

Jean-Philippe Deschamps

Personal details

Born in 1941.

French nationality.

Graduated from Ecole des Hautes Etudes Commerciales in Paris and received his MBA from INSEAD and from the Harvard Business School

Career

- Started as a commercial attaché in the New York City office of the French Embassy in the United States
- Corporate Vice-President with Arthur D. Little, and Chairman of the firm's Technology and Innovation Management practice, which he created in 1981
- Since 1996, Professor of Technology and Innovation Management at IMD

About IMD

IMD is a leading provider of executive education for large- and medium-size international businesses and for individuals. Located in Lausanne, Switzerland, IMD counts 57 full-time faculty members, comprising 19 nationalities, who divide their time between teaching, research and consulting to major companies. IMD executive education was ranked 3rd in the world and 1st among European business schools for the overall quality of its programmes in the 2005 Financial Times rankings. The MBA was ranked 1st worldwide in the 2005 Wall Street Journal rankings.



“What really makes the difference is the presence of innovation leaders”

Interview with Jean-Philippe Deschamps, Professor, IMD

Arthur D. Little: You have been professionally involved in innovation management as an adviser, teacher and researcher for over 25 years. How has innovation management changed in this period? Are the issues and solutions still the same?

Deschamps: The issues that companies are grappling with haven't changed that much. But the importance of each issue very much depends on the industry and the individual companies within an industry. For example, re-engineering the new product development process in order to reduce lead times is as hot an issue as ever in many industries, but no longer the most pressing concern at leading-edge companies. These have got that under control now. The same can be said about improving project management skills and working with cross-functional teams.

Arthur D. Little: What innovation management issues are of pressing concern at leading-edge companies today?

Deschamps: Leading-edge companies today are focussing their improvement efforts on the very early phase of innovation: detecting unarticulated customer needs, generating and evaluating ideas and choosing the right product concept. In addition to the front end, they are also giving much attention to the back end, namely the new product launch process. And, finally, they are giving much consideration to product portfolio strategy and planning.

Arthur D. Little: So you could say that companies go through some kind of learning curve as far as innovation management is concerned?

Deschamps: Indeed. Initially their focus is on the process. Later it shifts to culture, namely on how to stimulate innovation. And particularly how to sustain an innovation-stimulating culture in spite of changes in manage-

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ment. Personally, if I reflect on the past, the topic that I have found most baffling is how to make a company evolve from one where innovation is haphazard to one where it is sustained.

Arthur D. Little: And have you identified the factors that executives can work on in order to make that transition?

Deschamps: Innovation leadership is the factor that makes the difference. I often work with multi-divisional corporations, where you see big differences in the innovation performance of their various divisions. These differences turn out not to be a matter of resources, the quality of the people or technology acumen. What really makes the difference is the presence of innovation leaders.

Arthur D. Little: What do you mean by “innovation leader”?

Deschamps: Innovation leaders are all the senior managers who lead the innovation process in their company, develop and coach innovators and promote an innovation culture, whatever their function. They really believe in innovation. They make sure that innovation gets into the genes of their company instead of being the flavour of the month, so to speak. It is thanks to the behaviour of innovation leaders that the innovation agenda stays high in the minds of the company’s senior managers. They’re the spark plugs of innovation.

Arthur D. Little: So it is a characterisation of a person with a number of traits rather than a specific function within the hierarchy?

Deschamps: Exactly. From my research at companies such as Logitech, Philips, Medtronic, Nokia and Tetra Pak, I have identified a number of traits that make up the essence of an innovation leader. You rarely find all traits to the same degree in each and every innovation leader. Superman doesn’t exist. Yes, companies can strive to develop what Microsoft calls “broad bandwidth managers”. But, at the end of the day, nobody has got it all. People have a default set of capabilities to which they tend to go back. The important thing is to have a chain of innovation leaders who collectively possess these essential traits. For example,

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some innovation leaders will be more apt to play a role at the front end of innovation, and others at the back end.

Arthur D. Little: Can you tell me a bit more about what these traits are?

