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It's Show Time

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It's Show Time

Leaders can learn from Hollywood.



BY LASZLO GYORFFY

What can Leaders Learn
from the Best of Hollywood?

Innovation Take #1.

Lights, Camera . . . Action!

For business, it's show time! In this hyper-competitive global economy, the spotlight is on everyone's capability to innovate and create new sources of customer value. The movie industry provides a useful role model, as it creates multi-million dollar blockbusters in a few short months—and does this year after year.

In working with clients to enhance their innovation potential for over a decade I've uncovered several lessons available in the comparison between innovation best practices and the movie industry's formula for success.

Setting the Stage to Optimize Innovation

People want to be innovative—innovation appeals to an innate desire for building a better future. In today's dynamic enterprise, employees naturally want to develop and implement new ideas. And companies have the opportunity to capture their employees' ingenuity by creating an environment that fosters and optimizes innovative behavior—and build the stage to let their superstars shine.

All organizations are perfectly designed to produce the innovations they produce. Highly innovative organizations are specifically designed to be capable of delivering increasingly better results both from continuous improvements and from major breakthroughs that create new markets.

How does a leader start the process of fostering an environment that welcomes innovation and gets the most out of the potentially boundless ideas of their employees? They do it by creating what may at first sound like an impossible paradox—they do it by creating a discipline of innovation. And by building an innovation platform that effectively supports this discipline, and enables the enterprise to continuously improve ideas in an iterative manner until the best ideas can be launched to the big time.

Q1: To what extent is your organization capable of generating incremental as well as game-changing innovation?

It Begins and Ends with the Audience

When it comes to innovation only positive customer results determine success. *Star Wars* did not revolutionize movie-making simply because it was different—it launched a new genre of filmmaking by providing a thrilling experience for the audience.

A few films go beyond the call for entertainment alone. They appeal to viewers' emotional impulses and offer a symbolism that gives audiences a sense of identity and meaning. Films like *Avatar*, *Titanic*, *Men In Black* spawn a tremendous following, producing a viral buzz among fans and generating merchandise revenue that frequently exceeds box office sales. Product functionality is often the price of admission, not the end game. Connecting with customers at this deeper level can get your offerings off the commodity casting couch and onto the big screen.

The most powerful innovation is guided by a thorough understanding of the customer, and the customer's changing needs in a changing world.

In addition, the marketplace continually offers new technologies and practices to best meet these customer needs. Innovative companies are the ones that can rapidly integrate marketplace advances to meet their customers' continually evolving demands and desires.

Q2: To what extent does your organization possess a relentless focus on creating customer value?



Disciplined Approach to Movie Making

Like venture capitalists, Hollywood studios have discovered a process that stimulates creativity and yields tremendous business results. From the initial idea to the script to concept development to production and finally

distribution, the stages only work when participants from all the specialties understand the process and are able to effectively play their parts.

In a turbulent marketplace, when more complexity can add even more confusion, it is important to have a simple and straightforward innovation system (e.g., explore opportunities, generate breakthrough ideas, optimize value, select the best, mobilize for results). Shared and easy-to-use innovation tools and practices can enable everyone in a company to work together, across boundaries, to develop ideas that deliver compelling customer value. While most company's agree this is not a time when you can afford to rely on the lone genius or R&D to carry the day, few have developed a set of common concepts, language, or innovation practices to collectively supercharge their efforts to grow their business, reduce costs, or outperform the competition.

Q3: If you asked your colleagues to describe your organization's process for innovation, what would they say?

A Star is Born

Every production needs a script, and I have found CO-STAR to be the perfect framework for allowing champions to develop their innovative ideas. By answering six basic, yet essential questions, CO-STAR can turn an inexact concept into a well honed value proposition.

CO-STAR: Customer—Opportunity — Solution—Team—Advantage— Results. These are the six elements that are central to the CO-STAR framework for crystallizing the thinking behind an idea. It is a vehicle for enhancing innovative ideas through constructive dialogue and a process for focusing attention on the fundamentals that make an idea valuable.

- ★ Who are the intended **Customers** and what are their unmet needs?
- ★ What is the full potential of the **Opportunity**?
- ★ What is your proposed **Solution** for capturing the opportunity and satisfying a customer?
- ★ Who needs to be on the **Team** to ensure the solutions success?
- ★ What's your competitive **Advantage** over the alternatives?
- ★ What **Results** will be achieved from your solution?

There are always many more ideas than those that can provide important value. Every element of the CO-STAR value proposition is essential for an idea "to grow up" to deliver

value. The continued insight and passion of an innovation champion and team is necessary to turn an initial idea into a value proposition worthy of investment. Value propositions then become the new currency of innovation, not simply the raw ideas.

