

2021

#### **EXECUTIVE SUMMARY**

# Lead to Innovate

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## Overview

**Design Thinkers Group Spain** and **The Institute of Leadership & Management** teamed up to explore the leadership challenges of different industries and sectors that hinder innovation with a strong emphasis on practice and application.

Leaders know that to ensure their organisations' survival and growth, new opportunities need to be exploited through effective innovation. This past year has shown that innovation is not only desirable but essential for organisations to adapt constantly to the ever-changing environment and customer needs. What they don't know is **how** they can embrace innovation and foster the right culture within their organisations.

This partnership between Design Thinkers Group Spain and The Institute of Leadership & Management aims to uncover the implications for practice and offer practical advice on developing the capability required to become an Innovative Leader.

**Design Thinkers Group Spain** is a network of professionals around the world, united by sharing a set of values and strong relationships of trust. Since 2008 we help organizations find solutions to troublesome problems, unleash their potential for change, and develop their capacities to innovate.

How do we make it possible? We focus on your greatest asset: the latent creative energies of your people. And by helping organizations learn and leverage human-centered design practices.

- We advise, support, and facilitate the orientation of the design and implementation of innovative solutions that adapt to changing times and situations.
- We hold collaborative events and workshops to train teams new ways of working and navigating complexity.
- We train leaders to develop their ability to drive change in their organisations.

"Our collaboration with TILM has been an amazing opportunity to deep dive into leadership as one key element of the process of innovation. People are the center of our work and fostering not only their technical, analytical innovative and creative talents but also their leadership skills is key for us to complete a human centered management approach to business".

Jorge Rodríguez, DTG Spain

Our goal is to help clients create brand loyalty beyond the product, build sustainable customer relationships, fully engaged employees, superior customer experience, unique positioning, and long-term success.

#### What do we believe in?

Future business success depends on the ability of organizations to understand what people need and help them achieve it. Purpose-driven organizations are the future of society and they will drive commercial and social success. Our job is to facilitate change, improvement and innovation processes for all types of organizations, be their support and external resource for exploring, observing opportunity scenarios, analysing and taking risks and achieving success at all levels.

**The Institute of Leadership & Management** is an engaged global community of over 48,000 leaders that aims to inspire great leadership everywhere. Since 1947, the Institute has carried out extensive research into the knowledge, skills, attitudes, behaviours and values of great leadership, using that expertise to continually raise standards, to help others develop and grow, and to shape leadership thinking and influence others.

"Quote here - Quote here - Quot

John Mark Williams, The ILM



#### WELCOME TO LEAD TO INNOVATE!

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## **The Lead to Innovate** Forum

To kick off our collaboration, Design Thinkers Group Spain and The Institute of Leadership & Management hosted the Lead to Innovate Forum to explore the challenges and the needs of those leading innovation.

There were 17 contributors in total, 8 participated synchronously at the forum, and 9 contributed asynchronously via a survey, all from a wide range of industries and sectors operating internationally.

The objective of the forum was to allow guests the opportunity to have in-depth discussions in groups of two based on their own experiences and practices. There were immediate takeaways for all participants and the discussions helped us identify the needs specific to leading innovation.

Our initial focus was on five main questions related to practicing innovation and leadership, and how they complement or hinder one another. As a result, we have gained considerable insight into which topics inspire great debate within the theme.

Based on the feedback from participants we plan to build a programme of follow up activities in order to allow everyone to collaborate and focus on solutions to these business challenges.



#### **Key Themes**

We put together a mix of senior leaders from across different industries and countries around the world. One of the big findings at the Lead to Innovate Forum was that they have faced similar challenges and situations when leading innovation. The conversations lead to realise that no matter the industry, leading innovation means dealing with factors like power, hierarchy, mindsets, vision and fear.

