

Culture Is King: How Culture Contributes to Innovation

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Innovation remains high on many Chief Executive Officers' agenda for 2012. Yet in a recent survey, one out of two top managers said they were unimpressed by returns on their innovation-focused investments. Thus, we are led to wonder whether innovation can be optimized and built into the culture to increase its returns.

Innovation and cultural change are daunting tasks, and the associated risks leave the most well-intentioned and dedicated of organizations on the precipice of change filled with doubt, unable to move. Using a technique we call Frame Stretching (FS), an organization can move past their doubts. The process connects them to a familiar story, such as the Legend of Robin Hood, where the lessons and obstacles are parallel to the challenges the organization currently faces. When they swap their current frame for the framework of a story, individuals feel free to reimagine the potential of their organization and current situation. By itself, FS, using the story framework, leverages the power of myth and metaphor to increase individuals' confidence and ultimately their performance.

What if FS were to be practiced with purpose, and specifically help an organization focus on their more daunting challenges?

After identifying four salient features of innovative cultures, we imagined how an organization might optimally accelerate and integrate innovation, at little risk and without taking on the larger task of cultural change. Our inspired solution relies on the natural and necessary role that learning and reflection play in helping individuals overcome adversity, irrespective of cultural norms. By actively connecting the possibilities realized from one legend to modern day cases, individuals can easily understand their innovative opportunities amidst four salient features of their culture. This FS exercise demonstrates the utility of the approach, and we hope it encourages others to develop insights into how any organization seeking to innovate can succeed in doing so.

Welcome to FS, pairing the Legend of Robin Hood with organizational cases in an exploration to optimize

and build innovation into your culture and increase returns by following four lessons focused on leadership, environment, talent, and process.

Lesson 1: Leadership

Robin Hood, aka Robin of Loxley, was a nobleman and supporter of King Richard the Lionheart. Robin's consistent loyalty and support for King Richard strengthened and built the reputation for his personal brand and that of England. This attracted further talent and loyalty to both King Richard and Robin of Loxley's "brands." Having established credibility in England, King Richard shifted his focus to crusades in foreign lands leaving England under the despotic control of his brother, Prince John. Robin returned from the crusades to find King Richard's values and belief in England lost, and his property confiscated by Prince John. His rebellious actions branded him an outlaw and simultaneously he became a catalyst for innovation out of necessity.

As a cautionary lesson in leadership, King Richard's shift in focus led him to forsake his vision and delegate to local management the job of maintaining England and its prosperity. While this was indeed a move toward trying new things—innovation if you will—his kingdom ultimately fell into disrepute borne of high taxation, slavery, and oppression under Prince John. The resultant shift in loyalty and allegiance to Prince John aroused rebellion against the Crown, which tarnished England's reputation and undermined the value of the King's brand and his support at home.

Procter and Gamble (P&G) in the late 1990s had a parallel experience when it shifted its emphasis away from innovating on classic brands such as Tide and Pampers to launch new brands. While some of their new brands were successful—notably Swiffer and Febreze—the reduced emphasis on innovating the classic brands tarnished their reputation and status causing loyal customers to abandon P&G's products. The ongoing commitment to innovation across Tide and Pampers had a lower priority, and customers reacted accordingly.

Lesson 1: Leadership's commitment to innovation must pervade the organization and not merely emphasize new areas as the means to create growth. Even the most stable and sturdy of brands and their caretaking managers

need to continually foster innovation, for its absence can undermine the stability and once bankable performance on which the organization depends, potentially destabilizing a wider brand.

Lesson 2: Environment

Robin Hood, upon his return from the Crusades, faced a radically changed political environment. His property now seized forced his relocation to Sherwood Forest. The forest provided food, shelter, and a safe environment that also attracted increasing numbers of scofflaws in search of refuge. The resultant community shared an earlier vision—values of camaraderie and equality espoused by King Richard and a host of other unexpected attributes that came to define their lives. Unwittingly, the circumstances allowed something else to flourish—a freely flowing marketplace of news, ideas, and discovery that quickly spawned opportunities and spread hope throughout the community.

Joshua Handy, Vice President of Industrial Design at Method Products Inc., has attributed his company's ability to out-innovate giant competitors by "ordering in" design. Specifically, Handy took a page out of Robin Hood's playbook and situated his design teams in the midst of brand, operations, product development, and sales departments. Their "forest" of 120 feet of floor-to-ceiling whiteboards, known as Wiki-walls, incited open cross-disciplinary commentary. The open display of work, initially posted by designers and then others, facilitated rapid iteration, fueled consensus across stakeholders, and accelerated decision making. Informal groups began assembling "in the forest" to discuss, tweak, and

build new ideas. The result of the informal interactions produced better ideas and results while spawning an innovative culture.

Lesson 2: Take advantage of natural, casual settings where multiple functions engage socially to openly post work in progress and invite commentary. Subtle transformations of your environment to extend the natural interactions opens opportunities, cross-fertilizes ideas, and spawns innovation.

Lesson 3: Talent

When Robin Hood retreated to the forest, circumstances did not afford him the luxury of recruiting optimal talent for his new venture. What he got was a group of Saxons, oppressed by Prince John and the Sheriff of Nottingham, seeking shelter and protection.

Yet before long, Robin and his band were adapting to the new physical environment and chalking up successes in their battle with the corrupt establishment. Most of us attribute their success and innovations to the leadership of Robin Hood; however, a variety of figures with diverse talents were also critical. Friar Tuck, Little John, Alan a Dale, and Maid Marion were but some of the players who collaborated to surface opportunities and constantly extended limited resources in unusual ways. Individually, their specialized skill-sets made them effective while collectively sharing the values of a community and the vision of possibilities that Robin Hood's example inspired. The community became capable of survival and, ultimately, innovative opportunism.

