

The heart of the meter

The Innometer is a tool for Tata companies to spark and nurture innovation, and ultimately build and foster a culture that encourages new idea generation and implementation

How do you inspire your employees to put their most creative foot forward and come up with new ideas, concepts, processes, inventions, or improvements? This is the question that the corporate world, recognising that innovation is vital to the growth of a business, is trying to answer. Innovations and new ideas need inspiration, a creative spark that can ignite the minds of employees and infuse them with the fervour to give voice to their ideas and drive them to the finishing line.

The Tata Group Innovation Forum (TGIF), which is driving innovation within the Tata group, has found a solution in a tool that is helping companies find and manage that spark. The Innometer, developed by TGIF, in alliance with Julian Birkinshaw, professor of strategic and international management at the London Business School and a world-renowned innovation expert, is a unique methodology that helps companies manage innovation.

Based on Prof Birkinshaw's concept of the Innovation Value Chain, the Innometer assesses the 'innovation process' and 'innovation culture' of companies, and helps design interventions. TGIF is using the Innometer to encourage innovation in Tata companies. "It is important to create the culture and manage the process for innovation," says Ravi Arora, vice president at Tata Quality Management Services (TQMS).

The Innometer provides solutions to managing innovation. Firstly, it enables a company to compare its innovation propensity to domestic, sectoral or global benchmarks. "It is like a thermometer," says Mr Arora.



"It [Innometer] centres the company's attention on the weakest links and prompts executives to be more selective about which practices to apply in their quest for improved innovation performance"

Ravi Arora

"We (at TQMS) are the people who know how to use the thermometer, right from recommending it, interpreting the readings, to presenting the findings to the company."

Secondly, the Innometer, explains Mr Arora, also helps to develop a sense of urgency amongst the employees to improve the processes that support innovation. It makes them receptive to the novel practices that the most innovative companies in the world are adopting to promote innovation. Some of these practices include new ways of conducting brainstorming sessions, cutting-edge technology platforms where ideas and concepts can be formally raised and discussed, and the open mindset to source ideas and solutions from outside the organisation. In essence, the Innometer helps a company think and strategise its innovation initiatives. And thirdly, it helps companies deal with the process of idea generation and selection in a way that builds and fosters a culture of innovation.

The Innometer is gaining ground within the Tata group. Among the companies that volunteered for the pilot were Tata Motors, Tata Chemicals, Tata Steel and Rallis India. Companies that have started using the tool are finding that it helps them to deal with chronic challenges in offbeat ways. This has been the experience of some Tata companies, including North Delhi Power (NDPL), Tata Steel and Tata Capital. They have also been receptive to the Innomultiplier workshops being conducted by the TQMS team as a follow-up to the Innometer. These companies have benefited immensely from the use of the Innometer and are seeing early results in terms of increased participation from employees and an improvement in the selection and execution of ideas.

Take the case of power distributing utility, NDPL, where an Innometer session that started out as a routine brainstorming session threw up startling results. A cross section of NDPL employees were looking at innovative ways to meet customer expectations in a state where power is in perennial short supply. For years now, NDPL has struggled to maintain a balance between poor power supply and the demands of customers. The Innomultiplier session gave rise to several valuable suggestions, but the most powerful statement captured

by the team was about redefining the customer's need: "I want power when I need it most."

Statements like these set in motion a series of events that have transformed NDPL's approach to managing customer dynamics. The company has developed a new way of managing the demand-supply gap so that customer inconvenience is minimised. Demand side management is NDPL's solution for Delhi's power woes and the company is now striving to reduce peak power requirement to avoid conditions that lead to load-shedding. For instance, the supply of about 2MW of power to the water pumping stations of the Delhi Jal Board was shifted to off-peak periods. "This is a first of its kind initiative in India, where the electricity and water utilities have joined hands for a peak-shifting project," says managing director Sunil Wadhwa.

Tata Capital is another company where the Innometer has helped unleash a barrage of ideas. Says KR Sreenivasan, chief information officer and corporate quality head at Tata Capital, "We want to build a culture conducive to innovation in our company. We have set up a formal platform for ideas called Tata Innoverse, where everyone in the company is invited to post their innovative responses to a set of challenges." It is early days, yet the company already has close to 90 ideas that can be taken forward.

The innovation highway

Innometer provides companies with a scale to measure their innovativeness internally and against

others across the globe. It helps gauge internal levels of innovation by rating innovativeness on selected parameters. According to Mr Sreenivasan: "Tata Capital was keen to know how it would fare when compared to the best-in-class and wanted to make sure that innovation was not limited to certain people in certain pockets of the organisation."

Innometer also forces executives to take an end-to-end view of their innovation efforts. It discourages managers from reflexively importing innovation best practices to address a problem that does not exist! As Mr Arora puts it, "It centres the company's attention on the weakest links and prompts executives to be more selective about which practices to apply in their quest for improved innovation performance."

