

2015 PMBA ANNUAL CONFERENCE

KQED

Creating a Culture of Innovation
through Operational Alignment

May 26-29, 2015
Washington, D.C.



Innovation Strategies

70%

Incremental Innovation

- *Small changes* in processes, products, services, strategies, etc. (continuous improvement)

20%

Sustaining Innovation

- *Major advances* in the core business for existing customers and markets (*next generation*)

10%

Disruptive Innovation

- *Breakthroughs* that change the game – new biz models, products, services (*white space, blue oceans, etc.*)

Easier & lower risk
Shorter term
Smaller investments

Harder & higher risk
Longer term
New capabilities

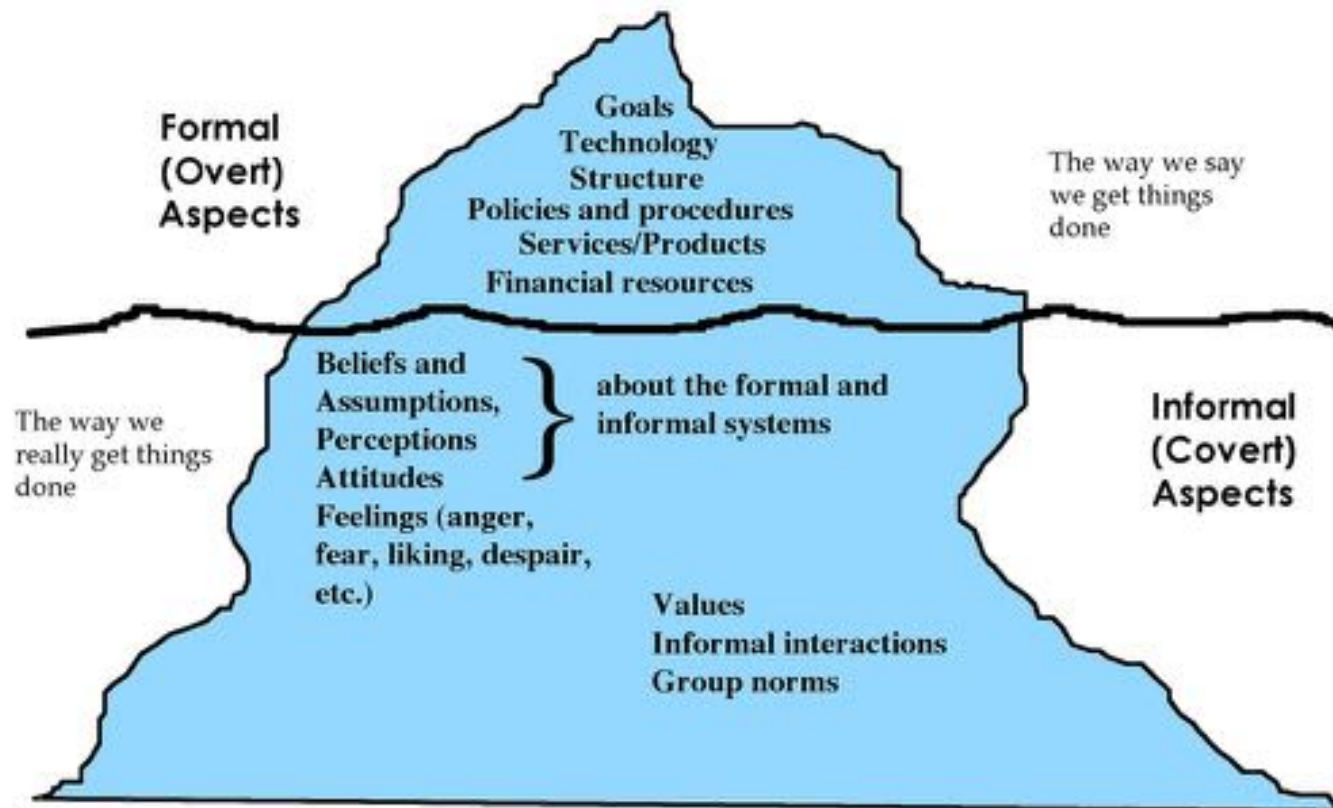
Culture of Innovation Programs

- All employees engaged
- Support & Functional group focused
- Improvement emphasis

New Org & Investment Models

- Matter
- Membership
- Content across platforms
- Plans for Innovation Lab

Cultural Iceberg



Created by Stanley N. Herman. TRW Systems Group, 1970

Often Cited Issues

1. Inadequate systems
2. Overly limiting policies
3. Low utilization of technology
4. Out dated processes
5. Misaligned leadership (management)

