

# The Art of Innovation Leadership



Understanding the power of balancing the psychology of the 4 innovating stereotypes

# Victor Newman

**Innovation practitioner and Visiting Professor in Knowledge and Innovation Management at The Business School: The University of Greenwich.**

Recent executive roles include Chief Innovation Officer @ Milamber Group, Head of Innovation Strategy & Economics at The Technology Strategy Board, and Chief Learning Officer to Pfizer.

Visiting Fellow to Cranfield University on the subject of Strategic Knowledge Management and Innovation. He works with several business schools.

Contributed to the Harvard Business Review, included in Harvard's "Fifty Lessons" interviews with 200 of the world's most respected business leaders, and featured in The Wall Street Journal. He is on the Advisory Boards of several organisations. He is the author of "Made to Measure Problem Solving" and his "Knowledge Activist's Handbook – Adventures in the Knowledge Trenches" from Capstone/ Wiley & Sons has been cited as *the "best (secret) management book within the last ten years"*.

**He is working on:** "The Innovator's Got To Do It: The Art of Innovation Leadership", based on his Innovation Leadership Behaviour work with CEOs and leaders.

**Favourite TV shows:** The Wire & Mad Men

Blog: <http://the-knowledgeworks.blogspot.com/>

Email: [knowledgeworks@aol.com](mailto:knowledgeworks@aol.com)



# Content

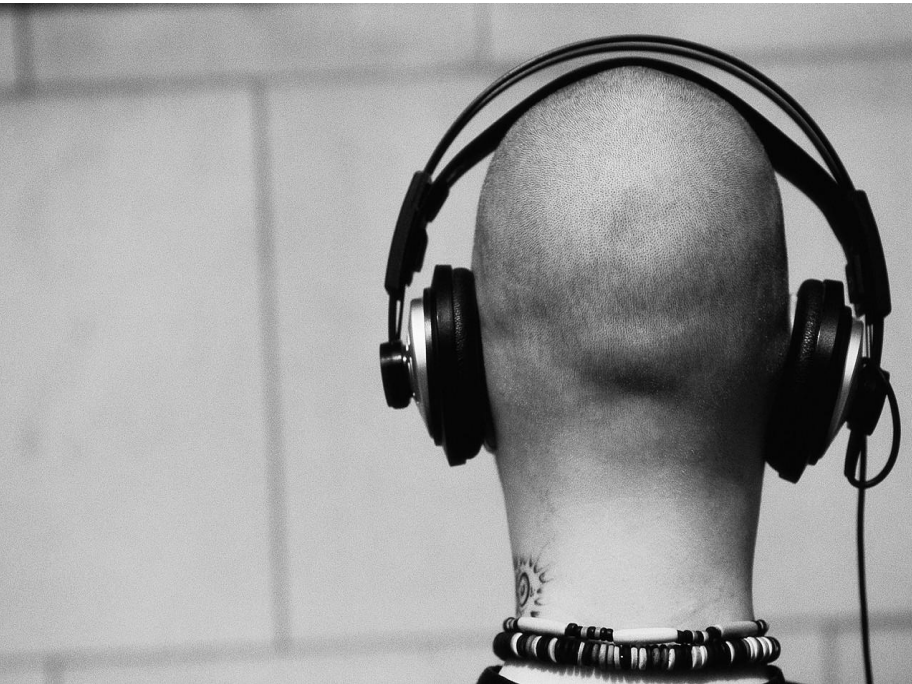
- Set the scene
- Complete the ILB diagnostic
- Introduce the Innovation Leadership Behaviours
- Explain the process
- Illustrate via some case-studies
- Conclusions & Lessons Learnt



# Where are we, now?



# Listen to the music



- Innovation is about doing new things, and doing old things in new ways to create new value.
- We either innovate or we die.
- **Innovation processes are useful, but innovative people are essential.**
- Do you understand yourself, and do you have the right mix of behaviours to grow your business in a recession?

