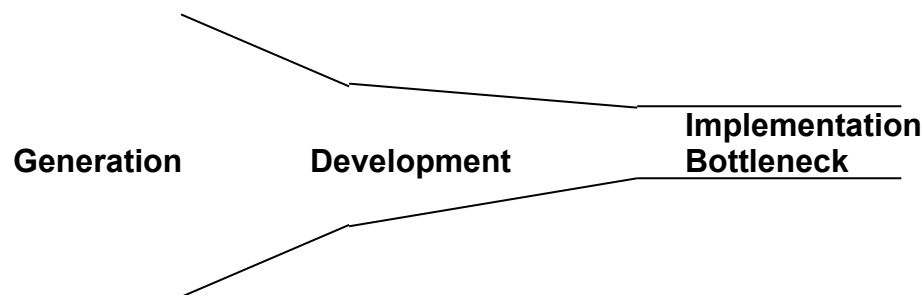


THE CHANGE FUNNEL

Every organisation has more ideas than it can implement. (Many of these ideas may only be in people's heads, but they are there.) The problem is selecting those, which the organisation needs to prioritise and putting adequate resources behind them.



Expending a lot of effort on idea generation provides a lot of choice, but it can demotivate people, whose ideas are not followed through. Developing ideas takes a lot more resource. Too few ideas in development, and the organisation stagnates; too many and they run into the implementation bottleneck. The bottleneck is caused by several factors, but the most critical are usually the availability of resources and the ability of people to cope with change. The latter is sometimes called *change resilience*.

To manage the change funnel, top management needs to:

- Make people aware of the priority areas for innovation
- Encourage the generation of ideas in those areas
- Be very clear why some ideas have been selected over others
- Invest in widening the implementation bottleneck
- Manage the flow of innovation to minimise waste at each stage.

Widening the implementation bottleneck

Practical ways of doing this includes:

- Aggregating innovations
- Creating innovation platforms
- Increasing people's change resilience

Aggregating innovations involves finding common links between ideas and building them into an umbrella initiative. People's sense of initiative overload is closely related to the number of changes they perceive to affect them. A single change with multiple facts is easier to cope with than lots of apparently unconnected changes.

Innovation platforms work from the opposite perspective. Some innovations – particularly in IT systems or technology, but sometimes also in "soft" areas such as HR processes – provide the basis for a flurry of consequent innovations. Very often, it is unclear what these subsequent innovations will be.

Increasing people's change resilience

The ability to cope with change grows with experience. Attitudes towards specific changes are more positive, if people:

- Understand the reasons for change
- See the change as reinforcing rather than undermining the psychological contract
- Feel they can influence the change as it applies directly to their jobs and their customers/ patients (i.e., the local application of change)
- Have space and the encouragement to engage in constructive dialogue about it, beforehand (to prepare), at initial implementation (to explore how to make it work in their terms) and at intervals (to review and suggest improvements)

The more people have experience of this kind of innovation approach, the greater their change resilience will become.

A classic example of the contrast between effective and ineffective innovation implementation is contained in a Harvard Business Review article¹, which compares the performance of theatre teams introducing a new, less invasive form of cardiac surgery. The assumptions about the task, about the values, and about the learning process were radically different between the most and least effective teams. Ineffective teams took up to four times longer both to carry out the operations and to bed down the process.

Embedding innovation

There is no simple answer to embedding innovation, other than that top management must be vigilant to ensure the change does not drop off its radar. A practical technique is to maintain an innovation register (perhaps as an addendum to the risk register) to trigger regular reviews of each innovation in the three years (or more) since it occurred.

¹ Edmondson, AC, Bohmer, RM and Pisano, GP (2001) Speeding Up Team Learning *Harvard Business Review* October pp125-132.