

Leading Innovation and Growth at NBC Local Media



Ann Arbor, March 5 & 6th Jumpstart



The Basics



- 2 days
- 3 action teams
- Working on 3 interrelated projects
- Looking for high revenue growth potential
- 60 – 90 days to proof solutions
- 18 to 24 month horizon to fruition
- Longer term sustainability
- Action plan
- Proof of concept experiments

Process Stages

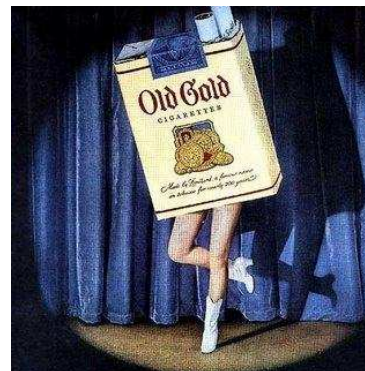


1. Getting senior leadership sponsorship (done)
2. Building high performing action teams (done)
3. Establishing high quality targets (done)
4. Learning a common language (doing)
5. Understanding the challenge (doing)
6. Creating a wide array of potential solutions (doing)
7. Developing viable action plans (doing)
8. Taking multiple shots on goal (do)
9. Learning, Sharing, Revising and Reapplying (do)

Now A Word From Our Sponsor



- Why are we here?
- What do you expect from us?
- What does success look like? Failure?
- What happens next?



Learning a Common Language

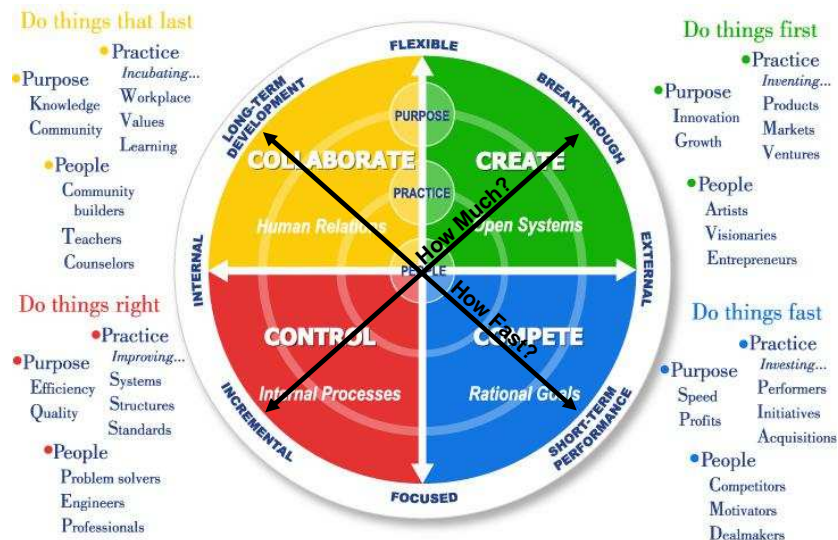


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Starting at the Destination and Working Backwards to the Route



Competing Values Framework





TOYOTA



- Value Propositions: *Efficiency & Quality*
 - Clearly defined and consistent process for most routine functions (E-mail, meetings)
 - Standards maintained by departments (voluminous checklists)
 - Learn from the road (166 days a year on the road with the new Sienna)
 - Derive simple rules from all failures and build replicable processes
 - “Scientific” processes: Total quality management, continuous improvement, just in time inventory, lean manufacturing and flexible platform design
 - The Chief Design Engineer rules but has no formal power, influence is used to resolve departmental differences
 - Intensive mentorship within the same area for decades with only local rotations for content experts (engineers) and broad rotations for senior managers

Toyota



- Workplace
 - Clear roles and responsibilities
 - Stable project management
 - Logical objectives
 - Methodical processes
 - Standards and regulations
 - Ordered and structured work
- Leaders
 - Pragmatic
 - Organized and methodical
 - Scientific or technical
 - By the book
 - Problem solver
 - Objective
 - Persistent
- Innovation Practices
 - Continuous process improvement
 - Reverse engineering
 - Benchmarking
 - Lean manufacturing
 - Total quality management
 - Simulations
 - Platform innovation
 - End to end IT systems
 - Supply chain innovation





