

BOLDLY LEADING INNOVATION

Innovation is difficult to execute at big companies. New projects have to compete with established success for funding. New ways of doing things create resistance from those comfortable working in the status quo. Yet, emerging from the global pandemic and facing agile competition from smaller entrants, large companies have an urgent need to innovate effectively. Leading innovation requires a careful mix of strong direction from the top tempered with a discerning awareness of the needs of constituents.

CASE STUDY

Ground level allies.

When Helena and her team rolled out the ExtraCare loyalty program at CVS, they ran the risk of disrupting the relationship between merchants and their supply partners. Helena and the team identified key merchants who benefitted from the data that the project was producing and included them in the innovation team. Those key merchants organically became ambassadors among the merchant organization and built support for the program from below.

01 GET EARLY WINS

People quickly lose faith in innovation if results are not clear. Set long-term milestones but start producing small wins early so that they feel your momentum and energy. Create support by building a mood and track record of success.

02 FIND ALLIES

You need people who are going to drive your initiative forward beyond your control. Strong allies in the business can also help you relieve tension among units or teams who feel threatened by what you are doing.

Build allies by understanding the value that your innovation creates for them. Find ambassadors for your initiative at the ground level – what may seem to be a small win for you could be a success-defining change in their jobs. Create loyalty through impact.

03 SOLVE PAIN POINTS

Design innovation around the problems of your stakeholders. Try to find solutions that can address the pain points of more than one stakeholder simultaneously. Make the solution easy to sell by building it around the problems of those in a place to promote it.

“What's the real problem you're trying to solve for who, and where should you be focused?”

- Helena Foulkes

CASE STUDY

Dual pain points.

Part of CVS's journey into the digital pharmacy space grew through identifying shared pain points between customers and technicians. Insurance complications led to consumers stressing about when their prescriptions would be ready and overwhelmed pharmacy technicians at the front line. CVS's simple solution was to notify customers by text message, saving them unnecessary trips to the pharmacy. They attracted 35 million subscribers in the first year, mostly because the technicians had a strong incentive to promote the solution.

04 BE RADICALLY AMBITIOUS

Push for the notion of ambition. Sell your idea to top leadership and employees at levels. You may not be able to commit to exact outcomes but prepare for success.

Design your innovation strategy such that it is ready for scale. Plan follow-on products and updated versions. At the same time, make sure that you celebrate success along the way so that people tap into the program's momentum.

Ambition is not always about the dollars. Aim to disrupt existing categories. Often, multibillion-dollar businesses start as low margin opportunities to change the status quo.

“Know what generation-two would look like. You never know what is going to win and what is not.”

- Helena Foulkes

05 MOTIVATE INNOVATION

Threats inspire action faster than opportunities. If you are struggling to get funding for your project, place the need for innovation as part of a bigger problem.

Build it into a larger story around where the world is going and how your company needs to compete. Frame potential revenues from a program as a potential loss were your competitors to position themselves first.

If key innovations offer low margins and a slow ramp-up, paint them as emerging revenue streams. Being disruptive starts small.

TEAM EXERCISE

The timing of capital guidance does not always coincide with innovative ideas. Try to get capital allocated to an open innovation initiative and have employees or units earn it via:

1. Team hackathons where entire departments allocate a limited time to idea generation
2. Pitch competitions to select one initiative among competing ideas

This can be especially effective at giving breathing space to small, low-margin projects at their inception.

“Part of my job as an innovator was making sure that everyone I touched felt the urgency of what we were fighting against. I wanted to create restlessness in the organization.”

- Helena Foulkes

06 FUND THE JOURNEY

If you see a big opportunity, it is yours to lead in terms of finding ways to fund it. If you cannot secure capital allocation, you may have to give up other projects or draw down savings.

You may have to accept the year as break even only and channel all incremental margins towards innovation. It is empowering to teams to have leaders that take bold steps and make things happen despite the company bureaucracy.

Look externally for innovation partners for both funding and R&D. Identify how external stakeholders can win if they support your initiatives.

07 CURATE THE PIPELINE

Plan where and when you will need funding over 3 to 12 months based on the possible outcomes of your initiatives. Look forward in the innovation cycle and be courageous to turn down opportunities so that others may secure resources for longevity.

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