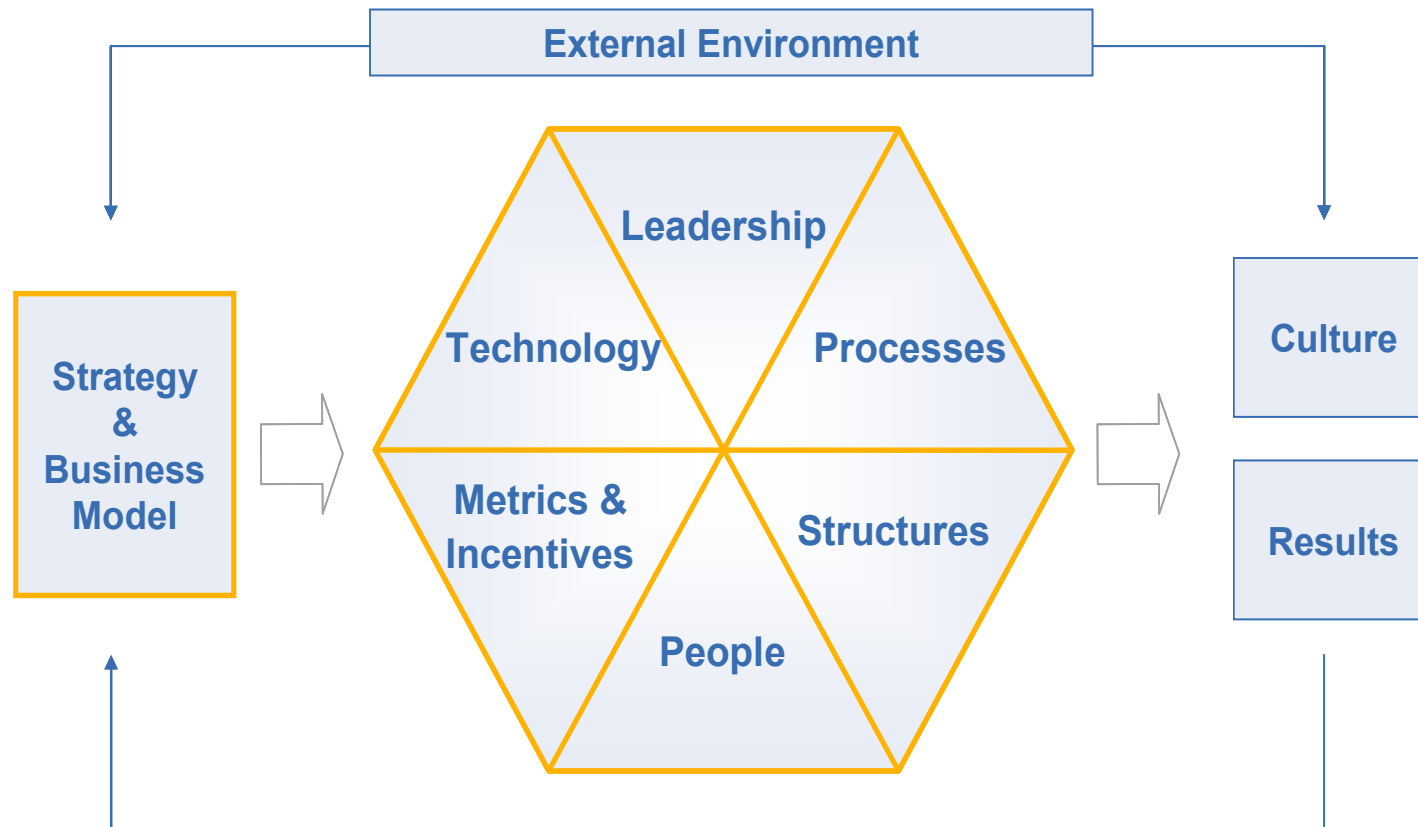
Some Misperceptions of Leadership

- **The innovator accelerators** – singular desire to emulate tech start-ups
- **The law enforcers** – singular focus of compliance and control
- **The missionaries** – singular belief that only they do true mission work
- **The sideliners** – more aligned to tasks than transformational goals and priorities

What is Operational Alignment?

Operational alignment bridges the gap between strategy and execution.

Operating Model Assessment Framework



About InnovationPoint

- Soren Kaplan, PhD – Managing Principle/Founder
- 20+ Years of Leadership, Innovation, & Strategic Change
- Cross Industry & Global Experience

Thought Leadership



Trusted Advisor



2015 PMBA Annual Conference | May 26-29, 2015 | Washington, D.C.

KAISER PERMANENTE

PMBA

Key Deliverables

- Operating principles, processes, and an action plan for achieving quick wins and building the new operating model over time
- Leadership alignment and commitment to change and implement results
- Mechanisms to sustain innovative thinking and action organization-wide

Key Deliverables – Operating Model

Engagement & Alignment

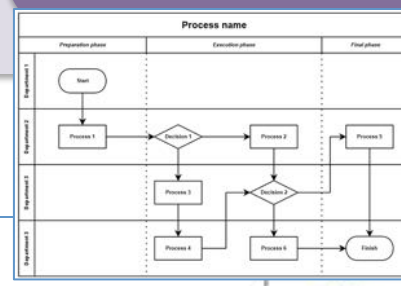
Operating Principles

How should we work together to achieve our strategy?



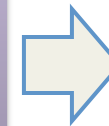
Operating Model

What processes and practices will drive results?



