

Innovation— more to it than meets the eye

by Michael Morgan,
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Most business managers say they want their people to be more innovative and that they need ‘more innovation’ in their organisations. ‘Innovation’ also crops up regularly in corporate values and mission statements. The problem is, many managers don’t really understand what innovation is. And often, when they get it, they really don’t want it because they can’t cope with it.

Other business leaders define innovation too narrowly, regarding it purely as part of R&D; technology-driven; often acquired, or ‘bought in’; and then pigeon holed. Under this (old) paradigm, everyone except those on the R&D team is required to simply ‘get on with doing the business’. They are not required or expected to innovate.

There is another group of business managers who think innovation is only about having lots of ideas. These managers don’t understand that innovation requires as much structure, processes and control as everything else they are doing. Innovation is not anarchy. A lot of companies have failed because, while they had the ideas, they couldn’t implement them.

Importantly, innovation is not a sequential process. You don’t ‘do it by numbers’. It is much more complex.

Innovation, in today’s terms, is about balancing the rational side of business and the intuitive side. It’s about having the freedom to think but the discipline to implement in ways that contribute to organisational goals. To be truly innovative, organisations and their people need to become more ‘Whole Brained’

By becoming more ‘Whole Brained’, companies and organisations have become more innovative and, as a result, better at doing business. For these organisations, Whole Brain Thinking has become a support mechanism, helping them understand the complex nature of innovation and, importantly, making it work.

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Bright spark at GE

The Ned Herrmann approach to Whole Brain Thinking started back in the 1970s with General Electric, repeatedly ranked by Fortune magazine over the years as one of the most innovative company in the world.

Thirty years ago, GE managers recognised that, to maintain their company's edge, everyone would have to become more creative. To help, they called in an employee (head of management development), Ned Herrmann: a successful physicist who, at Cornell University, majored not just in physics but also, at the same time, in music and fine art.

At GE, Herrmann — the scientist and musician — set out to unlock organisational creativity by understanding how people think and interact in a corporate environment. Working with conflicting disciplines not only helped Ned get a handle on business creativity, but to postulate what we now know as the Whole Brain Model.

The creative process — comprising four discrete stages: 'preparation', 'incubation', 'illumination', and 'verification' — has been well documented. Experts agree each stage requires different types of thinking.

The first, 'preparation' stage is essentially analytical. It's about doing the numbers, looking at data, understanding technology, identifying problems and needs.

For example, to take a great photograph, you must not only be in the right place at the right time, but also understand your camera. In business, you need to do more than just come up with great products or services. You've got to understand the market, the trends, the numbers.

Many people find the next stage, 'incubating' ideas, can be quite difficult. It's often hard to be creative on demand. If your manager comes in and says

'I want 15 ideas on how we can solve this Policy problem,' your mind will go blank. Indeed, when you ask where people get their best ideas, very few say 'work'. Rather, they'll say, 'in bed', 'in the shower', or 'jogging'.

GE understood...as a lot of companies are now starting to...if you want innovation, you must give people time and space to think. Bill Gates goes away two weeks every year, just to think, even when he can't afford to, because, he says, he can't afford not to.

The third stage, 'illumination', is when the ideas come.

Too many people think creativity is only about 'getting ideas'. Importantly, people who get really good ideas have already done a lot of analysis and had time for a lot of incubation. However, effective illumination is more likely in

a cultural environment which allows and encourages people to think, he said.

The last, the 'verification' stage of creativity, is about doing something with the idea: getting it to stakeholders, into the policy or program arena and seeing how many people buy into it. Verification is where you work out if you have a winner.

Ned Herrmann's work at GE provided a breakthrough in making sense of the natural creative thinking process. Importantly, it helped explain how the process uses all parts of the brain. And it provided the basis for Ned going on to develop and map out the 'Whole Brain Model'.

Since the late 1970s, hundreds of thousands of people have had their thinking processes and preferences tested and analysed using Ned Herrmann's 'Brain Dominance Instrument' (HBDI™): an individualised thinking 'map' which not only explains how people like to think but can also be used to help them explore things and processes differently.

'The creative process — comprising four discrete stages: preparation, incubation, illumination, and verification...requires different types of thinking.'

Most importantly, we can use the HBDI to help companies and organisations build teams with more balanced, contributory, productive thinking skills.

Herrmann research shows few individuals are ‘whole brained’. Most have clearly defined preferences for one type of thinking or another. But that doesn’t really matter, providing they can learn to work in with and feed off others with different, complimentary thinking preferences.

