

European Corporations Turn to Innovation

HEC, a top European business school, issued a new Innovation study in December 2010, regarding the 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 become a long term initiative. It's goal? To create, "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 increasing their emphasis on and investment in innovation. With this direction, innovation budgets have been rising an 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 surge in the number of personnel participating in innovation underscores how European corporations are beginning to make fundamental changes for the purpose of enabling and empowering 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 perceptions 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. A whopping 92% of European Innovation Managers would like to see the involvement of all collaborators within the company, while 51% of them think that this is the case today in their companies.

Again, the gap between optimal innovation and the present reality is evident in these disparate 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 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. Months were spent creating their own internal innovation center. I met with them again late in the year and was incredulous, when I asked how their innovation initiative was progressing I was met with a sudden hesitation, "Oh, we've moved on from that - abandoned the innovation facility. Now we're focusing on mentoring!" All in a span of less than twelve months!

European corporations appear, at least, to have moved beyond the flavor of the month mindset when it comes to strategic corporate initiatives. If they hold-fast to their course of strategic innovation 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."

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