FCU SOLUTIONS INC.
a newsletter for our partners and friends…

IN TOUCH NEWSLETTER

Innovation is the lifeblood of entrepreneurship. Peter Drucker considers it, "the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service." That said, the reality is that although organizations value innovation, they struggle to achieve it.

Research by McKinsey revealed 94 percent of surveyed executives were dissatisfied with their company's innovative performance, and 85 percent of global entrepreneurs create businesses on someone else's idea, Amar Bhide, said.

This all points to a failure in entrepreneurial leadership. The leader plays a critical role in creating the right environment for innovation to flourish. Leaders often look to influence innovation at the organizational (macro) level; but equally they can inspire openness of thinking and ideas at a personal (micro) level.

Influencing innovation and ideas at the organizational level. There are many strategic ways leaders can influence the flow of innovation and ideas at the level of organizational design that goes beyond the lame suggestion box. Here are three proven approaches.

What's inside?

Creating A Culture Of Innovation Starts With The Leader By Ric Kelly

Source: https://www.entrepreneur.com/article/280870

1. Acknowledge and reward innovation.

Promoting innovation and ideas should be on every leader's scorecard. Employees should be encouraged to look at their daily tasks through an innovative lens, and they should be acknowledged and rewarded for innovative ideas. Compensation and gift giving is standard practice in progressive organizations such as Zappos.

2. Inject creativity with acquisitions.

Vijay Govindarajan has written about how organizations can inject creativity and innovation into their organizations through joint ventures and acquisitions. Disney's acquisition of Pixar, for example, revitalized Disney's creative juices.

3. Dedicate time to innovation.

In 1948, 3M launched its 15 percent program, where 15 percent of employees' time was dedicated to innovation.

Innovation distinguishes between a leader and a follower.
- Steve Jobs

The Post-It note was invented during 15 percent time. Organizations such as Hewlett-Packard and Google have both replicated this approach. Gmail and Google Earth were conceived during Google's 20 percent time.
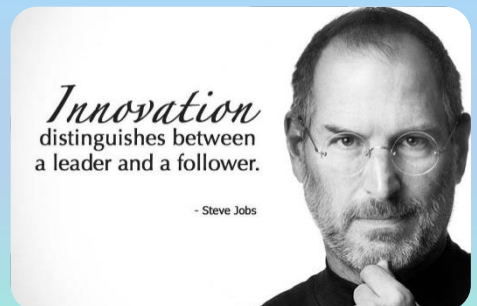
Creating A Culture Of Innovation Starts With The Leader

By Ric Kelly

Influencing innovation and ideas at the personal level.
Oftentimes leaders focus on strategically influencing innovation at the organizational level and can overlook the key role it can play in influencing a culture of openness and ideas through interpersonal effectiveness. Here are some ways leaders can encourage and role model openness and increase the flow of ideas through the way they interact with employees.

1. Increase dialogue.
Very often leaders talk about engaging with others through debate and discussion. These three verbs have very unfavorable etymologies. To engage, from the old French engagier, means to bind by promise or oath; to debate, from the old French debatre, means to beat; and to discuss has its origins in the Latin discutere, meaning to smash or break up.

Dialogue, on the other hand, comes from Greek dialogos, denoting flow of meaning. This is not just semantic pedantry, it gets to the heart of what effective modern leaders do - they broaden perspective, and they facilitate a flow of ideas through shared inquiry.

According to William Issacs, dialogue is a way of thinking and reflecting together. It is not something you do to another person. It is something you do with people.

Leaders can sometimes get carried away by their own status and positional power and feel duty-bound to challenge ideas, and keep everything on track. This closes down innovation. Ideas cannot flow when everyone is arm wrestling; ideas flow when people are curious, inquiring and openly expressing their ideas.

Leaders should recognize that dialogue is key to innovation, and they should be encouraging, cultivating and role modelling shared thinking.

2. Suspend assumptions and judgements.
To assume and infer is to process data through our own interpretative lens. Leaders need to consciously suspend their natural inclination to add layers of meaning and inference to ideas. Critical observation in early ideation closes down innovative thinking.

Two powerful tools that help leaders suspend judgement and remain receptive to new ideas include Chris Argyris' Ladder of Inference and Edward do Bono's Six Thinking Hats.

