

Leadership towards Innovation

Interview with Bettina von Stamm, Founder and Director of the Innovation Leadership Forum

Why is innovation so important and how can leadership contribute to successful innovation? Bettina von Stamm explains chances and challenges of the innovation journey.

Dear Bettina, over the past decades you have been in pursuit of understanding and enabling innovation. How did the concept of innovation change over the years?

Bettina von Stamm: When talking about innovation 20 years ago, people would have automatically thought of technology, patents and R&D. The scope of what we meant by 'innovation' was relatively narrow. Buzzwords of today such as business model innovation and social innovation were not really on the agenda.. These different kinds of innovations have always existed but it is only over the more recent years that we talk about them, and that organisations are making a more conscious effort to pursue such types of innovation.. To illustrate this, I am often using a matrix that looks at different levels and different types of innovation. By 'levels' I mean incremental, radical and transformational,. When I came across the framework for the first time about 15 years ago it only referred to products, services and processes as 'types of innovation'. When using the matrix in my text book published in 2002 I had added business model innovation, when the second edition came out in 2008 the concept of social innovation was emerging, so I added this one as well. So the concept of what we mean by innovation has expanded considerably over the years. This is one of the reasons why it is important to establish a shared understanding of what we actually mean by 'innovation', particularly when we say we want more of it.

Discontinuous	Cars instead of horses	Internet banking	Pilkington's floating glass	Internet	Grameen Bank
Radical	Hydrogen powered cars	A new kind of mortgage	Gas-filled thermo glass panes	On-line sales & distribution of computers	Barclay's Bikes
	New car model	Different mortgage feature	Differently coloured glass	Selling in business parks instead of town centres	Car sharing
Incremental					
	Product Innovation	Service Innovation	Process Innovation	Business Model Innovation	Social Innovation

Categories of Innovation (based on Bessant et al, in von Stamm, 2003, extended 2011)

Lisa Szeponik: Where does innovation start?

Bettina von Stamm: To answer this question, the framework we just talked about can be quite helpful. If we want to innovate we should first ask, do we want incremental and radical or also transformation? In terms of radical and incremental one question is of course, "radical from whose perspective?" One reason it is important is that what is radical for one person might not be radical for another. This question also matters as it will influence where we need to focus our attention when it comes to the challenge of getting our innovation adopted. If a new product is radical from the organization's perspective but incremental from the user's perspective, then my main concern should be how to embed the change inside the organisation. If my new offering is radical from a user perspective my concern should be, how can I best communicate the advantages and differences to the customer. Will I have the same customers as before? Do the same distribution channels work? How 'radical' something is depends on how much change is required to embrace it / make it a reality. I believe today organizations need some of each whereby the mix will depend on the company's positioning and the industry context.

The second question is, what types of innovation do we want. Product? Process? Service? Would we truly be ready for business model innovation? So it is really important that we are a little more explicit what kind of innovation we want; it helps provide focus, and manage expectations.

Lisa Szeponik: Today everybody wants to be innovative. Why is that?

Bettina von Stamm: I think the urgency to innovate has increased over the past years because organizations started to realize that if you do what you've always done, you will get what you always got – in fact you get increasingly less as the context is changing faster than ever before. If you don't innovate, someone else will do it – and take your customers away from you. Hence most organisations – commercial and otherwise – have realized that innovation, which may have been a nicety in the past, has become a necessity.