Deschamps: There are six of them. First, an innovation leader knows how to apply both creativity and discipline to innovation. Daniel Borel, Chairman of Logitech, refers to it as the “mix of emotion and realism”. Second, an innovation leader not only accepts risks and failures, but also urges his or her staff to learn from these. It is better to have three wins and three failures than one win and zero failures. If you don’t fail, you don’t learn. Third, an innovation leader has the courage to stop projects. Unlike an innovator who is only bent on starting projects, an innovation leader can discern when to persist and when to pull the plug. Fourth, an innovation leader has a talent for building and steering winning teams – what my IMD colleague Bill Fischer calls “virtuoso teams”.

Arthur D. Little: What is a “virtuoso team”?

Deschamps: A virtuoso team is made up of strong and experienced yet uncompromising personalities. Virtuosos are not easy to herd, so to speak, because they are really so good in their respective domains that they will not go for groupthink nor compromise for a mediocre solution. A virtuoso will want to fight for the very best approach! So there is a lot of confrontation between them, but at the same time they have learnt to play together. Confrontation is a great wellspring of innovation, provided it is accompanied by respect. MIT Professor Rebecca Henderson refers to this as the capability of making “high-conflict, high-respect” decisions. Logitech, for example, is not afraid of confrontation. It is one of the rare companies where you can really challenge your boss, provided the challenge is fact-based, and not a strike at people.

Arthur D. Little: What are the other two traits of innovation leaders?

Deschamps: An important trait is the openness to external technologies and ideas, and the willingness to experi-

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ment with these. Just consider how Procter & Gamble now refers to R&D as “Connect + Develop”, and you see how important “open innovation”, the term coined by Henry Chesbrough, has become. Their final trait, and in my opinion the most important one, is passion. Passion for their mission and for innovation. And the ardour for sharing their passion with their staff. Thinking of the exceptional innovation leaders I know, they all exude a gigantic enthusiasm. Everybody in the organisation wants to work with them. They are a magnet for other people – in fact, often the company’s future leaders and executives.

Arthur D. Little: But what can today’s executive do to get the benefit of innovation leaders? As you said, it is not a function to which you appoint someone. Can you actually develop innovation leaders, or are we simply making an after-the-fact characterisation of individuals who turn out to have been instrumental contributors to successful innovation?

Deschamps: Innovation leaders emerge. You cannot go out and say: “Now we’re going to hire a couple.” What you can do, however, is to look for certain traits at the hiring stage. Logitech, for example, explicitly looks for people with passion. Even more important for executives is to orient people onto different tracks based on innate abilities that become apparent. One of the best ways to develop innovation leaders is by giving people project leader responsibility early on. And by coaching them through working with senior leaders.

Arthur D. Little: Aren’t many of the traits you ascribe to innovation leaders also the ones you’d expect to find in any leader? In other words, is there a special form of leadership for innovation?

Deschamps: That is indeed a controversial point. As my IMD colleague Preston Bottger explains, it is the leader’s role to create a sense of purpose (why are we in this business), direction (where are we heading) and focus (what we will do, and what not). These three elements certainly apply also to innovation leaders. But in my opinion, what sets innovation leadership apart are two of the mentioned traits: the attitude to risk, failure and experimentation, and passion.

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Arthur D. Little: In the long list of CxO functions, Chief Innovation Officer or CIO has emerged as a rather popular one recently. Companies having a CIO include Kimberly-Clark, Cargill, Citigroup, DSM, Coca-Cola and Hitachi. The CIO is formally put in charge of innovation. What is the difference between a CIO and an innovation leader, if any?

Deschamps: If you do have a Chief Innovation Officer, he or she had better be an innovation leader too! The same is true, by the way, for the Chief Technology Officer. But the reverse is not necessarily the case. One of the most impressive innovation leaders I know works for a rather staid chemicals group. He combines several responsibilities, namely business unit head, country head and de facto chief innovation officer, but the function of CIO as such does not exist and he consequently doesn’t carry that title either.