# Know Thyself



- “if ignorant both of your enemy and of yourself, you are certain in every battle to be in peril”
  - Sun Tzu’s “Art of War”,  
Offensive Strategy: 33

# How am I driving?



- Most people have no idea what their innovation leadership profile is. They are in effect, blind innovators.
- The key to successful leadership of innovation begins with understanding
  - the *limitations* of where you are now,
  - the nature of the challenge, and
  - being hungry enough to want to change.

# Why should it matter to you?



- What can I contribute to making this business more successful?
- What kind of innovating leadership should I be working on?
- How can I develop myself to make a difference?

# Workshop Discovery Process

## Step 1 (what have we got?)

- Capture your actual and preferred innovation leadership behaviours (CTSN) using a diagnostic.

## Step 2 (what's the gap?)

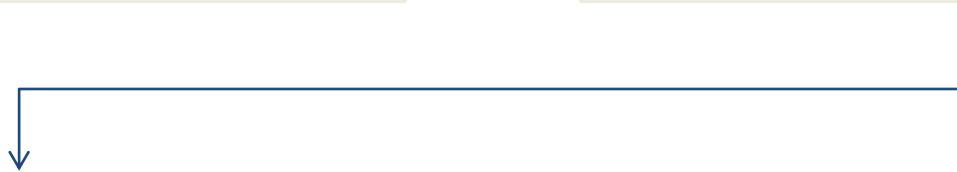
- Quantify Innovating Leadership Behaviour shifts involved.
- Consider the pain of contradiction

## Step 3 (Explore the Behaviours)

- What are we talking about?
- Why do they matter?
- Explore a few dramatic profile shifts

## Step 4 (Tactics)

- Consider potential tactics to make the shift, and the form of preferred work that would make it possible.



# Workview Analysis

- This section is designed to capture what you think about your current work, and how you would prefer to work.
- From the 40 statements provided on the A4 “Art of Innovation Leadership: Snapshot Diagnostic Statements”

- Circle the 10 statements that most closely complement your current

**a . (work reality) – “in reality my work is about... ”**

- Next, circle the 10 statements that most closely complement your

**b . (work preference) – “the way I want to work is about... ”**

1a [work reality] <i>Is about making things happen quickly.</i>	1b [work preference]
2a [work reality] <i>Is about moving on to the next idea.</i>	2b [work preference]
3a [work reality] <i>Is about having the autonomy and opportunity to change procedures and organisations.</i>	3b [work preference]
4a [work reality] <i>Is about managing an incremental process of continuous improvement.</i>	4b [work preference]

- Transfer your 10 x a. (work reality) and 10 x b. (work preference) statement choices onto the Workview Innovating Evaluation on page 3, then add up the CTSN values at the bottom of each column.
- Put these values into Table A on page 4.

# Interpreting the Profile

1. What is this leader's job about, at present?

2. what would they like their job to be about?

Table A

Innovating Leadership Behaviours	a. Actual Work Reality	a. Work Preference	c. Shift = Plus or minus % difference between column a. and column b.
CREATOR	A/ 10 = 0/10 0 %	E/ 10 = 2/10 10 %	Creator shift from A to E ( +/ - ) + 10 %
TRANSLATOR	B/ 10 = 1/10 10 %	F/ 10 = 3/10 30 %	Translator shift from B to F ( +/ - ) +20 %
STABILISOR	C/ 10 = 8/10 80 %	G/ 10 = 2/10 20 %	Stabilisor shift from C to G ( +/ - ) -60 %
NAVIGATOR	D/ 10 = 1/10 10 %	H/ 10 = 4/10 40 %	Navigator shift from D to H ( +/ - ) +30 %

