

Excerpts from: **The Balanced Innovator** by Robert Carter



The *Balanced Innovator* is a book to bridge the competencies and discipline of Six Sigma with innovation-based growth. Bob led Raytheon's Six Sigma efforts for Innovation and Growth. He has over 25 years experience in high technology business. He has extensive knowledge of international business, having led several multi-national campaigns and projects, traveling to more than 30 countries. He is a sought after speaker on Six Sigma for Growth, Innovation and Voice of the Customer.

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At age twenty-three, Winston Churchill wrote in an unpublished paper on oratory, *The Scaffolding of Rhetoric*, "Before you can inspire with emotion, you must be swamped with it yourself. Before you can move their tears, your own must flow. To convince them, you must yourself believe." I believe in the principles and ideas in *The Balanced Innovator*. I have tried them and seen them work. I have seen time and again that success depends on the balance between our intellectual, organizational, and human factors—in other words, a balance between what we do, know, and understand; how we do things and learn; and especially in why we do things. This balance between the What, How, and Why is the key to success in life and especially in Innovation. Why we do something validates What we do and How we do it, and vice versa.

Success is also dependent on strong, positive emotional connections, and those are driven by purpose and passion. Without purpose, we don't know why our actions are important; if we don't understand why things are important, we have little or no passion for them. All the skills, knowledge, and experience in the world (the What factors) mean little if we have no emotional connection, passion, or purpose (the Why factors). Likewise, passion and purpose with low skills, knowledge, and experience is equally doomed to failure. How we organize ourselves to complete our actions and develop our skills is the third key factor. To achieve success, we need to balance the What of our intellectual strengths with the How of our organizational skills and the Why of our human factors. I call this the *What, How, Why Balance*, and I've used it as the basis for many of the themes in *The Balanced Innovator*.

The greatest and most successful people in history had this balance; they knew what to do, how to do it, and why they were doing it. In other words, they had knowledge, skills, and a purpose.

The Innovation Gap

People who predominantly use the right side of their brains are the thinkers, the dreamers, the artisans, the poets, and the storytellers. They have dreams and throw out ideas in abundance. They are the folks known as out-of-the-box thinkers. Right-brain thinkers try to solve unknown problems by immersing themselves in the big picture. They find luck by being prepared for opportunity when it presents itself. On the other hand, people who predominantly use the left side of their brains prefer to solve known problems. They are logical and analytical and make tactical execution their priority. They are the program managers, the accountants, and the engineers who love to stay inside the box. Left-brain thinkers often talk about out-of-the-box thinking, but they are usually jumping from one box and into another. (More about that confounded box in chapter 7.) Left-brain thinkers use luck by turning the opportunity into reality. So where does Innovation fit? Innovation is the art, science, or other act of introducing something new that adds value. Innovation eliminates the box and bridges the gap between the right and left hemispheres of the brain. As I explained in the Introduction, I call this gap the Innovation Gap. Innovation turns dreams and ideas into reality by bridging that gap. If the Innovation Gap isn't bridged, the idea is merely a dream.

Balanced Innovation

"But growth is about innovation and creativity in developing new technologies through science," an engineering friend of mine stated recently. "More to the point, it's the engineers and scientists who really drive growth!" My response was both yes and no. Engineers and scientists can and do drive growth and are often innovators, but they don't have a monopoly on the subject. Many engineers and scientists find it difficult to construct a sentence containing the word Innovation, unless it also contains either science, technology, or engineering. Science, technology, and engineering are the intellectual aspects of Innovation that can also be described as What we do. However, there are also the emotional aspects of Innovation. Innovation, as we have discussed, must add value, and if there is no or limited emotional connection with our customers, then the value will be limited at best. Think about the way good storytelling plays on human emotions and behaviors. A great invention on its own isn't necessarily innovation, especially if it adds no value at that particular point in time. Storytelling is a way of explaining how the solution works in a way that connects emotionally with the client.

What about behaviors? The correct behaviors tend toward positive emotional connections, both internally and externally with our customers and other partners. Strong, positive emotional connections lead to optimism. Optimistic organizations have been found to innovate much more successfully than pessimistic ones. (For more information on the role of optimism in Innovation see, *Putting Hope to Work* by Harry Hutson and Barbara Perry.) The emotional, behavioral, and storytelling aspects of innovation are the human factors and can also be described as Why we do things.

Innovation is necessary everywhere and can occur anywhere. Innovation is not reserved for the domain of the scientist. For example, Innovation occurs in organizations in places like the finance department, contracts and legal departments and throughout the supply chain. Think about the way a lawyer justifies her fees; that's innovation through storytelling in its finest form. (To any lawyers, that's a joke!) On a more serious note, the Dell business model is an excellent example of organizational innovation. The way Dell introduced build-to-order capabilities through the innovative use of the supply chain and contracting methods gave the company a significant competitive edge. Dell's business model allowed customers to quickly order and pay for the computer they wanted, rather than buying off-the-shelf computers that usually included many software programs that were neither wanted nor asked for. Their effective and innovative use of the supply chain meant that their inventory levels and costs were significantly lower than

traditional manufacturers. It made them different. Dell's technology was no better than the incumbents of the time, but their success from startup to industry leader was phenomenal.

