

5 Traits of leading innovators

Innovation is a prized concept across the business world. It's a word many people use to draw eyeballs and support recruitment activities. But, has anyone ever really stopped to think about what innovation is and how it can drive a business?



Source: pixabay.com

Mastercard and Harvard Business Review Analytic Services recently unveiled Become 2020, the inaugural edition of an innovation-focused research initiative. Become 2020 includes the Business Innovators Index and an associated report, Innovators Become Leaders, which explores the key differentiators that separate the leading innovators from their peers.

“It’s more important than ever for companies of any size to be innovative and creative. It’s our lifeblood,” said Ajay Banga, president and CEO of Mastercard. “This study offers insights and experience from several of the world’s leading thinkers to help others spark the creativity and culture to drive their business.”

Understanding Innovation

Over the past six months, Harvard Business Review Analytic Services (HBRAS) asked more than 1,000 executives how their organisations approach innovation across five key areas – process, human capital, funding, customer experience, and data and technology. Additionally, more than 1,000 global consumers were surveyed to see whether businesses are properly prioritising what matters most to their customers.

After analysing the responses, HBRAS developed the Business Innovators Index, with 100 representing the peak of innovative strategy, frameworks and behaviours. The study revealed that while most organisations understand the importance of innovation for growth and success, the majority do not effectively execute on their ideas.

Using the organisations' self-reported responses to 40 behavioral and attitudinal questions, three groups were identified:

- **Leaders** – possessing the broadest range of innovation capabilities. This group had a mean innovation score of 88;
- **Followers** – having capabilities in some innovation pillars. They had a mean innovation score of 66 and represented 42% of all respondents;
- **Laggards** – lacking a wide range of innovation capabilities. This group had a mean innovation score of 37.

Activating Insights

The report identified several key ways companies can embrace, launch or reinvent their innovation journeys:

- **Speed Wins:** Innovators need to think in quarters and weeks, not years. Nearly all (96%) of innovation leaders bring new ideas and solutions to market quickly as opposed to 17% of laggards.
- **Data as an Accelerant:** Real innovators draw insights from multiple data sources, as business intuition alone does not scale. In fact, 73% of leaders draw from both internal and external data sources.
- **Prioritise Now:** Innovation can't be an afterthought. Nearly 90% of innovation leaders prioritise their efforts at the highest levels of the company. This helps ensure the right budget and buy-in to feel more than incremental improvements.
- **Culture Counts:** Organisations need to empower employees to act like entrepreneurs. Not only does this create a culture willing to accept risk, but it leads to a broader pipeline of ideas, as seen by 84% of innovation leaders.
- **Focus, Focus, Focus:** Nearly half of consumers say that they expect companies to develop new products, services and features to meet their needs. Organisations need to prioritise breakthrough ideas or risk falling behind customer demands.

"Throughout life, we are all on a journey to figure out what we can do more and what we can become. One of the reasons we are drawn to innovation is because we want the world tomorrow to be better than the world today," said David Ricketts, innovation fellow at the Technology and Entrepreneurship Center at Harvard University.

"Corporations have driven most of the innovations we've seen and Become 2020 draws the roadmap for how organizations should continue to do so in the year ahead –with diversity, accountability and a clear creative vision."

Master Class from leading CEOs

As a special companion piece to the report, Mastercard and HBRAS also developed The CEO's Innovation Playbook, a look at 50 actions that can spark change, according to 12 of world's most prestigious chief executives.

These executives represent some of today's leading organisations, including Accion, Bass Pro Shops, Citi, The Coca-Cola Company, IBM, Lyft, PayPal, Ronald McDonald House, Salesforce, ServiceNow, University of Maryland, Baltimore County and Verizon.

"Innovation is at the core of everything that Accion does. In order to meet the financial needs of the three billion people who

are left out of, or poorly served by, the global financial system, we must disrupt the status quo,” said Michael Schlein, president and CEO of global nonprofit Accion.

“We are constantly rethinking how to harness new trends to create better, faster, cheaper and safer financial services for the underserved. These insights will help us continue to embrace innovation in pursuit of our mission.”

University of Maryland, Baltimore County president Freeman Hrabowski added, "As a university focused on impact, we've found that innovation happens when we take an honest look in the mirror, leverage data to help assess our efforts, and stay focused on our values."

Download the full Become 2020 reports – Innovators Become Leaders and The CEO's Innovation Playbook from [BecomeIndex.com](https://becomeindex.com) or [HBR.org](https://hbr.org).

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