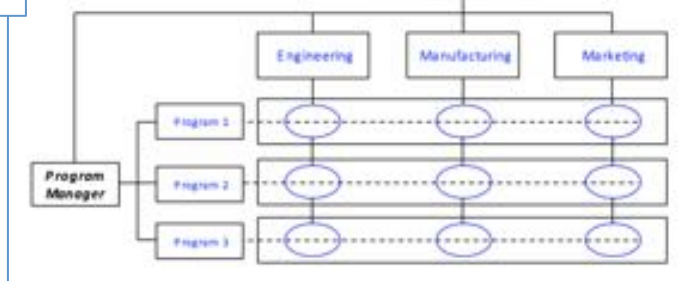
Functional Roles & Capabilities

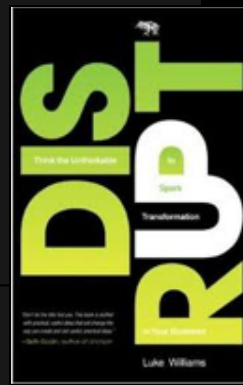
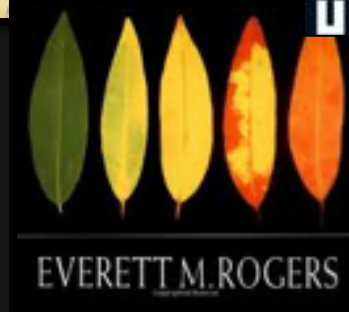
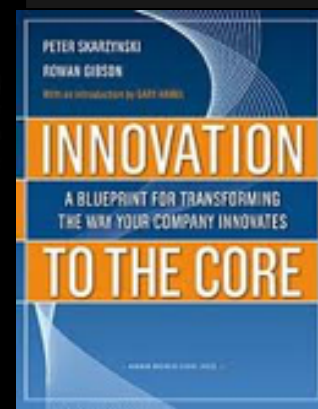
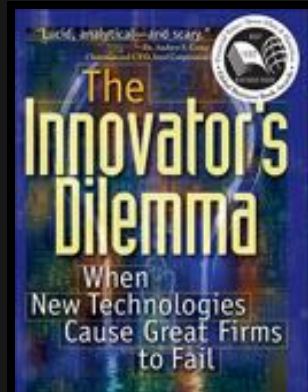
What role does each function play & what capabilities are needed?



Action plans & Execution

R	Responsible — Person working on activity
A	Accountable — Person with decision authority
C	Consult — Key stakeholder who should be included in decision or work activity
I	Inform — Needs to know of decision or action





Casualties of Disruptive Innovation

BORDERS[®]

The logo for Borders, featuring the word "BORDERS" in a bold, black, sans-serif font. A registered trademark symbol (®) is located to the upper right of the word. Below the text is a solid magenta horizontal bar.

 **BlackBerry**[™]

The BlackBerry logo, featuring a stylized icon of a cluster of dots to the left of the word "BlackBerry" in a bold, italicized, black, sans-serif font. A trademark symbol (™) is located to the upper right of the word.



Card Trick Video



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New capabilities

**Every organization is perfectly
designed to get the results it gets**



Corporate Values

Communication

We have an obligation to communicate. Here, we take the time to talk with one another... and to listen. We believe that information is meant to move and that information moves people.

Respect

We treat others as we would like to be treated ourselves. We do not tolerate abusive or disrespectful treatment.

Integrity

We work with customers and prospects openly, honestly and sincerely. When we say we will do something, we will do it; when we say we cannot or will not do something, then we won't do it.

