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Behavioral Innovation: Remembering the Human

Chad
What's up?

Melanie
Not much, working on a brainstorming list.

Chad
For what?

Melanie
Brad said everyone on the team had to come up with 10 new ways our product could be used by 10 new types of customers in 10 new markets.

Chad
Sounds simple enough.

Melanie
Truly.

Chad
Did he give you any guidelines?

Melanie
The usual, think outside the box (ugggh!!), no bad ideas, be disruptive, how would Google or Apple approach the list?

Chad
Did he give any restrictions?

Melanie
The usual, has to match our brand, needs to have a huge ROI, has to be for the demographic of moms ages 26 to 38 with more than $42,000 annual disposable income, needs to pass the legal department test and work within our current distribution, packaging, and marketing plans.

Chad
How's it going?

Melanie
So far, I have a piece of paper and on the top I have written the word "ideas."

Chad
How long have you been working on it?

Melanie
Six hours.

Chad
When did he ask you to do this?

Melanie
41 days ago.

Chad
When is it due?

Melanie
Tomorrow at 10:30 A.M.

Chad
Want to go get coffee?

Melanie
Meet you at the elevator.

When people approach our organization—Brave New Workshop Creative Outreach—to work with them on their innovation programs, the first step is always to simply set up a call to get to know them and their situation. For more than 15 years I have started with the same question: "Can you tell me a little bit about your current innovation program?"

Although I have posed that question more than one thousand times to thousands of different people in hundreds of different industries and organizations whose programs varied in their degree of development, the answers seem to have much in common and are startlingly consistent. Let's see if I can paraphrase what I've heard:

Recently the leader of our organization decided that innovation is absolutely the most important part of our [insert *principles*, *values*, *directives*, *mission*, *values statement*, *strategy*, or *beliefs*]. The whole company knows that innovation is important because last quarter our leader gave a presentation and the third slide in the 161-slide presentation stated that innovation is the key to our success. She even represented how important it was by illustrating it with a [insert *pillar*, *pyramid*, *photo of a light bulb with a question mark in it*, or *quote from Steve Jobs*]. In response, we have built our innovation program.

So far we have hired a chief innovation officer from outside of our industry; he seems to have worked at several companies in the last decade and we've decided that's a good thing. His job isn't that well

defined because innovative people really don't like to be shackled by things like job descriptions. We are really excited to have him.

We hired an outside consulting firm to define the word *innovation* for our organization, our leader explained, because our culture, company, industry, and customers are so different from those of any other company. The outside firm charged us a ton of money after claiming to spend a lot of time in "research mode" in order to come up with a definition particular to us. As a joke a guy down the hall Googled our innovation definition and we were all a bit surprised that it was only two words different from 16 other organizations' definitions of innovation. Ironically, all of those companies had hired the same third-party consultant that we did.

Once we had our definition we had to get top-down buy-in, so we asked senior executives to volunteer some of their time to head up what we like to refer to as the Innovation Vetting Panel, or IVP. The members gather quarterly to discuss innovative strategies and they decide what ideas and innovations should receive moderate funding to go to the next step. Once I heard a guy in the cafeteria ask if the IVPs wear robes at their meetings and if they have some sort of secret headquarters or sanctum. I chuckled and said I wasn't really sure. But they probably do.

In an organization of our size we clearly couldn't put much pressure on a small number of execs, as their bandwidth is already quite low. So we created an enterprise-wide team of innovation advocates. We named that group of innovation leaders the I Team, so everyone would understand who they are and what they do. The *I* in I Team stand for *innovation*—and that move alone is awfully innovative.

We had our third-party consultant hire a third-party firm to develop an ideation receptacle portal—we call it an IRP—which is a place where people can deposit fresh ideas. What's really cool is that people can also go there and vote on which ideas they like. The third-party firm that our third-party consultant hired came up with a supercool way to rank the ideas: We use a series of red, yellow, and green buttons to allow the user to weigh in on the idea. We really feel that our IRP is state-of-the-art. So far we only have 7 percent participation, and many people have said that it seems as if it's

simply a website in a survey we sent out, but our third-party consultant's third-party firm assured us that it was much more than that.

After taking all of this in, I ask, "So what are some of the results your innovation program has achieved?" Once again, I tend to get a consistent response:

> It's funny you ask. Our chief financial officer had a quite similar question. You see, we are in a period of expense efficiency, or as we like to say, operation transformation, and the CFO is interested in identifying tangible and results-based return on investment from our innovation program. That question seemed to really irritate our chief innovation officer.
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> We've had some attrition in our I Team, as the members sometimes get frustrated that the ideas being generated aren't going to market fast enough. A couple of them have left the company to join small start-ups.
>
> The most successful part of our innovation program seems to be our i'nnovation rally events. They are super well attended, and the energy level is great! We're not sure; however, if we will be able to continue having them, as the survey results showed that the attendees' motivation was tied greatly to the food served at the event.

This is the point in the conversation at which I typically drop the big question. "So, tell me about what your company is doing to help people behave more innovatively?" On the phone, there is always an awkward silence; in person, there is a bit of eye glazing and a far-off stare. In both cases the reply is usually the same: "What do you mean by *behavior?*"

I then get very complicated and scientific in my response, which is typically, "What I mean by behavior is, how do the people in your organization *act?* How do they treat each other? What does it feel like after people come up with ideas? What happens when an innovation attempt fails? How do people treat each other on conference calls or in brainstorming sessions? Does the vibe in the room ever change when certain individuals walk in? What I mean is: *How do people behave?*"

When it comes to a big, beautiful, exciting, but somewhat vague term like innovation, it is easy to migrate to the conceptual, high-level

thinking at which many leaders operate on a daily basis, especially when the enterprise is concerned. And that is absolutely great and necessary for setting strategy, goals, and systemic approaches to becoming a more innovative organization.