That’s where we’ve been able to help many major corporations and organisations here in Australia and where Herrmann International is helping improve business performances in many other parts of the world.

Although the science is now well and truly out there, too few organisations understand the benefits of Whole Brain Thinking. Many organisations excel at financial, rational, or technical thinking. However, they struggle with innovation because they’re only good at one part of the creative process. Some are great on planning and data collection: the ‘preparation’ bit. Others — including many government departments — are often great at ‘doing things’...at implementing.

A few years back, we had all those young and entrepreneurial dot-com companies. Six months after starting off with a bang, many fizzled out. While they were brilliant at ideas, they didn’t understand the structures and processes to make their businesses succeed.

Typecast thinking vs ‘coloured’ thinking

Certain business sectors and industries become typecast because of their thinking. The banking sector is a ‘classic’.

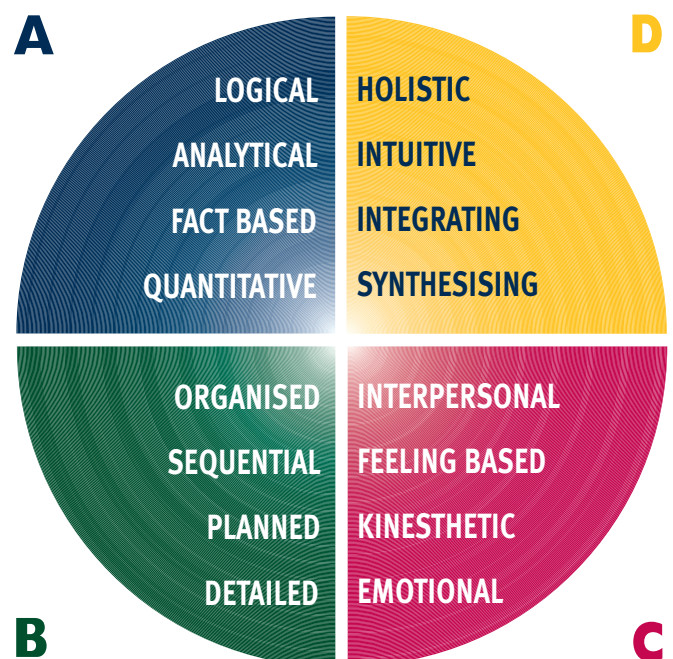
Banks have tended to think purely in terms of money. As a result, their innovations have tended to focus on technology and financial products. They may have all these different products to finance property purchases or access money over the internet. However, most seem to have forgotten or ignored that their customers might want to deal with someone face to face.

Herrmann International clients, who cover the full spectrum of industry sectors, have been taught to think more effectively and perform better by adopting Whole Brain Thinking as a core operating philosophy: not just impacting on innovation but on customer service, sales, and administration.

Whole Brain success

It is no accident that today’s most successful businesses — including those which are not his clients — are, effectively, ‘whole brained’.

When we talk about the Whole Brain Model, we generally talk about ‘colour coded’ thinking preference quadrants, to which, for convenience, we also ascribe letters.



Most often, the really successful companies have good people with the thinking and organisational skills to more than adequately handle their finances, technical operations, and R&D. These features dominate in the 'A' or blue quadrant of the Whole Brain Model. They also have good people handling compliance with rules, regulations, policies, procedures, and safety (the 'B' or green quadrant).

On top of that, they have people with real expertise in managing people; individuals who understand and are into culture, values, and effective communication (the 'C' or red quadrant). And, of course, they must also have people who see the big picture, visualise the future, and are inherently innovative and opportunistic ('D' or yellow quadrant).

Less successful companies claim their people have the same skills and competencies. What they fail to grasp, however, is that their teams are less well balanced in terms of how they think, interact and perform.

Based on extensive HBDI profiling, over 90 per cent of large corporations in Australia and Asia have strong thinking preferences in the blue (logical, technical, financial) and green (controlled, organised, process) quadrants. Some are also 'reasonable' in the big picture, creative (yellow quadrant) area.

However, most of these organisations, especially those involved with professional service, banking, and technology, struggle with the red quadrant: dealing, communicating, and responding to people. This failure has been hurting them, especially when faced with competition from 'more balanced' newcomers.

