

### 5 Innovation Lessons from Silicon Valley Companies

#### Innovation Is Not a Separate Team

Rather than separate out the innovation function, innovation was just business-as-usual for the organisations in Silicon Valley. **In fact, they didn't even call it 'innovation', instead their whole organisation was set up and structured for growth and an innovation mindset permeated across the entire business.**

This is a huge shift away from what we typically see in Australia, where organisations tend to bolt-on innovation as a separate function. The risk with this, however, is that innovation can become compartmentalised and limited to certain areas of the business.

*The challenge, therefore, is to think about ways you can encourage an innovation mindset across your entire organisation, rather than limited to certain areas or functions.*

#### Hungry Leaders Drive Growth

One way to drive an organisation-wide innovation mindset is to start with the leadership team, who play a critical role in setting the scene for growth; this is where the leaders of the businesses all had a huge hunger for growth. **They continually reinforced their organisational purpose and strategic priorities and got involved and hands-on with innovation. Many of these leaders had started as entrepreneurs themselves so they intuitively role-modelled the innovation behaviours they wanted to see in others. And this sent a very clear signal to the rest of the organisation that innovation and growth were a priority.**

*Think about the messages that your leadership team is sending out about innovation and growth. Are they consistent? Do they send a clear message that these aspects are a priority?*

#### Vision-Led and Values-Driven

All the organisations **had a clear and compelling vision.** The vision was brought to life through customer and employee stories and used to spark passion amongst employees and keep them focused. The vision was kept top-of-mind through constant reinforcement by the leadership team and employees recalled the vision almost like a mantra. Their vision was also supported by a clear set of values, which had been carefully crafted to create a culture which supported growth and innovation.

*The take-out is that your vision and values can play a key role in setting the scene for growth and innovation. So, think about your organisational vision and values; are they just tokenistic or are they purposeful and truly lived and breathed to support your growth ambitions?*

#### Systematise Getting Close to the Customer

We all know that customer-centricity is the key to growth, but these organisations had managed to take this a step further. **Not only were they huge advocates of customer-closeness, they had also managed to systematise the way they sought customer feedback so that it became a habitual way of working. They all had fast customer feedback loops that fed straight into product development and innovation processes. Employees were trained and primed to capture customer feedback and they made feedback mechanisms simple and frictionless.**

*Think about how often you are connecting with your customers. Is it a regular thing? And how could you systematise your customer feedback loops to ensure feedback is as timely as possible?*

### **Don't Fall in Love with Ideas**

Getting too attached to your ideas is one way to blow out timelines and launch ideas that don't deliver value. It can also lead to the 'sunk cost fallacy', where the more you invest in an idea the more the idea needs to be right. **The antidote to this is to fall in love with the customer problem that you're solving rather than the idea.** And these organisations were masters at this. Pivoting and killing their ideas was common practice.

They weren't afraid to frequently change course based on early customer feedback and experimentation. Killing ideas was part of their culture; it wasn't viewed as failure, nor was it seen as personal, it's just how things were done.

*Reflect on whether you get too attached to your ideas and whether this might be hindering the quality. Are you open to changing course? Is a fear of failure standing in the way of being more disruptive?*

#### Disclaimer:

*Business Plus is distributed monthly by CBSW Tax & Business Advisors to provide information of general interest to our clients. The content of this newsletter does not constitute specific advice. Readers are encouraged to consult their CBSW advisor for advice on any specific business matters.*

Providing you  
professional  
direction



***Our liability may be limited by a scheme approved under Professional Standards Legislation.***