- Value Propositions: *Breakthrough Innovation & Organic Growth*
 - You're brilliant, we're hiring
 - Innovation, not instant perfection
 - Ideas come from everywhere, co-create with your customers who can show you the way
 - Diversify your approach and experiments so you can fail often and early to succeed sooner
 - Build it so users can innovate and the money will follow
 - Be radical but in a limited venue with a limited timeline
 - Integrate opportunities to grow the business into the operating rhythm
 - Don't kill projects, morph them



- Workplace
 - Stimulating projects
 - Flexible hours
 - Free from everyday constraints
 - New initiatives
 - Independent work streams
 - Diverse workforce
- Leaders
 - Visionary dreamers
 - Clever
 - Optimistic
 - Enthusiastic
 - Quick on their feet
 - Expressive
 - Big-picture thinkers
- Innovation Practices
 - Futuring and scenario planning
 - New market speculation
 - Innovation societies and fellows
 - Diversified radical experiments
 - Early technology adaptation
 - Corporate venturing and spin-offs
 - Greenhouse funds





■ Value Propositions: *Speed & Profits*

- There's no big improvements for free – Hire the expensive top shelf talent and spend the big R&D dollars to get to the future first
- It's the leader's job to carefully choreograph the push of new technology (R&D) with the pull of client demand
- Stop thinking about products and services, and start creating solutions that multiply your value proposition to the customer
- Wrap your organizational structure around your customer's
- Use small teams to win quickly and scout future opportunities
- Build a came changing strategy focused on where the revenue will be in the near future
- Brand, brand, brand – own a point of view in your customer's mind

IBM



■ Workplace

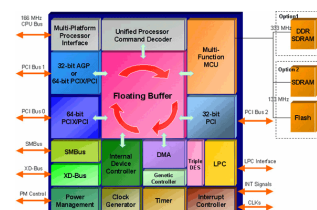
- Competitive
- High pressure and impact
- Fast moving and high energy
- Image enhancing deal making
- Quantifiable results
- Winners and losers

■ Leaders

- Goal and action oriented
- Impatient
- Assertive
- Driven
- Decisive
- Challenging
- Competitive

■ Innovation Practices

- Mergers and acquisitions
- Portfolio management
- Rapid action problem solving teams
- Revenue insight processes
- Branding
- Market adjacencies
- Business solutions





- Value Propositions: *Community & Knowledge*
 - Freedom to encourage, help, and allow other associates to grow in knowledge, skill, and scope of responsibility
 - No central innovation function - everyone in the firm is responsible for making innovation happen
 - No business unit of more than 50 people
 - Great ideas emerge over time, as do great innovation teams
 - Culture is king, create an atmosphere where patient learning is encouraged
 - Competencies are developed through coaching and new opportunities
 - Spend 15% of your time and budget on new ideas, projects and ventures
 - Make a little, sell a little, review what works and doesn't, and revise
 - The ability to make one's own commitments and keep them
 - Consultation with other associates before undertaking actions that could impact the reputation of the company

WL Gore



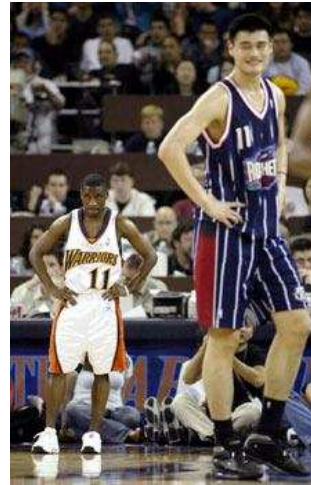
- Workplace
 - Family atmosphere
 - Collaborative workplace
 - Shared values and vision
 - Integrates personal goals
 - Informal
 - Teaching and coaching
- Leaders
 - Sees potential
 - Builds commitment and trust
 - Sensitive and caring
 - Patient listeners
 - Encourage participation
 - Respects differences
 - Empowers people
- Innovation Practices
 - Knowledge management
 - Mentoring and coaching
 - Team building
 - Collaborative communities of practice
 - Search and reapply
 - Culture and competency development
 - Collaborating with customers
 - Open source