3. Actively listen.

Mark Twain famously remarked, "If we were supposed to talk more than we listen, we would have two tongues and one ear."

A key way leaders can inspire people to produce ideas is to take time to actively listen to them. It sounds obvious, but giving someone space to develop their ideas creates a respectful environment, where people feel comfortable expressing themselves.

When leaders are constantly interrupting, talking over ideas, finishing sentences and projecting negative body language, it breaks the creative flow and deters innovation. Rather than giving a person a good talking to, give them a good listening to.

Innovation is key to competitive advantage and growth. The 2016 Global Innovation Index, which is an annual ranking of the innovation capabilities and performance of economies around the world, focuses on national policies, but it's individual leaders who can make a difference by driving innovation within organizations and creating a conducive environment for innovation to thrive.

Yhey! New PARTNERS!

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TANGO ROMEO GENERAL CONSTRUCTION

ISO 14001:2015

EDITORS' NOTE:

Hi! We're happy to give to you this quarter's In Touch Newsletter. In the current issue, we tackle on the very interesting topic of innovation, as we celebrate with our clients in their transition to the latest versions of the different management systems. We would like to highlight the contribution of the Top Management in sparking creativity among its employees and in creating a culture of continuous improvement through product, process and business model innovations.

We would like to also congratulate our awesome clients in effectively implementing their systems. Join us as we welcome our new partners in the challenging and fulfilling journey to improvement. May you find this issue insightful and applicable in your respective organizations. Happy reading and stay In Touch! ☺

–Golda and Gems

WHAT IS *Innovation*

Source: http://asq.org/learn-about-quality/innovation/

The word "innovation" is used widely and inconsistently in media and business literature. Looking to the Latin roots of the word, "in-nova-tion" literally means "in a new way." Innovation can be defined as the successful conversion of new concepts and knowledge into new products, services, or processes that deliver new customer value in the marketplace.

Product innovation

Innovative products are those that replace or build on current offerings; they provide new features or other advantages that allow users to operate more efficiently and/or less expensively. Classic examples include the electric light bulb, the iPod, and GPS navigation systems. These products introduced radically new options for customers that quickly became widely demanded in markets around the globe while generating handsome profits for their producers.

Process innovation

In some cases, the product is a commodity or staple with a long product life cycle, for example, basic foods and pantry staples like milk and flour. Innovation is still important for competitiveness and long-term success, and the processes related to manufacturing and delivering the product are where changes can continue to offer greater value to customers and stakeholders.

Milk used to be delivered door-to-door, but that was in an era when someone was usually at home and could store it properly. In today's social environments, there may be security barriers that prevent a delivery

person from reaching the door, and there is likely to be no one at the residence to receive the perishable product. Providing alternative means of supply chain and milk delivery, such as making it available in quick-shop stores and grocers, allows customers to pick up the milk at their convenience. Other innovations for milk delivery were the processes for pasteurization (Louis Pasteur) and for dried milk. These process innovations benefited customers and retailers by prolonging the shelf life of the product.

Process innovation is finding better ways to do the job that you have to do. Compared with product innovation, there may not be an ingenious new idea that needs to be built, tested, funded, marketed, launched, and serviced. Process innovation may involve benchmarking another organization that performs a similar process, or an unrelated organization with a process that somehow parallels yours.
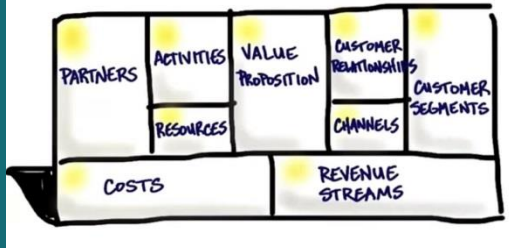
Business model innovation

While innovative new products and services—along with new manufacturing and delivery processes—are frequently used to improve organizational performance, sometimes the entire business model becomes outdated and ineffective, requiring a dramatic change, as in the increasing use of homecare rather than hospitalized care. The need for business model innovation is often driven by the increasing need for agility in business structure, and this is in turn driven by the increasing speed of change in the market.