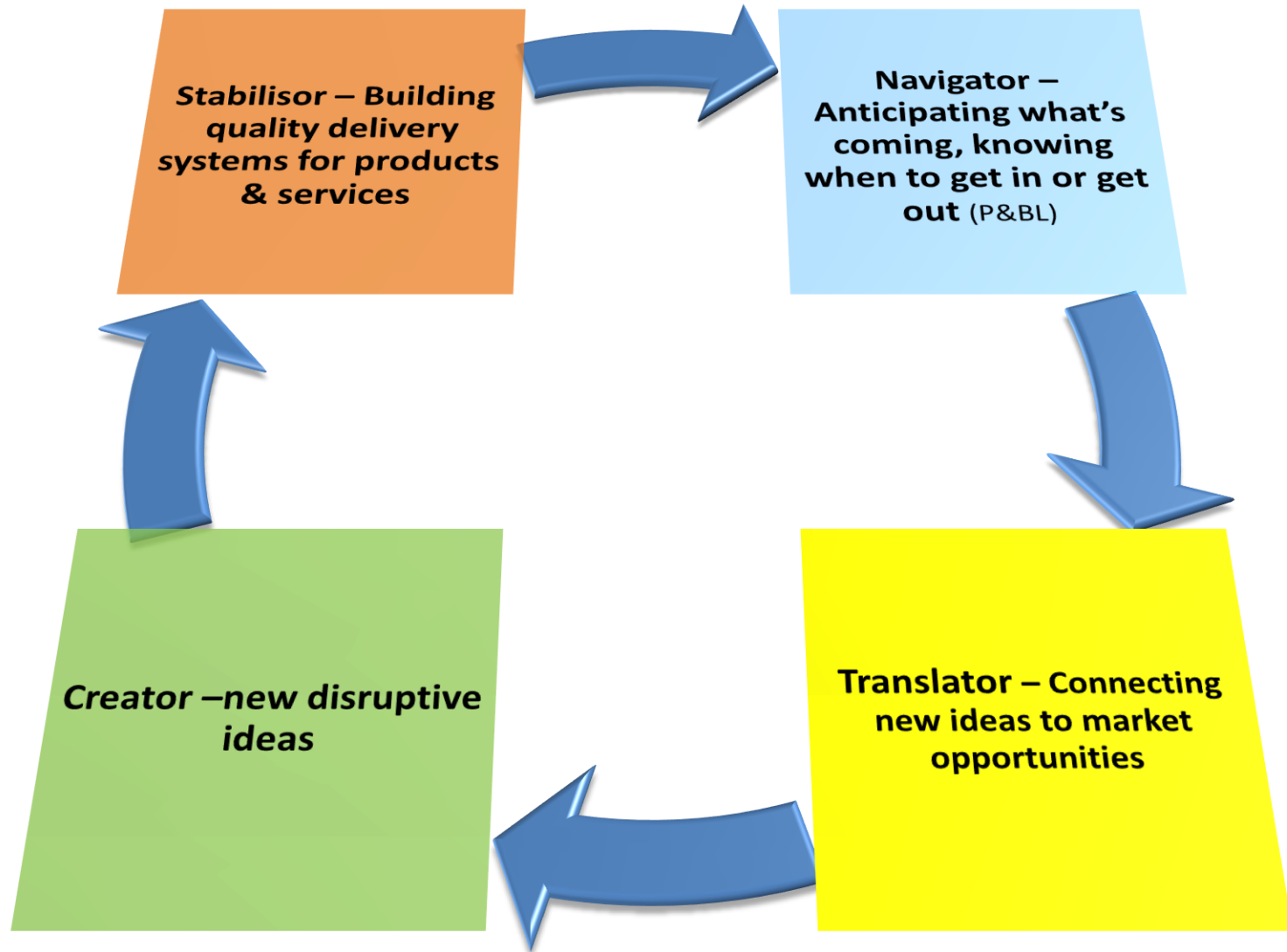
3. Look at the behavioural shifts in column c.,  
 - A shift of +/ - 20% is significant. What is going on?  
 - What concerns might be driving these preferences?

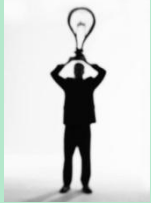
Copy Your Page 4 table scores onto a Flipchart/ A3 sheet

YOUR NAME

	Actual	Preferred	Shift
C			
T			
S			
N			

# Innovating Leadership Behaviours





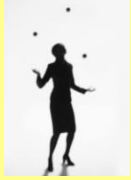
# Creators

- Develop ideas with the potential to create instability within organisations and market
  - Intrinsically motivated: they have to do it.
  - They invent, don't necessarily innovate.
  - As soon as their prototype idea works, they tend to lose interest and move on to the next idea.
  - Their reference-point is always in the future: the next logical leap forward: " I wonder if, why don't we try to...?"
  - View existing stable technologies as already obsolete.