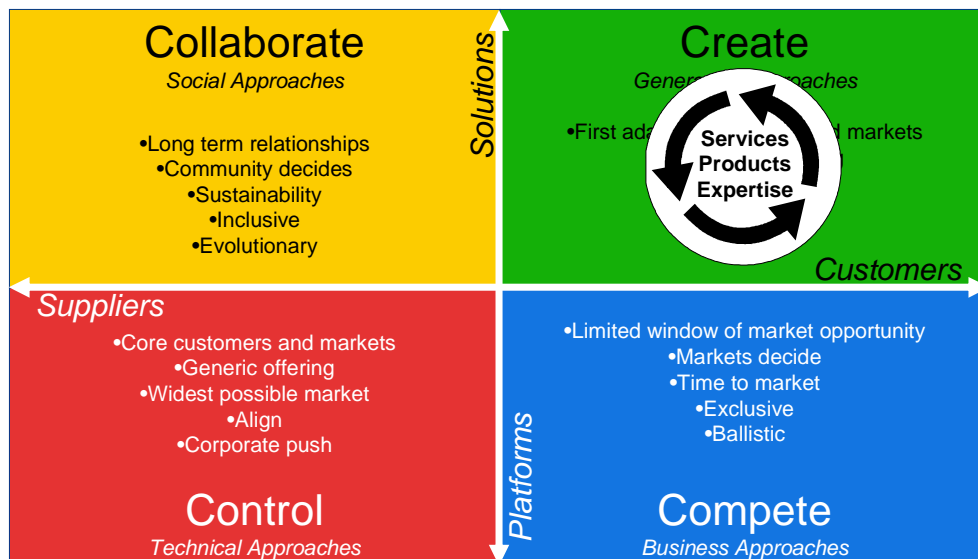
One Size Doesn't Fit All



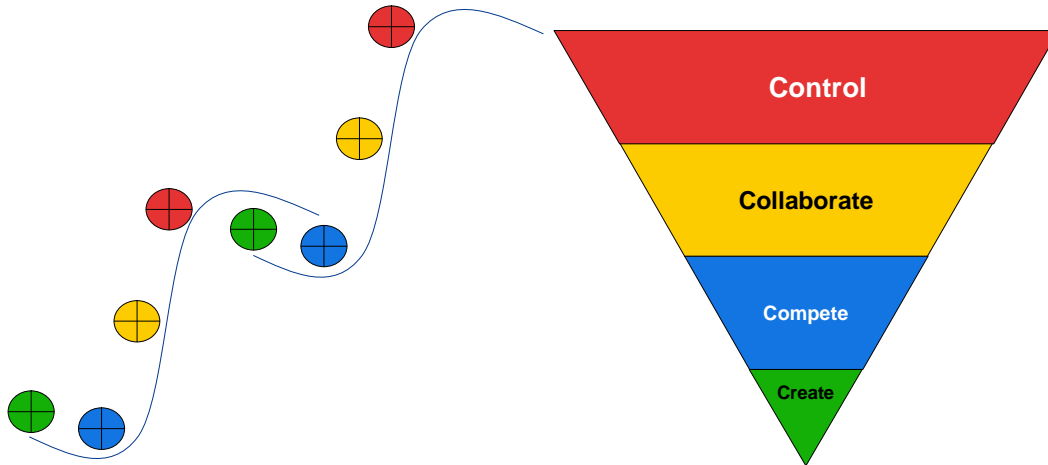
- Everything in the universe is both whole and part of a larger system
- Compatibility, fit, synchronization and timing are key issues for innovation
- Diversity is essential to produce creative tension, but within the context of a larger system
- Innovation is mostly about connecting the dots and crossing boundaries



Innovation Development Cycles



...And Organizational Growth Curves



www.competingvalues.com **Where is your challenge on the growth curve?**

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Understanding the Challenge



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Meet Our Panel



- Experts
- Facilitators
- Advisors



Understanding the Challenge



- What **EXACTLY** do we mean by this challenge?
 - Why are we taking on this challenge?
 - Capturing an opportunity, overcoming a problem, enable something
 - What outcomes do we need to achieve?
 - Metrics, capability development, projects
 - What are the constraints we must operate within?
 - Time, money, regulations, authority
- What would we like to accomplish in this session?
 - Wouldn't it be great if we left here with...
- **Restate your challenge**
 - Shared meaning, examples, conditions