Improvement versus innovation

Innovation by definition adds value, and it is probable that a successful innovative solution will be the one that improves the process and/or its output. But innovation and improvement are often referred to in tandem, as in "our innovation and improvement program" or "the continuous improvement and innovation team."

Not all improvements are innovations, most innovations are improvements, and there are some innovations that are not improvements. The relationship looks like the figure below.

Innovation (1), improvement (3), or both (2)?
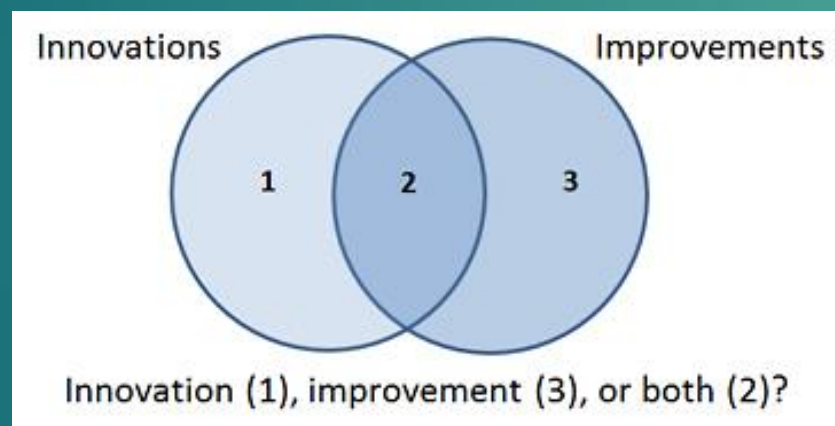
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We Are Proud Of You!

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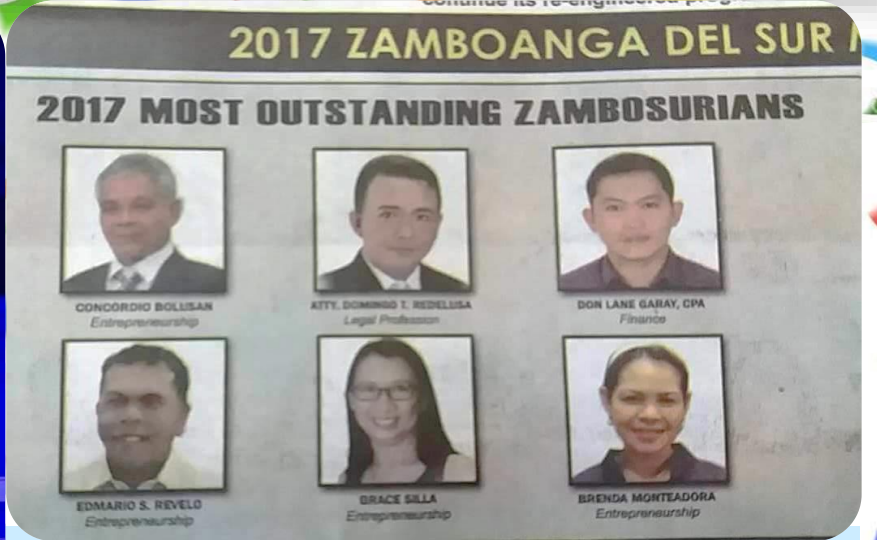ISO 9001:2015 Certified

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Congratulations to **Ma'am Grace Salla** for being one of the **Most Outstanding Zambosurians of 2017**.

The Right Innovation Mindset Can Take You From Idea to Impact

By Vijay Govindarajan and Srikanth Srinivas

Source: https://hbr.org/2013/09/the-right-innovation-mindset-can-take-you-from-idea-to-impact

Thomas Edison said it over a century ago: "Genius is 1 percent inspiration, 99 percent perspiration." Unfortunately, when companies launch innovation initiatives, they tend to devote most of their time, energy and attention to that initial 1% – the thrilling hunt for the breakthrough idea. The real innovation challenge, however, lies beyond the idea, in a long, hard journey from idea to impact. Innovative companies sustain a track record of success by creating the right "climate" for employees to cultivate the innovation mindset — to think different, act different, and achieve extraordinary success.