# Stabilisers

- Like to work systematically and incrementally, focusing on improving the performance of work processes by reducing unwanted variation
  - Focus on the here and now
  - Inherit and reinforce existing business formulas and assumptions, avoiding ambiguity and uncertainty,
  - Measure today in terms of the past, not the future;
  - View Creators' ideas as unproven and the source of potential risk to the existing stable way of doing business.



# Translators

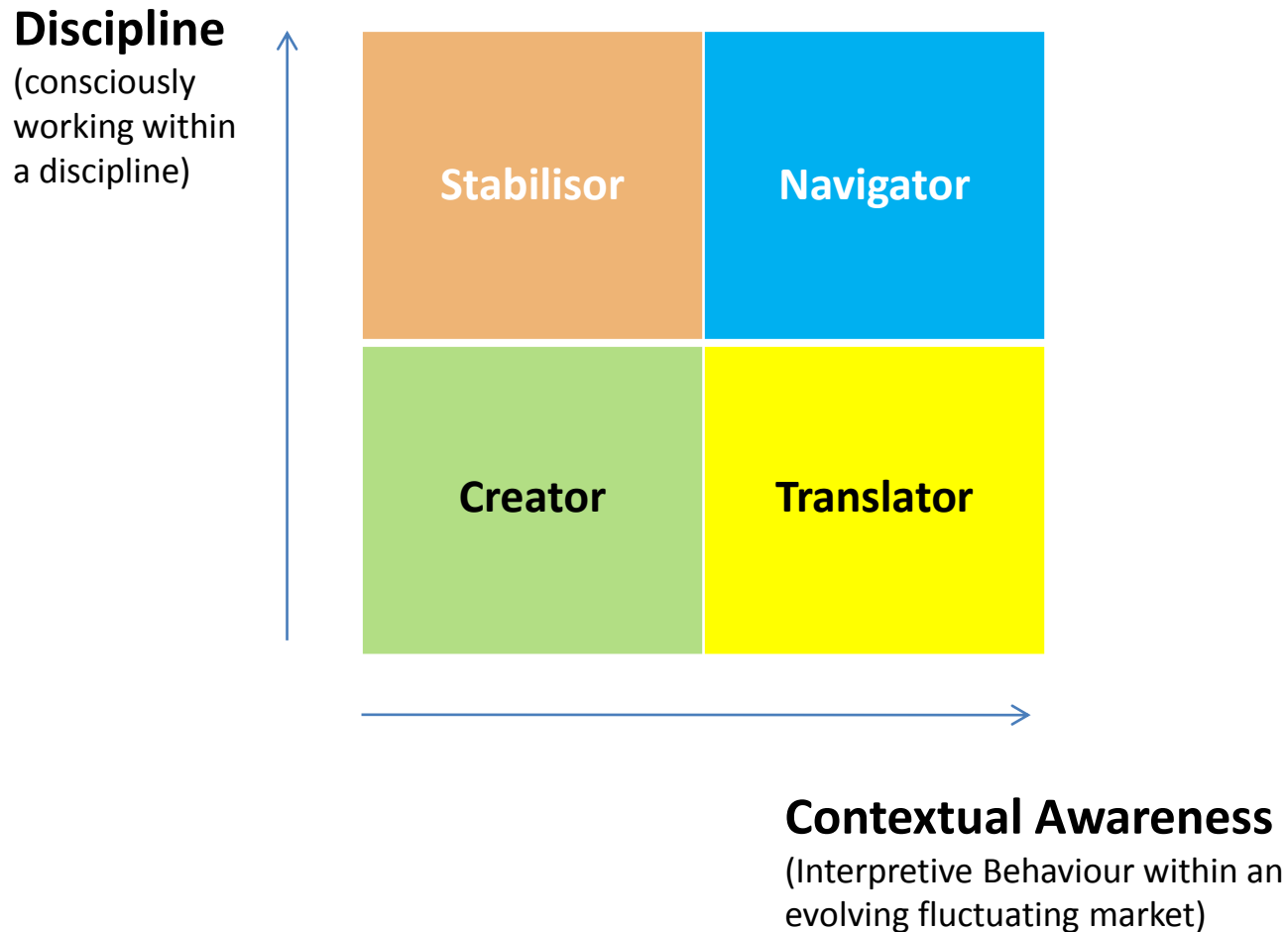
- The essential glue or bridge connecting Creators and Stabilisers
  - They have to do more than just translate the Creators and Stabilisers to each other, they have to sell it both ways as well.
  - Hungry for the next idea, easily bored; a strong, intuitive sense of where the business needs to go next, and when.
  - Make and search for new connections, connecting new ideas that are in different contexts to solve new problems that few (currently) see.
  - Regarded however with some cynicism:
    - *Creators* see them as thieves who take and abuse their ideas,
    - *Stabilisers* see them as introducing prototypes that take too long to stabilise to deliver real value.