Excellence

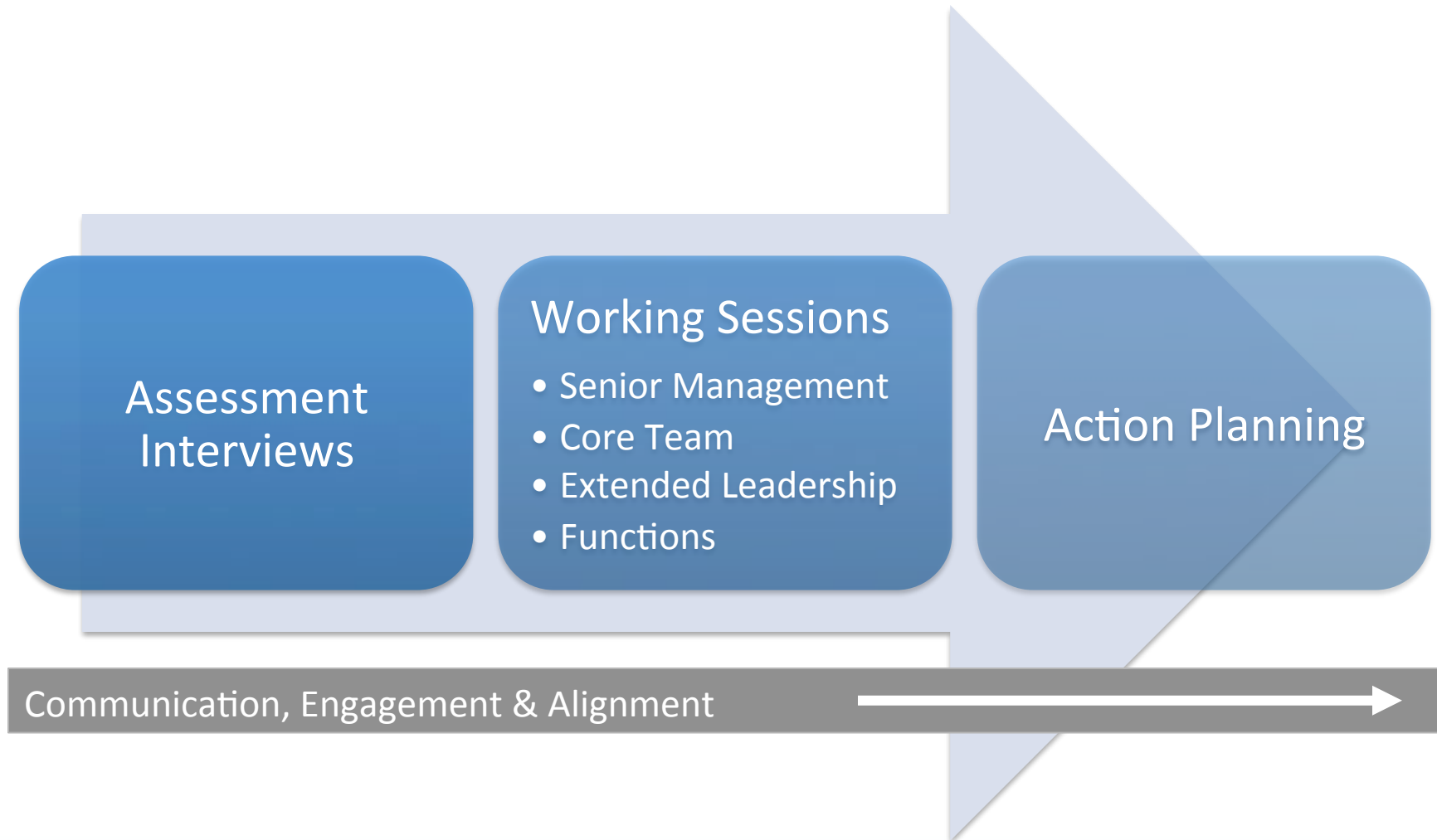
We are satisfied with nothing less than the very best in everything we do. We will continue to raise the bar for everyone. The great fun here will be for all of us to discover just how good we can really be.

Who's Values are These?

