

The Six Core Values of Innovation

By Jeff De Cagna



Why innovation?

There is widespread agreement among authors, consultants and thinkers in the field of management that innovation is the central capability for all organizations interested in maximizing their opportunities for success in the 21st century. While the pursuit of innovation cannot absolutely guarantee meaningful growth, it is the best strategy most enterprises have for achieving it in a way that can become sustainable over time.

Still, there are some leaders in organizations who push back on this fundamental premise, and ask why they need to bother with innovation. After all, if their customers aren't demanding it, and if already limited staff and resources are stretched too thin by existing priorities, doesn't it make more sense to simply stick to organizational knitting and do the best they can with what have? They argue that this approach would certainly be easier, much less risky and much less uncomfortable for everyone concerned. Why do organizations need to innovate?

The answer to this basic question should be apparent to anyone paying attention to what is happening in our world right now. We live in a new world, with new rules that demand new responses. Contrary to what some leaders believe, we do not live in a time of simple linear change. Rather, we are in the middle of the earliest stages of what I sometimes describe as profound, accelerating and intensifying disruption and discontinuity, i.e., a genuine paradigm shift. Don't like risk and discomfort? That's too bad, because there is an ample supply of both, and that supply will only grow going forward. As the powerful forces of demographic, economic, scientific, social, political and technological shifts continue to converge, their cumulative impact will recalibrate our society in ways that eventually will make it unrecognizable. We are situated in a brand new context, one in which doing more of what we've always done simply will not work. The acute challenges created by the paradigm shift all organizations must face demand that leaders at all levels get serious about thinking, acting and learning like true innovators right away.

Why do the core values of innovation matter?

Many people argue that innovation is essential, but no one says it is easy. In fact, innovation is quite difficult. There should be no illusions about this reality. Organizations must generate a large number of ideas from which they can isolate a comparatively smaller number of concepts for further exploration. From among these promising possibilities, only a handful of opportunities with genuine potential will emerge as appropriate for resource investments, and perhaps only one or two of those ideas will make a significant impact on an organization's long-term fortunes.

Innovation always involves some element of risk along with the constant prospect of individual, collective and organizational failure. Innovation creates deep concerns for human beings who fear the negative impact of unintended consequences on their professional or personal lives. And yet, the only way to truly make innovation work both today and in the years ahead is to engage the whole organization in the effort, i.e., everyone has a role to play in the work of innovation. It is the most democratic form of organizational shift, a collaborative endeavor from which no one needs to be or should be excluded. Indeed, organizations should seek to capitalize on every available brain cell in the quest to create a more vibrant future.

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So leaders committed to making innovation happen in their organizations face a difficult dilemma. On the one hand, innovation is a strategic necessity. On the other hand, innovation is difficult and scary to many prospective contributors. To help others discover their own inspiration for the work, then, leaders must make more than just an economic case for innovation. Innovation isn't only about value creation—it is also about the realization of core values. We cannot ask our people to innovate simply to create new value for customers and profits for our enterprises. Innovation must also be about helping our people and our organizations achieve their full potential through the shared pursuit of its six core values: capability, inclusivity, possibility, opportunity, sustainability and responsibility.

It is important to keep in mind that these values aren't simply a matter of organizational culture. Each one is linked to a specific organizational context that must be considered as part of the innovation effort, and coordinating the on-going relationships between and among these contexts and values is a critical element of success for leaders seeking to advance the work of innovation in our organizations.

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How can we define innovation differently?

Before we consider the six core values of innovation, however, we should establish a clear definition of innovation. Some authors, thinkers and consultants define innovation as an outcome, while others define it as a process. From my point of view, innovation is best characterized as an experience that, over time, permeates the whole organization:

Innovation lives in the careful balance of systemic freedom and systemic discipline necessary to discover and develop ideas to create radical new value.

For innovation to flourish in our organizations, both freedom and discipline must be present. On the one hand, innovators must have the freedom to imagine what is possible, develop their ideas collaboratively and experiment with them in the marketplace. At the same time, organizations must have the requisite discipline to choose only the most promising ideas for further testing, to invest in them consistently and to fail quickly ideas that do not live up to their original promise, while acting on those that perform well. In short, freedom and discipline are a duality rather than a dichotomy.