# Navigators

- **Understand the difference between *efficiency* and *effectiveness*.**
  1. Helicopter thinkers who rapidly switch from local tactical situation to the big strategic picture and back again.
  2. Map-makers, continually construct new maps that show
    - Where the organization has been,
    - The new choices that are emerging, the risks around those choices,
    - The changing nature of competition and
    - The new journey that has to be undertaken.
  3. Communicators, selling the big-picture, engaging stakeholders in the change process.
  4. Architects, designing the new organization and reallocating resources to make it happen.
  5. Decision-makers who understand the importance of early decisions, of anticipating market trends and communicating the rationale behind key decisions to gain commitment.
- **Create the context within which Creators, Translators and Stabilisers innovate.**

# Innovation Leadership Behaviour Matrix



# Innovation Leadership Behaviour Matrix

## Discipline

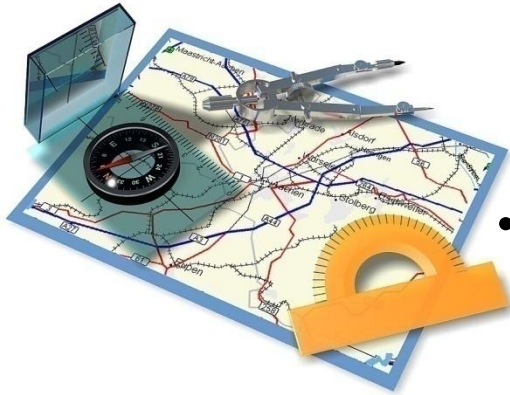
**Stabilisor** tends towards inflexibility, with high levels of conscious discipline to define their work (they love disciplined work ideologies) but have a low contextual awareness (which can mean the application of a discipline beyond its usefulness or sell-by date). They tend not to notice the growing need to move into a new discipline to harvest value out of a new technology or new market. They take the existing work environment as a given that's not negotiable.

**Navigator** is both highly disciplined and has high contextual awareness in the form of helicopter thinking (the ability to move flexibly from a tactical to a strategic perspective, and back again) with the ability to see the bigger picture outside the constraints of the local situation or market; and has a conscious ability to apply mental models to interpreting the health of the organisation or its strategy.

**Creator** tends towards a low discipline threshold with a relatively low contextual awareness because they are intrinsically motivated by intellectual ideas and patterns outside of the dominant business context (which tends towards reinforcing existing forms of business value). Creators respond to their own intellectual vision and have an autonomous ability to see patterns and gaps in current ideas.

**Translator** has low discipline but high contextual awareness because they pay lip-service to the dominant form of work-discipline associated with managing the performance of current products, services and processes (due to their awareness that the status-quo is obviously in decay, and that this creating a vacuum that needs to be filled with something else).

# Quick Interpretation



- **Look at your present profile**
  - How balanced is it? Does the imbalance make sense?
  - What does it say about the requirements of your present role?
  - Strengths & Weaknesses?
- **Look at your preferred profile**
  - What does it tell you about the kind of work you really want to do?
- **Look at the transitions**
  - What does the transition tell you? Are there any significant gaps/ shifts of over 20% in any of the 4 behaviours?
  - If having a balanced profile as a leader is important, then what can you do about the gaps?



