

Innovation Quality – Part 3

Management Guidance Required

▼ Innovation Quality should

- generate value for the company
- match a defined ratio of risk versus cost
- match enterprise needs and Management expectations

▼ Innovation Quality is

- either guided by Top Management
- or left to the organisation's power plays

▼ **Innovation Quality Space established without Management guidance is unlikely to match Management expectations.**

Innovation Quality Space



Innovation Quality Delegation

- Top Management
 - never denies the relevance of Innovation Quality
 - but is rarely involved in the topic
- Top Management usually delegates “Innovation Quality”
 - to the Quality Units and the Innovation Units
 - expecting them to reach an “acceptable solution”
 - or at least “to meet in the middle”
- **This delegation technique bears the risk of costly failure.**

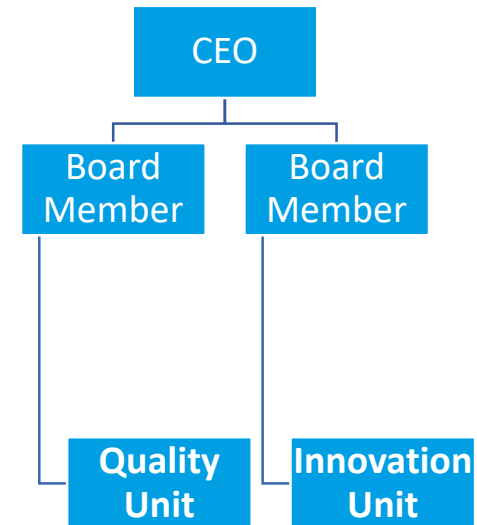
Quality – The Starting Points

- Quality Unit's Point of View
 - “the more rules and regulations the better”
 - “if shit happens, quality is not guilty”
- Innovation Unit's Point of View
 - “less forms to fill is better, none at all is best”
 - “rules and regulations strangle creativity”
- **Does “Meeting in the Middle” necessarily match company needs and Management expectations?**



Escalation Block

- Opposite starting positions
 - will always lead to conflict of interests
 - requiring effective escalation processes
- Frequently the escalation pathway
 - is blocked by the organisation
 - since reporting lines meet first in the CEO office
- **Without effective conflict solving, “meeting in the middle” equals “Lowest Common Denominator”.**



Lowest Common Denominator

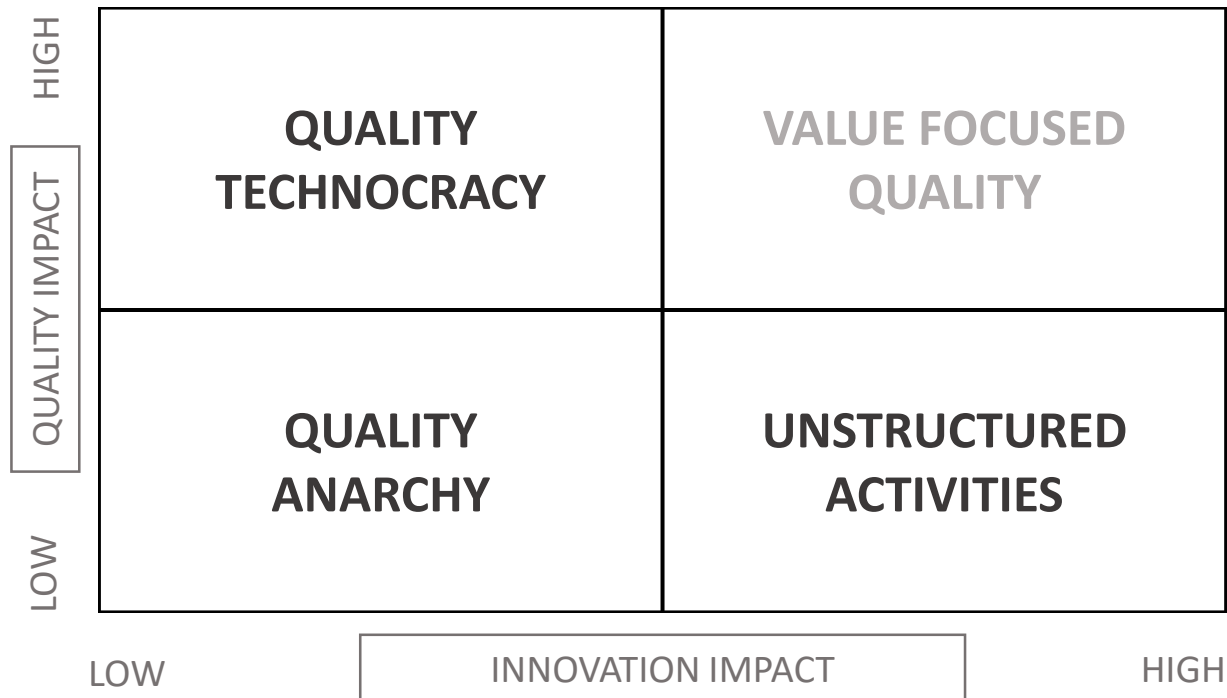
- Low level compromises
 - take a lot of time to reach
 - are mostly “HOW” focused
 - “how many forms to fill”, “how often”, ...
 - are rarely “WHAT” or “WHY” focused
 - “what do we want to achieve and why?”
 - are seldom matching enterprise needs
- **Lowest Common Denominators do not add Value.**

Things can get Worse

- “Meeting in the Middle” is often overlaid by
 - personal interests
 - personal disinterests
 - personal eloquence
 - personal authority
- Resulting Innovation Quality Space matches singular interests instead of enterprise needs
- **Worse than “Lowest Common Denominator” is possible.**



Unwanted Results



- **Left alone, Innovation Quality can spin towards really unwanted results.**

Top Management Guidance

- Innovation Quality needs Top Management Guidance
 - Evaluation of Innovation Quality Status Quo
 - Definition of Innovation Quality Objective
 - acceptable risk profile
 - acceptable costs
 - Strategy to move from Status Quo to Objective
 - Allocation of necessary resources
- **Top Management Guidance makes or breaks Value Focused Innovation Quality!**

“HOW” Focus versus “WHY” and “WHAT” Focus. More to this important difference later on.