However, we often forget about everyday behavior, because in a way it is so basic that the big thinkers—the super smart innovation architects—can assume that everyday behavior is a given that will automatically change once a great system is in place. The old saying "Everything looks like a nail to a hammer" can be an appropriate way to think about the manner in which innovation programs are structured—and often the teams who work on those programs forget a very basic ingredient of a successful innovation effort: *the people*—and all their fears, emotions, and humanness—who need to fuel it.

Although sometimes Steve Jobs is quoted too frequently, we are fans, and can't help but share the way he put it: "Innovation has nothing to do with how many R&D dollars you have. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. It's not about money. It's about the people you have, how you're led, and how much you get it."

Innovation is about people and their assumptions and subconscious thought patterns (a.k.a. their mindset) and their daily actions and habits that stem from that mindset (a.k.a. their behavior). Put all those together, add some procedures, rewards and penalties, social dynamics, unspoken rules—and a pinch of stress—and you get a wonderfully messy, organic, and complex environment. An environment in which behavior, not lip service (although words are also important), drives the results. If you fail to address that daily behavior, even the greatest strategy and plan to drive innovation are doomed to fail.

If the systems we create aren't rooted in a thorough understanding of the human interaction they are supposed to support they can actually deter the experience we want to create for our customers. Ryan Armbruster, experience lead and cofounder of Harken Health, is a passionate proponent of human-centered design—innovating with the end user, the patient, at the center of everything he does. Ryan is a pioneer and leader of human-centered service design and innovation in the healthcare industry, whose work includes significant roles at UnitedHealth Group and the Mayo Clinic. In addition, he teaches graduate

and executive courses in service design and innovation at the University of Minnesota.

I wanted to bring in Ryan's perspective for a number of reasons. The first is that his innovation motivation starts in his heart. He's simply the type of person who wakes up every morning with an unquenchable yearning to find answers to questions that will help as many people as possible. He innovates for the sake of others, not for the sake of innovation.

He also is innovating in perhaps the most interesting space in American business today: a simple challenge we sometimes refer to as "just fixing healthcare." Even those of us who are outside the healthcare industry know that we're at a very critical place in a very critical time in an industry that embodies one of our most pressing national issues. The answers in healthcare will be a drastic departure from the current status quo. They will be disruptive, and they will come—in some version—at lightning speed compared to innovations in other industries, such as commercial airlines or network television.

Lastly, Ryan has lived in several worlds, from small innovation labs to giant hundred-thousand-person-plus companies. He is simultaneously a teacher and a student of innovation.

Here's a part of a recent conversation we had, which we'll revisit throughout the book:

John: Healthcare is a really great example of an industry that has increased the technology and systemization of its relationship with its customers, but it hasn't necessarily introduced a lot of behavioral innovation.

Ryan: It's an exciting time to be in healthcare, as we have been rapidly evolving on many different fronts, especially in terms of how healthcare and technology intersects, resulting in some groundbreaking innovations.

However, healthcare is complex—I think each of us at one time or another has experienced some level of frustration with the health system, which has been slower to adapt to a more customer-oriented society than our peers in other industry sectors.

John: So how can the healthcare industry change that dynamic?

Ryan: I think our goal over the next 5 or 10 years is to figure out how we design for caring.

I believe the vast majority of people in the healthcare sector are here to help people. They genuinely care about each person's experience and the need to do more to make healthcare easier to navigate and understand.

It also requires broadening our thinking and includes looking at other sectors—for example, taking a page out of what our peers in retail and consumer electronics have been doing over the last few years—when it comes to designing products and services tailored around a person's individual needs.

We're already seeing some of that thinking in healthcare and will likely see much more of it in the years to come.

John: That's been a focus of yours since the beginning.

Ryan: Absolutely. I got interested in healthcare because I was interested in caring for people. I was in school for that. I was thinking, do I want to be a doctor? Do I want to be a nurse? Then, as I started to get toward the end of my first bout of college, I tried to determine how I could make the biggest impact. That's what drove me into more of an administrative or business role in healthcare; that's the level at which you're making decisions that influence populations. In the traditional physician role, you're often working one-on-one. I thought I could make a bigger impact by taking my interest in helping people, particularly through healthcare, and going down the administrative path. Then I got into it and I realized, oh no, I don't like this at all, because all I do is sit in an office and think about numbers on spreadsheets, and that's not what healthcare leadership should be solely about.

John: So how did you decide to devote your career to changing behaviors in healthcare?

Ryan: I knew I could work with doctors and nurses and care professionals and help figure out how we could design an even better experience for people, so they're not only getting the care that our providers deliver, but we're also designing the systems, the resources, and the tools around these people with empathy in order to make it even more effective.

And that's exactly what Ryan did. We'll hear more from him about his story and his passion for innovation later.

Ryan Armbruster's journey is a great example of how difficult it can be to balance a focus on shifting behaviors with a focus on creating systems. The truth is that behavior change is hard: Most people resist change, and the organizational culture can be, and often is, at odds with the environment needed for innovation. In fact, some researchers—including Govindarajan and Trimble (Govindarajan and Trimble 2010)—argue that companies struggle with innovation not because of a lack of ideas but because they aren't able to implement them due to market, organizational, or cultural pressures.

The managerial culture that strives for efficiency, leanness, speed, and quality is often in conflict with the innovation culture that calls for space for experimentation, learning from mistakes, and time to make unexpected connections through exploration.

I've been a student of behavior my whole life, but over the past two decades I've been immersed deeply in how profoundly important behavior is in the innovation process by experiencing firsthand the ups and downs of entrepreneurship and through reinventing the oldest satirical comedy theater in the United States.

Here's our organization's story.