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Promoting bottom-up innovation
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Promoting bottom-up innovation

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Based on the chapter “Bottom-up Innovation”, of his recently published book, “Innovation Leaders: How Senior Executives Stimulate, Steer and Promote Innovation”, published by Wiley/Jossey-Bass, Professor Deschamps explains how innovation occurs under two complementary modes: bottom-up innovation and top-down innovation. Both have the same objective – creating value for customers or for the company – but each has different drivers and processes.

This two-part series on innovation leadership looks at what companies can do to promote each innovation mode, starting with bottom-up innovation. See our Tomorrow's Challenges article, part II in this series, Steering innovation, top-down.

Fuelled by ideas, driven by culture

Bottom-up innovation is fuelled by the ideas and initiative of individuals within a company – be they in marketing, R&D, sales, or management. Someone has an idea, which is then pushed through and implemented by the staff, with the strong support of management.

This process relies on spontaneous, serendipitous ideas, and so cannot be micromanaged or mandated. However, companies can improve the chances of it occurring by hiring creative entrepreneurs and putting them in an environment conducive to innovation; spotting and supporting good ideas, early on; and establishing idea management and funding mechanisms. Companies can also try to stimulate idea generation through mechanisms such as:

- **Innovation performance measures** – creating targets for innovation through key performance indicators, like percentage of sales from new products
- **“Free time”** – giving staff the time to explore new ideas
- **Networking** – partnering with universities, idea providers, and other groups
- **Customer/consumer sensing** – getting closer to the customer to understand their needs
- **Reward systems** – recognizing the providers of great ideas

Ultimately, however, bottom-up innovation is driven by a company culture that encourages creativity and entrepreneurship. And such a culture needs to be proactively built by top management.

A customer-centric culture is essential

A customer-centric (or consumer-centric) culture is a pre-requisite for bottom-up innovation. This does not mean asking customers what they want, it means understanding them so intimately that you can detect unarticulated needs and get a gut feel for the acceptability of new technologies or concepts. Achieving this requires specific attitudes and priorities from all employees:

- **Curiosity** – visiting and observing customers
- **Empathy** – sensing the experience behind a purchasing or usage act
- **Rigor** – performing research into the customer experience
- **Humility** – really listening to what customers have to say

Establishing a customer-centric culture may not be easy – especially for large, traditional and/or mature organizations deprived of customer contacts for many years. It requires promoting and rewarding the attitudes listed above, and setting strong priorities across all functions.

Other important aspects of company culture

In addition to a customer-centric culture, four constituents of company culture can favor bottom-up innovation:

1. Organizational creativity

Organizational creativity, or the creativity of a team, can be encouraged in four concrete ways:

Ensuring team and staff diversity – To generate the best ideas, team members need to be as diverse as possible: in gender, age, education, function, culture, and mindset.

Tolerating mavericks – Mavericks are lateral thinkers who challenge "group think". Such people are good for innovation, but need to be managed well. Companies need to accept that

by their nature, mavericks tend come and go; the important thing is to make sure enough are coming in and that the company culture supports them.

External contact – Innovation leaders should have strong networks in all areas: R&D, suppliers, customers, and partners.

Promoting broad-bandwidth managers – These managers have a mix of technical depth and functional breadth. They may not be experts in a particular area, but their diverse interests and ability to see approaching paradigm shifts will promote innovation.

2. Innovation champions

Bottom-up innovation only occurs because of dedicated and committed people making things happen. Three types of these innovation champions are needed: technical champions, business champions, and, most importantly, executive champions who back up innovation teams.

3. Entrepreneurship culture

A positive attitude towards risk is extremely well accepted in principle, but very rarely implemented in practice. But a company must actively support people who try new things and take risks, and also accept failure, if it wishes to encourage bottom-up innovation. Constant learning is another important aspect of an entrepreneurial culture.

4. “Can-do” climate

To encourage bottom-up innovation, a company’s leaders must fire their employees with passion. Management also needs to ensure that there are no barriers to, or stifling of, innovation, either in their own attitude and behavior or in the company’s processes and policies. Critical climate factors include:

- **Management attitudes** that are explicitly interested in innovation; tolerate risks and failure; have a reasonably long payback horizon; and share lessons from failures
- **Management policies** that reward innovators; systematically track innovation; strongly empower teams; and make innovation resources available
- **Management processes** such as a clear innovation strategy; a flexible planning style; minimal red tape; and fast and clear decision-making.

Moving forward

Clearly, it will not be possible to change your company's culture overnight so that it incorporates all the above-mentioned factors. The best way to start a cultural change that better favors bottom-up innovation is to (i) identify which cultural factors are currently most deficient in your company; (ii) identify which factors will have the highest impact on innovation in your company; (iii) identify which factors are likely to be addressed most easily; and then (iv) start by addressing overlapping factors present in all three groups.

Professor Jean-Philippe Deschamps teaches on Mastering Technology Enterprise (MTE), the Driving Strategic Innovation (DSI) and the Orchestrating Winning Performance (OWP) programs.

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