

THE CHALLENGE OF PROACTIVELY MANAGING INNOVATION

EXECUTIVE SUMMARY

The Company:

Darke & Taylor has successfully traded for over 60 years in the building services sector, operating as a specialist sub-contractor in the construction industry supply chain. Over this time the company has experienced significant changes both in its own right as an organisation and in the range of services and technologies it offers to its clients. However the company is seen as an established, dependable business which values sustainable growth and operates in an industry that has a reputation for resisting change.

The Industry:

But the thought leaders in this most traditional of industries are arguing of the need to “Modernise or Die”, to address productivity losses, to adopt “Modern Methods of Construction”, embrace the “Internet of Things”, to exploit “Big Data” and engage with digital processes and technology. The expert speakers and those participating in IFLP provide evidence that this is happening in the real world, that innovative organisations are getting to grips with these challenges and that the pace of change is likely to accelerate.

The Question:

Can Darke & Taylor integrate proactive innovation into its business model to help sustain the business in the long-term and ensure that it keeps at the forefront of the changes in the industry and remains relevant and valuable to its client base? Or is progress already sufficient given the historical evidence of an organisation that has been able to change and adapt over time?

The Evidence:

Based on a simple matrix model for innovation, it is clear that Darke & Taylor does proactively innovate as a company, but that much of this innovation is incremental. The most radical innovations are usually more reactive, in response to commercial pressures, or outside influences, not as a result of strategic planning. However, when innovation is both proactive and more radical, whilst the journey can be painful, ultimately the long-term gains are transformational and help grow the business.

Strengths & Weaknesses:

The company has a number of attributes means it has the potential to engage staff in innovation and “future-proof” itself, but it is structured to deliver current projects to the necessary quality and commercial standards. Whilst this structure is key to the company’s current success it does not particularly assist innovation or risk taking and the workforce suffer from a lack of time to dedicate to more expansive and creative thinking.

Opportunities & Threats:

There would appear to be a number of opportunities that the company has identified, areas where it can innovate both in terms of process and product/services offered. However, these opportunities need to be seen in the context of an industry that is likely to undergo significant change and the ultimate risk that the services Darke & Taylor currently offer become obsolete due to a paradigm shift in how MEP building services are delivered on construction projects.

People:

All human beings have the capability to find and solve complex problems and Darke & Taylor should implement initiatives to harness creative behaviour from the broad range of skills and perspectives of its workforce to help it achieve extraordinary things.

Leadership:

The leaders in the business should develop a coaching style to help their colleagues engage in innovation. This will help spread the load, widen the field of idea generation, and should benefit company culture and ultimately have a positive effect on job satisfaction.

The Proposal:

Darke & Taylor should develop a systemised way to address the opportunities and challenges of innovating so that it becomes proactively embedded in the organisation. Innovation should become part of the culture of the organisation, something that is valued and encouraged, not just something that is done as a reaction to immediate pressures or that is the preserve of a chosen few who lead the company or have specific roles.

The company should not obsess trying to find radical innovations or a paradigm shift, but should implement initiatives to encourage expansive and creative thinking.

“Innovation has nothing to do with how many R&D dollars you have..... it’s not about money. It’s about the people you have, how you’re led and how much you get it.” (Steve Jobs, 1998)