



**Innovation Execution: *Managing  
Your Corporate Climate For  
Sustainable Top Line Growth***

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## Innovation Execution

### *Managing Your Corporate Climate For Sustainable Top Line Growth*

by Stone Payton

My wife watches the Weather Channel® like a farmer. You would think she has several hundred acres of crop in jeopardy at any given time. For some reason she is absolutely captivated by cold fronts, freeze warnings, wind speed and the like – and not just here in metro Atlanta, but world-wide. Unless there's a hurricane headed for the Gulf Coast that might threaten the safety of my parents and extended family, I have zero interest in the weather beyond our back yard, and Holly knows it. In fact, it's not unusual for me to tease her from time to time, saying, *"If you want to know about the weather, all you have to do is look out the window."* My rationale for this attitude is simple: The weather is what it is. I have no control over it, and would rather invest my time learning about something I can actually influence.

**The reason I mention it:** In my world, words like "weather" and "climate" are often used to describe corporate dynamics – particularly among senior executives engaged in conversations around *Innovation* and *Change*.

Some additional terms that can show up in these conversations include "culture," "strategic intent," and "top line growth." The weather / climate metaphor is an apt one, and these other terms certainly belong in the C-Suite lexicon as well -- but slinging them around in the boardroom like peas and potatoes in a frat house food fight creates a great deal of confusion and misdirection at the exact moment when clarity and focus is so vital to the task at hand. Sprinkle in a little misalignment, a couple of job-scared consultants, some internal politics and a bit of shareholder pressure . . . and perhaps you too could qualify for Uncle Sam's next round of bailouts.

One of the major contributors to this melee is the failure to establish **commonly held definitions** for key terms.

**Commonly Held Definitions** won't turn this circus around completely, but it's not a bad place to start. *Helpful Hint:* Step One in achieving "commonly held" can be fast-tracked by the CEO simply adopting and expressing one. If you're not the CEO, consider helping her and the leadership team by suggesting one yourself. (Getting **your** definition adopted isn't important, getting **a** commonly held definition adopted is critical.)

*As a starting point for a definition of "culture" you and your team can agree on, consult your favorite leadership book or find some bearded guy in a sweater vest and earth shoes to explain it to you. I'm not going to waste the word allotment my editors gave me going down that road.*

But regardless of where you land on a commonly held definition for culture, **Know This:**

Contrary to popular opinion, the corporate culture – **your corporate culture** -- is one of the most efficient machines on the planet . . . so much so, that any effort wasted on behaviors that don't produce immediate, visible, and positive results is immediately displaced with actions that do. Your culture is acutely aware of this "action to result" formula even if your leadership is not – and working 24/7 to collect, interpret, and share what they learn today, so they can make intelligent decisions about how to act tomorrow.

## Why It Matters . . .

These decisions are made on **real data** (what actually happens or doesn't happen). Yes, your corporate culture is an extremely efficient and powerful machine . . . but it does not -- it cannot – run on **strategic intent**. Your people, their people, and the entire culture have a secret playbook that you'll never see – built on their experience with you and every leader before you. This mental journal has an exact accounting of every gap between rhetoric and reality they've ever witnessed . . . and will quickly, decisively reduce grand expressions of strategic intent to a sobering equation that will determine the direction, speed and intensity of their every move.

## So exactly how do you equip (and change if necessary) a culture to produce top line growth? . . .

By doing what Holly wishes she could do – **Control The Climate**. Fortunately, in the business world this **can** be done. Let me be more blunt . . . It's your job to control the climate – and if you're serious about achieving sustainable top line growth, you better make it your job to create and manage a climate for **Strategy Driven Innovation**<sup>™</sup>.

Your *climate* is governed by what your people perceive to be the *rules for survival and prosperity*. This – and resulting behaviors -- can be “turned on a dime” . . . but only through **real shifts**. You can't write, talk, teach, train, or wall-poster your way to a new climate. The rules for survival and prosperity have to genuinely change – in direct proportion to, and in complete alignment with, the shifts in mindset and behavior you're asking of your people.

Don't bet your stock options on immediate wholesale culture change from such an effort -- but you can impact innovation behaviors, and therefore top line growth through this increased attention toward *climate control* . . . **fast**. In fact, even if your influence is confined to only a subset of the organization, you can still achieve genuine innovation within a larger system that's simply not equipped for it.

Of course, you'll get a far better *Return On Investment* – and ultimately the shifts in culture you're seeking -- if you can approach climate change as an enterprise-wide effort, and set it up for success by “wiring” the organization for **Strategy Driven Innovation**<sup>™</sup>.

Since I made such a big deal out of commonly held definitions a moment ago . . .

## Innovation (vs. Creativity)

**Innovation** is “creativity with a job to do” – creating value for the organization.

Innovation starts with creativity, but forces the value conversation and gets it. Without value (top line or otherwise) there is no innovation. Creativity can and does exist, without providing value in some cases – actually, in a lot of cases. Conversely, when a system is capable of generating ideas **and** venturing them for commercialization to help grow the top line or impact the bottom line of the business, that's value . . . **that's innovation**.

**Strategy Driven Innovation™** is doing all of this in complete concert with, and in service of, your business strategy. I'm sure it won't surprise you to learn that some organizations (and those who lead them) are a lot better at this business of creating value through innovation than others.

What may surprise you (it certainly continues to amaze me, and I do this stuff for a living) is:

- The price organizations are paying for the shortcoming
- Just how simple and straightforward the solution really is
- How well and how quickly most cultures respond

Everything you need to achieve consistent, sustainable top line growth already exists right within your walls, right now. The ideas are there, the resources are there, the path to harvesting, evaluating, selecting and implementing those ideas – with the right tools, the right way, at the right time is already there too (perhaps overgrown with thorny little bushes like inefficient processes, burned out execs, disengaged employees, and internal politics – but it really is there, nonetheless.)

The Master Key for accessing all of this untapped wealth in your organization rests with this idea of *Managing Your Corporate Climate*. Specifically, **it lies with you and yours** creating an environment that goes beyond simply fostering creativity . . . full cycle to include everything from an **Innovation Mandate** to the disciplined tools and processes to realize it. This may very well require some pretty substantial shifts in the way you and the balance of your leadership team think and act with respect to innovation.

On the following page is a brief list of self-reflecting questions to stimulate your thinking about what some of these shifts may entail. The list is not comprehensive, and is certainly not to be confused with the depth and breadth of insight one would enjoy from visiting with one of our Sr. Advisors . . . but they are relevant, meaningful questions in my experience.

**A word of caution (and reassurance):** For most -- the more candid you are in reflecting on these questions, the less you're going to like the answers. If you find this to be the case for you -- don't beat yourself up about it (or go on the war path with your leadership). The query isn't meant to be punitive, but simply to inform and challenge your thinking. Besides -- if most organizations were doing this stuff really well, DeSai would have to find another line of business, and I'd have to get a real job.

Enjoy,



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# 7 *Questions To Grow On*

1. Do we have an *Innovation Mandate* – clearly communicating the critical role of innovation in realizing our business strategy?
2. Does our performance management system explicitly describe the mindset and behaviors expected of employees to drive innovation?
3. Are line managers held accountable for the extent to which their people develop, harvest, and implement new ideas?
4. Do we have a clearly defined process for innovators to secure funding and other resources in order to pursue new ideas?
5. Have we established specific criteria for evaluating and selecting new ideas for implementation?
6. Do we have metrics in place for objectively determining ROI on innovation?
7. Do we have a practical mechanism for our people to “return the learning” from new ventures back to the organization?

\* **Bonus Round:** How would my people answer these questions?