Identifying the Hot Spots



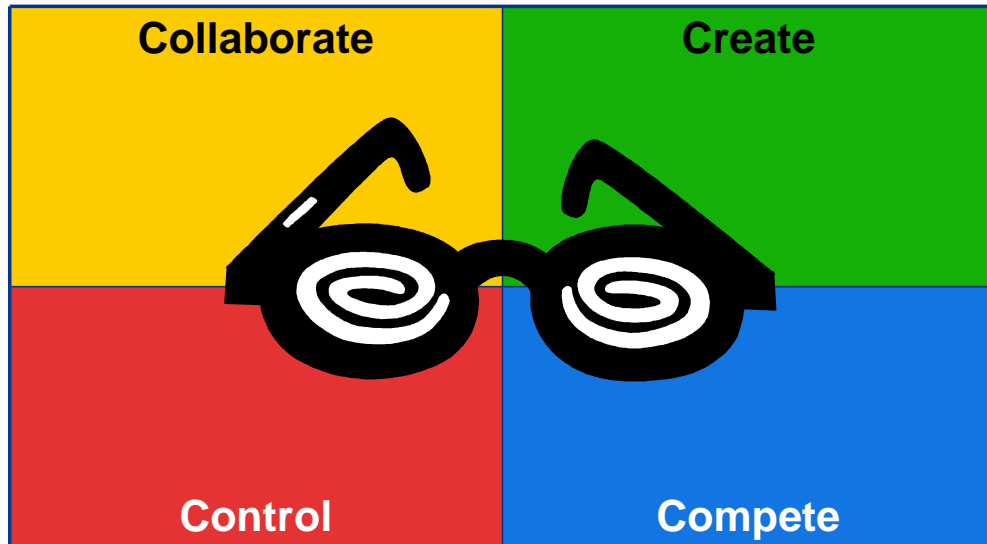
Key Data Points	Impact on Challenge	Still Need to Know

Creating a Wide Array of Potential Solutions



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Look Through the Lenses



Rewind to Fast Forward



- Who has already moved to create a solution to the challenge?
- What questions did they ask two years ago that promoted their approach?
- What have we learned from their answers?
- If we ask these same questions now, what are some possible answers?

<ul style="list-style-type: none"> •People •Competencies •Cultures •Knowledge 	<ul style="list-style-type: none"> •Products •Services •Visions •Markets
<ul style="list-style-type: none"> •Processes •Systems •Technologies •Standards 	<ul style="list-style-type: none"> •Goals •Partners •Investments •Reward

Improving What Already Works Somewhere Else



Questions	Their Solutions	Our Potential Solutions

Practice Prismatic Thinking



Are you ready to tune into some new channels?

- Change your point of view
- Listen to your intuition
- Draw it
- Run thought experiments
- Magnify and minify
- Reverse your ideas
- Go on an expedition



Divergence and Convergence



- Diverge
 - Open questions
 - Tell stories to share experiences
 - Create visions and symbols
 - Launch experiments
 - Engage the mind
 - Create energy and momentum
 - The art of possibility
- Converge
 - Closed questions
 - Consult experts to understand the facts
 - Develop systems and measures
 - Validate through tests
 - Engage the hands
 - Create processes and plans
 - The science of reality



Take a Collaborate Point of View and Think About...



- Practices - Culture, competency, and processes of the organization
 - Mission and vision statements
 - Knowledge management
 - Learning organization
 - Collaborative communities of practice
 - Culture development and transformation
 - Customer relationship management
 - Competency development
 - Team building
 - Mentoring and coaching
 - Training
- People: Individuals in the organization, at all levels
 - Sees potential
 - Builds commitment and trust
 - Sensitive and caring
 - Patient listeners
 - Encourage participation
 - Respects differences
 - Empowers people
- Preferred Environments
 - Family atmosphere
 - Collaborative workplace
 - Shared values and vision
 - Integrates personal goals
 - Informal
 - Teaching and coaching
- Preferred Communication
 - Talk about personal experiences
 - Tell stories
 - Express emotions
 - Put the person at ease
 - Acknowledge the role of intuition
 - Recognize important spiritual symbols
- Organizational Types
 - WL Gore
 - Genentech
 - McKinsey and Co
 - Harley Davidson
 - S.C. Johnson
 - eBay
 - The Body Shop
 - Universities

Take a **Create** Point of View and Think About...



