the knowledge to enhance team members by:

- Building innovation leadership in high potential individuals
- Formalizing innovation mentoring
- Creating development paths supported by individual coaching

Each of these will help strengthen the individuals, which in turn will enhance the capabilities and strengths of the innovation team, and improve collaborative innovation behavior, performance and adoption.

While building an innovation team may be new for many organizations, the process provides a unique opportunity for HR leaders to analyze their employee evaluation and recruiting processes. Psychometric testing, while growing in popularity, has not been widely established across the corporate world. Given the uniqueness of the innovation role, and the critical need to identify staff competencies, HR professionals have an opportunity to shape non-traditional roles using assessment tools, and therefore emerge as a critical voice in the development of innovation teams.

Executives and HR professionals can also use the profile data to determine if there are team needs that cannot be met from within the organization. Holistically, concerns of culture may come into play when assessment results suggest, for example, that all team members want to please rather than take risks. In this instance, the culture may not be challenging the status quo, which may force leaders to look for outside resources to join the team and begin the process of climate change. Inevitably, the more support that innovation leadership receives on building the right team and establishing the right environment for collaboration, the greater the payback, as high-performing teams will drive maximum innovation outcomes.

## Conclusion

The innovation team is ultimately a reflection of its company, its leaders and their overall commitment to solving challenges and developing new solutions using any and all resources available. In today's competitive global marketplace, companies must continue to develop pathways to success. By taking advantage of a more social, connected workforce, companies can build effective collaborative innovation teams and make open innovation a part of their cultures. To do so requires that organizations understand their employees' strengths and limitations and then build their innovation teams based on that knowledge. Once the individuals are assessed and teams are gathered, companies must establish the processes that will help them to generate, manage, evaluate and implement the best ideas. They must create an environment that embraces risk and rewards failure while establishing aggressive goals and expectations that force people out of their comfort zones. They must also provide training and professional support for the individuals who have risked the stability of a more traditional career path for one that is less defined. All of these efforts will serve to strengthen the team and company, while building an environment where collaborative innovation can thrive.