Opportunities

Not every idea is worth pursuing. The first step is to narrow down the ideas to worthwhile opportunities. Have a process to evaluate whether it is the right opportunity by asking: Do we want to pursue this–does it align with our purpose? Can we execute it–does it align with our core competencies? If it takes off in the best possible way, will the benefits be worth it? Are the risks such that the damage won't be irrecoverable if things go wrong?

Dare to seize the opportunities that meet these criteria. Create mechanisms to seed fund and resource the right opportunities. Have a portfolio view of the opportunities, and ensure that there is a balance of opportunities that span current, adjacent and new space. Recognize that seizing the opportunity is but a tiny first step – like a little plant has sprouted. You have to nurture it patiently until it grows into a big tree with deep roots and a thick trunk.

"And" Thinking

The next challenge is to strike the right balance between getting the most out of these opportunities AND keeping your performance engine humming. What are the best structures to create so you neither disturb the rhythm of the performance engine nor drop the ball on opportunities? Many organizations embark on large-scale change management efforts to "make" their organizations more innovative; most fail. Our guiding principle is quite the opposite: Do no harm. The challenge is not just to make innovation happen, but to do so while simultaneously excelling in ongoing operations. Butter before Jam. Cake before icing. But butter AND jam. Cake AND icing. If the performance engine is humming along, it's best not to impose an innovation challenge if it would disturb that rhythm. We would opt for minimal change on that front, and creating dedicated innovation teams that work in partnership with shared staff. Rather than major surgery, aim for precision surgery or micro surgery.

Resourcefulness

Create a climate where resourcefulness is encouraged and rewarded. Pass down organizational stories, highlighting the obstacles that employees powered through to get results, through successive generations of leaders.

Outcomes

Create a climate in which employees can focus on outcomes instead of getting caught in the activity trap. Create separate planning processes for innovation efforts that are big enough to require dedicated teams. Unlike the performance engine–where the planning process is focused on financial, customer, and market share performance–the innovation planning process needs to focus on learning, viewing innovation as a disciplined experiment. What gets measured gets done. In companies that consciously cultivate a climate of innovation, innovation is not about no accountability, but a different kind of accountability. Construct just enough structure to make sure you're making progress in the right direction, and no more.

If a flight going from Dallas to New York were a degree off, it would end up in the sea instead. Most flights, in fact, are more than a degree off 95% of the time. Most flights, though, land where they are supposed to. How do they do it? One key reason: the pilot has a "rough" flight plan and engages in dynamic course correction.

This same notion of a "rough" plan coupled with dynamic course correction is what we recommend in innovation efforts. If the performance engine has monthly planning meetings, the innovation side should have weekly "course correction" meetings. If the performance engine is on a weekly rhythm, the innovation side has to step it up a notch and get on a daily course correction cycle.

Expand the Pie

When the business model has stabilized, have systems in place to encourage employees to "expand the pie" by developing new revenue streams, increasing reach, or converting non-consumers into consumers. For example, Apple expanded its pie by creating the App Store, where individuals and small development shops could stand on Apple's shoulders and reach a market they never could otherwise. In turn, Apple's reach increased because their customers got access to a much larger pool of software. They expanded the pie for themselves, their partners, and their customers.

Innovation execution is neither innovation nor execution but its own strange beast. When tamed, however, it can be a source of enormous strength, lasting differentiation, and sustained success.

How to Build Innovation Into Your Business Without Creating Chaos

By Steve Sponseller
Source: https://www.entrepreneur.com/article/251366

Business Leaders know that innovation is critical to the growth and success of a company. But implementing a company-wide system for even identifying innovative ideas often triggers a strong protest against any initiative that might cause disruptions to the operation of the business.

Employees are already overloaded, so it's only natural that adding innovation activities, and the uncertainty that comes with innovation, is likely to be met with resistance. You can overcome this resistance by launching an innovation team rather than rolling out a company-wide innovation program. As an Innovation Strategist, I have found that it's rarely, if ever, necessary or advantageous to involve all of your organization in the innovation efforts. Properly configured and supported, small innovation teams can generate a multitude of valuable ideas without upsetting the day-to-day operations of the business.

1. Identify innovation team members.
Select a group of six to eight people who have shown an interest in innovation for your first team. Choose people who enjoy creative activities, who are strong leaders likely to be interested in piloting the new innovation team. Some companies select people from the same department or group within an organization, such as the design or development group. However, a diverse team with members from different parts of the business will be more successful in big picture innovation.

