

## **Harvesting the intellectual assets of your people**

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Only in recent time have companies started to understand, and more importantly, try and capture some of the real and hitherto untapped assets held as the intellectual capital of people.

In years gone by when a company acquisitions was underway, maybe one or two important key people we tied to the sale in the form of the so called, "golden handcuff", but what of the value of most other staff. Indeed, in even the most sophisticated of industries it takes a vast array of skilled and unskilled workers to operate a business. Take the airline industry for example, although the training lead time for pilots may be long, and thus their value high, you can be sure that even the most menial worker will have some special knowledge acquired over the years that is too valuable to be simply lost.

Accountants are now also beginning to turn their attention to the value of people and in seeing how this can be brought to account in company balance sheets. Clearly a company without people assets in most cases is of little value at all.

Innovation is a means by which companies today are attempting to "harness people power", indeed innovation seems to be the "buzz word" of business today, but how many people really understand what innovation means, and moreover how you actually do it?

Unfortunately, too many consultants have jumped onto the innovation "bandwagon" seeing this as the next wave of opportunity and in doing so have created a lot of confusion. They talk about complex systems with innovation needing the strategic alignment of people to the company visions, peer reviews, encouraging risk taking, removing the fear of failure, flow charts with gate keepers and whatever else it takes to build a so called innovative company, but is this really all necessary, does it deliver real innovation?

I wonder how many people have tried to define what the term innovation actually means.

For many, especially governments, the word is used as a descriptor for the entire process of commercialization, often described as "from idea to market". Government initiatives to promote innovation are aimed at enhancing outcome across the spectrum of these activities.

For some other groups, innovation is about new initiatives with innovation being described as big "I", for major initiatives, to small "i" for incremental changes to existing products, processes and services.

Other types of innovation are called "incremental" being small changes or "*disruptive*" where the change is of great significance or impact. For example the introduction of television many years ago may have been disruptive in that it changed life styles, whereas the introduction of colour compared with black and white television may have been just incremental. Obviously the introduction of the personal computer could be called disruptive.

Now all of the above may sound very good from an academic perspective, but how does it deliver real innovation value, and how does it change the way people think and work. Does it deliver to people simple tools that they can use at work the very next day? Sadly, it does not.

It is quite amazing, but if you give people simple tools that are easy to use and give them the opportunity to proffer their ideas without the fear of ridicule, you have the perfect opportunity for achieving innovation within your business; and it's really all very simple.

The dictionary defines the word innovate as “change” and innovation as the process of change. Once people understand and embrace this simple definition the rest is quite straight forward.

Of course we should all realise that innovation applies to everything we do, all products, services and process as well as perhaps even the way we lead our lives. The best definition of the word innovation is “**change which adds value**®”. If we accept for a moment that this is a good definition, then the “call to action” for innovation is any means by which we can stimulate change, for the better, or to add value.

Just to reinforce the point of the need for change, here are a few interesting facts:

- The top 10% of electronics companies worldwide change 80% of their products every five years, such is their rate of innovation (have you ever seen the same model of SONY or Panasonic TV go five years unchanged?)
- Only General Electric survives from the original Dow Jones Industrial Average stock Index published in 1896.
- Of those listed on the Capital S&P 500 in 1957, only 74, or fewer than 15% were there 40 years later
- In the 1920's the S & Poor's index of 90 big US companies showed a turnover rate of around 1.5% a year, a new S & P member could expect to be there for 65 years. By 1998, turnover in the S&P 500 was almost 10% a year. Companies now have an average life span of no more than 10 years”

Think now for a moment and see if you can identify a product that has not changed at all in the past five years. Often when posed with this question people say “water”, or “honey”. How wrong they are. Water has undergone a complete rebirth in its packaging, additives and consumer perception. Honey, now has more flavours than ever and always better ways of being dispensed.

The message is clear, embrace innovation, drive change, or be ready to fall by the way side.

In recent years a new system to stimulate innovation has been developed, and in just three years has penetrated countless companies in more than 15 countries worldwide. Called “*La Salle Matrix Thinking*”™ it is so simple that people can embrace innovation after just a few minutes of exposure. “*La Salle Matrix Thinking*” consists of just a few words on a piece of paper in a single matrix drawing that will virtually guarantee to provide the stimulation needed to drive innovation.

Just one of the many matrix thinking tools is the question of “*I Wish*”. This is far more powerful than the term brainstorming.

For example, take any product, say a glass of beer, and give it to somebody to “brainstorm”, whatever that means, and see what results, probably not a lot.

Now take the same glass of beer and ask somebody to complete the following sentence and see what results:

*“I wish” this glass of beer would ..... stay cold*

Great, now develop the stay cold glass.

Matrix Thinking© has many such stimuli arranged in a grid drawing whose intersections inspire creative thoughts to drive innovation and the search for new opportunities. Generally, when people experience Matrix Thinking they usually manage to come up with creative and inventive solutions hitherto unsolved problems in just a few seconds.

The message is simple, Innovation is not difficult and its application within companies, not just at the senior levels, but at all levels is the best way to harness people power. Most importantly, the application of innovation as “change which adds value” is almost risk free and removes the biggest risk in building new business, that is market risk, or the risk of product failure in the market place.

**Roger La Salle**, often referred to as Australia “*innovation guru*” is the creator of the “Matrix Thinking”™ technique and is a widely sought after international speaker on, Innovation, Opportunity, and business development. He is the author of three books, Director of a number of companies both in Australian and overseas and has been responsible for a number of successful technology start-ups. In 2005 Roger was appointed to the “Chair of Innovation” at the Queens University in Belfast. [www.matrixthinking.com](http://www.matrixthinking.com)

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