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Where Do the Best Ideas Come From? The Unlikeliest Sources

Peers, Suppliers Can Spark Some Great Innovations for Marketers

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There's a "secret sauce," as a friend would put it, to creating a recipe that works for serving up innovation success. But if businesses have trouble getting it quite right, it's because they're short on a critical ingredient: inspiration.

That was one of the discoveries Prophet made in its recent 2008 Best Practices Study: The Making of World-Class Innovators. The report was based on input from more than 150 senior executives at major corporations identified as having a clear commitment to innovation as a means of driving organic business growth.

What stood out were the practices of those that could be termed "model" innovators. For them, it isn't enough to have active research-and-development departments helping the business meet the innovation imperative. These businesses have created the most expansive networks for capturing inspiration from every possible source, from employees at every walk of the company to customers to other innovators and myriad points beyond.

The model innovators have ignited their inspiration networks from the tops of the organizations themselves, often with the chief executive personally serving as a catalyst and a role model who rouses all by setting the standard for innovation-fostering behaviors and attitudes.

Procter & Gamble CEO A.G. Lafley is one who has become something of an innovation legend for the way he sets the pace. In exemplifying the "do as I say and do" philosophy, he's been known to do his own hands-on ethnographic research, living with customers himself for a short time to see firsthand how they use P&G products -- the better to gain insights for inventive new offerings.

Culture of innovation

But catalysts also inspire in other ways. They and their executive teams do so not only by taking time for their own innovation pursuits but by actively including and encouraging others in the process. In fact, we found that 92% of the model innovators in our sampling view innovation as a team endeavor, leading them to work hard at cultivating the right internal attitudes and behaviors. These are fostered by encouraging risk taking, allowing time to pursue the development of new ideas and establishing thorough training programs in innovation best practices.

Best Buy benefits from a number of internal idea-sharing networks, all connected through the Loop, an intranet-based marketplace established as a means of better harvesting the wisdom of crowds. Employees can post, comment on or support ideas, and those who post ideas can ask for them to be funded. Those with merit are supported with seed funding of \$5,000 here and \$10,000 there.

Then there's inspiration that comes from external sources. Model innovators, we found, don't limit themselves to the proverbial four walls of the business itself. They recognize that a rich vein can be tapped outside, whether in the academic and scientific communities or among their vendors and suppliers. (In fact, three-fourths of the model innovators in our study actively involve their vendors and suppliers in the quest for the next new thing.)

Customers are an especially rich source to tap into, and technological advances have created almost endless opportunities to do so. Model innovators, we found, are far more likely to create dialogues with their customers, involving them in the innovation process at multiple

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Kevin O'Donnell is a senior partner of Prophet, a global consultancy that helps senior management more effectively use branding, marketing and innovation to drive growth.

points and in various ways. Nearly two-thirds of the models in our survey group are committed to customer co-creation, and the same percentage have found they achieve the best results on this front through "test-and-learn" (or in-market-experimentation) approaches.

Tapping into customers, though, is not necessarily a natural act when the "Build it and they will come" mentality prevails. Lego is one that learned the power of users as a creative force when developing its Lego Mindstorms.

Open door

The most popular product it has ever developed, this build-it-yourself robot was initially an internal effort in partnership with MIT. Within three weeks of its introduction, though, more than 1,000 intrigued customers formed their own web community to outdo each other in making it better. Rather than fight it (as Sony did with its Robot Dog), Lego embraced the idea of co-creation. The next generation of Lego Mindstorms featured user-defined parts. And the experience spawned the Lego Factory, where users can design products, create 3-D models on the web, design packaging (which Lego will manage) and sell the products on the Lego site.

Finally, model innovators are looking to their peers in other industries as sources of inspiration. Boeing cast the widest possible net to capture the thinking that would allow it to deliver the ultimate customer experience as it evolved its new 7E7, the Dreamliner. That extended to lessons gleaned from others. Boeing has gone to Wal-Mart for its innovations around inventory tracking systems for their implications in baggage handling, a critical customer concern. And for better service in the skies, it has gone to Disney to learn how its customer-service advances can be applied.

Sources of inspiration in the quest to meet the innovation imperative are almost endless. Businesses that intend to be successful at innovation and work their way up to "model" caliber will understand that good ideas can -- and should -- be cultivated inside and outside the organization. The genius that the most forward-thinking innovators are showing at making the most of these sources should help others as they create their own "secret sauces" for innovation success.

Defining model innovators

- Model innovators are three times as likely to view innovation as the most strategic driver of growth
- 64% of model innovators have proactive and continuing approaches to innovation strategy
- 80% of model innovators tend to encourage employees to be curious, and 76% systematically encourage risk-taking
- 64% make it a priority to provide time and space for the development of new ideas; 52% also train their people well in best practices
- 60% have built incentive systems that encourage their employees to contribute to innovation efforts
- Nearly half make more use of newer, more progressive sources of inspiration, such as the internet and blogs

Source: Prophet's 2008 Best Practices Study: The Making of World-Class Innovators