How to overcome the IT innovation dilemma…

…with incremental steps towards increased business value generation

The IT innovation dilemma

For decades economists have praised IT as the main driver of innovation. Yet only a few CIOs have been able to position themselves as innovators. One of the reasons is cost pressure, which urges IT departments to focus on internal efficiency and service quality. Certainly these disciplines will remain on the CIO agenda. However, we believe CIOs have tremendous potential to deliver valuable innovations to the organization.

IT innovation is often perceived as the invention of the next Google, Facebook, or Kindle. We argue that CIOs can significantly transform business models through much smaller endeavors that can be highly effective for the company. Yet, after invention comes the hard work of making innovation work. Putting this into practice opens tremendous potential for the CIO.

Surprisingly, the introduction of a successful innovation management process does not have to be costly, nor is a "big-bang" approach advisable. Starting with small steps can lead to great results, as long as the biggest success factor is taken into account: stakeholder commitment to innovation on the business and IT side. Therefore, opinion leaders need to be convinced by quick-wins and spread the word within the company. On this foundation a full innovation management process can be implemented step-by-step.

A step-by-step approach

Our pragmatic approach to introducing IT innovation management consists of four simple steps:

1. Get started by leveraging IT innovations that are already in place, such as collaboration tools or self-services

2. Increase innovation benefits by rolling out the established innovative solutions to a wider range of users, such as running internal marketing for IT-enabled innovations or with other low-hanging innovation fruits.

3. Extend the scope by introducing innovation management processes and involve parties outside IT functions, such as power users, product developers, or sales representatives.

4. Mature innovation management by assigning a dedicated budget and resources. The crucial challenges are to filter out the most promising innovation ideas, to oversee innovation implementation, and to continue communication.

With a mature innovation management process in place, we recommend:

- Dedicated innovation roles throughout the company and fostering of an innovation culture, e.g., by innovation round tables or online platforms.
- Innovation radar for feeding the innovation channel by a systematic screening of long-term trends and technology innovations.
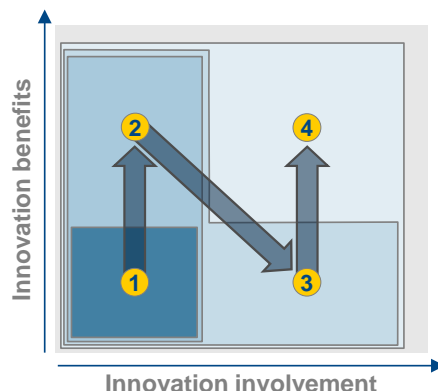

Figure: A pragmatic 4-step approach to introduce innovation management

Cases for initial steps

Fairly small initiatives can spark an innovation culture. Some examples:

Educating business users in using the already available micro blogging tool has noticeably reduced email overload for users and has accelerated internal alignments in a high-tech company.

Setting up an online customer collaboration platform has significantly reduced helpdesk calls and customer complaints for an internet provider – and yielded valuable ideas for product improvement.

Employing mobile devices for field service employees allowed for quicker reaction times to short-term changes while improving resource utilization in many industries.

Just keep in mind, innovation is much more than just a brilliant idea. Successful implementation of innovation is the key differentiator for proving business value.

Earning the benefits

Innovation Management can help to reposition IT from a cost driver to a value creator, and therefore boost operational efficiency, grow the business, and establish transformational opportunities.

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