- Practices - Culture, competency, and processes of the organization
 - Creativity methods
 - Strategic forecasting and scenario planning
 - Corporate venturing
 - Spin-offs
 - Entrepreneuring
 - Growth and market disruption strategies
 - Change and innovation programs
 - New product development
 - Radical experiments
 - Borderless and virtual organizations
- People: Individuals in the organization, at all levels
 - Visionary dreamers
 - Clever
 - Optimistic
 - Enthusiastic
 - Quick on their feet
 - Big-picture thinkers
- Preferred Environments
 - Stimulating projects
 - Flexible hours
 - Free from everyday constraints
 - New initiatives
 - Independent work streams
 - Diverse workforce
- Preferred Communication
 - Be enthusiastic and energetic
 - Look at the big picture
 - Draw concepts
 - Use metaphors
 - Look at the future
 - Explore how the pieces fit together
- Organizational Types
 - Google
 - Apple
 - Pixar
 - Virgin
 - Nokia
 - Versace
 - Bio techs
 - Start ups

Take a **Compete** Point of View and Think About...



- Practices - Culture, competency, and processes of the organization
 - Economic value added management
 - Mergers and acquisitions
 - Real options analysis
 - Time to market reduction
 - Performance management scorecards
 - Profit insight processes
 - Pay-for-performance plans
 - Branding
 - Sales channel management
 - Portfolio management
- People: Individuals in the organization, at all levels
 - Goal and action oriented
 - Impatient
 - Assertive
 - Driven
 - Decisive
 - Challenging
 - Competitive
- Preferred Environments
 - Competitive
 - High pressure and impact
 - Fast moving and high energy
 - Image enhancing deal making
 - Quantifiable results
 - Winners and losers
- Preferred Communication
 - Get to the point and summarize
 - Be logical and analytical
 - Critically confront the downside
 - Show personal ownership
 - Demonstrate a biased towards action
- Organizational Types
 - Unilever
 - Microsoft
 - IBM
 - Bloomberg
 - PepsiCo
 - Goldman Sachs
 - New York Yankees (alt. Chelsea)
 - Blue chips

Take a **Control** Point of View and Think About...



- Practices - Culture, competency, and processes of the organization
 - Business process improvement
 - Activity based costing
 - Benchmarking
 - Lean manufacturing
 - Total quality management
 - Simulations
 - Contingency planning
 - Pervasive information systems
 - Reorganization
 - Supply chain management
- People: Individuals in the organization, at all levels
 - Pragmatic
 - Organized and methodical
 - Scientific or technical
 - By the book
 - Problem solver
 - Objective
 - Persistent
- Preferred Environments
 - Clear roles and responsibilities
 - Stable project management
 - Logical objectives
 - Methodical processes
 - Standards and regulations
 - Ordered and structured work
- Preferred Communication
 - Provide details
 - Follow the rules
 - Conform to accepted esprit de corps
 - Provide detailed data
 - Demonstrate how it works
- Organizational Types
 - Toyota
 - McDonald's
 - Shell oil
 - Airbus
 - Wal-Mart
 - Siemens
 - LG
 - Medical centers

Select 5 to 7 Winning Ideas and Improve Them



Criteria for a winning idea is...

- *It provides a solution to the challenge*
- *It's WOW!*
- *It's possible (Feasibility, power, capability, etc.)*