1. Coca Cola
2. Facebook
3. Uber
4. NBCUniversal
5. KQED

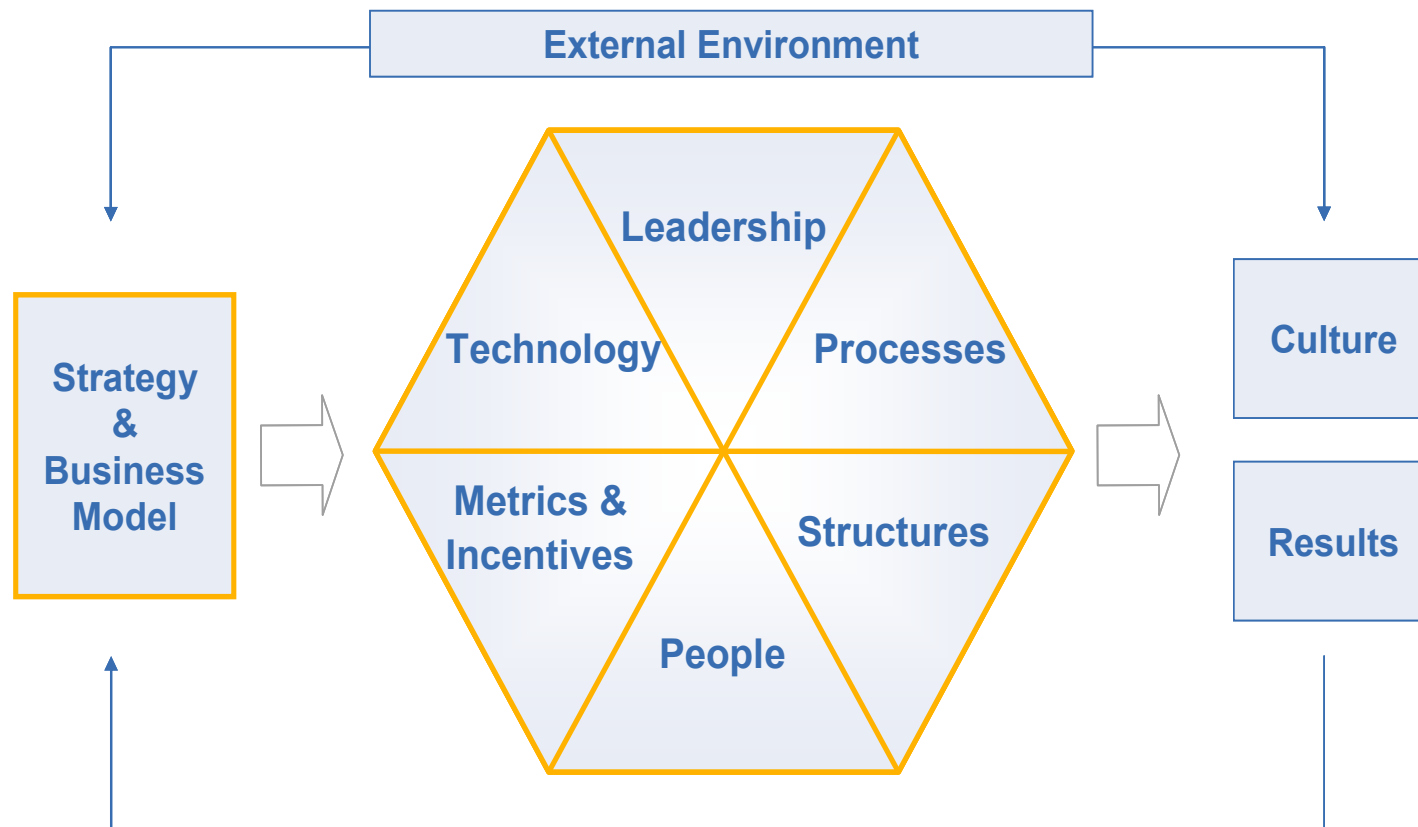


Operational Alignment Process



Assessment Interviews

25 interviews with senior management, staff, & board chair



Innovation at KQED

Doing the right thing for our audience, the community, our staff, and our organization by continually assessing, prioritizing, and improving what we do and how we do it.

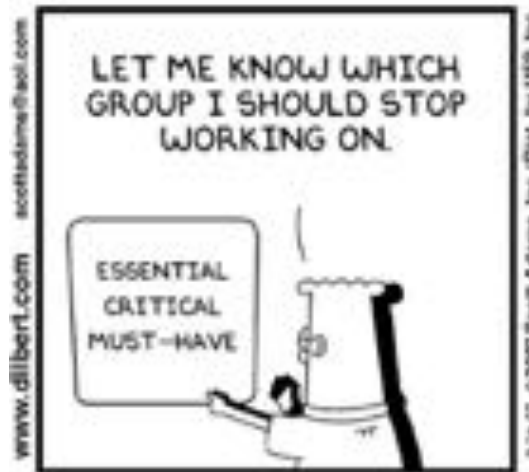
KQED Innovation Operating Principles

Innovation at KQED: Doing the right thing for our audience, the community, our staff, and our organization by continually assessing, prioritizing, and improving what we do and how we do it.

- **Make strategic decisions** – connect our actions to the strategic plan and organizational priorities
- **Continually assess how we work** – Find new ways to allocate and focus resources to maximize capacity
- **Build efficient processes** – apply methods and processes that are not single person-dependent
- **Apply technology** – leverage technology to improve what we do and how we do it, and to eliminate as much paper wherever possible
- **Focus on speed** – move quickly with intention and without compromising quality

Innovation at KQED

Function	Innovation Focus
HR	Build an HR model that seeks to secure unique and mission aligned talent to come to KQED, to stay with KQED, and grow with KQED in an innovative and creative work environment.
Finance	Create more efficient financial processes in line with strategic thinking that not only ensures effective control over cash resources and fiscal responsibility, but gives managers more accountability, authority, and flexibility to innovate and adjust in order to achieve annual goals.
Legal	Find efficiencies in the contracting process that streamline workflows while ensuring KQED's interests are fully protected; explore ways to leverage lower risk sources to maximize the availability to producers of third party online content.
Tech	Rethink business systems to implement industry best practices, drive process efficiency and align operational requirements with organizational capacity.
Content	Empower content areas to be more agile and creative in producing and distributing content in order to increase audience engagement and grow online usage.



We can do anything, but we can't do everything.

