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FAST COMPANY



4 Innovation Strategies From Big Companies That Act Like Startups

Established companies have a reputation for being too bureaucratic to be innovative. But taking a page from startup culture, some have figured out how to become agile and fast-moving despite their size.

By Soren Kaplan

Stodgy. Slow. Bureaucratic. Big companies get a bad rap when it comes to innovation. It's easy to focus on the failures: Blockbuster, Borders, Blackberry, and Kodak.

It's also easy to become enamored by the latest fast-acting upstarts like Undrip, Tout, and Glyder. For many, "innovation" has become synonymous with small, agile, and social.

But there's a quiet revolution happening in corporate America. Big companies are applying startup strategies and tools to jump-start innovation. It's not about pontificating on the innovation process. It's about being lean, focused, and maniacally strategic.

- Intuit organizes multi-day "lean start-ins" that gather "intrapreneurs" together from across the company to teach them how to apply rapid experimentation to create new products, services, and business models.
- Kimberly-Clark promotes one-day "expert acceleration sessions" that bring hand-picked outside "thought leaders" face to face with business teams to bust mental models and create game-changing strategies.
- Whirlpool uses a network of innovation mentors (also called i-mentors), who are loaded with innovation tools and guidance to help business teams focused on challenging market "orthodoxies."

Big companies that behave like small startups focus on two things. First, they accelerate the speed of innovation, just like a Silicon Valley incubator. Second, they give internal businesses and teams an outside-in perspective, similar to the type of reality-checking that comes from advisory boards or venture capitalists.

Here are four strategies that anyone can use to start-up, start in, or jump-start their innovation:

1. Follow customers home

Intuit's innovation success is tied to a value for finding and savoring customer surprises—unexpected insights about customer needs, problems, and desired experiences that can't be anticipated or pre-defined. That's why the company does customer "follow-me-homes," where everyone from CEO Brad Smith to engineers and marketers immerse themselves in the customer's natural environment to see how things are working (or not) in the real world.



2. Tap outside collaborators

Kimberly-Clark knows that insular thinking is the death knell of teams and organizations. That's why they work with their businesses to define specific problems and opportunities that need a jolt of external insight. They then recruit a small group of "thought leaders" from other companies, universities, startups, or think-tanks to join a collaborative innovation session for a day to lend their expertise. These deep dives deliver strategic and practical insight that would otherwise take months to gather through traditional research.

3. Stay small

Big innovations don't necessarily have to begin by taking big risks or making bet-the-farm investments. Intuit, for example, provides guidance to its "intrepreneurial" teams that they should use the "lean startup" model. It's not about waiting around for senior leadership to sponsor and fund the next big idea but rather rapidly testing ideas to identify the things teams can do to have the biggest impact.



4. Use the best, invent the rest

Speed and agility come from realizing we don't have to invent everything ourselves—either the approach or the innovation itself. When going after breakthroughs, it's essential to dismiss the "not invented here" stigma, as Apple learned the hard way with its foray into mobile maps. There's no shortage of tools and templates out there. The strategy is to use the best—like the one-page Business Model Generation tool (from the book with the same name)—and then adapt it or combine it with other approaches that work within the specific company context. Same goes for the innovation itself. The most innovative companies don't always wait to build a new technology themselves—they look outside, find what exists, and then go from there.

These big-company strategies aren't about ivory-tower innovation departments, wacky hats, or Kumbaya creativity. They're focused on pushing entrepreneurial thinking and practices into the places they're needed the most—inside established businesses. And their explicit objective isn't about reaching that elusive holy grail of creating a “culture of innovation” (though it can be the by-product of these efforts). Their strategies combine strategic thinking with the practical tools required for driving forward new products, services, and strategies, all focused first and foremost on leapfrogging to the next big thing.



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