Renew or Die [1]

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Introduction

Innovation is a common, frequent topic nowadays; however, it is not something new or exclusive to our time. Have you heard the phrase, "renew or die?" Well, this sentence was originated by the Spanish philosopher, essayer, novelist, and writer Miguel de Unamuno. Whose original expression was "progress consist in renewal," at the debut of the XX century. People transformed the idea into common knowledge with the phrase "renew or die," which is quite common to hear and understand at least in Spanish like "renovarse o morir." Is that important the fact of not becoming obsolete? Is there a constant need for searching for new ways, new products, new services, new procedures, and so on? Well, it turns out that for many company's innovations become everything.

Innovation implies the adoption of a new idea or behavior. Innovation can be put in place from different angles, such as technical innovations that include a new process and new products or services; or administrative changes, referring to new procedures, policies, and organizational forms. (Jiménez, 2011, p. 409). Innovation must become a consistent capability that is sustained over time (Phillips, 2012, p.xx).

The fact is that without innovation it is not possible to exist

Innovation brings many benefits to organizations such as

1) becoming far more proactive rather than reactive;
2) eliminate much firefighting;
3) causing other firms to react to your new product, service, and business model;
4) employees who are more engaged and who use a broader set of tools and techniques to accomplish strategic goals;
5) deeper capabilities to define and achieve strategic objectives;
6) increase revenues and profits while retaining efficient cost management;
7) sustained market differentiation and favorable media and press coverage;
8) increased ability to leverage internal knowledge and external partnerships. (Phillips, 2012, p.xxi).

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1. Enemies of Innovation

Innovation is not always welcome inside the organization; it can be seen as the enemy to beat. Innovation could be a threat to the business as usual, and it is understandable after all, it has taken time, effort, organization and process to keep business stable, why do we want to change status quo?

Bureaucracy, business as usual, and standard operating models will do what it takes to defend business as usual furiously. Who or what are the enemies of innovation?

Routine or Business as Usual

As it has been mentioned, Business as Usual and many implemented methodologies oriented to keep operations running in known standards of efficiency are quite hesitant to innovate and change the status quo. Six Sigma, Lean, and other methods are used to improve operations and refined existing process and products which goes against innovation. According to Phillips (2012), "ever-increasing focus on efficiency creates an innovation trap: the more efficient business, as usual, becomes, the more the firm seeks to protect and isolate business, as usual, leading to less and less innovation." (p.20).

Innovation, to exist, needs to disrupt the current operational model, which does not like to take risk, change, or uncertainty, that is the reason why business, as usual, does not feel comfortable with innovation.

Middle Management

Middle managers are the mechanism inside the organization to assure business will continue as it is, as usual. Phillips (2012, p.23). Middle managers are stock right in the middle between promoting innovation and change or maintain things as they are. Middle managers can be trapped in business as usual, without options to do any changes since they are in charge of obtaining specific goals that required their supervision.

Project Managers, on the other hand, are supposed to be in charge of promoting the changes and innovation through the implementation of one or several projects. Project Managers are not measured in terms of business as usual objectives or metrics; they are measured by the success of their projects or the outcome they are looking for.

As Chidambaram (2009) stated, "there are two enemies of change. The first is 'routine.' Routine is the enemy of innovation. Because we are immersed in routine tasks, we neglect the need for change and innovation. The second enemy is 'complacency.'" Middle management is under pressure to deliver consistent results than frequently; they reject innovation or a balance between efficiency and innovation that are capable of doing.

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Financial Strategies

Following cost reduction strategies or more income or revenue inside organizations are common practice. When companies either face economic issues or are trying to implement strategic finance, saving money becomes a factor for promoting and reaching innovation.

It is easier to reduce costs or expenses by implementing or paying attention to the more efficient current process, cut staff, or improve business are usual rather than innovating any component inside the organization. The same is true for revenue seek purposes since it is safer to run business with current mechanisms and expecting similar results.

Project portfolio inside an organization can be oriented in both ways, either search for another source of income or improve current pricing, promotion, marketing, discounts, and so on to maximize current sales or revenue. On the other hand, the cost reduction can also be achieved by several projects to become the operation more efficient.

In terms of information technology implementation projects, implementing such as ERP, CRM, BI, and others can make tremendous improvements and helping making-decision processes to achieve financial strategies best.

