Innovation *is* Change Management

Jim Euchner

"We have met the enemy, and he is us."
Pogo (Walt Kelly)

It is perhaps a tautology to say that innovation is change management. By definition, innovation is giving something new to the world, and accepting something new requires some level of change. We often think of ourselves not as change agents, however, but as creators, inventors, and designers caught in a web of resistances that are largely beyond our control. We might be more satisfied and successful if we thought of ourselves formally (and perhaps primarily) as change agents.

Innovators confront a variety of organizational change issues. There is change associated with introducing new methods or technical capabilities into an organization. There is change associated with incubating an innovation that doesn't quite fit with what Govindarajan and Trimble call the "performance engine" of a corporation.[1] And there is change required to bring to life a new growth engine for a firm. We all manage these changes, sometimes well and sometimes poorly, sometimes with optimism and at others with despair, sometimes consciously and at other times haphazardly. But few of us are formally taught or consciously learn the disciplines of change management.

Chris Argyris, an expert in organizational learning and change, identified the concept of organizational defensive routines (ODRs), the patterns of behavior that keep companies from embracing the kinds of big change required for transformational or breakthrough innovation—change that requires rethinking how resources are prioritized, how decisions are made, or how processes are optimized.[2] Faced with this kind of unsettling change, people will do whatever is needed to maintain the status quo and resist the efforts of those trying to create a new reality. Overcoming ODRs is the province of change management.

John Kotter developed an influential seven-step model for managing organizational change that I think is relevant to managing innovation.[3] The first three steps are:

1. **Create a sense of urgency for the change.** The people critical to implementing an innovation need to have a gut-level belief that it is important (not just nice to have). If the company can meet its goals and aspirations without the innovation, it is hard to create that sense of urgency.
2. **Build a powerful guiding coalition.** The change must be enabled by an influential group of people personally committed to its success, people who can create the necessary sense of priority and give permission to reset operating norms where appropriate.
3. **Establish a clear (and shared) vision for the future.** If you don't have a coherent vision that describes where you are going, it's difficult for people to support your efforts. Without a growth strategy, innovation becomes fragmented and energy is dissipated. Far from constraining innovation, clear boundaries liberate people to pursue new concepts that have a chance of being implemented.

These steps can often be taken for granted with innovation to create next-generation products, the dominant role of R&D in most companies. But for innovation that requires change management—including attempts to create new businesses, shift business models, or respond to potentially disruptive technologies—the requirements for change management are vital, and rarely explicitly managed. Innovators tend to focus on the business, financial, and technical risks of

[1] Vijay Govindarajan and Chris Trimble, *The Other Side of Innovation: Solving the Execution Challenge* (Boston, MA: Harvard Business Review Press, 2010).

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[2] Chris Argyris, *On Organizational Learning*, 2nd ed. (Malden, MA: Blackwell, 1999).

[3] John Kotter, *Leading Change*, 2nd ed. (Boston, MA: Harvard Business Review Press, 2012).

the venture, not on the associated organizational change. This accounts, I think, for the failure of many promising new businesses inside corporations.

Each of the kinds of change noted above is discussed in this issue. Lauto and Valentin consider the introduction of a new innovation method in a firm. In "Managing Front-End Innovation through Idea Markets at Novozymes," they share a case study of the use of idea markets to make portfolio decisions. One of the approaches the firm used was to blend idea markets with traditional, hierarchical decision making in order to increase acceptance of the new method.

Maylor, Turner, and Murray-Webster report on a study of cross-functional teams undertaking innovation projects. In "Actively Managing Complexity in Technology Projects," they discuss an instrument they developed for assessing, *a priori*, the complexity of a project, including its organizational complexity. A key finding was that much of the value of the instrument was in the conversations it provoked among different stakeholders with differing perceptions of risk. The conversations helped manage change by creating shared understanding at a project level.

Markham and Lee discuss change management at an organizational level. In "Use of an Innovation Board to Integrate the Front End of Innovation with Formal NDP Processes," they present a longitudinal case study of the evolution and effectiveness of an Innovation Board at a major firm. Their study chronicles in some detail the issues the firm confronted as it sought to implement a more innovative culture over a period of 12 years.

Finally, in this issue's C-Scape, Rob van Leen discusses his experience at DSM helping to create new growth engines for the company. The role he plays as Chief Innovation Officer is in large part a change agent role; he describes himself as "the catalyst for increasing the speed of innovation in the company."

So, what can innovation leaders do given these challenges? One option is to stay within the bounds of incremental innovation that requires little change management. Another is to innovate and pray—to hope that the innovation itself will be engaging enough to draw the organization forward. A more reliable approach is to broaden their perception of their roles as innovators and learn some of the disciplines of change management. These tools are often softer than the other management tools we use, and they take us outside of our comfort zones. But without them, we are liable to be frustrated by a lack of organizational acceptance, especially of our most innovative initiatives.

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