

# Human DNA in Innovation



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Human genetics can now be improved and transformed — can this concept be applied within companies in their drive for better innovation?

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# Intro

**SPACE Consulting Europe** is a strategic alliance of leading European management consulting firms. We help organisations work more effectively to deliver their strategy by improving their behavioural, cultural, structural and economic dimensions. SPACE operates in seven offices across Europe, with more than 200 consultants, for both public and private organisations.

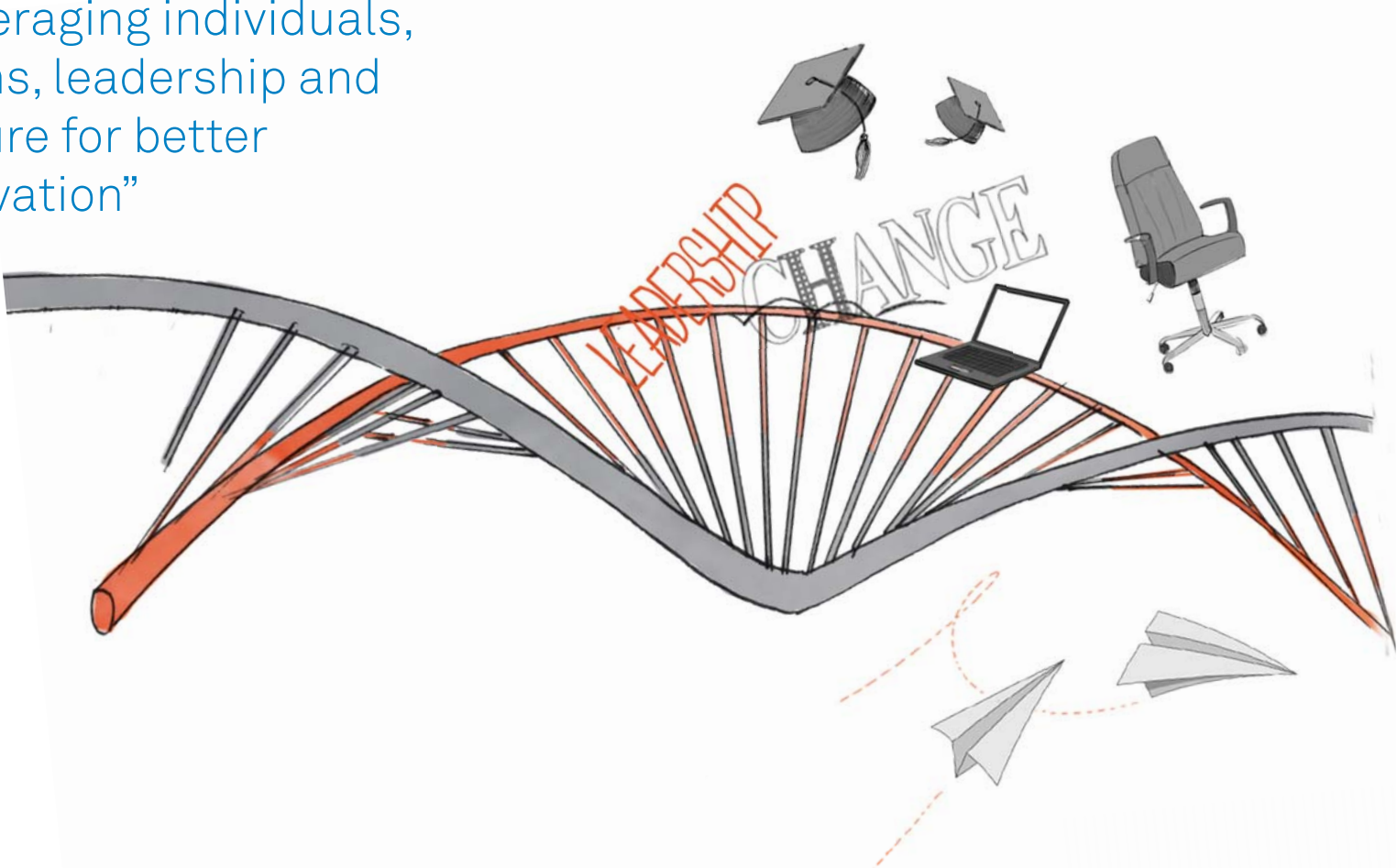
We regularly publish research reports and insights on business issues that we, together with our clients, feel are crucial to success. This year's report reflects the views of CEOs, HR or Innovation directors and top managers across Europe, covering 10 countries, combined with our own consulting and business experience. We conducted 40 face-to-face interviews with our clients and business partners. In addition, we ran an online survey (114 respondents) that supported our understanding of the topic, which is reflected in our work.