Uncertainty and change are elements that detonate reactions and emotions in all humans, also leaders are confronted with them when innovation comes into the conversation or the plans at their organizations. So, identifying this pattern will help us formulate solutions, methods and tactics that will help innovators, leaders and innovation leaders to overcome these barriers and improve their organizations performance.

## How does *leadership* accelerate *innovation*?



The big challenge for leaders comes from the fear related to the outcomes when exploring the unknown. As Charles Darwin said: "It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change".

In the knowledge economy, conversation matters. For leadership to accelerate innovation we need new disciplines of conversation that combine collective thinking with doing to facilitate experimentation. Leaders should create separate spaces within their organisations where these conversations can happen.

These conversations should be focussing on understanding the purpose, and the processes and goals rather than focussing on the outcomes organisations are trying to achieve. When everyone in the team starts to connect with the purpose through these conversations, it really helps them to think about measuring what really matters. Visualisation of measurable outcomes is a very important exercise that enables us to start moving toward that north star of designing the future that we see together.



Future Generations Commissioner, Welsh Government Lead to Innovate Forum Participant

## How?

To engage stakeholders in these conversations, start with *creating the space*; this could be networking events, having an open house policy, or creating a collaborative working space. *Ask propelling questions* and *invite everybody to join in*. People are naturally curious. If you, as a leader, can create a *culture that fosters and develops curiosity*, then you can grow that into accelerating innovation.

The pandemic has pushed organisations to jump into transformations, from theory to practice, as the only way forward. A leader in innovation is the one who takes the challenge to embrace change as an opportunity, the one who jumps into the unknown being able to deliver and implement it relying on collaboration, user/customer needs, and technology.

Finally, to accelerate innovation leaders need to embrace the idea of adopting a double loop learning that will enable complex ecosystems to form. Through conversations that we share our knowledge with "unusual suspects" and create adaptive systems where we can actually behave our way into new ways of thinking. By doing so, horizontal connections are being created that, over time, will overpower hierarchies.

## Innovation tips for leaders

- $\checkmark$  Step out of your comfort zone and try new things
- $\checkmark$  Work on building a motivated team
- $\checkmark$  Step outside of your discipline and industry
- $\checkmark$  Research trending topics daily
- √ Take a strategic approach
- $\checkmark$  Target the areas where innovation is needed and direct the attention and the

resources there

## How can *innovators* improve their *leadership*?

Innovation is like a delicious dish. One of those that represents both risk and joy for the hungry, and that is frequently the way many leaders approach it. Especially when it looks like exotic food, it increases the anxiety and uncertainty about a great joy or a sad disappointment. This is what we can call a dichotomy in a world full of decisions.

It is definitively no easy task to embrace uncertainty, navigate risk and be a maverick in a society that demands fast monetization and excellence, where everything is expected to be close to perfection and everything else seems uninteresting. Embarking in new or uncertain journeys turns out to be inconvenient, especially for those dealing with very structured organizational cultures which navigation might be challenging when Innovation becomes a must.

Structured organizations have a strong capacity to grow measuring all steps of the way, traditionally demanding lower risk, higher profitability and clear tangible results as the main dish that most leaders look for. But there might be shortcuts to the gourmet dish still to be discovered and that is when innovation comes into the game.

For leaders in all types of organizations, Innovation may represent the golden key for the next big thing, or a difficult recipe to cook in their businesses. Innovation processes are full of questions, mistakes and uncertainty that the rational mind may find unnecessary. Leaders in organisations need to be focused on success and helping the teams find the right paths for it, so sending your teams into the unknown may raise awkward feelings and insecurity never allowed before for leaders. Big companies tend to preserve and exploit effective business models and policies from the past, just because they worked in the past with the hope of extending success a little longer.

Nevertheless, the role of the leader and organisational structures have been forced to change in the liquid times we live in. Change and uncertainty are more constant than eventual and the mindset of businesses is starting to evolve faster and faster. This makes our old mindsets be questioned and we don't like that. As humans we prefer the safety and stability of tradition because it provides joy and peace, and life should be easy.