Arthur D. Little: Innovation is said to be a process consisting of four stages: observation (of customers), imagination (for ideas), confrontation (of solutions) and transpiration (to bring the selected solution to market). What role can innovation leaders play in these various stages?

Deschamps: The role of innovation leaders is not to execute but to stimulate. In the observation stage, for example, they should force everybody, not just the marketing people, to immerse themselves in the market. Consider the following anecdote. A highly respected innovation leader at a large corporation had noticed that his product development people, when making a short overseas trip to the R&D centre in Asia, tended to spend their free time there either drinking beer with their local colleagues or visiting stores to buy electronic equipment such as cameras on the cheap. To force them to spend their time more productively, i.e. do mystery shopping and observe local consumers, he introduced the rule that their travel expenses would be reimbursed only after submitting a report with insights from their observations. And he gave them four instructions for their observational outings: “Listen, listen, listen, and shut up!”

Arthur D. Little: And what about the role of innovation leaders in the imagination, confrontation and transpiration stages?

Deschamps: In the imagination phase, they should make it clear to people that their ideas do matter. They should acknowledge ideas brought forward, give feedback and reward good ideas. In the confrontation phase, the role of innovation leaders is to challenge the solutions brought forward: is the solution sufficiently robust? Have alternatives been envisaged? And in the transpiration phase, their role is to measure and encourage the achievement of performance.

Arthur D. Little: Another way to look at innovation is to see it as a quintessentially social process: innovation springs from the confrontation of diverse people and ideas.

Deschamps: Absolutely. It is the same idea that is behind the “virtuoso team” to which I referred earlier. I would add to that the importance of diversity of staff, be it in terms of gender, age, origin, education, culture, mindset or function. Recently I was privy to an idea brainstorming process for a retail bank. The neat thing about it was that two sessions were held in parallel: one with a traditional mix of creative people, the other with kids aged sixteen and seventeen picked off the street, so to speak. It was amazing to see what different – and highly valuable – ideas came out of the two groups.

Arthur D. Little: The premise underlying all that has been said so far is that innovation can be managed. The traditional cliché has it, though, that innovation is fundamentally a spontaneous process that can neither be mandated nor managed. The more you try to manage it, the more you’ll fail.

Deschamps: I cannot but disagree violently with that. Of course, if you diminish “manage” to producing thick process manuals, you’ll fail as well. Over-engineering of the innovation process has happened in the past, but no longer so. The realisation has sunk in that an excess of process is no good for innovation. At the end of the day, innovation management – or leadership, for that matter –

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is about balancing four aspects: creativity, discipline, process and culture. You need a good mix of creativity and discipline. Likewise, you need to marry “soft” culture with “hard” process. And, above all, you have to stimulate a culture of discipline and a process of creativity.

Arthur D. Little: How do you marry culture with process in innovation?

Deschamps: Ideally, a company has both a high-quality innovation culture and a high-quality innovation process. Start-ups typically are strong on culture and weak on process. As they grow bigger, they tend to start working on their processes, and the strong founding culture inadvertently degrades. As improving the process is easier than improving the culture, many companies end up with a rather strong process and a rather weak culture. But the one should not be at the expense of the other: if management is seen to work on the innovation process, it shows they care about innovation, and that by itself has a positive impact on the culture. You cannot mandate a culture change. Culture change is the result of introducing and sustaining an unrelenting stream of small mechanisms.

Arthur D. Little: Innovation is an evergreen priority. As with other virtues such as quality, it is hard to be against innovation. But “quality” has become boring, so to speak, just as “quality manager” has become almost a stigma. Isn’t there a similar risk of innovation becoming boring or, worse, being degraded by the excess of attention it gets today?

Deschamps: No way. Innovation is an elusive, eternal goal. You aspire to it, wonder how to make it happen, never to reach it entirely. An over-engineered innovation process can be perceived as boring, but not so innovation. It’s up to the company’s innovation leaders to prevent the degrading of innovation. Because if innovation degrades, the company eventually will degenerate.

Interview conducted by Herman Vantrappen (Director in the Brussels office and Chair of the Prism Board).