2. Myths related to innovation

In his book "Relentless Innovation," Phillips mentions the following myths about innovation in organizations:

- Myth No. 1. Individual, innovative leadership accounts for the majority of a firm's success
- Myth No. 2. The level of industry competition dictates the amount of innovation
- Myth No. 3. Firms can copy the product or service offering of market leaders while retaining competitive advantage through low costs or higher service
- Myth No. 4. Due to changes in a globalizing world, no firm can sustain innovation leadership over the long term

Innovation will require leadership that is a fact; however, not everything relies on the characteristics of the leader of the organization. "Innovation requires thought leaders, transformers, game-changers, ideators, disruptors, challengers, and observers. It also requires a platform where people can exchange ideas about trends occurring on a global level and what is happening in our arena." (Gerakiteys, 2016). A proper culture that supports innovation as a process integrated as part of the business, as usual, will be needed to help the individual, visionary leadership, to go to the next level.

In the case of the industry (Myth No. 2), there are specific industries more likely to innovate and evolve than others. Examples such as technology or IT, not all of them embrace innovation as a way of doing business. The competitive landscape of some sectors could

increase the likelihood of change but does not represent a guarantee to sustain an innovative focus even when they might have an innovative leader.

For the fast follower (the one that follows the innovator and in a quick manner follow or adapt what the innovator is doing),; organizations need to be creative enough to innovate by themselves and establish a difference between their competition. Being a fast follower could be very expensive to keep pace with the one that is leading. On the other hand, usually, these followers lose sight of what exactly is the customer value they are trying to adapt. For these reasons, this strategy is increasingly difficult to implement.

We are in a globalized world, that is a fact, and it could be true that innovate on a large scale could be more complicated; however, there is room for everyone. The factors that help organizations to be innovative resides inside the company itself. The reason behind that is that "innovation is a cultural phenomenon which can be enhanced or inhibited by leaders, culture, and strategy." (Phillips, 2012, p.13).

3. How to implement an innovation process

If you want to innovate in your business or your organization, you will have to follow either of these three positions: 1. Product leadership, 2. Operational excellence, or 3. Customer intimacy.

In the consecution of these innovation strategies, some processes or steps need to be in place to align the organization into an innovation business as usual type of business. Following Phillips model:

Innovation metrics

"Proper measurement of innovation activity is, therefore, crucial for policymaking." (Manzini, 2015). This idea of a measure innovation policy is what a South-African science agency established, some of the innovation indicators the developed are the rate of innovation, types of innovation, process innovation, effects on innovation, intellectual property rights, etcetera. The importance of having metrics related to innovation and make them public will help align all stakeholders for the organization. It is not only a matter of having parameters but to use them and communicate them well so it will generate some commitment.

Equally relevant is the fact of alignment of the strategy and the innovation metrics, so innovation becomes part of the goals that each executive has inside the organization, and it's related to the revenue the organization expects.

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Compensation

Compensation is a relevant component for the organization to motivate its employees and executives but also to align them with the strategy. If the organization truly wants to innovate and integrate innovation into their day-to-day way of doing business, compensation plays a massive part of it. It is not only a matter of accomplishing objectives, but it is also the opportunity to evaluate and recognize any effort related to innovating. What are we going to compensate for? Innovate current products or features, innovate the operational process, or innovate in customer intimacy. Do you remember these three strategies?

Well, that has to be compensated!

Enabling functions

Enabling functions are related to measures and correct compensation as well. Typically, in organizations, certain areas or departments are well established and defined, such as legal, finance, I.T., and so on, that support business but are not related to the core of the organization. These functions need to be revisited as well to find other innovative ways to support the business.

What to manage

For achieving innovation as a business as usual type of organization, it is essential to focus on the people. The company will need the best of the best to balance operations and innovation. What is required is to manage the people that are willing to embark on new adventures. People that understand what we are doing, the opportunity areas, the value that is perceived by the customer, and how to make it better.

For so many innovative enterprises that we know in our environment, especially those related to technology, like "apple," for instance, there are leaders with passion and engagement to what they believe will be what the market is expecting. This commitment will make things come true, and the passion will be needed to overcome all difficulties until the innovative process has found its way.

