

Innovation Quality - A Top Management Topic

No CEO or Managing Director would deny the relevance of quality for innovation processes. Few of them, however, feel the need to get directly involved in this topic. An attitude that bears the risk of costly failure.

Entrepreneurial Bet

The top management of any enterprise has a lot of topics on the agenda, from daily business to strategy with the odd merger or site closure adding the icing to the cake of management responsibilities. Compared to this big business, innovation quality is small and unimportant – in short, micromanagement. Why should top management get involved?

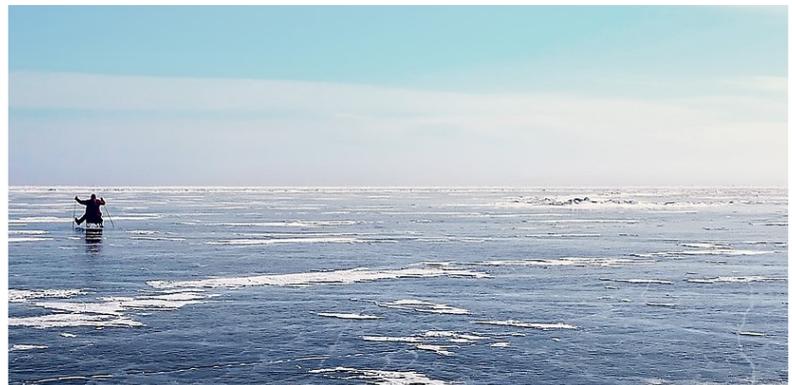
Innovation is an entrepreneurial bet. The enterprise, or more precisely the top management of the enterprise, puts money in the pot, betting on successful innovation. Winning this bet will deliver innovative products, paving with any luck the way to future profit and competitive advantages. Losing the bet again and again kills the business and eventually the enterprise as well. Innovation is top management responsibility.

Raising the Stakes

Part of the nature of innovation is the time it takes. Sometimes months, usually years and decades if enterprises are exceptionally unlucky. During that time, the organisation will be busy doing “innovation things”, running and designing experiments, measuring items, building prototypes, generating data and so on.

In regular intervals, the output of those “innovation things” will be consolidated to “results” and presented to top management, together with a single question: do we stop, or do we continue? Or, in the proper gambler wording: do we fold, or do we raise the entrepreneurial bet?

*„Innovation is
a Gamble,
an Entrepreneurial
Bet.”*



Walking on Thin Ice

The situation is a bit like crossing a frozen lake. Innovation is waiting on the far shore but crossing the lake is necessary to reach it, taking one risky step after the other. Each step resembles a management decision and the ice under the boots consists of the innovation process results. Of course, management doesn't want to break through the ice because – well, let's safely assume they don't want to. So, management watches out for solid ice, completely missing another risk factor: even solid ice will break when not supported by the water underneath. Quite a high risk on any real lake, drowning careless skaters every year and the same is true for the ice of innovation.

When deciding the next step of the entrepreneurial bet, folding the hand or raising the stakes, management walks on the ice of the innovation process results and those – no matter how solid they may look – need to be supported as well. Experiments, data or measurements are for results what water is for real ice – the support underneath. Fluctuations in data quality, changes in the diligence of measurements, variations in experiment performance annihilate this support. Supposedly solid and promising results are not supported and break with the next step, the next decision.

Innovation Quality is a Top Management Topic

Innovation is a top management topic since it makes or breaks an enterprise. Decision on folding the hand or raising the stakes, on taking the next step on the ice or not, is a top management topic. Should it stop there? Should top management be content and happy to take important decisions, to walk on ice, which may not be supported by innovation quality? Is that foolhardiness – or simply laziness?

Quite a lot of managers believe the issue can be solved by delegation, dropping innovation quality entirely on the desk of the existing Quality Unit. This strategy fails to take daily experience into account. Whenever important processes are left to simmer on their own, emerging results rarely match expectations.

More to delegation of innovation quality in one of the next issues.

*„Solid Ice
can Break.“*

*„Innovation Quality
is Key to Success.“*