Discipline in some areas creates the opportunity for freedom in others, and genuine freedom recognizes the constant need for discipline to prevent creativity from descending into chaos. Freedom and discipline are the fundamental forces of innovation success, and organizational leaders must strive to maintain the right balance between them at all times.

Three of innovation's core values—inclusivity, possibility and opportunity—are grounded in the need for freedom, while the other three—capability, sustainability and responsibility—are based on the need for discipline.

What are the six key contexts of innovation?

Organizational leaders can benefit by viewing the dynamics and demands of innovation through the lens of the six contexts that are key to any innovation effort. These six contexts also provide a useful way to think about the wide variety of innovation opportunities on which any organization can capitalize.

- 1. Strategic context**—The organization’s comprehensive understanding of the forces driving its operating environment, as well as an appreciation of emerging trends and issues. (Opportunities include strategy and business model innovation.)
- 2. Technological context**—The organization’s use of technology to engage contributors in the work of innovation, as well as the impact of current and new technologies on the organization, its customers and other stakeholders. (Opportunities include innovation in current and new products, tools and other “tangibles.”)
- 3. Cultural context**—The organization’s internal climate and intrinsic support for collaboration, including encouraging risk-taking, supporting experimentation and the importance of genuinely learning from failure. (Opportunities include innovation in the structure and substance of the relationships between and among staff, customers and other stakeholders.)
- 4. Intellectual context**—The organization’s mindset and approach to identifying and leveraging ideas and knowledge both internally and externally. (Opportunities include service and experience innovation, as well as innovation around other “intangibles.”)
- 5. Financial context**—The organization’s underlying structures for managing both the uncertainty and financial exposure of innovation in order to minimize risk. (Opportunities include process, practice and delivery methods innovation across different organizational functions.)

6. Leadership context—The capacity of leaders to fulfill their responsibility for making innovation consistently possible without exerting undue influence or control over it. (Opportunities include innovation in models for organizational stewardship.)

Leaders can achieve a deeper understanding of how to make innovation happen in their organizations by looking carefully at how the balance of freedom and discipline influences the underlying relationships between and among these contexts. For example, when the organization needs to ensure greater discipline within its financial context, how can it increase the degree of cultural freedom to ensure that innovation doesn't grind to halt?

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The six key contexts of innovation can assist leaders as they guide the innovation process, and the six core values of innovation help them spark a deeper passion for the work of innovation among potential contributors. The core values should imbue the pursuit of innovation with meaning beyond the goal of creating cool, new products and services. They are a powerful wellspring of purpose for making innovation an organizational priority.

- 1. Capability (strategic value)**—Innovation is about building stronger and more capable organizations. Building a capacity for innovation requires an intelligent, strategic and disciplined approach.
- 2. Inclusivity (technological value)**—Innovation is an intrinsically social and collaborative process, i.e., everyone has a role to play. Web technologies enable open and distributed participation on a global scale.
- 3. Possibility (cultural value)**—Possibilities are the precious fruits of the human imagination. Innovation fully embraces the discovery of what is possible for our organizations, even if it involves risk and failure.
- 4. Opportunity (intellectual value)**—Through the application of experience and knowledge, the human intellect identifies and shapes innovation opportunities in ways that enable action.
- 5. Sustainability (financial value)**—Innovation can create a sustainable future for organizations, and the work of innovation itself must be made sustainable through the consistent and well-paced investment of resources.
- 6. Responsibility (leadership value)**—Innovation is a critical element of responsible stewardship for leaders who must be vigilant for the health and well-being of their organizations.



ABOUT THE AUTHOR

Jeff De Cagna is chief strategist and founder of [Principled Innovation LLC](#), and the association community's leading voice for innovation. After serving as an association executive for more than a decade, Jeff founded Principled Innovation LLC in 2002 to help associations realize their full potential through the pursuit of sustainable innovation. He is an author, speaker and advisor to association across the country and around the world.

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