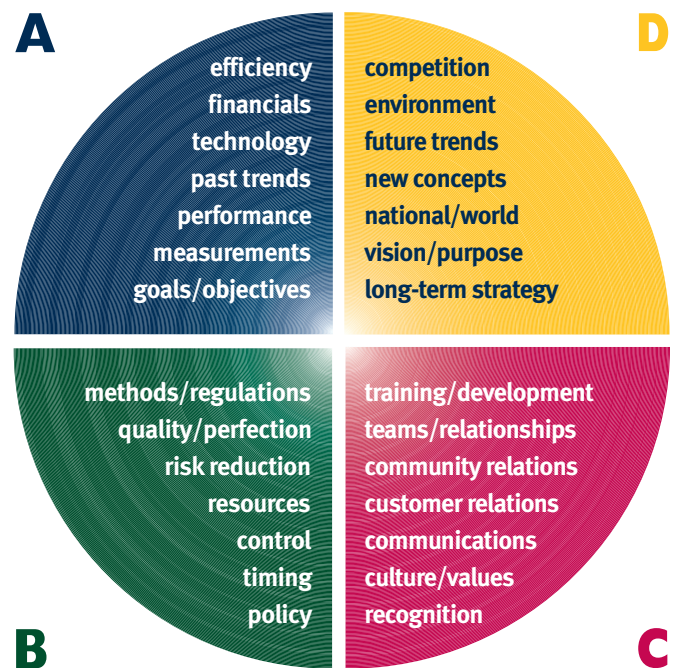
Among Herrmann International Asia's recent success stories is Bendigo Bank. In November, 2003, the Australian Financial Review published a Harris Interactive Research survey into customer satisfaction with Australia's major banks. Bendigo Bank came in number one, with 86 per cent of customers satisfied or more than satisfied with their banking experience. The average score of the 'big four' was 59 per cent.

Bendigo Bank did a lot of things to achieve that result. However, a key strategy was to develop a strong sales and customer service culture based on giving all employees, from the top down, a thorough grounding in Whole Brain Thinking skills.

Traditionally, banks have attracted people with a financial bent. Overwhelmingly, whether engaged

in financial management or customer service, bankers have been logical, rational, mathematical, technical (blue quadrant) as well as organised, process driven and procedural (green). And that's how most people came to see the banks: driven and governed by processes.

Business thinking tool— for planning, strategy and diagnosis



Bendigo Bank decided to turn the 'traditional' paradigm on its head. Rather than use its financial technology to interface with its customers, it engaged real people with advanced people skills, trained to understand customers' individual needs and points of view. Today, all Bendigo Bank's customer service people understand that different customers have different thinking preferences and therefore require different types and levels of interaction. It's the ability to respond to different needs that separates it from the other banks.

Bendigo Bank's adoption of Whole Brain Thinking and its innovative approach to customer service has meant more than just customer service ratings. It is reporting dramatic growth in retail deposits (20 per cent year on year) and customer numbers (13 per cent per annum). After tax profits have also risen steadily over the past three years (up 36 per cent for the first half of the 2004 financial year).

Bottom line ROI

Whole Brain thinking is also all about ROI. However, when we talk about ROI, we tend to think more about 'return on intelligence', 'return on implementation', 'return on ideas', and 'return on interactions'.

All this may sound soft. But, you can put a very hard edge on it. For instance, let's say a project is anticipated to cost \$80,000. If by developing Whole Brain Thinking skills, which would for example help the project team understand different stakeholders, leverage individual team member strengths, save time, reduce errors and introduce value adding features, surely this would help boost the ROI of the project?

Whole Brain Thinking's broader definition of innovation, beyond just product innovation, helps promote teamwork and develops people skills.

As with Bendigo Bank, Whole Brain Thinking can help turn companies to do new and different things ...successfully and profitably.

If individuals and organisations themselves can better understand where they sit in terms of their preferences on the whole brain model, they can also begin to see where the gaps are and where efficiencies can be gained.

Whole Brain Thinking helps them select the skills, tools, and processes to shore up those deficiencies. And by virtue of that, these companies become more innovative in the way they approach doing business.

In this sense, Whole Brain Thinking and the Whole Brain Model doesn't only broaden the definition of innovation. It helps people understand how to do it, providing a roadmap for the organisation into the future and success.

Michael Morgan is CEO of Herrmann International Asia, a company dedicated to providing Whole Brain Thinking solutions. Yellow Edge works closely with Herrmann International in the delivery of whole brain solutions and the Herrmann Brain Dominance Instrument in the Public Sector.

For more information on Herrmann International and Yellow Edge visit:
www.herrmann.com.au and www.yellowedge.com.au