Q4: If you or your colleagues had a great idea, would you have an easy way to clarify the key elements needed to develop and determine its value?



Rehearsals: Practice Makes Perfect

Iterating the concept from rough cut, to working cut, to the final cut is essential to movie making. Just like in your business, no one gets it right the first time. Many scenes are shot that never appear in the finished film as editors work together to craft the best film for final release. Blockbuster ideas must be nurtured and refined. The speed with which relevant information is gathered and integrated and the willingness to learn from the inevitable missteps and even failures, determines the effectiveness of this iteration process.

A Rapid Idea Improvement Session (RIIS) is a value-improvement practice that enables any company to bring people together to co-develop breakthrough innovations. A RIIS offers an opportunity to audition value propositions, demonstrate prototypes, and most importantly, to gather feedback needed to increase the value of each innovation. These sessions offer a structured way to rapidly test and iterate concepts, gather diverse perspectives, and help innovators and their teams quickly make their value propositions the best they can be.

Through a RIIS, and with the help of high-intensity searchlights that criss-cross the night sky, innovation teams get projects ready for their Hollywood premier.

Q5: Is your organization falling behind or are you innovating fast enough to keep pace with the market?

Tapping the Genius of Cast and Crew

Entertainment industry technology has completely changed the way movies are made. A film like *Avatar* would have been impossible even five years ago. The same thing is happening with innovation. Social media and crowdsourcing have introduced a new era of collective brilliance. The latest technologies allow for open innovation with large numbers of employees, as well as with suppliers, alliance partners, or even customers.

In addition to using in-person RIIS sessions, pioneering companies are employing Web 2.0 software to harness the genius of the group far beyond teams that meet in the same place or same time. For example, the web-based Q+ Innovation Management application enables innovators to share their ideas and CO-STAR value propositions online and to gather feedback from any group any where in the world. In addition, companies can run targeted innovation campaigns—issuing invitations to innovate within a specific area of importance, with a two to three week window of time for collecting hundreds of ideas from employees. Participants submit ideas online, as well as provide feedback and vote for the ideas of others. “The wisdom of the crowd” drives the highest ranked value propositions to the top, along with comments or links to additional information and resources for each one. And the realtime dashboard makes it clear how ideas, activities, and decisions are progressing through the pipeline.

Just as a good director would insist on using the right equipment to get the right shot, companies now have powerful online innovation tools to support their disciplined practices.

Q6: What percentage of your total workforce is actively generating, developing, and implementing innovative new ideas to improve performance and generate new sources of revenue?

The Blockbuster Pitch

Once an idea has become a complete value proposition, it's time for the important next step—building and giving a blockbuster pitch. Without clear and coherent communication about the value of their idea, champions will have difficulties in getting their concepts off the ground. The pitch, whether it's in the boardroom, elevator, or anywhere in between, must articulate the potential of the concept and deliver passionate buy-in, or all the hard work that has come before will be in vain.

It took Pixar, the most successful computer

animation studio in the world, hundreds of pitches to find Nemo.

Q7: Do your people know how to effectively package and present their ideas in a compelling manner to facilitate development and secure funding?

Producers, Directors, and Leaders

There is no innovation without leadership. Companies looking to aggressively boost their innovation capabilities need a committed leadership team with an entrepreneurial mindset. They need to be forward looking; they need to inspire the organization about what is possible. They need to set direction, clarify priorities and define the boundaries around the type of innovation required for the company to thrive.

The most successful directors in the film industry all have their signature style, but are willing to try new things to enthrall their audiences. Steven Spielberg went from *Jaws* to *Schindler's List* to *Catch Me If You Can*, all movies that exhibit his directorial feel, but each possess a creative vision distinct from what he had done previously.

Pioneering companies typically have a powerful, widely shared and strongly reinforced “stretch vision” of the intended future. Leaders act in full alignment with the intended future and model the necessary innovation practices. They embrace their natural optimism and become an appreciative audience for creative ideas, ask inspiring questions, encourage collaboration, free up resources, and clear paths through the bureaucracy. These behaviors are especially important for really novel ideas which are harder to conceive and easier to kill.

When passionate, skilled innovators are supported by committed leaders, the result is a healthy pipeline of bold, strong value propositions worthy of their place at the Academy Awards.

Laszlo Gyorffy is President of Enterprise Development Group, an international consulting and training firm specializing in strategy, innovation, and leadership development. He partners with the Marshall Goldsmith School of Management in offering workshops, courses and custom programs. Special thanks to Lisa Friedman, Alex Gyr, Herman Gyr, and Anamaria Wills for their assistance in the creation of this article.

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