# CEO Case Studies

- From Academy for Chief Executives  
(ACE)

# Leaders Living With Contradictions (1)

<b>Ralphs's ILBs</b>	<b>Actual</b>	<b>Preferred</b>	<b>Shift</b>
<b>Creator</b>	10	<b>40</b>	<b>+30</b>
<b>Translator</b>	10	<b>40</b>	<b>+30</b>
<b>Stabilisor</b>	<b>50</b>	10	<b>-40</b>
<b>Navigator</b>	<b>30</b>	10	<b>-20</b>

- Ralph is in the construction business. His major concerns are the difficulty of finding good people, the costs of regulation and very low margins. In his reality score, stabilising work processes to cut costs and reduce the need for supervision and sustained vigilance in order to anticipate new opportunities and manage his supply chain are key.

# Leaders Living With Contradictions (2)

<b>Eric's ILBs</b>	<b>Actual</b>	<b>Preferred</b>	<b>Shift</b>
<b>Creator</b>	10	30	+20
<b>Translator</b>	20	50	+30
<b>Stabilisor</b>	30	20	-10
<b>Navigator</b>	40	0	-40

- Eric is the chairman of a group of companies, and he sees this role as being about having a “safe pair of hands” and ensuring people “stick to their knitting”.

# Leaders Emphasising Their Stabilisor (2)

<b>Tim's ILBs</b>	<b>Actual</b>	<b>Preferred</b>	<b>Shift</b>
<b>Creator</b>	<b>30</b>	<b>0</b>	<b>-30</b>
<b>Translator</b>	<b>30</b>	<b>0</b>	<b>-30</b>
<b>Stabilisor</b>	<b>20</b>	<b>70</b>	<b>+50</b>
<b>Navigator</b>	<b>20</b>	<b>30</b>	<b>+10</b>

- Tim has set up a successful food supply business from what started out as a market stall back in the early seventies. His problem is that he has too many ideas to implement and this confuses his management team by the rapidity with which he flits from concept to concept, losing even himself in the process. He has (at his own calculation) enough ideas to live off for the next 5 years.

# Leaders Emphasising Their Stabilisor (1)

<b>Dan's ILBs</b>	<b>Actual</b>	<b>Preferred</b>	<b>Shift</b>
<b>Creator</b>	20	0	-20
<b>Translator</b>	20	20	0
<b>Stabilisor</b>	<b>20</b>	<b>70</b>	<b>+50</b>
<b>Navigator</b>	<b>40</b>	<b>10</b>	<b>-30</b>

- Dan has bought a logistics business, and sorted out (he believes) the way he wants the business run. His basic approach (and problem) is to maintain the core service whilst introducing performance disciplines (and measuring these consistently) and to refocus within a high-value market sector that prizes security and timeliness.

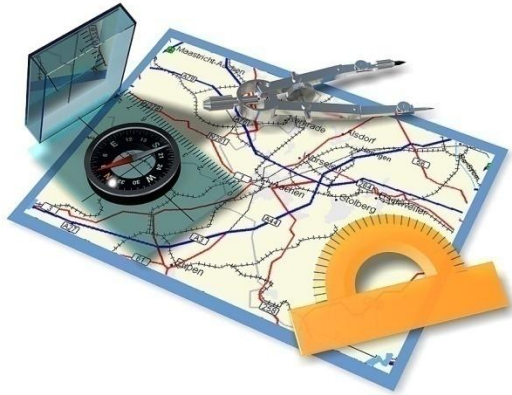
## Quality Directors: Less Stabilisor Requires More Navigator

Group ILBs	Actual Mean	Preferred Mean	Shift Mean
Creator	10	20	+10
Translator	30	20	-10
Stabilisor	50	20	-30
Navigator	10	40	+30

- This table was developed through a management development workshop session around the ILBs with a group of experienced Quality Directors working in R&D (focused on quality management within the R&D process) and in New Product Development, taking prototype inventions into manufacturing.

