Innovation First Strategy
What is Innovation First Strategy?

Innovation as a sustainable competitive advantage in a VUCA* world

**Innovation First strategy** places innovation at the heart of organizational endeavor. It’s a first principles approach to organizational development and starts with the true purpose of any modern organization - to innovate.

Instead of relying on serendipity, we take a deliberate approach to building innovative capacity in an organization through individual creativity skills, group behavior and organizational support. With innovation as the guiding North Star, companies create **consistent and simpler processes** that address multiple areas including DEI, organizational resilience and employee engagement.

*VUCA = Volatile, Uncertain, Complex and Ambiguous*
Focus Areas

Innovation First Strategy relies on three main pillars of individual cognitive and social-emotional skills, collaboration skills and organizational support.

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<tr>
<th>Skills</th>
<th>Collaboration</th>
<th>Support</th>
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<td>Creative thinking skills are essential for innovation. Creativity is a cognitively demanding process that utilizes different mechanisms like associative, reverse or analogical thinking. When cognitive creative thinking skills are embedded in an organization, innovation and decision making improves.</td>
<td>In the context of innovation, collaboration skills are those that allow complex problem solving behavior to emerge in diverse groups. It goes beyond putting people together in a room to brainstorm – it requires a few key conditions and cognitive-emotional skills like active listening and empathy.</td>
<td>Continuous, long-term innovation is not possible without organizational support. These include tools and processes to capture how employees learn and apply creativity skills, and how management supports them. Benefits include improved DEI, employee engagement and organizational resilience.</td>
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Read More:
- Misconceptions About Creativity
- Associative Thinking
- Reverse Thinking

Read More:
- Harnessing Group Intelligence
- Active Listening
- Cognitive Empathy

Read More:
- How creativity improves DEI
- Organizational Resilience
“Today, creativity itself has been elevated to a leadership style. Traditional approaches to managing organizations need fresh ideas—ideas that are intended to disrupt the status quo.”

-IBM’s Capitalizing on Complexity Report
Benefits of Innovation First Strategy

Adopting an innovation first approach provides many benefits ranging from higher profits to increased employee engagement and satisfaction. Most companies address organizational problems in an ad-hoc fashion creating unnecessary (and sometimes conflicting) processes. An innovation first approach allows fewer and simpler processes to address multiple challenging areas that plague most organizations.

| Companies that embrace an innovation-focused culture are more profitable. |
| Group norms that improve creativity also improve inclusion and equity for minority groups. |
| Organizations that value employee driven innovation have increased employee engagement. |
Increased Profitability

Firms that build internal innovation-friendly processes are substantially more profitable

Research study in the RAND Journal of Economics found that while specific innovations led to short term increase in profitability, creating internal processes that foster innovation led to substantially higher and long-term profitability. The indirect effect was as much as three times the effect of direct innovation.

“...the process of innovation transforms a firm, building up its core competencies in a variety of ways that make it quicker, more flexible, more adaptable, and more capable in dealing with market pressures that noninnovating firms.”

Read More:
- The profitability of innovating firms
Improved Diversity and Inclusion

Processes to foster innovation also improve diversity and inclusion.

Our research study on gender bias in the technology industry revealed that women in technology roles face significant barriers in contributing to organizational innovation. Multiple factors interact to create subpar conditions where women’s ideas are devalued or dismissed, including:

- Evaluation Apprehension
- Groupthink
- Tokenism
- Cognitive Dissonance

As a result, companies lose millions of dollars in operational costs and lost revenue.

Read More:
- How Gender Bias Limits Innovation And What Technology Leaders Can Do About It

Inclusive firms are 1.7X more likely to be innovation leaders in their markets.
Higher Employee Engagement
An innovation-focused culture leads to higher employee engagement.

Creativity enhances employee satisfaction and engagement; and engaged employees come up with more innovative ideas.

*When employees perceive that their ideas are valued, they find work more meaningful and go the extra mile to ensure success.* A survey commissioned by the UK government found that 92% of managers who perceived their organizational management style as innovative, felt proud to work there.

**Read More:**
- **Deloitte Study: Becoming Irresistible**
- **Engaging For Success**

30-50%

*higher engagement and retention rates in innovation-driven learning organizations*
Interested in learning more? Email us at

hello@mindantix.com