In addition to the formal organizations such as the supply chain, it is often the informal connections within organizations that enable innovation to thrive. These social networks connect the dots between individuals and organizations who collectively add value, a process known as using *social capital*. Social capital refers to the wealth of managers' or leaders' relationships within and beyond the organization. Social capital focuses on the value a leader or manager adds through his or her relationships with other people. Using social capital can be a key enabler. Where you don't have social capital, borrow somebody else's. These formal and informal organizational aspects can also be described as How we do things.

Six Sigma Black Belts, the expert practitioners of continuous improvement methods, are often members of the best-connected social networks in an organization. Don't be afraid to borrow the social capital of your Black Belts. (For a more complete description of the term *Six Sigma Black Belt*, see chapter 2.)

The Venn diagram in figure 1.1 shows how Balanced Innovation works.

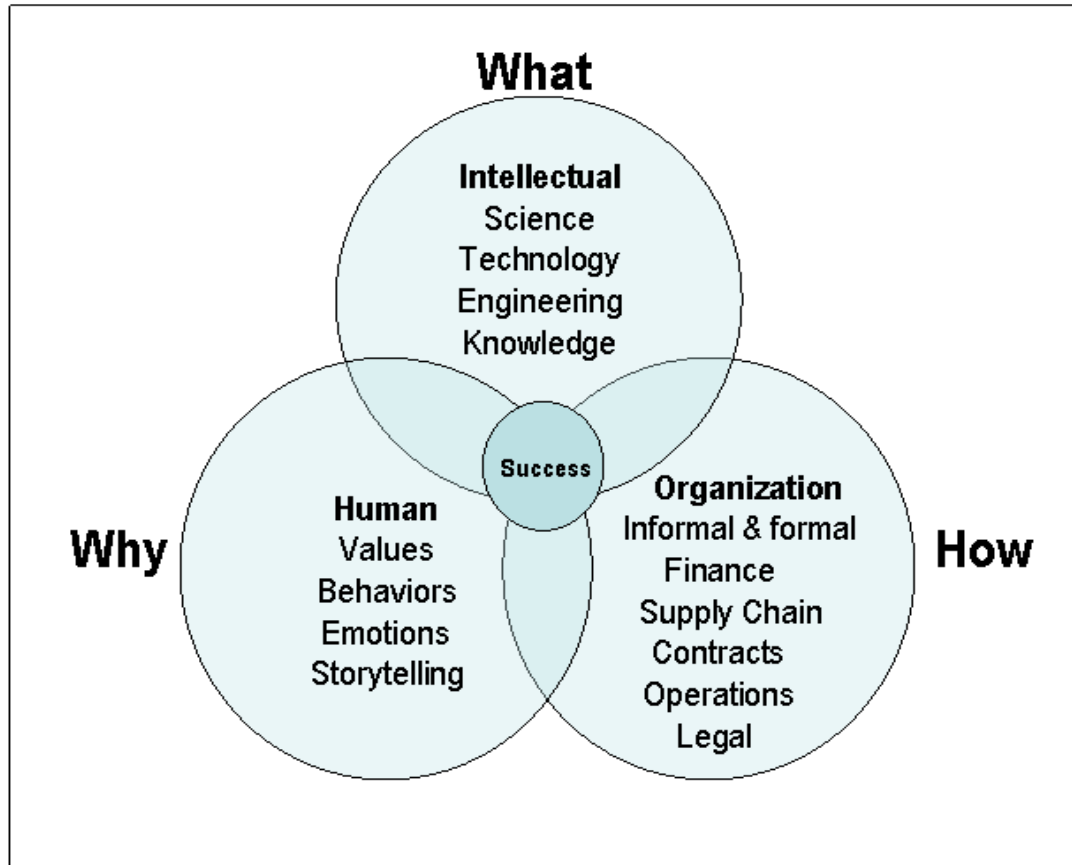


Figure 1.1 Balanced Innovation

Notice how the intellectual, organizational, and human factors are equally important. In other words, What we do, How we do it, and Why we do it are equally important. You will also see that the factors are all interconnected, suggesting that successful Innovation is dependent on balance. Your intellectual strength shows that you have the capabilities to deliver the product or service that your customers need. It is about your core competencies. Your organizational strength shows that you have the ability to produce what your customers need. Your human strengths

show that you understand the needs, that you empathize with your customers, and that you are focused on satisfying those needs. Your behaviors prove that you can be trusted and the way you communicate proves that you are in empathy. Each factor validates the others. The human factors validate the intellectual and organizational, the intellectual factors validate the organizational and human, and the organizational factors validate the human and intellectual. So the What validates the How and Why, and vice versa. This is defined as the *What, How, Why Balance*. As I mentioned in the introduction, this What, How, Why Balance is a key feature of *The Balanced Innovator*. In order to achieve success in anything we do, we must reach a minimum threshold in each of the intellectual, organizational, and human factors. If one of these factors is weak, the What, How, and Why are not balanced.

