Doing more with less has been a successful strategy in the past—at least in the short term. It is not an effective strategy for today’s market. Most organizations have reached the point at which no additional “more” can be squeezed out of “less.” Instead, organizations that are winning in today’s marketplace are achieving constant gains in productivity and innovation.

Traditionally, organizations could succeed by improving productivity (e.g., reducing supply chain cycle time) or by delivering innovation (e.g., launching new products). No longer. In a global market characterized by increasingly specialized skills, cost pressures, rising customer expectations and ever more scarce resources, survival and success require delivering a more relevant product every day and doing so more creatively and more productively.

Transforming your organization into one that is more productive and more innovative is admittedly ambitious. It is also possible. Effecting this change depends heavily on leaders’ behavior, especially their willingness to think differently, learn continually and change habits that keep their organizations limited by past accomplishments.

There is no function in an organization that cannot become more innovative and more productive.

These organizations are consistently forward-looking. They seize external and internal opportunities to achieve better outcomes, which they constantly identify and refine through ongoing, proactive dialogue with customers and partners (suppliers, regulators, employees and others).

Successful organizations are strategic in how they target customers, form partnerships and create and deploy teams. Their pursuit of relevant innovation is broad and deep, and is combined with rigorous testing to ensure that solutions can be delivered more efficiently.

A New Culture

Improving an organization’s innovation and productivity requires a culture that is attuned to and continually shaping the future.

For example, budgets based on past experience are superseded by budgets based on forecasting. Strategic plans are reviewed and adjusted more frequently—some as often as quarterly—to address emerging opportunities and challenges. Products are always “under construction.” There is no room for unnecessary steps, wasted time or marginally relevant services.

Teams are fluid, agile and diverse and include customers, suppliers, partners and others whose collaboration can contribute fresh perspective. Team members work closely with the organization’s best customers to discover better solutions that anticipate customers’ emerging needs and identify the most efficient ways to deliver them.

Individuals are judged by their ability to improve relevant customer outcomes, generate innovative solutions and sustain positive, productive relationships with colleagues, customers, suppliers and partners.

Synergy in Action

Progress accelerates when an organization improves people, processes,
products and/or services for greater innovation and greater productivity. Improving productivity requires innovative solutions. Developing more innovative solutions requires greater productivity.

Creating opportunities for such synergy requires being open to change in every aspect of the organization; there is no place for “sacred cows.”

Most enhancements occur across functions, so leaders need to listen to experts as carefully as general managers. Similarly, recognize that people who work behind the scenes may generate innovations as important as those suggested by people who deal directly with customers.

The search for greater synergy has led many organizations to reconsider their structures – for example, developing more open, less hierarchical structures with fewer silos and more fluid teams.

If you think creating a forward-focused organization that constantly improves productivity and relevant innovation is a formidable challenge, you are right. But it is not insurmountable. Although changing an organization’s structure may be helpful, changing the behaviors of its leaders is essential.

Changing Patterns of Influence

Helping your organization become forward-thinking, innovative and increasingly productive requires looking toward the future and creating opportunities to shape it in customer-relevant ways. For leaders, this means accelerating their pace of learning, changing their perspective and developing new behaviors.

Changing perspective requires a properly balanced emphasis on investors, customers and employees. For example, placing too much focus on investors at the expense of customers limits the energy available to drive productivity and innovation in customer-relevant solutions that sustain an organization’s long-term viability.

Customers, prospects, suppliers and similar groups are the key to defining opportunities and turning them into profitable products and services. If you build strong relationships with these stakeholders, engage in constant, meaningful dialogue and respond appropriately, the results will serve your investors and board equally well.

Breaking Free

Many leaders understand the need to be more innovative and productive but tend to rely on the practices that drove their success in the past.

For example, leaders often turn to their customary sources of internal and external intelligence. However, the more you ask the same people the same questions, the less likely you are to gain new insights to drive innovation and productivity. Expanding your sources of learning – especially externally – is essential to helping your organization become more innovative and productive.

Listening is also crucial. Are you really hearing the teams you so carefully compose and deploy? Have you asked customers what challenges and opportunities they anticipate a year from now? Are you paying careful attention to their answers?

Further, consider whether you are asking the right questions. “Why not?” questions can help generate innovative solutions. “Why?” questions often surface opportunities to improve productivity (see “Leading Questions,” The StraightTalk Coach, Volume 1, Issue 7).

Right and Left Brain

Improving productivity typically requires analytical “left” brain thinking; enhancing innovation typically relies on creative “right” brain thinking. Most leaders naturally use one or the other – an inclination their organizations often mirror.

Helping your organization improve productivity and innovation will require right and left brain thinking. The more you seek, encourage and reward your opposite style, the more effectively you will help your organization build its ability to improve productivity and innovation.

Try nourishing your intuitive vision – and supporting innovation – by strengthening your external orientation and openness to learning from wide-ranging sources. Try driving greater productivity with sound analytics, a strong team orientation and Straight-Talk.

New Measures of Success

Beware of the tendency to pursue productivity and innovation too narrowly. Leaders often look to product development for creativity and to operations for efficiency. Yet every organization offers endless opportunities to innovate more productively and be more innovative in improving productivity. There is no function in an organization that cannot become more innovative and more productive.

Creating new measures of success may help you take a broader approach. Try describing and calibrating success throughout your organization based on contributions to productivity and innovation, relevance to target customers and whether resources are deployed effectively and efficiently to achieve a sustainable bottom-line improvement.

Doing more with less may sound appealing. It has undoubtedly helped many organizations reduce waste and cut costs. But improved efficiency does not necessarily result in better productivity and greater innovation. Leaders who recognize that both are required in today’s globally dynamic marketplace – and change their perspective, behaviors and enthusiasm for learning – can begin to transform their organizations for sustainable bottom-line success.

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