How to *really* measure innovation.

(The Creativity Suite, Episode 12)

Interview with Alex Goryachev

Head of a global network of Innovation Centers and Employee Innovation, CISCO

THECREATIVITY SUITE

With **Fredrik Haren**, The Creativity Explorer

Innovation experts learning from innovation experts.

As head of a global network of Innovation Centers and Employee Innovation Programs Alex Goryachev is at the centre of innovation within Cisco. And Cisco - a $50B technology leader at the heart of Silicon Valley - has been at the centre of technology innovation for a very long time. So I guess it is safe to say that Alex, as head of innovation centers of Cisco, is at the centre of innovation at one of the centres of innovation at one of the innovation centres of the world…

So who better to talk to about corporate innovation than him?

As an author of innovation books himself (his latest book is called "Fearless Innovation") Alex has many interesting views on the topic and we had a long and interesting discussion about things like the purpose of innovation and how innovation needs to be aligned with the needs of the stakeholders.

(One thing I loved to find out about Alex is that he forces himself to listen to the most popular music of the day, not just to know what the kids are listening to, but to force himself to refresh his ability to understand new information. Many people - and companies, especially as they grow older - get complacent with the information they use to make decisions. That is why we go back and listen to "Hits from the 80's" on Spotify. And that is why companies die.)

For this text, I want to share Alex's views on how to measure innovation. I want to do it for two reasons:

1). "How do you measure innovation?" is one of the most common questions I get from business leaders when I do creativity workshops, which shows that there is a huge interest in finding out how to do it out there.

2). I find his insights very interesting

The first thing he told me during our conversation was: "Innovation must be measured, but so many companies measure the wrong thing."

Ok, now he had my attention, so I asked him to elaborate.

According to Alex, many companies measure what he calls "process metrics" when what they should be measuring is "impact metrics".

"It pains me that so many in this industry are so focused on measuring the ideation.", he said.

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Alex gave examples of how many innovation practitioners will happily announce things like:

"Wow. We just had 5000 people at our hackathon!"
or
"Success! We got 400 ideas on our idea competition".

Because metrics like that says very little about the level of innovation in the company.

"Innovation should be driven by outcome." Alex said,

Now, process metrics are not useless, but they are much less important than impact metrics. Impact metrics is when you measure the effect of the innovation.

Take the example of the hackathon. "Hackathons can be a great way to increase employee engagement", Alex explained. "But then we should measure employee engagement. Not number of ideas generated at the hackathon."

One reason people tend to measure process metrics is that it is easy and convenient to measure. But innovation has very little to do with easy or convenient. We should thrive for impact.

Innovation should be driven by outcome.

Cisco, of course, does events to inspire more ideas and innovation, but not because they want to have X number of new ideas. According to Alex the innovation activities that Cisco has done has played an important role in transforming company culture and has been highlighted by Fortune as a unique value differentiator directly contributing to Cisco being ranked #1 on the Best Place to Work world ranking for 2019, and on the Top 25 list in 22 countries.

Alex again: "Things that keep coming up in our employee surveys are that Cisco is a value-based company, that the employees feel that their opinion matters, that they appreciate working with smart colleagues and that innovation is encouraged.

Cisco is pushing innovation to innovate - of course - but also to drive employee engagement. And then they measure that it does.

A great way to check if an innovation activity is actually meaningful, according to Alex, is to ask: "What happens if we do not do this activity?"

If the answer is "We will miss out on a number of ideas" then perhaps you might want to rethink your measuring metric and select something more meaningful.

To summarise. Do feel free to measure process metrics when evaluating innovation, but make sure that you primarily measure innovation on impact metrics - as in things that actually make a (positive) impact in regard to one of your company's stakeholders.

I guess one way to say I would be: Valuable innovation is innovation that creates value.