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December 17, 2013

Radical Innovation in Large Companies Is All About the People

Tuesday, December 17, 2013 - by *Kevin McFarthing*

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How do large companies pursue radical innovation? You know what I mean: the kind of new product that changes or creates a market. There is a school of thought that says **large companies just can't do it**, that any new market disruption comes from an upstart startup.

There are, of course, exceptions to this generalization, for example Apple. Mostly though, large companies have an inbuilt need to pursue innovation in markets and fields with which they are already familiar, and to protect their current positions rather than disrupt or cannibalize. They don't have the same absolute focus, passion, and decision-making speed that characterize small innovative companies.

Enter the 6Ps

First, what does "radical innovation" mean? In my view, it is innovation that significantly alters the dynamics of a market by changing the behaviour of users and converting them to the new offering; or enables new behaviour. For example, smartphones enable new behavior with apps that just didn't exist before.

It's in that context that I'd like to propose a template that I think will help, called the 6Ps of Radical Innovation:

- perspective
- potential
- prototype
- partition
- persistence
- people.

None of these stand alone, and the 6Ps should be taken as a whole. But in this post, I'd like to address the element that, in my view, is the most important: people.



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Any company can put structures, processes, and investment in place to support innovation. These do not create competitive advantage; they are simply qualifiers that allow you to play the innovation game. The differentiating factors derive from people and their inventiveness, passion, and drive to succeed. It is critical for organizations to put the right people in the right positions and give them senior level support.

Allow people to smartfail

As [Peter Sims](#) says, the main enemy of creativity is fear of failure. If people are unwilling or feel unable to suggest or try new things, nothing "bottom up" will happen. All the options for radical innovation will be "top down" and the rest of the people in the company will simply execute what they are told to do, without ownership and probably without passion.

So, the first thing the large company needs to do is to create time, space, and support for people to explore their creativity and come up with proposals for radical innovation. This is not just to create new ideas, but also to enable those that already exist to be put into a format that explores the business potential.

There is a massive difference between failure and learning. If people try something new and it doesn't work, that's not failure, they have just learned what doesn't work (thank you, Edison). If they consistently repeat the same failed experiment, that's the time to start worrying.

However, the concept of punishment for failure is totally the wrong approach to radical innovation. [Stefan Lindegaard](#) and [Hutch Carpenter](#) came up with the concept of "smartfailing," in which the idea is to get to a decision point quickly and cheaply to understand which aspects of a product, or indeed the whole thing, may not work. Stefan has selected some good reading on the topic in a [recent blog](#).

Almost by definition, a radical innovation project is less likely to get to market than one that addresses a more certain incremental growth opportunity. This creates a challenge given that career progression depends primarily on what people achieve. In the context of innovation, key career questions are "What have you launched?" and "How much money does it make?"

If a highly talented innovation professional answers these questions with "nearly" answers because they've worked on tough radical innovation projects, they may struggle to make the same career progress in large companies as those with ready answers.

This challenge is less of an issue in those industries with long product and project lifecycles, and where large parts of the company are set up to deal with radical innovation, for example in aerospace and pharmaceuticals. In sectors like consumer goods, there is often little incentive for the brightest and best to risk the next step on the career ladder by moving into an area where they may have nothing tangible to show for it.

Look for entrepreneurs

So how do you give people an incentive? The first place to start is with the right people, the ones who will be motivated and fired up by the challenge—the intrapreneurs. Entrepreneurs drive successful startups, and the intrapreneur is the closest thing the large company can have.

According to a recent blog by [Lisa Quast](#), intrapreneurs have the following characteristics:

- knowledge of the internal and external environment
- visionary and willing to challenge the status quo
- diplomatic and able to lead cross-functional teams
- able to build a professional support network
- able to persevere, even in the face of uncertainty.



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I'd also add that usually they are curious and creative, and often regarded as rebels or non-conformers.

It is also important to define the career path for intrapreneurs. There must be an answer to the "What's in it for me?" question. If for some reason they are excluded from the "normal" ladder in their discipline, they must still see a route forward to senior positions. After all, they are usually very talented and will have the ability to seriously influence the culture and direction of a company if they reach an executive position.

Give innovators support

Large companies need people with courage and drive to take real ownership of radical innovation projects. To do this, support from an executive sponsor and, ideally, the CEO, is crucial. If it matters to the person at the top, it will automatically get support further down.

What if the large company doesn't have people with the right profile and attitude? Open Innovation can really help, but isn't the total answer to implementing radical innovation in the market place. It's imperative to increase the diversity and background of people in innovation leadership positions, as I pointed out in a recent blog – [don't recruit innovators using the mirror](#). This has benefits for both creativity and execution.

The company and individuals involved with radical innovation also need to reassess their appetite for, and tolerance to risk. Incremental innovation is safer and easier (not necessarily safe and easy) and presents a different risk profile. Key to this is having the right perspective and potential for radical innovation; changing the risk profile doesn't make a company reckless.

Bottom line

Indeed, people are the most important factor in driving radical innovation in large companies, particularly if the company can:

- clearly distinguish between failure and learning, and promote Smartfailing
- identify and support the intrapreneurs
- provide a clear incentive for people to pursue radical innovation
- recruit for diversity.

Finally, as I discussed in another [blog](#), if the large company wants to build an innovation culture, the priority should be on the right actions, not on the objective of the culture *per se*. If the people actions above are followed through, one day you'll wake up and find you have an innovation culture. And you'll be launching successful radical innovations.



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