

LEADERSHIP Excellence

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"Leadership Excellence is the Harvard Business Review in USA Today format."

—Stephen R. Covey, author of *The 8th Habit*



Disciplined Innovation

E x c e l l e n c e i s a h a b i t .



by Alan Thomas

AT THE CORE OF ANY company's success are creativity and innovation—twin forces traditionally regarded as untamable creatures.

Leaders are looking for effective ways to harness these forces. In today's market, all businesses need to "learn how to learn" faster and better.

The foundation of entrepreneurship is systematic innovation (disciplined and habitual). The core habits are opportunity seeking, adaptation, constant renewal and growth, and the encouragement of delegation and innovation. It is not so much a matter of personality as it is a discipline. Putting these principles into practice, however, is a challenge. Most managers would benefit by getting a better handle on "disciplined innovation."

To remain competitive, you must make your learning process meaningful for all your people to think out-of-the-box in more focused and efficient ways. By enabling people to learn more quickly, you gain better control over limited time and resources—and encourage greater commitment.

A New Model

We offer a new model and process that provides a means for planning and executing objectives. The first step is to understand what continuous improvement is all about. Despite years of rhetoric, there is still uncertainty about the best practices. For example, TQM, Six Sigma, and ISO 9000 certification standards are process oriented. There is a place for a simpler approach. Our model has three core *non-technical* elements that yield high performance: *leader commitment, open culture and employee empowerment.*

1. Leader commitment. To lead, you must follow. You can only instill a sense of energy, empowerment, purpose and commitment by inviting open discussions about your mission, direction, and values. You can only foster participation by engaging your key people in the decision-making process. Transformational leaders

forego the personal pursuit of power and prestige in favor of building strength into others. They know that continued growth depends upon the growth of their employees more so than on their own talents or charisma. Leaders repeatedly share their vision, welcome debate and disagreement, and listen carefully to critical opposition. They admit when they are wrong and acknowledge their weaknesses. Openness and honesty evoke trust and genuineness, which puts people at ease and increases their capacity for learning and initiative.

2. Open culture. Think of innovative management in terms of creating the means for people to grow and to act innovatively and responsibly toward objectives. Thinking about management only in terms of "organizing, directing and controlling"

deadens creativity. Creating the means for people to grow is the mindset. You have to leverage learning and make knowledge more productive.

3. Employee empowerment. This growth mindset leads you to think of continuous improvement as a kind of inner growth that improves the capacity to learn. You must first clearly demonstrate (in words and actions) a commitment to "transformational learning." You must seek to instill a focused and rewarding process of discovery. This entails self-questioning and the invitation of opposing viewpoints, and in response, thinking and acting in new and better ways.

Systematic Innovation

Systematic management and continuous improvement are now interdependent because the entrepreneurial spirit—the capacity to innovate—is the most critical success factor. Thus, we define "systematic innovative management," as *creating a climate of learning*, emphasizing the total commitment to exceeding the expectations

of customers and employees. An enterprise-wide, purposeful search for new and better ways to create customer value distinguishes the process. It is best accomplished by instituting a flexible process of "team planning and learning in action"—featuring openness, empowerment, knowledge sharing, systems thinking, problem solving, objective setting, experimentation and innovation.

There are two parts to creating a climate of learning. The first is to understand *how* to focus and accelerate and broaden and enhance your learning and improvement initiatives. The second is to figure out *where* to focus your learning and improvement initiatives, among all of your key success factors. To achieve these ends, you need to enable people to see the larger picture, to engage in big-picture thinking across functions such as marketing, sales, ser-



vice, operations, and finance. This is a sensible way to foster inclusion, interaction, collaborative participation, and creativity—all of which produces disciplined innovation.

The problem is the lack of practical *implementation tools*. You need a repeatable model

process with a simplified set of guidelines—coupled with a broad backbone of "best practice templates" with which to implement team planning and learning in action. Then you can implement a habitual learning and improvement process by regularly assessing all of your practices and plans. *Systematic innovative management (SIM)* provides that road map to disciplined innovation by focusing on the best practices needed to harness creativity and innovation.

Without a disciplined commitment to systematic management, team building and habitual improvement, no amount of knowledge, ingenuity or skill will bring about continued prosperity. The smart choice is to design team learning into your culture and avoid having to constantly encounter unexpected problems. As Aristotle said, "We are what we repeatedly do. Excellence, then, is not an act, but a habit." LE

Alan G. Thomas is the Founder of Learning in Action, Inc. and Learning House Publishing. He is co-author with Ralph L. LoVuolo of Enlightened Leadership. 617-242-0009, www.PracticalActionLearning.com.

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