- A significant shared and connected systemic pattern across 8 out of 12 participating QM directors' ILBs emerged in the interpretive discussion of their actual and preferred profiles.
- A preferred major reduction in Stabilisor work, from averages of 50% to 20% (minus 30%); a general wish that it was possible to idiot-proof quality into the development process and reduce the proportion of their work that was mind-numbing, repetitive audit activity.
- A significant preferred growth in Navigator activity, a wish to be involved in the strategic decision making and strategic planning process that followed: in other words, if they could be involved early enough, they could engineer quality into the process before it was forced to deliver!

# Quick Interpretation & Discussion

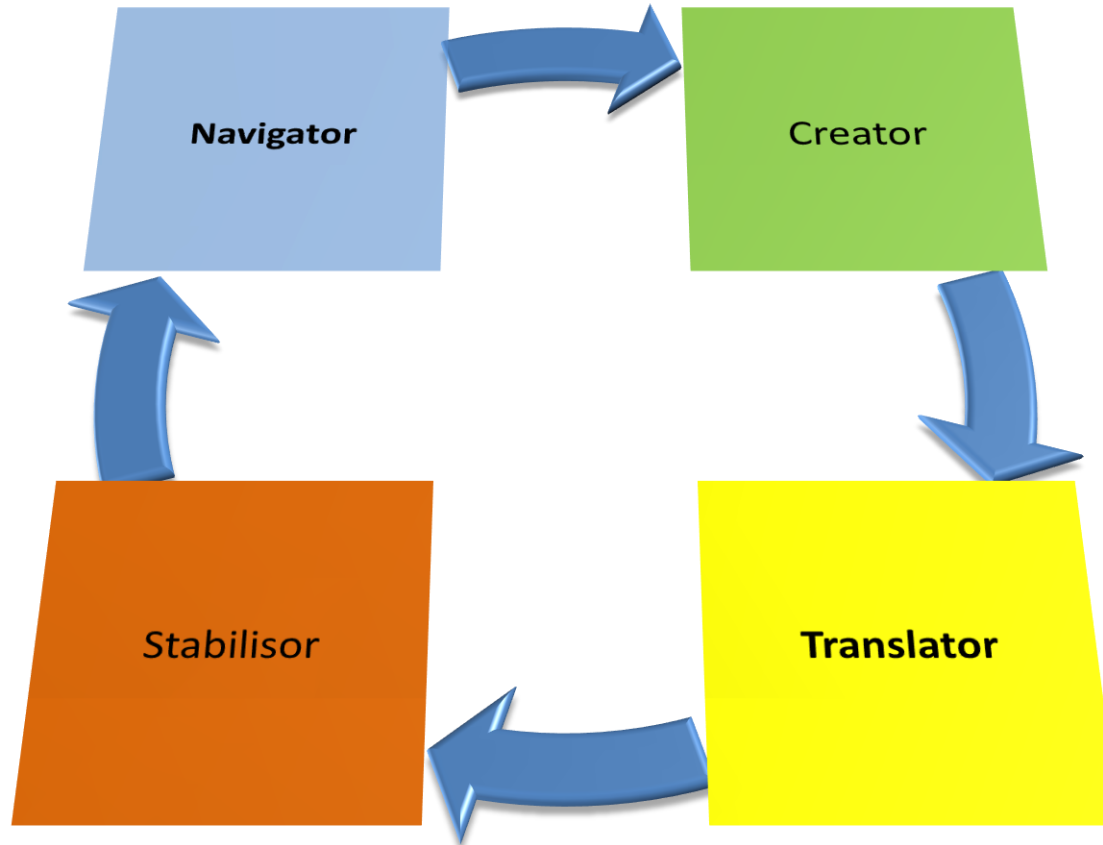


- Look at your present profile
  - How balanced is it? Does the imbalance make sense?
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## Look at your preferred profile

- What does it tell you about the kind of work you really want to do?
- Look at the transitions
  - What does the transition tell you? Are there any significant gaps/ shifts of over 20% in any of the 4 behaviours?
  - If having a balanced profile as a leader is important, then what can you do about the gaps?

# Innovating Leadership Behaviours



# Personal Action Matrix

Sharing commitments with group: what you need to work on, and how you choose to do it

Populated from Personal Innovation Leadership Tactics session and useful for 1-2-1s with group chair.

