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For Managers, Principals, Team Leaders and Internal Consultants

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Thriving through Innovation - Lessons from the field

When I studied Marketing many years ago, we looked at case studies of some of the steam train and gas light companies that had become obsolete, almost overnight, with the advent of electricity. Of course we also examined those that reinvented themselves and became a continued success. These days there are entire masters degrees dedicated to innovation and entrepreneurship, but back then we used these case studies to challenge our thinking about keeping company offerings relevant, valuable to the clients, sustainable, and of course, profitable.

I was reminded of these case studies recently when I visited a highly innovative company that has shifted its focus and kept itself not only relevant but thriving after twenty years.

The Managing Director of this company showed me around his facility, where he proudly demonstrated how the business had changed from a small, cottage printer, to now providing services to four niche markets, mostly in Australia. His goal for the future is to further expand his markets and services and to have his product distributed around the globe – and the business certainly seems to be on track for this. Most of the services it provides leverage the business' foundation and experience in printing, in particular, the move to digital printing. Hence many of their offerings are digitally based or supply products and services for those operating digital machines including computers and photo labs.

Innovation has meant that this company is more sustainable, with more growth and with much less competition. This dynamic environment also

means it's a place great people want to work. Are these not good reasons to be innovative?

One of the things I uncovered in talking with the managing director is his belief that achieving individual and company objectives requires a clear standard of employee character, conduct and behaviour. This company calls these the "rules of the game". It has a list of around 30 "rules of the game" which impact significantly on the way the company does business. The "rules" set expectations and guidelines for what is important in day to day work interactions with one another, with clients and with business partners. The "rules" cover topics such as innovation, fun, commitment to action, courage, continuous improvement and truth. They are a mix of values and behaviours which each and every member of the team signs up to when they join the company. The company also has a rigorous culture of accountability with a mixture of KPI's, performance appraisal and customer and employee surveys to track progress on these "rules". Most importantly, the managing director sees the "rules" being used by all as a basis for making decisions.

I started this article focusing on innovation and you may wonder why I am now talking about rules: this is because it's the 'rules' (or expectations and guidelines) - call it culture- that allow the company to be innovative and entrepreneurial.

The Key Learnings

Several things struck me about why this company is successful:

1. Outwardly Focussed

The company is outward-looking for opportunities. Many companies focus internally on productivity and quality - this is not necessarily a bad thing, (far from it), but on its own you soon run out of scope to improve. Also, clients care more about what you can do for them and less about your own productivity gains. This company is ever vigilant about finding opportunities in the marketplace. The managing director stresses that they are not afraid to ask for new product ideas. They ask their customers, suppliers, (and yes), competitors and companies in similar industries overseas. It has its own Research & Development Laboratory where investment is made in the development of new products and the enhancement of its current suite of products and is relentless in the pursuit of innovation and improvement.

In case you think that everything they touch turns to gold, let me set you straight: senior management understands that only one in ten well-thought out products will be successful, so they have the philosophy that when it's appropriate it's important to learn from the project, scrap it and start work on something else. They understand that striving to be perfect and being afraid of failure are bigger risks than daring to take a chance and through chance, sometimes striking gold!

2. Providing Solutions not products

This company is not product driven, but solution driven. In each of their niche markets, it doesn't just offer a product, it offers a complete solution. This does not mean a simple up-selling to a range of other products, (which other suppliers also stock) – it means far more. Let me give you an example. A customer may outsource a large volume print and postage function to this company. Often the electronic transfer of data from one organisation to another (with very different systems) can prove very tricky. This group, however, work with their clients and often even write and install software that ensures the seamless downloading of the data from their customer files onto their system.

Another aspect of their solution is that they offer the customer options and they order to suit their systems. "One of the most important aspects of the solution," says the managing director, "... is that we provide the customer with control over the product so that ordering suits the customer and the solution delivery is consistent." It's all about building a trusted and reliable brand. The end result is the customer has a value proposition which builds much higher barriers to entry into their marketplace. Any competitor would have to devise a better solution or offer to beat them on price (which would be unlikely to succeed as they would not be comparing apples with apples).

3. Backing the Strategy

To ensure the customer solution strategy is implemented the company has invested heavily in the very best equipment currently on the world market, including an internal work-flow tracking system, (which they developed themselves as there was nothing that met their exacting standards), to ensure that they deliver good quality, on time to their clients – every time.

4. The People

This company has the following 'rule of the game' about its people:

"We don't believe that people are our most important asset; we believe that the right people are. We will only have team members that are both able to and want to undertake their role and help us achieve the vision".

By attracting (and retaining) the best people the company is able to innovate and develop largely from the commitment and interest of all the staff, and led by a very capable senior team.

5. Business Partnerships

Partnerships are critical to the success of the value solution strategy. As mentioned above, in some of the customer solutions the company needs to partner with outside suppliers like software companies. The managing director is very committed to having all business partners treated in the same way as clients. "They are as important for our success as any client and should not at any time be taken for granted."

6. Mentoring

The managing director has two mentors he uses to assist with his business decision making. He also belongs to a business network to help him keep up to date with the industry and the marketplace, test his thinking, hear outside speakers and garner fresh ideas. (For more information and tips on mentoring and mastermind groups ([click here](#)) to read a previous "*Be Your Best Report*" on those topics).

The management of this business has done a sterling job in building a diversified and long-term, sustainable business. The business is targeting significant growth for each of the next five years and will grow through the development of its existing products, establishing new markets (including overseas) as well as making strategic acquisitions.

Innovation Checklist

Here are some strategic questions to start thinking innovatively about your business. Give yourself a rating and ask yourself which you are doing well, which to ignore and which to improve:

- How clear are your company's "rules of engagement" – do your people know what your expectations are of them, (and in particular, of how your organisation encourages innovation?)
- Are you building robust relationships with key industry players here and overseas? (this may include industry groups and academics).
- Who are you exchanging/sharing/pursuing new ideas with?
- How do you encourage and develop innovative ideas in your business?
- How do you ensure you actively monitor best international practice in your field?
- What can you do to keep track of advances in other industries that you can learn from and apply to your industry?
- How can you encourage your team to view 'problems' or 'failures' as opportunities for learning and development?

"Innovation distinguishes between a leader and a follower." Steve Jobs
(Apple founder)

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