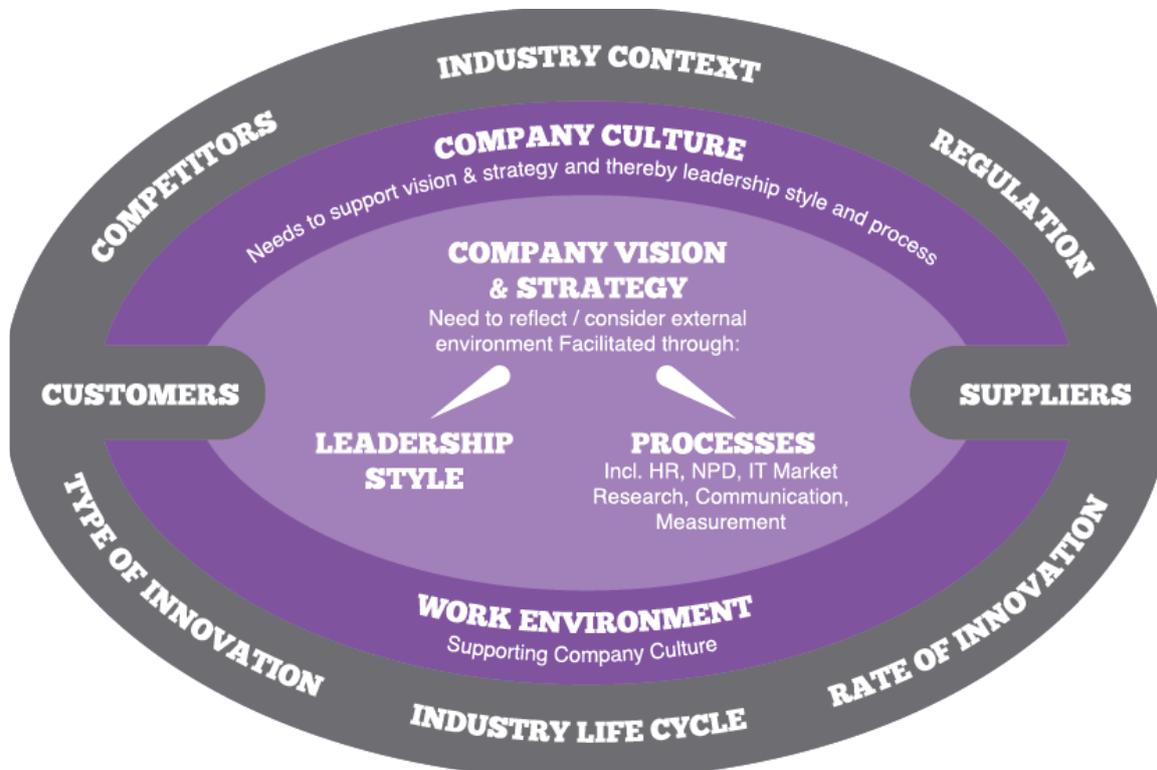
Lisa Szeponik: What are necessary pre-conditions for innovation?

Bettina von Stamm: I think a first important point is, why do we want to innovate? Where is innovation, which is a means to an end not an end in itself, supposed to take us? It seems that in many organizations people will struggle to answer questions such as, : Why do we want to innovate? Where do we want to innovate? What kind of innovation do we want? For an organization it is crucial to be able to answer these questions before asking everyone for their ideas and committing resources; hence providing a clear vision and strategy is important. The next important thing to acknowledge that innovation requires a holistic approach. It is not enough to put a process in place or nominate an innovation champion; while processes are useful in supporting flow and management of innovation, in themselves they will not be enough. What is more important are the right kinds of values and behaviors – and organization structures, procedures and measures that support these behaviors and values.

About 15 years I have developed a framework based on insights where innovative companies do something different from their less innovative counterparts, and the tricky thing is that all aspects of the framework need to be considered if you want to create a truly innovative organisation; this framework looks at five internal aspects – Strategy &

Vision, Leadership Style, Processes, Culture, Physical Environment – as well as an organization’s interaction with the outside world, i.e. how it engages with customers and suppliers (and increasingly how open they are towards open innovation and crowdsourcing), and how they interact with the wider industry context.

The BvS Innovation Framework



Lisa Szeponik: Do I need special Leadership skills to deal with innovation?

Bettina von Stamm: Not necessarily so. What I think is most important is an awareness of your own attitude and comfort levels when it comes to ambiguity, uncertainty and risk taking. If you feel uncomfortable with risk, but are not aware of it may struggle to actively support innovation. The rational part of you may know that innovation is key to the future of your organisation yet your emotional side might signal : “Oh my goodness, that is too scary, I cannot go there!” Which means that you may not say ‘No’ outright but find lots of reasons why a project cannot go forward.

Lisa Szeponik: In other words: You’ve got to love risk.

Bettina von Stamm: Of course you do. Though this does not mean you should be reckless. It does mean that you need to understand and manage the risks you take, for example, don’t commit to the project outright, do lots of prototyping and experimentation, involve a diverse group of people, particularly those affected by the change. . You also need to understand, if you truly want (radical) innovation you cannot expect everything to succeed. You have to accept a certain amount of failure – or rather ‘learning’.

Lisa Szeponik: Can you define the role of a leader in one concluding sentences?

Bettina von Stamm: For me the role of a leader is to create the conditions in which innovation can thrive, which means that they need a deep understanding of what these conditions are, as well as awareness of their own preferences and comfort zone in the context of innovation.

The interview was taken by Lisa Szeponik, Young Leaders for Sustainability Program Manager January 2014; originally published on the website of the Collective Leadership Institute (www.collectiveleadership.com/en/publications/newsletter/interview-with-dr-bettina-von-stamm.html).