Unfortunately, many organizations are focused more on one area at the expense of another, like those shown in figure 1.2.

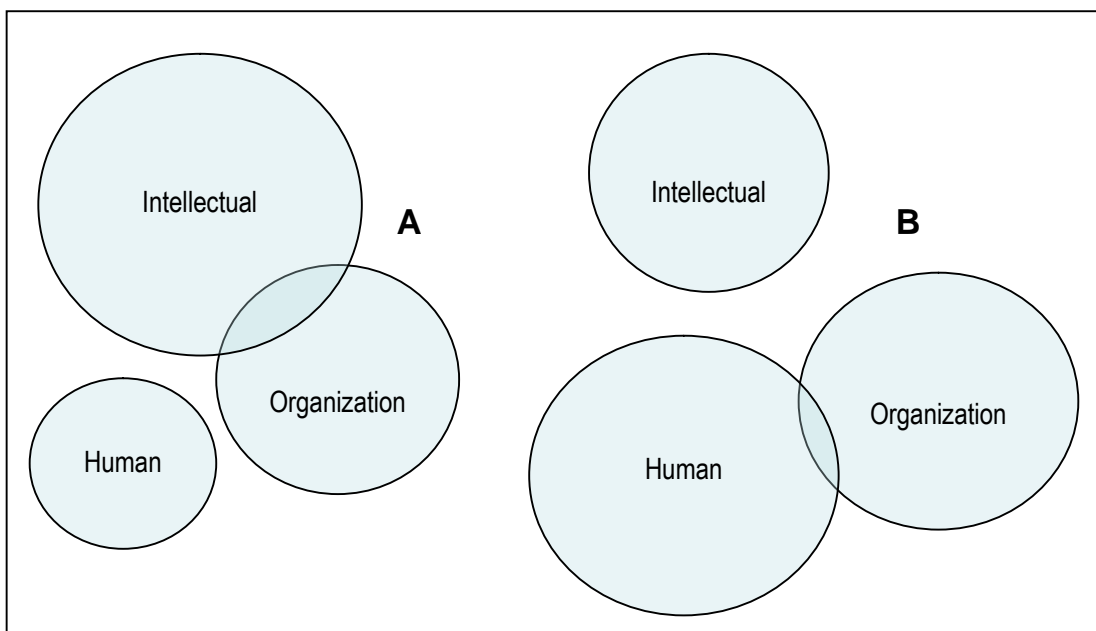


Figure 1.2. Unbalanced Innovation

Unbalanced Innovation occurs when Innovation is focused on one factor at the expense of the others. In example A, innovation is highly intellectual, focused on the technical aspects but not necessarily focused on customer needs and certainly not focused on telling the story to make the right emotional connection. Think of the Betamax videotape system. Betamax was regarded by many as technically superior to the VHS system but was a comparative commercial failure. Had the Betamax tape manufacturers adopted a more balanced approach and focused on the organizational and human factors of innovation as well as the intellectual ones, there may have been an entirely different outcome. In example B, the story may be compelling but the solution may have little substance. This type of imbalance is usually seen in organizations that have outstanding marketing and business development professionals, but their focus is all about winning new business rather than on execution. Their success is usually short lived. Contrast this again with figure 1.1, where all three factors are equally important. Companies that exhibit out-of-this-world performance have a balanced approach to Innovation. You can find a good example of balanced Innovation at Disney theme parks. Disney parks don't have the highest or fastest rides, and they are among the world's most expensive parks to visit. Yet they are by far the most widely recognized, most frequently visited, and most commercially successful. This is because Disney places importance on the total experience. The way they tell the story and the

way they make it easy for you to visit their parks is just as important as the excitement of the rides. Disney doesn't want its guests spending a lot of time waiting in line. They have pioneered Fastpass, which allows guests to book ride times in advance to minimize waiting time. Disney recognizes that the more time the guests spend in line, the less time they are walking past those enticing vendors—not to mention the frustration and boredom incurred. If a line is inevitable, Disney will find ways to entertain guests until they reach the attraction, usually by introducing a story to build the guests anticipation of the ride. This makes the experience even more compelling, enhancing those positive emotional connections. Disney may not have a Six Sigma program, but it does have a balanced approach to Innovation.

The Balanced Innovator may be ordered through: Wheatmark Publishing

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