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Clear Vision+ Great Culture + Disciplined Strategy = Winning Innovation

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Abstract

What is the message?

While success of innovation is not guaranteed, several key elements are part of the pathway to possible wins: strategic purification, culture optimization, and structure and decision-making.

What is the evidence?

The author draws on his experience as a successful entrepreneur.

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Maximizing an Idea's Chance of Success

Powerful business ideas surround us. The human instinct for improvement and success, inspired by the imperfect world around us, and accelerated by exploding access to information and new technologies, delivers limitless ideas that seem intuitively destined for success.

In the business world, of course, some great ideas will fail, and others that seem less innovative may succeed wildly. How can we as business leaders quickly discern which might be commercially viable and which are more likely to fail?

More importantly, what can we do to maximize an idea's chance for success? Answering that question has been the focus of my life for the last few decades. In addition, in my role as an educator and mentor, I have been trying to not only answer that question, but to improve our education with tools and processes that will drive great ideas to market success.

While my focus has been on innovation in healthcare, these tools are universally applicable to industry sectors. For example, I have personally applied them in healthcare; before that in financial services; and also in business-to-business-to-consumer information services. These settings have included various governance structures: publicly traded companies, privately held companies, mutual ownership, and even not-for-profit organizations.

Three Categories: Focus Your Efforts

I group the tools and processes in three categories: strategic purification, culture optimization, and structure and decision-making.

Strategic Purification

If you know where you are going and what will drive success, you can focus all resources there and avoid distracting intrusions. An idea is not a strategy; an idea without a strategic plan to move it to action is almost certain to flatline. Here are some steps to strategic purification:

4. **Customers:** Identify your customers and study them incessantly. Define the consumer value inherent in the new solutions you offer; define the nature and durability of customer relationships; define how you will communicate with, and serve, your customers; ascertain how their needs will evolve as you deliver your value. Remember that once you have solved a customer need, you are irrelevant to their future unless you can discern and deliver solutions to new desires.*Example: At Cancer Treatment Centers of America (CTCA) we deployed Net Promoter Score measures with patients and their families every day in every center. We also invited a patient to attend every board meeting to share their insights on the CTCA experience. We engaged patients in the process of designing new*

centers and improving existing ones.

5. **Elevator speech:** Express your idea in a very concise, compelling way that will get eyebrows raising and heads nodding at the concept. This will not only help you with key audiences, it will sharpen your own thinking, and it will make sure you know the key elements of your idea. Pare away everything that is not essential to the idea.*Example: At CTCA we developed our vision: "To be recognized by people living with cancer as the premier center for healing and hope!"*
6. **Differentiation:** Specifically define your competitive differentiation—identify existing competitors and how they succeed, followed quickly with your description of what will make your innovation different. Include an articulation of how you will continue to outdistance the competition, knowing that they will respond to your intrusion. Express all the aspects of differentiation as specifically as you can. This will help you keep your eye on the ball at the beginning, but also it will help push you to stay in front of the competition as they start to react to your intrusion in the market.*Example: At CTCA we pursued differentiation though excellence in four areas: (1) service and information delivery, (2) patient loyalty, (3) talent management, and (4) market and customer research.*
7. **Unique attributes:** Identify and protect truly unique attributes of your innovation—consider intellectual property you are creating, and make sure it is protected by patents, trademarks, copyrights…and secrecy. This will also make sure you are not encroaching on anyone else's IP without permission. Blanket your communication of these unique attributes with confidentiality and non-disclosure agreements in all cases.
8. **Financial models:** Create reliable financial models for your innovation, including at least five years of projections for your balance sheet, income statement, cash flow, and capital investments. Identify sources of capital, and consider alternative funding models to sustain the business while also protecting your personal innovation. (For healthcare, specific analysis is required to understand how you will get paid for your goods and services, given prevailing separation between the consumer and the payer.)
9. **Talent:** Build an insightful model of the talent you will require to start and scale the business. Consider the key roles and skills you will need and assess the availability of those attributes in the talent pool you will access.

Culture Optimization

Successful implementation of innovation demands a discreet, unique culture that includes

shared passion, an appetite for smart risks, an appreciation for scarcity, and a work ethic that will not be deterred by setbacks and surprises. Innovation commands high levels of intelligence, high-volume curiosity, and a shared sense of humor. Entrepreneurs should also share a commitment to clarity and a willingness to discover and share the truth transparently with each other.

1. **Mission:** Expand your elevator speech into a clear articulation of mission, vision, values, and your brand promise. Include your entire team in creating these tools, and make them a part of your daily culture.
2. **Recruit:** Recruit consciously to these cultural values. Every new hire will be a cultural terrorist, not intentionally, but unless you recruit and onboard them to your unique culture, they will bring the cultures from their past into your company.
3. **Rewards:** Establish recognition and reward systems that align your team, and incent the behaviors for success. Consider an incentive plan that includes every single employee, sharing the value they create.
4. **Information:** Create direct pipelines and interactive information flow with your customers. Achieve an intimacy that will keep you moving with the needs of your customers and that will help them tell you what you need to do to improve.
5. **Dashboard:** Extract simplicity and focus from complexity through an enterprise dashboard that everyone understands and contributes to. This should include the significant few (5 to 10) metrics that will reveal the key successes, challenges, and shortfalls to keep the collective eyes on the right targets.

Structure and Decision-Making

Great implementation of great ideas implies swift decision-making and optimal authority in the hands of those who are closest to the customer. If you have a clear culture and aligned strategy, you can confidently delegate lots of authority to your frontline team members.

1. **Plans:** Well-defined and aggressive annual plans and budgets create a framework for empowerment.
2. **Filters:** Creating and sharing key strategic filters, providing a context for decision-making, also enhances the framework for empowerment.
3. **Communicate:** Publicly commit to a culture of innovation, and recognize your leading

innovators. Catch people doing the right things and shine a light on them for all to see.

A Final Point

Above all, **have fun**! Innovation is a special calling. It is intense, and you should make sure you surround yourself with other folks who share your passion and the quest for success.