At NDPL, says Mr Wadhwa, everyone accepts that innovation is a differentiator and the key to survival in this competitive world. "It is never easy to come out from a traditional mindset but the Innometer helps people think on a different line."

The Innometer is not a standalone tool; it can be combined with other internal or external initiatives to build the innovation momentum within the company, such as Tata Capital's Innoverse programme or the series of TQMS workshops called InnoMultipliers. These workshops help companies identify challenges and provide them with triggers or creative themes that could generate creative solutions. Tata Capital is a company that wants to focus on the customer. "We have to be very innovative in the service sector where the lifetime of

Finger on the pulse

Innovation is a multi-faceted and multi-dimensional issue. The Innometer, developed by Tata Quality Management Services (TQMS) in alliance with Julian Birkinshaw, professor of strategic and international management at the London Business School and world-renowned innovation expert, is a tool that helps companies manage innovation and its complexities.

Measuring and scoring: The Innometer is like a thermometer. It looks at the entire organisation and gives a score for different facets of innovation. TQMS applies parameters for the scoring, interprets the readings and presents the findings to the company.

Generating creative tension: The Innometer creates creative tension at three levels. At the first

level, it creates tension within the company by pitching one department against the other. At the next level, the Innometer generates creative tension between companies within the Tata fold which encourages healthy competition. At the third level, the tension is between a company and its global benchmark. This helps set goals and targets.

Identifying areas of concern: The Innometer studies generated creative tension in the companies and left them wondering about the next steps. TQMS decided that it needed to find a solution, which led to the development of 'Innomultiplier' workshops that help identify challenges and provide triggers to generate creative solutions. These workshops are based on the concepts of Prof Clayton Christensen of the Harvard Business School.

an innovative action or product is not very long,” says Mr Sreenivasan, who is looking at InnoMultiplier workshops to provide the guiding spirit.

At NDPL, the InnoMultiplier workshops have helped narrow the focus areas. Says Mr Wadhwa: “We are going to focus on engaging non-executives in innovation, strengthening our existing approaches to promote innovation and focus more on the uniqueness of an idea. We will also have an in-house awards system called the ‘NDPL Innovista’ starting from 2010.”

Taking the plunge

The first step in the Innometer exercise involves a survey administered by the TQMS team, with queries on the company’s innovation process and innovation culture.

“We administer a maximum of 30 questions. The questions are sent out to every employee and we push for at least 40 per cent response from the company,” explains Mr Arora, “The questions in the survey bring a lot of clarity in the minds of people, who otherwise feel innovation to be an esoteric subject.” At Tata Capital, nearly 65 per cent of the employees responded to the questionnaire. At NDPL however, when the surveys were first introduced, many dismissed it as yet another exercise in futility. But when they saw the methods being used by the team (such as focus group discussions), they started to participate enthusiastically.

The answers are then analysed and the data sifted according to its quantitative and qualitative nature. This is followed up with a series of one-to-one interactions where the TQMS team meets with the key influencers in the company’s senior and junior management. The objective is to probe into pain areas and spend time with managers. This stage lasts for about two days.

One of the interesting tools used at this stage is called ‘silent brainstorming’ with a group of about 20 employees. Says Mr Arora: “Our team raises a few questions and issues and the group puts up post-its on a board as their responses. None speak. At the end of the session, we get the most critical insights which justify and answer the scores obtained through the survey. The benefits of this method are that no one is influenced by another and since observations are kept anonymous, people are more frank with their opinions.”

In the case of Tata Capital, the survey threw up a few surprises. Says Prasad Nair, deputy vice president, business excellence, “We had to change our perceptions about which groups were more open to innovation and which were not.” The exercise helped pin down the issues that needed to be tackled.

One of the biggest advantages of the Innometer is that it empowers every employee to be innovative. “At Tata Capital,” says Mr Nair, “a common repository of ideas has been created which is open to all. It increases the number of ideas flowing in and improves the quality of ideas.”

Managing the tension

Once the Innometer scores are in, companies find themselves in what Mr Arora terms a phase of ‘creative tension’. The business functions are motivated to compete with each other and the company wants to match the best in class. “Like any other benchmarking exercise, it creates a healthy competitive spirit,” says Mr Sreenivasan.