Add WOW to Promising Ideas

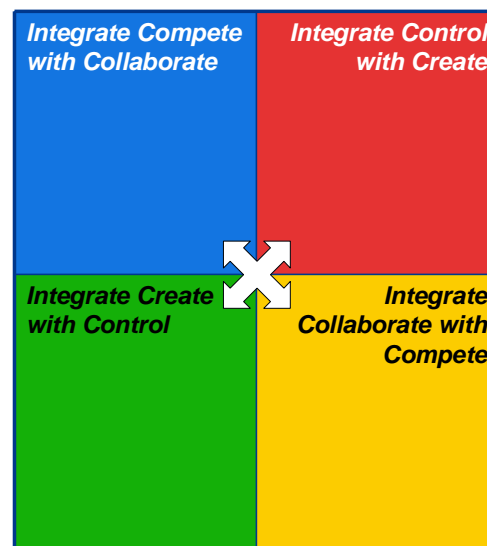


- **Substitute**
 - Who else instead? What else instead? Other ingredient? Other material? Other process? Other power? Other place? Other approach? Other tone of voice?
- **Combine**
 - How about a blend, an alloy, assortment, an ensemble? Combine units? Combine purposes? Combine appeals? Combine ideas?
- **Adapt**
 - What else is like this? What other idea does this suggest? Does past offer parallel? What could I copy? Whom could I emulate?
- **Modify or Magnify**
 - New twist? Change meaning, color, motion, sound, odor, form, shape? Other Changes? What to add? More time? Greater frequency? Stronger? Higher? Longer? Thicker? Extra value? Plus ingredient? Duplicate? Multiply? Exaggerate?
- **Put to Other Uses**
 - New ways to use as is? Other uses if modified?
- **Eliminate or Minify**
 - What to subtract? Smaller? Condensed? Miniature? Lower? Shorter? Lighter? Omit? Streamline? Split up? Understate?
- **Reverse or Rearrange**
 - Transpose positive and negative? How about opposites? Turn it backward? Turn it upside down? Reverse role? Change shoes? Turn tables? Turn the other cheek? Interchange components? Other pattern? Other layout? Other sequence? Transpose cause and effect? Change pace? Change schedule?

Create Hybrid Solutions



Marry two ideas from opposing points of view and create a new hybrid solution



Possible Evaluation Criteria



- **Cost:** within budget, reduce future costs, promote value, entail marketing costs, opportunities for sharing costs, benefits outweigh costs?
- **Time:** turn-around time, timely, deadlines, time vs. quality, long-term commitment of resources?
- **Feasibility:** operational soundness, resources, work in actual practice, possible, manageable, controllable?
- **Acceptability:** simple, compatible with human nature, require long explanation, consistent with prevailing values and attitudes, allows leaders and others to endorse the idea, create unacceptable side effects?
- **Usefulness:** real need, long or short range benefit, original way of doing something already being done, eliminate waste, profitable?

Best Potential Solutions



1.
2.
3.
4.
5.
6.
7.

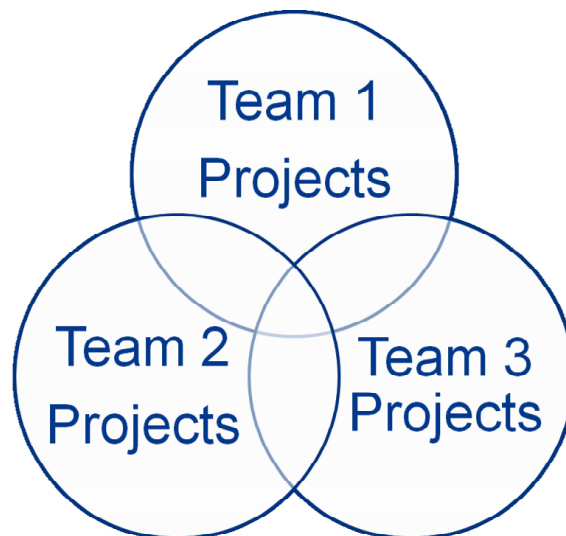
Potential Improvement Points



- Getting Required Resources
- Increasing Motivation
- Reducing Resistance
- Improving fit with Processes and Procedures
- Overcoming Organizational Boundaries
- Navigating Policies and Regulations
- Reducing Risk
- Increasing Power
- Avoiding Clashes
- Improving Trust and Teamwork



Reduce Overlap and Increase Leverage



Taking a View From the Balcony



- How is the group functioning? What's working? What's not?
- Where is there agreement? Dissent? Why?
- What is NOT being discussed that should be? Why?
- What does the group need to learn? Change?



Developing Viable Action Plans



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Prioritize the Potential Solutions



	Easy to Implement	Tough to Implement
Small Pay-Off	Small Wins	Time-Wasters
Big Pay-Off	Big Wins	Special Cases

Put Action Plans in Motion



Who (Owner)	What (Deliverables)	When (Due Date)	Why (Metrics)	How (Actions)
1.				
2.				
3.				
4.				
5.				
6.				
7.				

Practice the Art of Partnering



- Partner for “spreadsheet” reasons
- Define deliverables and objectives
- Ensure that the middles and bottoms like the deal
- Designate internal champions
- Accentuate strengths, don't hide weaknesses
- Cut win-win deals
- Put in an “out” clause
- Ask networkers
- Wait to legislate



Chart Commitment



Key Stakeholders	Hinder It	Do Nothing	Help It Happen	Make It Happen

Manage Buy-In



- Communication
 - Have you adequately listened to stakeholders' concerns (especially those who are likely to resist)?
- Participation
 - Have you asked important people to join your team? (This helps to alleviate the "not invented here" syndrome).
- Facilitation
 - Have you invited a impartial third party to help mediate differences?
- Negotiation
 - Have you considered what the resisters stand to lose by implementing your idea? Can you offer something to offset any losses?
- Manipulation
 - Have you spoken to friends and colleagues of resisters about the situation?
- Coercion
 - Do you have the power and need to enforce a "Do it or else" posture?

