

The Innovation-Powered IT Organization

The Innovation Imperative for IT

IT organizations face some very demanding challenges. They are expected to:

- **Enable the company's growth strategy** by using technology in industry-leading ways to create competitive advantage.
- **Support the company's day to day operations**, providing increasing levels of performance and security.
- Achieve both of these goals with an **ever- decreasing budget**.

Innovation excellence is a key requirement in meeting these challenges.

Innovation in the IT Organization

Innovation is often associated with new technology. However, most IT organizations do not invent new technologies; they create ways to use available technologies to achieve business goals.

IT organizations can use innovation to contribute to their company's success in one of 3 ways:

Improve performance/cost of IT: By harnessing innovation to improve performance or find operational efficiencies, top performing IT organizations can reduce the cost of IT for the company.

Improve performance/cost of business operations: Through the innovative use of technology, IT organizations can enable capability-expanding or productivity-enhancing initiatives across the business and in the company's interactions with customers and partners.

Increase revenue potential: Increasingly, information technology is a key element in the actual product or service that a company brings to market. As well, the ability to offer customers a compelling online experience throughout the buying cycle can significantly affect the degree of market success.

Three Flavours of Innovation

Innovations can range from incremental improvements to evolutionary advances to game-changing leaps forward. Each form has important value to contribute.

Incremental: These are small improvements in current processes or in the product or service. While not game-changing, the benefits available from this source can be substantial. The sources of these innovations are usually the employees who are working hands-on in the area.

Evolutionary: These are changes that provide a major step forward for the business without fundamentally changing the nature of the business. These innovations may arise organically or may come from a focused effort to generate improvement in a specific area.

Revolutionary: These are disruptive innovations that change the nature of a business and sometimes even an industry. These innovations can provide incredible, even game-changing value. They usually come from leaps of insight that may occur anywhere in an organization.

Each of the forms of innovation discussed above are valuable to an IT organization, however, in many companies there are barriers that inhibit the ability to tap its innovation potential.

Barriers to Innovation

Most IT organizations unintentionally stifle innovation through their management systems and processes. Common barriers include:

- **Lack of alignment** between innovation activities and corporate goals and strategies
- **Lack of resources** (financial, people, tools) available for innovation initiatives
- **Cultural issues** such as risk aversion or lack of incentives

These barriers are usually internal and within an IT organization's control. Often, these challenges are recognized within the organization, but it is not clear how to address them. Fortunately, best practice techniques exist to reduce or remove each of them.

The Inno-Gate Approach to Innovation Management

The Canadian Innovation Centre has developed **Inno-Gate** - an innovation management framework that brings together all of the elements which can help companies tap into their innovation potential. It was developed based on a combination of leading edge research and the experience gained in helping many companies with their real world innovation challenges.

Inno-Gate has been effective in helping IT organizations harness their knowledge & creativity to increase innovation performance and create greater value for the company.

Contact us (info@innovatiocentre.ca) to explore how the Inno-Gate approach to innovation management can help your organization achieve its innovation potential.

About the Canadian Innovation Centre

The Canadian Innovation Centre (www.innovationcentre.ca) is a national not-for-profit organization that has been working on the forefront of innovation in Canada for over 35 years.