We would like to thank all our clients and partners for providing their valuable insights, and for sharing their successes and challenges in innovating their business.

We hope you enjoy the read.

# 01 / Executive summary

“Leveraging individuals, teams, leadership and culture for better innovation”



Scientists recently confirmed that human DNA is actually modifiable – it can be repaired, changed and transformed when needed to ensure that specific genes and properties in our body are being activated.

Organisations in today's market conditions have to find innovative ways to adapt, evolve or differentiate in order to survive, the same way as a human cell does – metaphorically speaking. So, can we boost the innovation capabilities of an organisation?

### Teams – at the heart of innovation

Our research reveals that teams and their individual members are at the heart of innovation. Organisations can influence their innovation performance through creating effective innovation teams, and animating and sustaining them over time, or when required. Organisations that seek to become more innovative, tend to focus on three core capabilities:

- **Balancing individuals and teams** – Individual competencies, expertise and creativity form the core part of organisational DNA. In fact, it's their collective intelligence that makes innovation possible. So, identifying the right profiles, recruiting the best talent, ensuring diversity and allowing a certain level of agility/flexibility will encourage more innovation.
- **Stimulating team environments** – As with human genes, successful innovation depends on having the right, supportive external conditions, such as physical/virtual spaces and time allocation, to encourage and stimulate new ideas.
- **Promoting innovation architects** – This newly emerging role is helping employees and organisations to become more innovative. Innovation architects are fast becoming the norm in organisations, where they act much in the same way as 'molecule scissors' used in genetic change – helping to modify and enhance organisational DNA for better Innovation.

### Leadership – innovation maker or breaker?

Leaders play an important role in re-shaping the innovation 'DNA' of an organisation by envisioning, energising and enabling new ideas. Our research suggests that they are the catalysts of innovation – without them, nothing would happen. We identified six factors that leaders need to influence to encourage innovation:

- **Driving ideas** – The charismatic leader acts as an idea generator or catalyst, removing any 'blocks' to innovation.
- **Setting a new managerial mindset** – Sponsoring, steering and motivating innovation teams. It is a balancing act between control, support and empowerment.
- **Coaching and collaboration** – Coaching senior managers in supporting innovative behaviour and thinking as part of a collaborative leadership approach.
- **Embracing the concept of risk** – It can be challenging to find the right level of risk, whilst pursuing (unpredictable) innovative efforts.
- **Tolerating failure** – Slowly, leaders are not only becoming 'failure-tolerant', but actually encouraging failure with the purpose of learning from it and improving.
- **Dealing with the hierarchical structure** – Traditional, complex and less flexible hierarchical structures may hinder innovative practice. Top management proximity and receptivity to innovation teams are instead crucial for the team's motivation and success. New ways of overseeing and facilitation are therefore required.

# “Initiating a ‘grass roots movement’ to involve more employees and reinforce the new direction”

## Culture – the innovation enabler

The organisational culture is the central piece to encouraging or blocking innovation, and a vital enabler for employees to embrace innovation. Based on the experiences gathered in this research, culture offers a fascinating paradox; it is often cited as a barrier to innovation, yet it holds the key to opening the way forward. On the one hand people cling to it and resist change, but on the other hand, culture is, in its genesis, about adapting successfully to the environment.

