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# 24x7 Innovation: Putting Customer Needs at the Forefront of Your Thinking

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**By freeing up the potential for innovation, businesses can evolve in a way that will confront the competition of the 21st century.**

Nearly everyone you talk with considers their company to be customer-centric – putting the customer at the forefront of your thinking and making them the center of attention. In fact, some companies try to understand their customers by using customer satisfaction surveys, and customer insight or data warehousing tools. Although useful, these alone will not do the trick. We are now in a buyer-driven economy, where customers are in the driver's seat. Customers determine how and when they want to do business. To meet this challenge, companies need the organizational flexibility to quickly meet new customer requirements and respond to unpredictable consumer demands. The answer to this unpredictable, demanding and ever-changing business environment is "24x7 innovation" – innovation 24 hours a day, 7 days a week.

## Innovation 24 Hours a Day, 7 Days a Week

The ability of an organization and its people to come up with new ideas to satisfy the changing whims of ever-fickle customers without any special stimulation or interruption provides the premise of 24x7 innovation. We're not referring to the backroom sources of innovation we have all known and admired in the past. Rather, it's pervasive innovation – innovation throughout the organization, everywhere, every day, by everyone – to a point where it's as natural as breathing.

## Keys to Inspiring Innovation

Innovation is not random. In fact, innovation emerges best when there is a structure to inspire it. Much like jazz in the world of music, which is heavy on innovation, or "improvization" in musical terms. There is a simple structure to jazz, like 12-bar, B-flat blues. It's a blend of rhythm, chord progression, and tempo. Businesses need much the same to succeed – simple structures that allow innovation to emerge.

Rather than operating like a jazz band, however, many businesses are run more akin to classical symphonies. The classical musician plays a long, elaborate composition written by someone else, leaving little room for interpretation. The composer, usually someone who is long gone, has written elaborate compositions (detailed workflows), placed them neatly in binders, and expected the musicians (employees) to follow them by rote.

## Changing Score Drives Innovation

Even if people could follow such elaborate compositions, by the time they learned the score, the music would have to be changed. Employees aren't computers and, to the great frustration of some, the environment in which companies operate is highly volatile. And let's face it, customers rarely want to play by your songbook anyway.

Hence, the need for improvization. What the jazz musician adds of their own accord is not pulled out of thin air. It is based on fundamental rules about chord progression and chord structures. Likewise, what the employee invents to improve customer service also has to be founded on certain basic ground rules. The players in a business have to be able to innovate at any minute of the day while literally "on their feet." Innovation is crucial to the pursuit of business excellence and developing strong relationships with your customers. It is as important as improvization is to jazz.

But hold it right there, some might say. Does that mean letting employees make up things – do something that is not in the policy manuals and procedures? My goodness! Can we risk it? And the answer has to be, "Yes, of course we can." Customers won't hang around these days while companies work through their own internal proce-

dures. They're spoiled with choices, and they can go elsewhere in ways they were never able to in the past.

## Balancing Improvization with Collaboration

Employees have to be trusted to search intelligently for improvements on their own initiative. But they do need guidance, training, and tools to enable the development of whatever solutions they think up. It's not a straight choice between imposing rigid structures on them and allowing them to indulge in total anarchy. It's a question of finding the right balance between them.

Jazz is much more than just improvization; it is the fruit of collaboration among a group of people. It is not a solitary pursuit. Jazz musicians play solos with their band, but they rarely give concerts on their own or to empty nightclubs. Jazz is a social activity, and so are businesses and their relationships with their customers.

## Making Connections

Moving a company to this level of flexibility requires a shift from "box" thinking to "line" thinking. When people say you need to get "out of the box" to be innovative, they are right but for the wrong reasons. The box that most people operate in is focused on activities, computers, people, or departments within a company. However, it is through the lines, the interconnections and interdependencies between these boxes, that innovation emerges.

