
Carrying out an innovation audit

The first point to make is that this is not about winning awards or proving who is the 'best' innovator; the Innovation Fitness Test (IFT) process is essentially about helping an organization reflect on the way it manages innovation. It's designed to focus a spotlight on different aspects of the innovation process to help identify where things are strong (and can be built on) and where there might be a need for further development. Above all its aim is to start a conversation, a discussion about innovation and how it might be managed more effectively.

There are many ways to use the approach, from a simple interview guide for one-to-one discussion through to an organization-wide survey bringing in different levels, areas and perspectives to explore how innovation actually happens and where people feel the process could be improved.

At its heart is a rich body of research on success and failure in innovation management. This evidence base dates back over a hundred years and has accumulated largely through studies of experience – what works and what fails to work in innovation under a variety of circumstances. So it provides a strong foundation on which to base a discussion and contains a rich variety of lessons about new approaches to try to help improve performance.

To make use of this knowledge base in simple form we've developed a series of reflection questions which can form part of an interview or be administered as a short survey. It can take several forms but typically we use it to encourage them to think about how they approach innovation management (self-assessment) as a way of opening up the discussion with them on key themes.

Behind each question there is a key issue in innovation management and in the feedback reporting there is a chance to explain these concepts and, importantly, to highlight recommendations for actions which could help deal with the particular issue. The good news is that there is a rich variety of tools and techniques which can be brought to bear to help deal with common innovation management issues so that the conversation is not simply focused on what isn't working but can also explore what could be done.

Getting started

Having established a relationship with a client organization and opened up the theme of innovation and its importance to them the first step in the IFT process is to run through the self-assessment process using the IFT framework. This can be done in several ways and we'll look at each of these in the following section:

- One-to-one interview
- Self-assessment questionnaire
- Organization-wide survey
- Organization-wide audit

(a) One-to-one interview

This is a semi-structured interview in which the conversation looks at each theme in turn and the interviewee is invited to give a score and also to explain his/her thinking around that theme, perhaps giving some examples. The advantage of the interview framework is that there is scope for discussion and elaboration and also an opportunity for you – the assessor – to provide your own assessment and score.

To help you make such judgments you can draw on your own experience but we have also provided a series of prompts and background information about additional questions to ask to focus in on key issues.

Feedback can be via a report in structured fashion but can also take place in the context of the conversation.

(b) Self-assessment questionnaire

In this form the questionnaire is filled in by the client on their own. It can be completed in online or offline (paper-based) form and returned to you for analysis and feedback. It can be completed in simple form or you can also allow space for additional comments or explanations which the respondent wishes to supply – and sometimes these ‘free comments’ are very helpful in highlighting key issues which matter to them in their experience of how innovation is managed in their organization.

Feedback can be face-to-face and/or via a report which would typically highlight the overall picture and focus on high scoring items – which represent areas of strength to be built upon – and low-scoring items, which represent areas for development. Importantly the report can be accompanied by some explanation of:

- Why the question is asked (what's the underlying theory?)
- What does a low/high score mean?
- What could we do about it?
- What tools/techniques are available to help?

This can often represent a starting point for a more in-depth intervention within the organization.

(c) Organization-wide survey

In many cases it is interesting to collect the views of different people across the organization who may see the way innovation is managed in different fashion. Collecting their views and looking at similarities and differences across different levels or between different parts of the organization is often very revealing about where key concerns are felt and where there is a need to focus improvement efforts.

The process is the same as for (b) in which participants can fill in the survey on-line or off-line (in paper form) and there is still scope for them to add comments or observations and examples. It helps to have some indication of where the respondent fits into the organization – level, area, etc. – but otherwise the process can be anonymous.

The advantage of this multi-person approach is that it builds up a composite picture of the way people feel innovation is managed and where they think it could be improved. Feedback reporting can look in detail at variations across the organization (by level or area for example) and also give some idea of the distribution of responses. Again the report (which can be supported by a face-to-face discussion or feedback presentation to the whole organization) would provide information on the emerging picture and specifically:

- Why the question is asked (what's the underlying theory?)
- What does a low/high score mean?
- What could we do about it?
- What tools/techniques are available to help?

(d) Organization-wide audit

This version combines the interview and survey process to allow a rich exploration across the organization. Typically the survey would be open to everyone and generate a large volume of responses to the basic question set. But accompanying interviews, targeted across the organization to get representation of different views, would allow a deeper exploration round these issues together with discussion of specific examples and opening up of key themes.

One variant of the interview process, of value when dealing with employees who may be uncomfortable with one-on-one interviews is to run small focus groups in which the questions are explored in a group discussion format. Typically this makes for a more relaxed atmosphere and overcomes inhibitions about talking around the themes – but also the interaction amongst group members can often prompt a rich conversation with plenty of examples and insights around emerging issues.

Analysis and feedback is as above, with the chance to offer a synthesis of views across the organization and to break these down by area or level to provide additional reflection around how innovation is managed. As before the report (and accompanying feedback presentation) can explore:

- Why the question is asked (what's the underlying theory?)
- What does a low/high score mean?
- What could we do about it?
- What tools/techniques are available to help?

An example

To illustrate how the process works, let's take an example. The IFT presents people with a series of statements and asks them to indicate how far they agree – or disagree – with them in terms of how well they describe *'the way we do things around here.....'* So statement 1 is:

(around here) people have a clear idea of how innovation can help us compete

The 'theory behind this is that innovation can be a powerful way to help the organization compete – through better or cheaper new products/services, through more effective processes, etc. But it will only make that contribution if people understand its role and the particular ways in which it can help move the organization forward. In other words it is asking if there is a clear 'strategy' for innovation (as opposed to a random series of changes) and does everyone understand that and use that to guide their own contribution towards innovation?

If the respondent gives a low score here it is an indication that there is no strategy or, if there is one, it isn't communicated well. In an interview context this might be the chance to explore a little more around this – asking for explanation or clarification about why the respondent has scored it low. If the question scores low across a range of people then there is a stronger case for believing that there is an issue here – either the lack of a strategy at all or problems in communicating it to the wider organization.

Of course it may be that you – as an expert assessor – disagree with their assessment. They might give this statement a high score suggesting that all is well whereas you have some doubts and would score it lower. Once again we are in the space where the IFT opens up the possibility for a conversation and reflection around an important theme.

There isn't a *'right'* answer in this kind of survey – instead it is about surfacing people's *perceptions* of how innovation happens and helping focus on key issues for exploration and possible improvement.

What can I do about it?

The example shows how the IFT can work – in a variety of ways to open up issues for discussion. It might be that the scores for that particular statement are average, suggesting there isn't much of an issue in that area. But if they are low – and especially if several people across the organization share that perception, then the next question raised is what we might do about it?

This is where the research base underpinning IFT is helpful – the statements are based on rich experience not only of success/failure factors in innovation management but also on the kinds of approaches which organizations can use to deal with these key issues.

Resources in the IFT

The online version has a number of links to further resources to help develop your understanding and add to your repertoire of useful cases, tools and techniques. These are also the underpinning of our textbooks in the field and you can access them directly via www.johnbessant.org