Collaborative Working Sessions



- Core Team
- Extended Leadership
- Functions
- Senior Management

Collaborative Working Sessions



- Alignment
- Refinement
- Readiness

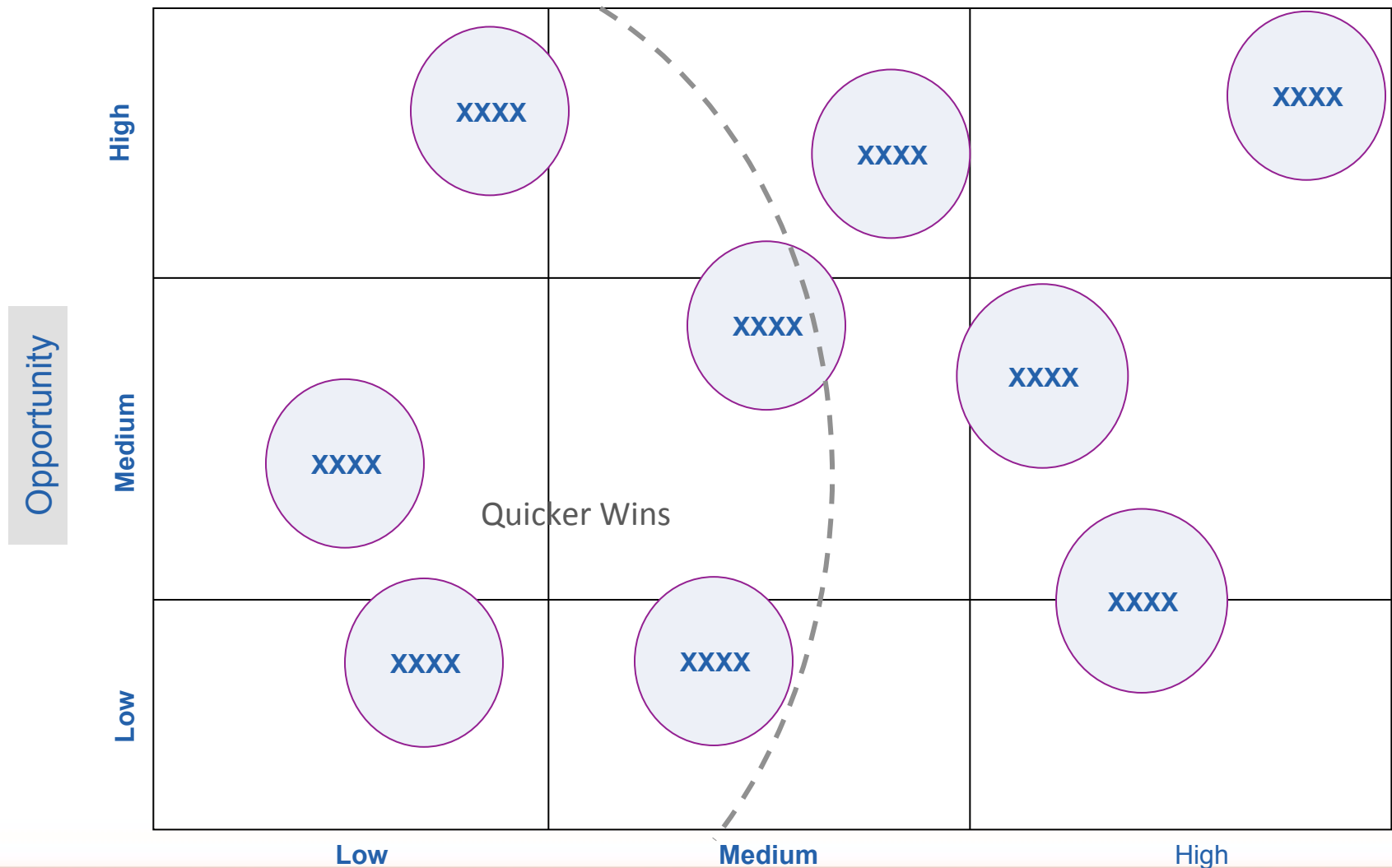


Prioritization Criteria

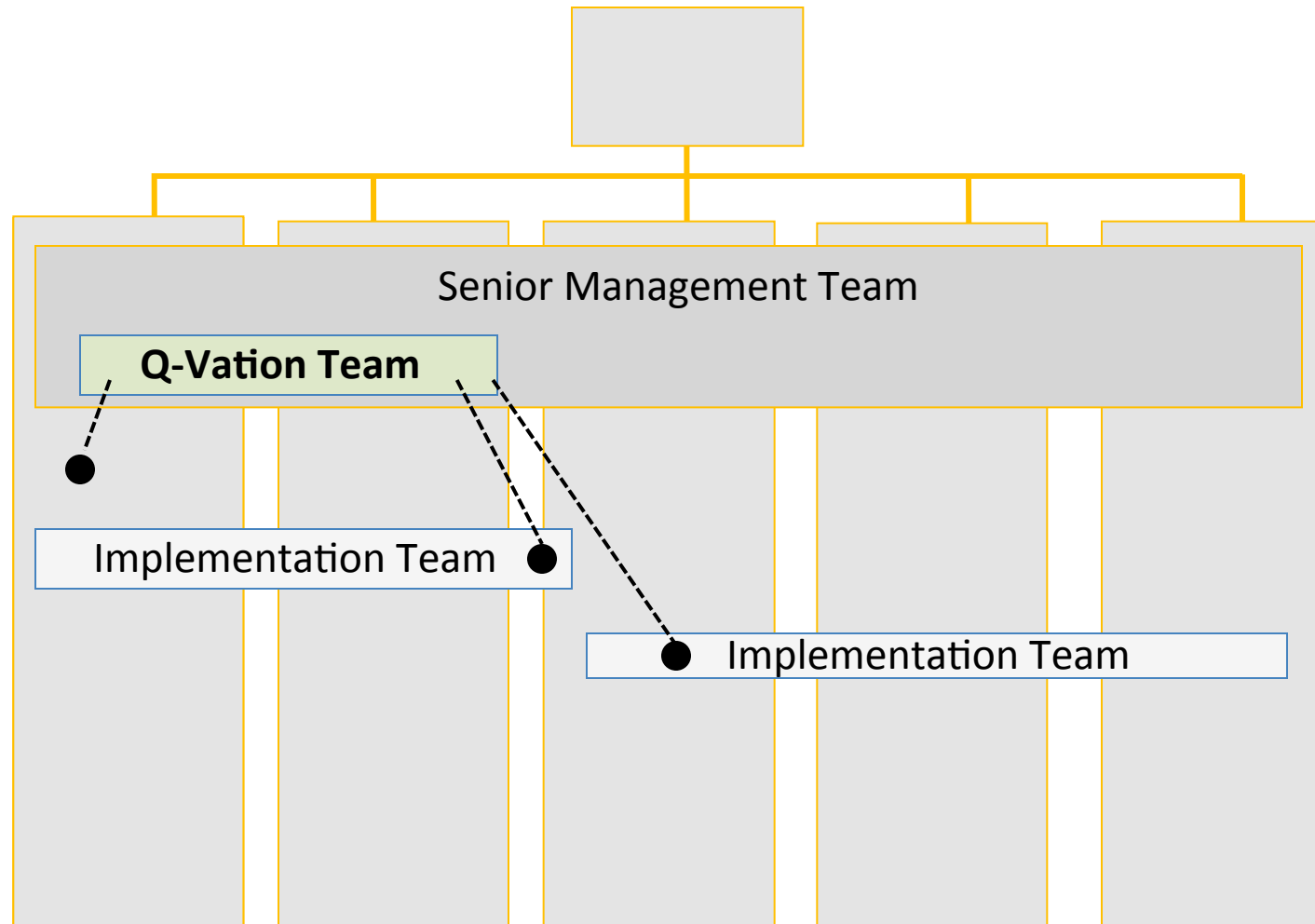
- **Opportunity**
 - **Overall Impact (1 = low, 5 = high)**
 - Overall ability to drive desired-state operating principles and innovation
 - **Policy Impact (1 = low, 5 = high)**
 - Ability to positively impact operating principles and drive innovation primarily from clarifying and communicating operating policies
- **Investment**
 - **Process and Roles & Responsibilities Redesign (1 = low, 5 = high)**
 - Level of process redesign and/or redefinition of roles & responsibilities required to positively impact operating principles and drive innovation
 - **Investment (1 = low, 5 = high)**
 - Relative investment required including technology, time, effort, financial or other resources for effective implementation