In Tim Brown's recent book, *Change by Design*, he cites the ability to weave together multiple skill sets and perspectives, focus on shared ideas, joint ownership, and common responsibility as keys to turning ideas into actual new products. However big or small the organization, the chance that one person, discipline, or department will be able to successfully deliver an innovative new experience is slim. The complexity of marketing and production only increases, while the timetable to delivery decreases.

Many branders and manufacturing companies such as P&G and Method actively bring together multiple skills and diverse talent into teams to share knowledge and experience. Together, they learn and form insights that foster formal and informal collaboration and develop a stronger culture of internal innovation.

Lesson 3: When it comes to talent, leveraging naturally diverse experiences, skills, and abilities can ensure that key capabilities necessary for innovation are represented; however, focusing on shared mission and values

BIOGRAPHICAL SKETCHES

Jon Denham recently embarked on a new journey as the Head of Design for ConAgra Foods. He is a committed design and innovation leader with over 20 years of experience. Jon's experience matches his track record of building effective brands, global and regional organizations for Kraft, P&G, as well as Evans Medical in the United Kingdom.

Rachel Kaberon, juggles independent consulting activities, and adjunct teaching at the Institute of Design at the Illinois Institute of Technology to stretch possibilities for positive change and deliver growth in multiple sectors. First and foremost a collaborator, her analytic training and experience as a facilitator and change agent benefits organizations seeking growth to realize innovative process improvements, develop new marketing strategies and markets, or meet organizational design and planning challenges. She has worked for, or with, organizations as diverse in size and industry as Citibank, technology driven startups, the Jewish Federation of Metropolitan Chicago, Integrys Energy, and Darden Restaurants.

will further successful working partnerships capable of discarding untested assumptions and innovation.

Lesson 4: Process

In a seemingly amorphous set of activities associated with innovation, the idea of process would seem to hinder the open exchange of ideas that characterizes such development. Innovation processes, however, do exist and can infuse a company's culture with useful structure and tools. As Robin Hood illustrates, processes can lead to perpetual thinking within a self-organizing approach to address both opportunities and new challenges as they arise.

Given the monstrous task of fighting Prince John's army, Robin knew that to engage the enemy in conventional combat would prove futile. Instead, Robin assessed his opponent's strengths and weaknesses as well as those within his own camp. The alternative methods of warfare (nimbleness, element of surprise, and more flexible weaponry) that he developed played to the Saxon's strengths. These techniques were disseminated throughout the ranks, enabling Robin's men to adapt, gain new skills, and ultimately prevail over the more powerful Prince John and his army. Robin challenged this source of organizational strength, one most frequently characterized as process. These elements in the story ultimately delivered Robin his success and differentiate two important aspects of process: transparency and sufficiency.

First, the tightly knit environment of Sherwood Forest simplified communications and knowledge sharing. The resultant transparency enabled a wider and keener understanding of action plans. Simply put, the right hand knew what the left hand was doing and vice versa. The open environment and overall culture that permeated Robin's camp enabled clear assignments while simplifying coordination, and creating consistency and commitment.

In contrast, modern corporate complexity typically consists of competing functional priorities that often cloud the bigger picture and impede concerted collaborative efforts. A company imagining its own action plan by envisioning the approach made possible in Sherwood Forest can lay out all requirements openly and at once in a risk-free exercise. Using the common language of the story, participants can reference and play out ownership and assignment of appropriate tasks, work through the wider codependencies, fill in the picture of a shared vision, and ultimately energize and engage cross-organizational interaction. Story participants who play it out are better prepared so that when the unexpected arises, they have the experience, new resources, connec-

tions, and imagination at their disposal to push through the inevitable surprises. Furthermore, FS can quickly establish points of consistency to which individuals can relate, openly challenge assumptions and in full view, set precedents for collaboration, and thus avert the sideline dialogues and negotiations that distract project progress and curtail innovation.

Second, the sufficiency aspect of process entails the specific rigor and discipline necessary to ensure the organization's superior performance. Living in Sherwood Forest necessitated different survival skills, required teams to work efficiently, and later, respond in a more innovative manner. Likewise, the modern organization must stretch its existing functional knowledge and imagine a plan that will meet the immediate and future challenges the organization faces. The cross-disciplinary use of a shared external story quickly advances thinking about future possibilities, and helps assess present and future opportunities and the evolving resource mix requirements.

Lesson 4: Only by developing a process possible mindset rooted in shared knowledge and cross-functional collaboration, and focused on generating a pipeline of resources sufficient to meet emerging needs, can an organization hope to continue meeting the challenges of the changing marketplace.

Summary: Realizing a Culture of Innovation

Organizational change or transformation is frequently the first recommendation to realizing a culture of innovation. The lessons of Robin Hood illustrate the transformation of a culture that acquired a collaborative sensibility capable of open discussion, the means to confront challenges, conceive new ideas, build on those ideas, and finally make them tangible enough to move to market. The legend also calls to mind the role of four key culturally charged elements: (1) value-driven leadership; (2) physical and social environment; (3) role and identity of talent; and (4) finally, the transparency and sufficiency of processes. FS can draw attention and then make apparent the existing cultural imprint. Once visible, individuals use their greater awareness to challenge culturally held assumptions that direct their thoughts, motivations, and actions. Invoking the newly stretched reference of the story of Robin Hood as well as the four lessons, senior executives can realize their desire to see more come from their investments in innovation while gaining a more resilient, self-organizing, self-sustaining culture capable of generating and shepherding new solutions.