For those in power, additional challenges arise. The potential loss of privilege, power and wealth and the risk of being left behind are scary thoughts in the mind of leaders that see risk and danger but not as opportunity. Increasingly, leaders are dealing with adaptive challenges or complex problems that there is no technical solution to them, therefore they need to consider teaming, which is a group process. And although there may be a titular leader or a positional leader in the group, leadership is all about the conversations people are having, how you design and frame those conversations and how you guide them to experimentation, or you guide them toward doing, not just talking about it. When we are innovating, we are building a new narrative. And so, the ability to communicate is really important.

To be a successful innovator and a leader in innovation you need to be able to understand and facilitate arenas where a shared understanding can happen. Often, innovators are seen as the awkward squad and that is a real risk for organisations. You need to create a shared language across the organisation and to be able to communicate and pitch your ideas in a way which can be understood and is attractive to the power holders. Only when you start coming together and talking each other's language, you realise that you all have pretty much the same problems. And if you come together, you can work them through.

## How?

Find your tribe of frustrated champions and connect with them. In the process of finding your tribe, you are building a movement towards change; if you can build a movement that is incredibly powerful in terms of shifting agendas the balance will tip towards new and better ways of doing things.

## Leadership tips for innovators

✓ Communicate better with your team to support and avoid assumptions

 $\checkmark$  Find a mentor and try to apply their input in your daily work

 $\checkmark$  Integrate viability and feasibility within proposals

✓ Understand financial impact within each possibility, being able to partner with key stakeholders to consolidate potential proposal



# Barriers and Opportunities for Leading Innovation

"Innovation distinguishes between a leader and a follower".

-Steve Jobs

#### Barriers

- Fear
- Hierarchy & roles
- Silos
- Tradition
- Short term vision
- Success vs failure
- Organizational culture
- KPIs

### **Opportunities**

- Identify and encourage leaders and innovation champions
- Reorganize and articulate hierarchy
- Allocate sponsors and resources
- Collaborate with peers and stakeholders to lower risk
- Implement agile methodologies to start learning from testing in the early stages

## **Closing Remarks**

#### WHAT DOES THE FUTURE INNOVATION LEADER LOOK LIKE?

To "walk the talk" requires time and will, is in human nature to not be consistent about what we say and what we do. But integrity is the indispensable quality that a leader needs to build a culture based on trust. Once trust becomes the background of relationships, the leader can get the commitment to its innovative strategy being approachable, assertive and engaging, to persuade about its ideas managing expectations.

In this way, the ability to communicate the unknown and the unmeasurable is essential. It requires a clear and holistic idea of what innovation is for and its objective, including a full understanding of finance and feasibility impact. It requires failure, to train and to study 360° disciplines like storytelling, poetry, cinema, photography and, of course, finance.

Finally, empathy is one of the main tools of a down-top vision, being essential to get to the level of a person with a name, a proposal and a feeling, not just a ratio. It makes it possible to feel and understand what is going on in all the levels of the organizations from different perspectives, and allows us to evaluate new ideas coming from all the people involved in the culture.





## What next?

We are building a community of practice for leaders who want to innovate. We'd love to hear the real-life experiences of those who have overcome the challenges to deliver real impact. Do you have a story to share or would you like to connect with our network? Check out our Lead to Innovate sites in **Spanish** or in English.

Follow **Design Thinkers Group Spain** and **The Institute of Leadership & Management** on LinkedIn to stay tuned for future activity, and don't forget to join the conversation on social media using our hashtag.

# #LeadToInnovate

### Lead to Innovate Survey

The data collected in the following section arises from a survey where leaders and innovators from several industries, perspectives and experiences related to organizations shared their perspectives. The main aspect to improve leadership and innovation is based on the change of mindset and organizational culture.

You can still participate in this survey and add your point of view here!

### With Special thanks to:

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