Portfolio View of Operational Alignment Opportunities

- A single view of quick wins and strategic investments



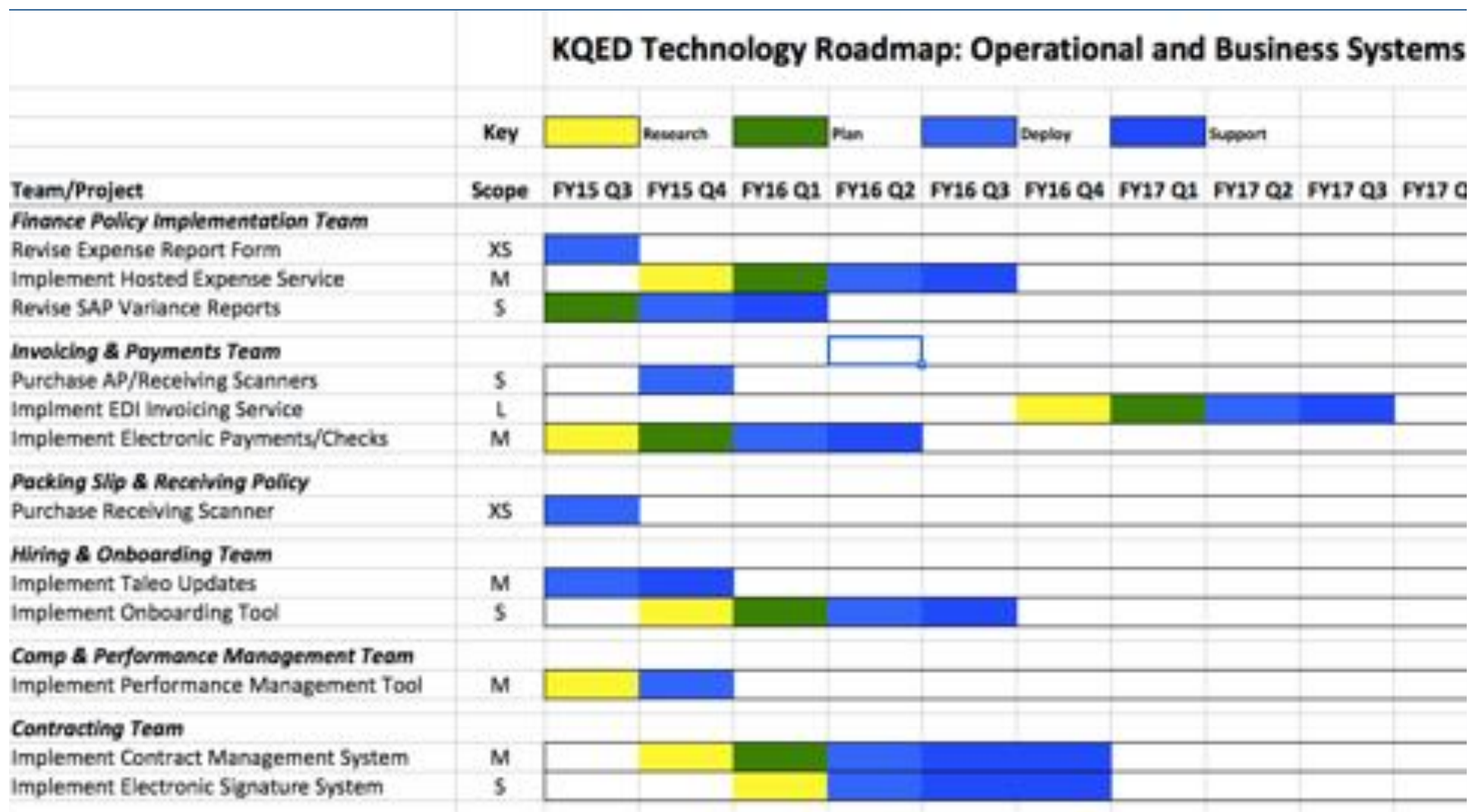
Organizing for Operational Alignment



Action Plan Roadmap

Process	Short Term (FY 2015)	Mid Term (FY 2016)	Long Term (FY 2017+)
Expense Reports	<ul style="list-style-type: none"> New petty cash policy & update forms (Excel); Less than \$500 manager approval only 	<ul style="list-style-type: none"> Hosted expense reporting service 	
Forecasting	<ul style="list-style-type: none"> Implement new 6 time/year policy & update SAP variance reports to 3% and \$10k 	<ul style="list-style-type: none"> Define ERP requirements 	<ul style="list-style-type: none"> ERP Implementation
Grants	<ul style="list-style-type: none"> Define & communicate grant process (no tech) 	<ul style="list-style-type: none"> Define tech requirements 	<ul style="list-style-type: none"> Grant process module in Salesforce (tech)
Purchasing	<ul style="list-style-type: none"> Update Navision notifications to create visibility on approvals and process 	<ul style="list-style-type: none"> Implement fixed asset policy (\$5k+) 	<ul style="list-style-type: none"> ERP Implementation
Asset Mgt & Receiving	<ul style="list-style-type: none"> Packing slip policy w/personal & business distinctions 	<ul style="list-style-type: none"> Define tech requirements 	<ul style="list-style-type: none"> Centralized receiving policy & process
Invoicing & Payments	<ul style="list-style-type: none"> Implement electronic invoicing (AP@KQED.org); Net 30 terms 	<ul style="list-style-type: none"> Notify current vendors; Auto Pay service 	<ul style="list-style-type: none"> Electronic payments & EDI service (ERP link)
Payroll	<ul style="list-style-type: none"> Excel time sheets; submit Mondays; not needed for exempt employees unless PTO or charge-out change 	<ul style="list-style-type: none"> Auto Pay; Identify online options & compare to ERP solutions 	<ul style="list-style-type: none"> Fully online solution or include w/ HRM system
Hiring	<ul style="list-style-type: none"> Implement streamlined process; Define Taleo upgrade options 	<ul style="list-style-type: none"> Upgrade Taleo & web interface experience 	<ul style="list-style-type: none"> Define HRM system requirements
Onboarding	<ul style="list-style-type: none"> Implement onboarding process 	<ul style="list-style-type: none"> Implement buddy process 	<ul style="list-style-type: none"> Define workforce mgt system requirements
Comp & Perf. Mgt.	<ul style="list-style-type: none"> Establish focal point process, simplified form with training for subset of employees 	<ul style="list-style-type: none"> Refine system and process 	<ul style="list-style-type: none"> Ensure linkage to HRM system
Contracting	<ul style="list-style-type: none"> Update policies and forms 	<ul style="list-style-type: none"> New forms, manuals, contract mgt system 	
Tech Projects & Training	<ul style="list-style-type: none"> Define training needs, prioritize & plan Define detailed tech roadmap 	<ul style="list-style-type: none"> Implement priority training Implement priority tech 	

Technology Roadmap



Progress to date

1. Formed Core Team and Leadership Team
2. Interviewed over 35 staff, include board chair
3. Identified 17 initial areas in which to focus our innovation efforts
4. Developed Innovation Focuses, Measures of Success and Operating Principles
5. Review and revised Policies, Processes and RACIs for 17 areas of efficiency and innovation
6. Held Design Session with 40 Leadership Team for review, input and buy-in
7. Deep dive with Functional Groups to tighten processes
8. Created action plan with cross-functional teams for implementation

Thank You & Q&A



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Related articles & resources:

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