Innovative thinking comes from making connections between boxes – connections between people and between ideas. Focusing on the lines frees an organization to improve within the guidelines of a simple structure. And it allows employees to respond to unpredictable customer demands in real-time at

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the moment of need.

Most importantly, the close contact and coordination between different parts of the business creates a climate of open communication and cooperation that in turn will allow cross-functional innovation. When this hap-

between the business and its customers. To say this is a critical path is to restate the obvious, yet neglect of this relationship abounds in some of the most experienced international companies. The values and needs of the customer must absolutely be understood

with technology – except insofar as technology can be used to enable people to more effectively do their jobs.

Contrary to the hype in today's new economy, technology is not the differentiator. Of course, you need technology, but it's how you use it that really matters.

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pens, the company begins to develop innovation as its core competence. By focusing on the inter-dependencies rather than the prescriptive aspects of isolated activities or traditional processes, the worker gains the flexibility to define how to do the work within the context of those links. The process starts by making sure that people know why they are doing their work, who they are doing it for and by when it must be completed. So, the emphasis is not on how the work is to be done. Rather, it's on providing the impetus to make sure it gets done.

### Tuning in to Customer Needs

If we are focusing on “lines,” one key line that needs to be considered is the relationship

and incorporated into the business design. And new technology can often be a curse that merely worsens a process and further locks you into a way of doing business that is even more complex and resistant to change. Finally, customer feedback and measurement go hand-in-hand with the evolutionary nature of this relationship.

### Make No Mistake: People Make All the Difference

An innovative business is not one that installs new computers and online solutions, and then ignores the people or just trains people on how to operate new technology. Quite the opposite, it has everything to do with people and is only narrowly concerned

### Free Your Potential

By now, it should be clear that we're not talking about business in a stable state. No firm is in a position to stop thinking about how to make improvements. The volatility of markets and the wider choice that customers enjoy today make complacency tantamount to business suicide.

And as attractive as technology can be, it will never provide the flexibility that people can in creating new products and offering them to the marketplace. In a changing business, any corrective steps must go beyond the traditional “divide and conquer” solutions of the past and tackle the key relationships within and outside the business. By freeing up the potential for innovation, businesses can evolve in a way that will confront the competition of the 21st century.

*This white paper is based on an excerpt from “24x7 Innovation – A Blueprint for Surviving and Thriving in an Age of Change” by Stephen M. Shapiro, Accenture, and published by McGraw-Hill.*

### Food for Thought

Consider this simple story about a man who decided to try the pioneering, much-trumpeted online service of a major supermarket chain. He had invited 10 family members for lunch on Christmas Day, including his sister who was flying in from more than a thousand miles away. For the special occasion, he ordered almost \$500 worth of food and drink, which included a sizable turkey. From the options given to him by the supermarket website, he chose to have his goods delivered on the morning of December 23.

The morning came and went, but his food did not arrive. So he called the supermarket, only to be told that their last pre-Christmas delivery day was December 22. He explained that the company's website had offered him December 23. “Well it shouldn't have,” was the abrupt reply that he received.

After further lengthy phone calls, the supermarket firmly told him that it would not be delivering his order. Furious, he went to the supermarket's main rival and lugged back on foot the necessary provisions for the dinner, as he did not own a car. And as bad luck would have it, by the time he got to the other supermarket, it had no defrosted turkeys left.

The disgruntled man emailed his story back to the original supermarket, but more than two months passed and he had still not received a reply. The supermarket had failed to listen to the feedback from this customer, and we can assume that he was not an isolated case. But even if he was, the company's reaction would likely prove to be an expensive mistake. For he could tell his story to a national newspaper. So not only would the customer be sure to stay away, but many of the newspaper's readers would probably think twice about using that online service.

On the other hand, all of this damage could be avoided if the employee to whom the customer complained was flexible enough to break the rules. After all, if the general manager himself collected the order together and sent it around in his chauffeur-driven car, the company could not be any worse off.