For example, the innovation team may contain representatives from product development, marketing, manufacturing, sales, customer service, executive leadership, and so forth. This team diversity provides a wide range of experiences and job functions, which typically results in more ideas and a broader range of innovation.

2. Set the ground rules.
In any group of people developing creative ideas, ground rules are required to keep them from running amok.

These rules include a prohibition against criticizing ideas or dismissing them as "impossible." Although a particular idea may not be commercially feasible (e.g., too expensive or too time-consuming to develop), it may be a seed or "trigger" to another idea. Therefore, every idea has value and must be presented without criticism to support the progression of ideas.

I have facilitated many innovation meetings where one idea leads to another, which triggers additional ideas and, eventually, a valuable and commercially feasible idea is developed that can significantly impact the business. If any of the initial ideas had been criticized or disregarded, the group would not have reached the idea with the potential to create growth and wealth.

3. Generate seeds.
A productive way to start a team meeting is with a set of seed ideas. Start with customer complaints, new feature requests, unmet needs of products in the market, industry trends, and product trends. All of these seeds represent problems to solve or opportunities to create new products or services.

For example, customer service representatives may identify frequent problems or frustrations encountered by customers. The sales department identifies features requested by customers or competitor features that are resulting in lost sales. Every company should keep a list of seed ideas that can help initiate group or individual brainstorming sessions.

4. Schedule group idea sessions.
Occasional team meetings to generate ideas often generate valuable ideas in a short period of time. Using seed ideas with a group of people creates a progression of thoughts that can solve a variety of problems or identify new opportunities for the business.

I have been part of team sessions that start with a single problem and ended up solving the original problem as well as creating new product enhancements that provided a competitive edge to the company. Record the innovative ideas generated in these group sessions for future meetings. Some of the ideas from one meeting may become seed ideas for the next meeting or individual brainstorming sessions.

5. Encourage individual sessions.
Individual team members should be encouraged to spend time by themselves developing ideas. These ideas can be expansions of ideas discussed in the group sessions or new topics not previously discussed. Some of these individual ideas are useful as seed ideas for later team meetings. The practice of individual brainstorming sessions can also cultivate innovative thinking that becomes a daily habit for the individual team members.

FCU in Action!

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ISO 9001:2015 Internal Audit Workshop

Legazpi Premium Development Corporation
ISO 9001:2015 Internal Audit Workshop

Unibag Polysack Corporation
ISO 9001:2015 Risk Management Workshop

Verzontal Builders, Inc.
ISO 9001:2015 Awareness & Risk Management Workshop

DCCD Engineering Corporation
ISO 9001:2015 Risk Management Workshop

Almana Construction and Development Corporation
ISO 9001:2015 System Launching

CTP Construction and Mining Corporation
QEHS Surveillance Audit

BC Cuerpo Construction Corporation
ISO 9001 2015 Awareness &
Risk Management Workshop

Calcab International Builders Corporation
ISO 9001:2008 Internal Audit Workshop

Halrey Construction Inc.
ISO 9001:2015 Awareness & Risk Management Workshop

IBC International Builders Corporation
ISO 9001:2015 Awareness & Risk Management Workshop

Lepanto Consolidated Mining Company
ISO 14001:2015 Awareness Workshop

LR Tiqui Builders Incorporated
ISO 9001:2015 Internal Audit Workshop

Philworks Construction and Supply
ISO 9001:2015 Internal Audit Workshop

TGV Builders Inc.
ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007
Internal Audit Workshop

Ulticon Builders Inc.
ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007
Internal Audit Workshop

Wee Builders
ISO 9001:2015 Awareness Workshop

International Solid Waste Integrated Management Specialists, Inc.
ISO 9001:2015 Awareness & Risk Management Workshop

Elgrade Inc.
ISO 9001:2015 Internal Audit Workshop

Verzontal Builders, Inc. (Bicol)
ISO 9001:2015 Internal Audit Workshop

DSB Construction and Supply
ISO 9001:2015 Awareness & Risk Management Workshop

Davao Oriental State College of Science and Technology
ISO 9001:2015 Internal Audit Workshop