

European Corporations Taking Innovation Seriously

by John Di Frances

HEC, a top european business school issued a new Innovation study in December 2010, regarding corporate discipline of innovation management in Europe, entitled 'The Corporate Innovation Function - Key Findings and Detailed Results.'

A key finding is that across a wide spectrum of major european corporations, it is now accepted that innovation must be a long term initiative having the goal of creating "a sustainable culture of intellectual mobility within the company that integrates all employees, in order to transform ideas into competitive advantages."

During the period 2009-2011, the study found that european corporations have been steadily raising their emphasis on and investment in innovation, with innovation budgets rising and average of 5.9% in 2010 and 7.5% in 2011, despite the global recession. Even more interesting is that the number of corporate personnel actively engaged in innovation is rising even faster, with a projected 2011 increase of 11.5%.

This increase in the number of personnel actively engaged in innovation underscores how european corporations are beginning to change, in order to enable and empower innovation. From the executive suite, through middle managers to innovation workers and on to vendors and customers, the understanding that collaboration is critical to success is rapidly gaining traction.

Clearly, the european corporate road to innovation is not all smooth sailing. The report also highlights the gaps in innovation understanding and expectations between the various levels of management and innovation workers as well as the struggles inherent in creating replicable corporate innovation models.

Another key finding further emphasizes the growing european realization that collaboration is central to successful innovation. Ninety-two percent of european Innovation Managers think that innovation should involve all of the collaborators within the company, while 51% of them think that this is the case today in their companies.

Again, the gap between understanding and the present reality is evident in these two statistics, but one must remember that it is the realization of any truth that must precede its implementation. The decision to commit to innovation as a long term goal is the first and most crucial step in this process.

Corporate cultures do not change overnight. They are like great ships. A change to the corporate rudder only initiates the change. It takes time for the course correction to take effect.

In early 2010, I met with a very large U.S. based corporation that had determined from the very top of the organization to commit vast resources to a large scale, long term, corporate wide innovation effort. They even spent months creating their own internal innovation center. I met with them again late in the year and could hardly believe my ears, when my question as to how their innovation initiative was progressing was met with a sudden hesitation. “Oh that, we’ve moved on from that, abandoned the innovation facility. Now we are focusing on mentoring!” All in a span of less than twelve months.

European corporations appear, at least in large part, to have moved beyond the flavor of the month mindset when it comes to strategic corporate initiatives. If they hold-fast to their course and continue to develop “a sustainable culture of intellectual mobility within the company that integrates all employees,” they will succeed in transforming “ideas into competitive advantages.”

Strategic Innovation Consulting (www.StrategicInnovation.Consulting) provides Open Innovation and Strategy consulting services to a wide range of corporate, Fortune 100's to startups, not-for-profit and government organizations globally. John Di Frances is Managing Partner.