



Stay the course, or innovate?

Mike Ferrari of Ferrari Innovation Solutions explains how great innovation starts and ends with great leadership

I enjoy sailing. As time permits, I teach introductory sailing as a volunteer at the local Boy Scout camp. In relaying sailing fundamentals to students, I'm constantly reminded of the similar themes between sailing and innovation in business.

While my focus during the last five years has been on packaging and the end-to-end digital transformation, the concepts and process I will describe applies to all industries and services in B to C and B to B business relationships. The key to great innovation starts and ends with great leadership.

At the top of the sailing hierarchy is the captain. No matter the size of the sailboat, there is only one captain. You can summarize the role of the captain into three areas:

- She/he is the leader
- Responsible for the safety of crew and vessel
- Navigates the course to reach the planned destination

When I compare these duties and responsibilities of the captain to business we find important parallels as well as the cautions when not carrying out these duties well.

Leadership – In business there is the CEO or president or GM of a brand that is appointed the leader. In both cases the captain and CEO need to provide clear direction to the crew and to the employees. Not as a micro manager, but in a strategic sense: when to turn, anchor, sailing speed, etc. The crew or employees require advanced training so when given the order

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understand how to execute their jobs.

Safety – The captain has ultimate responsibility for safety of the ship's crew and vessel. This means that through the sailing journey the captain is to deliver the crew and vessel safely at the destination. This is equivalent to a CEO creating and maintaining an employee culture with good moral while also maintaining good care of company assets. Over time this will require innovation so to protect the competitive health and investment in relevant assets.

Navigation – The captain plans the sail



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and then begins 'sailing the plan'. The route will be reevaluated if wind direction changes, storms arise, equipment failures occur, hazards are discovered along the way, etc. These variables can occur sometimes with little or no warning. The captain will avoid troubled waters and make a call to correct the course when necessary, keeping the original goal of safely reaching the destination. The same is true in business. Course changes are needed in order to keep up with changes in the marketplace.

Sailboats are safe at harbor, but that is not what they were built for

A sailboat tied up at harbor is well protected, but if you sit with a rope around the dock all day you're not going to get very far. Being tied up at harbor avoids the chaos and eliminating the risks that occur while at sea.

Sadly, this is a mistake I see a lot of companies making today. A business is like a sailboat in that it is a vessel that contains the employees and operations for goods and services. In order to reach its destination it must provide meaningful value so to be appreciated and rewarded with contracts and purchases. For this to happen there needs to be a renewal of the goods and services it provides so not to become old and stale. The time frame of each product will vary before it becomes outdated. When products and services languish in sameness they become a commodity and the only differentiator is price. This is not a good place to be, as there will always be someone to lower

The 3D Innovation Model: Sustaining Business Growth

Discovery

Understand consumer/client unmet needs

Development

Bring creative solutions to satisfy the unmet need using the ABC model

Delivery

Excellence in implementation through a high performing organization



University of Florida Principles of Packaging students

price in desperation, causing margin erosion. Eventually the goods and services become irrelevant and unwanted, sinking the ship.

A leader must always be alert and have the courage to venture onto uncharted waters at times in order to bring value never before understood or seen. This is what it means to innovate. You may not always have a way to exactly calculate results, but if you solve real problems then there will be someone ready to pay for a solution that eliminates or reduces a pain point or simply provides convenience. Evaluating opportunities from the eyes of the end user provides the highest opportunity for success called 'consumer-driven innovation'.

What does an innovation strategy framework look like?

There are three important elements to an innovation framework; leadership, culture and methodology.

Leadership – Needs to create the vision, align employees, empower them, enact a reward system that promotes innovation and allocate funding. This is a multi-year plan.

Culture – Innovation is more than a project, it is a continuous mode of operation. It requires an atmosphere where freedom of expression without reprimand thrives. Innovation should be well understood and practiced as 'the life blood' of the business.

Innovation methodology – The 3D model (Discovery, Development, Delivery) is a consumer-driven approach that starts with understanding unmet needs. Once these are understood the development process can begin by bringing creative solutions to bear. Lastly, delivering the goods and services with excellence to ensure they will deliver on their promise.

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Reigniting growth through leadership and innovation

We are now well past the economic downturn of 2008, yet many businesses are still focused on cost savings as their primary objective. While cost savings is important it is equally important to return to a growth strategy. This is particularly true in the package and print industry during this time of great transformation. Innovation is the path to growth and is a never-ending cycle to sustain long term fiscal health. Leaders who are looking to reignite growth will need to take performance to the next level by creating an innovation culture and educating employees on proven methodology. If you 'stay the course' eventually you will run into 'headwinds'. Embark on a journey of innovation.



The 'Reigniting growth through leadership and innovation' workshop can provide your business the education, guidance and inspiration. Learn how to create a balanced portfolio of innovation. Find out more at www.mike-ferrari.com