Our report highlights five factors that are recurrent in the various cultural change initiatives:

- **Culture cannot be ordained** – Cultural change towards more innovation requires concrete and honest interventions by top management. Just paying lip service is not sufficient to bring about change, nor is it convincing to employees.
- **Culture requires visibility** – Dedicated physical (or virtual) spaces and communication networks will encourage innovation and act as enablers in installing a culture of innovation.
- **Culture change starts with a top-down impulse** – Often cultural innovation change will only come about when initially ignited by top management who will continue to have a critical influence on subsequent cultural redesign.
- **Culture belongs to everyone** – A successful innovation culture change process is often based on getting teams involved in the definition of the new culture.
- **Culture needs a holistic approach** – Innovation should touch all functions, processes and teams throughout the company.

In short, culture paradoxically seems to be the solution to the very problem it often creates. It's not just about heritage and history, but also about vital current day survival and growth. A number of companies show how it's possible to go beyond culture as a concept, by transforming and linking it directly to market dynamics.

## How to transform successfully into an innovative business

Innovation, therefore, can be achieved through having the right teams, leadership and culture. However, despite a very clear need for a new business model or enhanced product/service, organisations often tend to cling on to ‘old and formerly successful’ habits – both in processes and culture. So, why is it that some companies successfully manage to transform their culture, leaders and teams to become more innovative, and others don't? Our findings reveal that successful companies have the following attributes:

### Top-down and bottom-up

The most successful organisations managed not only to ignite their transformation process – usually by the CEO, they also succeeded in initiating a parallel ‘grass roots movement’ which involves more employees and reinforces the new direction.

### Vision and values that really matter

Another characteristic of companies that successfully become more innovative is that the successful ones tend to make vision and values, especially around innovation tangible and relevant to everyone in the organisation, and their respective market.

## “Successful innovation will depend on how relevant your vision and values are”

### **Creating change from within**

Distant innovation campuses, not embedded within the organisation, often lack the desired success as they tend to be perceived as ‘separate’ from the rest of the organisation. Instead, integrated innovation team members – current and past – that help to spread the word, give momentum to innovation across the whole organisation and by doing so, manage to engage employees far better than any top-down directive.

### **New managerial mindset**

At the same time, (top) managers need to adapt to a new risk-taking and fail-fast attitude, and learn to make the right decisions. New ideas may threaten the ‘status quo’, yet they allow the organisation to really leap forward. To achieve this transformation successfully, actively supporting and coaching (top) management is crucial.

### **Conclusions**

We believe that we can actually influence organisational DNA to boost innovation, much in the same way that human DNA can be modified.

### **Tools and diagnostics in a human context**

Many organisations focus their current or future efforts on implementing new, efficient innovation tools. We recommend that organisations should become similarly aware of the conditions and environment these tools require to be implemented in. Leveraging and balancing individuals, teams, leadership and culture are therefore a ‘must’ towards more effective and efficient innovation. At the same time, organisations confirm that they struggle with measuring their innovation performance, often relying on traditional KPIs. Whether there is full truth in the saying: “If you can’t measure it, you cannot manage it,” or not, we strongly encourage companies to rethink their measurement of innovation culture, capabilities and performance, for a clearer picture on what has been achieved, and to better focus future efforts.

### **The risk of taking decisions**

For many organisations, their weak point continues to lie in achieving the right balance of risk taking when it comes to whether or not to go ahead with an innovation project. One way of getting out of this dilemma is to improve the facilitation of the decision-making process in order to make ‘collective’ decisions faster and better. Team or group intelligence paired with supporting data analysis, instead of relying on the sole decision of the CEO/leader, leads to better and quicker decision making.

### **Developing an innovation culture**

The right company culture is widely recognised as a key enabler for enhancing innovation performance, hence organisations openly try to improve it. They do this by firstly understanding their cultural genetic backbone, which can either hamper or encourage innovation. Furthermore, companies look out for new skills and mindsets for their employees and team members, not focusing on deep sector expertise only. Lastly, a certain agility is required from both sides – the organisation and employees – too, when transitioning individuals into and out of innovation projects.

In short, going back to our analogy, it really is about embracing innovation with a strong people and team focus, creating a supportive environment, and focusing specifically on leadership and culture. This will in turn encourage strong innovation so that your organisational DNA can perform at its best.



Pour en savoir plus et obtenir la totalité de ce guide Algoé, merci de compléter le formulaire



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