Negotiate the Balance Sheet



Hot Spots	Plus	Minus
Financial		
Security		
In/Convenience		
Satisfaction		
Manner of change		
Cultural beliefs		
Other		

Create a Compelling Story



- What's the story of these projects?
 - Why are you doing it?
 - Why are you asking me?
 - What's in it for me?
 - What are the three most important things I need to know?
 - What does success look like? Failure?
 - What happens in either case?
 - What are my options?
 - What are the next steps?



Taking a Number of Shots on Goal



8



JUST DO IT. 

**Learning, Sharing,
Revising and
Reapplying**



9

Accelerate the Failure Cycle to Succeed Sooner



<ul style="list-style-type: none"> ■ Working ■ Not Working ■ Revisions 	<ul style="list-style-type: none"> ■ Working ■ Not Working ■ Revisions
<ul style="list-style-type: none"> ■ Working ■ Not Working ■ Revisions 	<ul style="list-style-type: none"> ■ Working ■ Not Working ■ Revisions

Make Revisions



<ul style="list-style-type: none"> ■ Start/Do More ■ Stop/Do Less ■ Stay/Do Nothing 	<ul style="list-style-type: none"> ■ Start/Do More ■ Stop/Do Less ■ Stay/Do Nothing
<ul style="list-style-type: none"> ■ Start/Do More ■ Stop/Do Less ■ Stay/Do Nothing 	<ul style="list-style-type: none"> ■ Start/Do More ■ Stop/Do Less ■ Stay/Do Nothing

Tricks of the Trade



10 Best Practices for Leading Innovation

Addendum

Best Practice 1: *Creativize It*

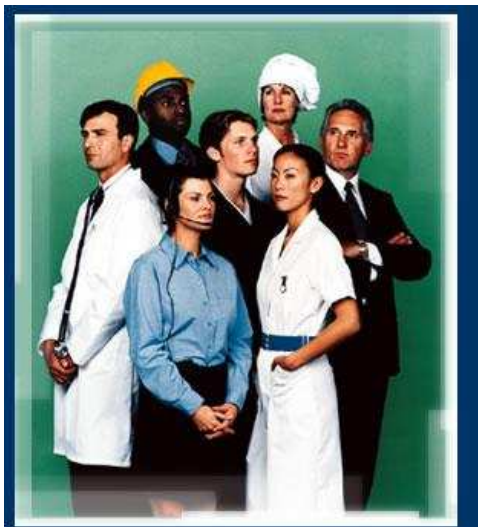


Creativize

To add value through creativity to ordinary business practices across disciplines, places and levels

Creativizers

Those who transform the ordinary into the extraordinary through their sense of ownership and prismatic thinking



Reminds you of Norman Rockwell

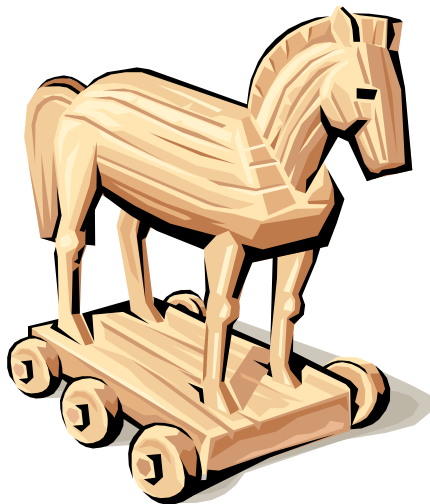
Best Practice 2: Create More Ugly Pots



- Art course in pottery
- Two sets of grading criteria
 - Based on aesthetic appeal
 - Based on the total weight of the pottery
- Well-respected curators judged
- Which criteria produced more high quality art?
- Fail often, early... and out of sight to succeed sooner



Best Practice 3: Hide Inside Trojan Horse Projects



- **Projects:** Create projects that will provide opportunities for these innovation practitioners to learn what practices work and don't
- **People:** Create a community of highly practiced innovators
- **Place:** Create a place for these innovation practitioners to work together
- **Practices:** Create new practices and forums to share them