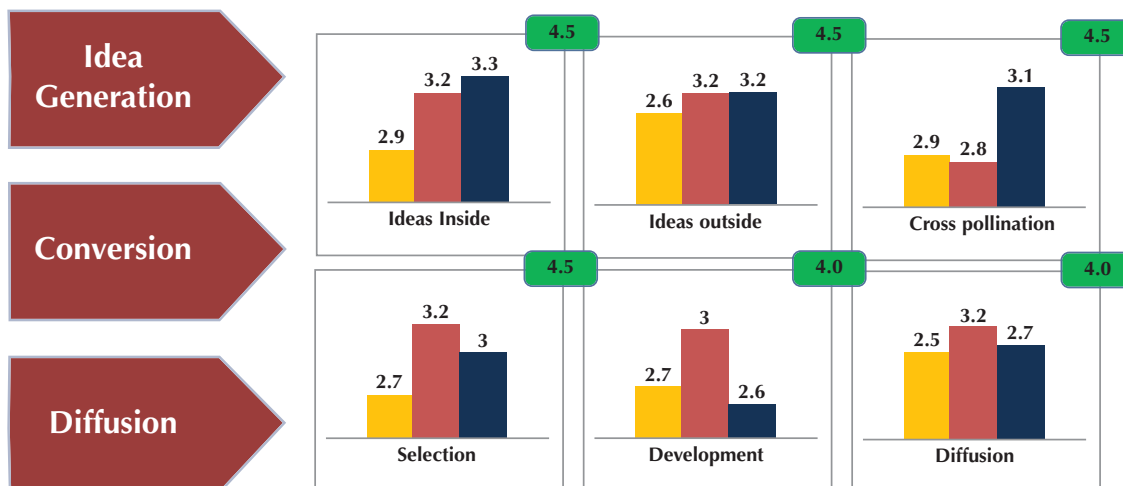
The tension is created at three levels. At one level, the departments find themselves vying with each other for a better score. At the second level, the company compares its score with other companies in the Tata group and that generates its own competitive dynamics.

The innovation process

Innovation has been identified as a three step process under the Innometer:



In-house	Cross-pollination	External	Selection	Development	Spread
Creation within a unit	Collaboration across units	Collaboration with parties outside the firm	Screening and initial funding	Movement from idea to first result	Dissemination across the organisation
Do people in our unit create good ideas on their own?	Do we create good ideas by working across the company?	Do we source enough good ideas from outside the firm?	Are we good at screening and funding new ideas?	Are we good at turning ideas into viable products, businesses and best practices?	Are we good at diffusing developed ideas across the company?



Sample results of three Tata companies; figures in the green box are the global benchmarks.

Finally, the company benchmarks itself against the global best, which then becomes a target that has to be achieved.

“When the score comes in, it may immediately create a negative tension but the impact is positive later,” says Mr Sreenivasan. He says that in his company the exercise has triggered creative competitiveness among the teams, which will probably get stronger as the process deepens and evolves.

At NDPL, says Mr Wadhwa, “People are encouraged to identify innovation and improvement opportunities and work on them. They are also encouraged to take up challenging projects and go beyond set targets.” The Innometer scores on culture showed that NDPL has maintained a good balance between the two extreme states of ‘constraints’ and ‘chaos.’ What this implies is that NDPL provides adequate space, direction, boundary and support to engage people in innovation.

Reaping the rewards

The Innometer leads to different results for different companies. In some companies, there were too many good ideas coming from the senior management and too little from the junior management; in others, the new idea submission process was limited to blue collar workers because ideas were linked with incentives. In such cases, the Innometer helps the company focus on the idea generation process and take necessary corrective measures.

Another interesting finding in one of the companies was that while the senior managers felt that idea selection process was robust, the junior employees felt otherwise. This was an important blind spot to uncover.

Another issue often highlighted is a flawed selection process. Most companies have a suggestion box, or an online idea submission system and they organise idea *melas* or fairs, which do not always prove to be effective.

Sometimes, there is a deluge of ideas and the selection team finds it difficult to scan and respond to all within the given time frame. The inherent danger here is that non-responsiveness may lead to disillusionment, or the feeling that the process is not transparent and effective; this often leads to a vicious cycle where no feedback leads to no ideas, as Mr Arora puts it.

At Tata Capital, the Innometer exercise has made the idea generation process more transparent and the idea selection process more democratic, says Mr Nair. Many a time a good idea gets stifled by the hierarchical system, restricting the thought process, he adds. Innoverse makes it easy for anyone to come up with an idea and be heard. At his company, Innoverse is focusing on challenges such as setting up a collaborative network in the HR function and reducing turnaround time from the customer.

At NDPL, the exercise threw up a need to tap into the tacit knowledge of employees at the zonal level. The Innometer scores and follow-up sessions also helped focus on innovation for energy conservation. NDPL has successfully initiated projects for various solar photovoltaic and solar thermal applications, and ventured into pilot projects for LED streetlights and hoardings.

The Innometer initiative found that many companies share innovation problems. Says Mr Arora: “When we found that the common problem across companies was related to the ‘idea generation and selection’ process, we decided that we needed to develop a solution. This led to the ‘InnoMultiplier’ workshops and ‘Tata Innoverse.’”

The key to building an innovative organisation is to make innovation a way of life. And as every organisation that has tried to do so will tell you, that is the toughest challenge of all. As the Innometer and the InnoMultiplier workshops spread out across Tata companies, this is one challenge that they will want to get the better of. ●

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