“This is what I am going to work on, this is how I am going to develop this key behaviour...”

## **More/ Less Implementor**

From \_\_\_ % to \_\_\_% = shift of + / - \_\_\_%

## **More/ Less Stabilisor**

From \_\_\_ % to \_\_\_% = shift of + / - \_\_\_%

## **More/ Less Navigator**

From \_\_\_ % to \_\_\_% = shift of + / - \_\_\_%

## Navigator

- How long have we got with the present
- Strategy?
- Business Model
- Success formula?
- Range of products of services/ way of doing things?
- What will the winning replacement strategy look like?
- What are characteristics of a loser and of a winner?

## Creator

- Thinking out of the box
- Take an idea from nature or another context (or industry) and consider applying it to do something different in your business.
  - Wouldn't it be funny if..
  - Wouldn't it be wonderful if..
  - Why can't we do the opposite of..
  - If we had a magic wand...
  - 5 x different Ideas

# Innovation Leadership Thinking

## Stabilisor

- Take the named opportunity and using post-its
  - Identify all the key steps needed in a process to deliver the named opportunity consistently to make a profit.
- Consider how to measure and control the process so that it works every time.

## Translator

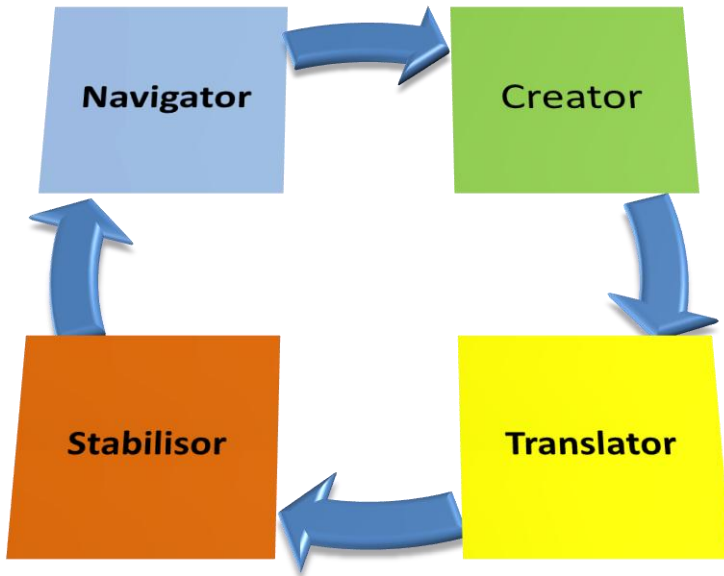
- Take the *crazy idea* and using "Yes, and.." work backwards to a version of it that's not too crazy, or
- Combine 3 ideas (or more) to create a new opportunity.
- Work out who might be the customer/ user and why they will want to buy into this opportunity..
- Give the opportunity a name.

# Observations

- **We need all 4 innovating leadership behaviours, ideally in balance.**
  - The danger lies in one innovating leadership behaviour becoming too dominant.
  - The classic scenario is a period of stability where the Navigator retires or leaves the business, and the Stabilisor takes over and
    - Drives the Creators out of the business and only accepts incremental change, and accordingly
    - The Translators find they have nothing left to do, and leave
    - The business gets trapped into reinforcing a dying business model.
  - Co-location: physically disconnecting the Translators, Stabilisors and Navigators from the Creators can lead to lots of innovation that just never gets to market (Xerox Park)!



# Implications



- **We tend to do what we are good at, or to solve the problem we are comfortable with rather than what is needed**
- Which ILB is dominant in your business?
  - does this contradict where you or your business has to go next?
- What would a business be like that had only one type of innovation leadership?
- 3 can build a business (C, S, T) but you need 4 to be able to anticipate and plan for successful management of business & product lifecycles (N)
- Find people who complement your strengths



The Innovator's Got To Do It  
- the art of innovation leadership

# The Innovator's Got To Do It

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by Victor Newman

# Questions?



Professor Victor Newman  
knowledgeworks@aol.com