Best Practice 4: Diversify When You Don't Know Your Destination



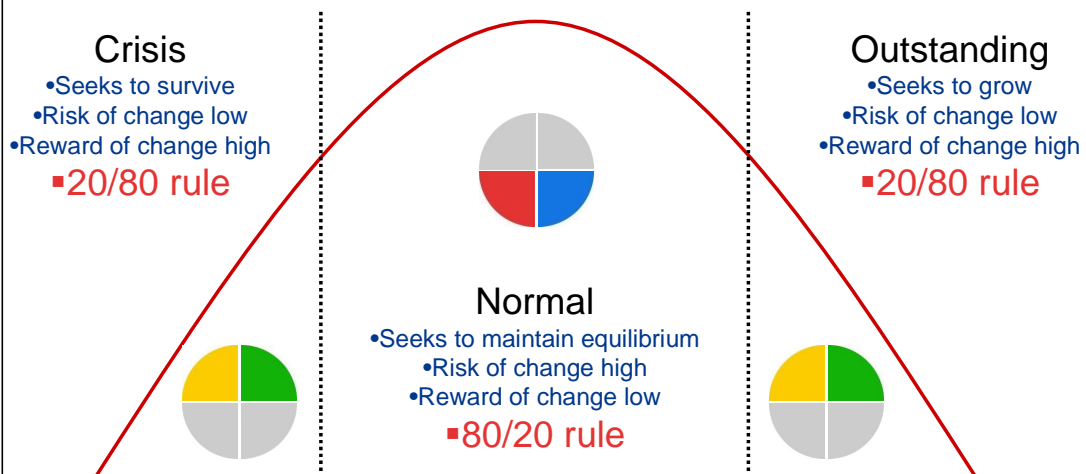
- Innovation is Terra Incognita
- Innovation is about arriving at a place we have never been before by doing something we have never done before
- What's going to happen with the [Your issue here] next year?
- Collecting data about the future is often an act of resistance because it stops us from acting
- Launch a diverse array of ships, send them on different routes, see what you discover – build processes last



Best Practice 5: Observe the 20/80 Rule of Innovation



It's Easier to Change 20% of the Firm 80% Than 80% of the Firm 20%



The more radical the innovation, the more it needs to start on the fringes

Best Practice 6: See One, Do One, Teach One



- From the trades to medical school
- It's easy to see what is wrong with someone else's ideas, it's hard to do better
- From speaking a language, learning to play an instrument ... learning is doing
- **Apprentice yourself and coach others**



Best Practice 7: Show, Don't Tell



- Innovation is about what doesn't exist yet
- Most of our brain is used to visualize
- Seeing is believing
- You need to help people see
- Put them in the movie
- A day in their life



AP / Paul Sakuma

Best Practice 8: Enlist Your Customers to Grow Your Business



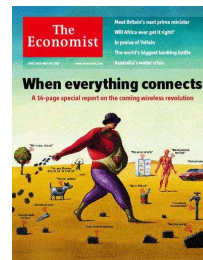
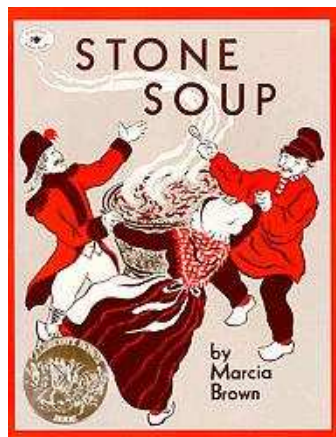
- Identify and watch your leading customers
 - Observe what customers are doing and they're using your products to get things done. This will be a renewable source of great ideas.
- Provide your customers with tools to use
 - Become an integral part of your customer's own creative processes. Provide them with the tools they need to be innovative and creative.
- Build and nurture customer communities
 - Hang out with your customers. Listen to what they're saying and suggesting. They will keep you pointing in the right direction.
- Empower customers to show their stuff
 - Create forums where smart contributors can earn the accolades of their peers. People love to show how creative they can be.
- Let customers engage in peer production
 - Don't insist on doing everything yourself. Instead, let your customers create what you sell in the future. This is a great business dynamic.



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Outside Innovation by Patricia Seybold 61

Best Practice 9: Get Your Village to Make Stone Soup



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Best Practice 10: Leave Room for the Emergent Stuff You Don't Know Now



Sometimes what you discover along the way
is more interesting than what you set out to find