Communication

Communication is essential in any process or human interaction. A well-established communication mechanism will save a lot of misunderstanding and headaches. However, in terms of innovation, communication needs to cover at least three levels to help the innovative process take light. First, in terms of the strategic nature of the innovation process per se and its consequences inside the organization.

When it comes to strategy, the communication typically flows from top to bottom, and its main focus is on purpose, goals, and intent. What is relevant is to send the *same message*

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across the organization consistently. Explanations of the strategy and reinforcement of the mission and goals of innovation will demonstrate a commitment to the ongoing effort.

Another critical level of communication resides in the organizational structure and the process that facilitates the conversation, in this way, the organization assures that innovation will continue, and change is right there. The idea is to have all methods and techniques in place that support innovation.

The final level of communication is directed to outside the organization, customers, prospects, and market should hear about these new methods, products, or intentions the company is working on. Of course, a particular grade of discretion is needed when competitors could impede that our strategy succeed.

Defined processes

If the innovation process will become part of your business as usual, then it needs a defined process to work with. Everybody inside the organization should be aware of or have an understanding of what the innovating area or project does. As any other operating department has some degree of guidelines. Innovation should have at least some organizing and administrative capabilities such as: prioritizing among their projects, gathering market and customer needs and insights, some planning scenarios, generating new ideas, evaluating projects, transitioning ideas into product or service development, and launching new products and services.

Reactive vs. proactive

Innovation is not a natural tendency for humans; people feel more comfortable with the known instead of experimenting with new ways or events. Many organizations are so used to their ideas that most of their procedures are taken for granted without even questioning a thing. Being reactive to change, do things because "we have always done this way" are ways to go against innovation.

To avoid being reactive, it is essential to implement the "five times question why." In other words, don't settle with the first answer it's getting to you, is vital to continue asking why at least five times to understand the reasons, so we can get what the rationale is behind or if proactively we can innovate one step at the time.

Human resources and talent management

Human resources support organization and business, so the importance of having the right person in the correct position. When it comes to human resources, three aspects become relevant in terms of the innovating process: recruiting, retaining, and rewarding. Recruit the right mix of people that know what to do, but that also has this curiosity and ingenious to bring new ways to the organization. Retaining the current talent that is making progress inside the organization, the ones that are in charge of making efficiency and objectives come

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true, but that is genuinely interesting in bringing something new into what they already know how to do.

Finally, reward in innovative ways to those who bet for the creative process.

When we are talking about projects, human resource is usually provided by the HR department or functional areas. However, if the PM finds innovative talent that helps the project work efficiently and innovate the process, retaining this talent will be crucial for the project, and rewarding its contributions will be as well. PM can talk direct to HR or evaluate those resources in the best possible way. At the same time, rewarding could be something like public recognition, a letter of gratitude, or lunch outside invitation!

4. At the end...renew or die

As it was described, innovation should be part of our business, daily operations, and project activities. People get used to the way they do things and tend to react to change; the innovation process should be reinforced and recognized inside the organization to maintain innovation alive.

Alignment inside the organization will have a tremendous impact on the innovation process, establishing with clarity short and long-term objectives, strategy, and innovation all of the way to the daily operations will save the company from succumbing.

Communication plays a vital role in the innovation process; the well-communicated organization will come true whatever is in the idea stage. Communication inside and outside will be a tremendous impact on the innovative arena, whether to buy the new concept or to sell to others.

Human resources are critical for the innovation process; they are so important that they need to understand and buy the innovation strategy to make it their own. Human resources, alignment, communication, recognition should be aligned to obtain the most of innovation strategy and process.

Business is in need to renew themselves always either renew or die. Are we willing to be out of business only to do things "our way" or because it has always been like this!

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She holds a master's degree in business administration and a bachelor's degree in computer science from the National University of Mexico (UNAM). In addition to her studies in project management and her Project Management Professional (PMP)® certification, which have helped her to consolidate her career and have a better understanding of what businesses and projects need nowadays. She is a doctoral student in strategic leadership at Regent University, VA. She is a volunteer since 2007, starting in the local Mexico chapter, being Past President and in several positions within PMI (CMAG, BVAC) and currently serves on the Ethics Member Advisory Group (EMAG) that supports the PMI Global Operations (2018–2020).

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