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## **Rethinking Innovation – By Learning from the Brilliance of Truckers**

Through the years, I've come to realize that your average politician knows as much about innovation as your average rock.

You should make sure that you escape the same fate.

Think about it – it seems that almost every second day, some politician or other makes a grand pronouncement involving an initiative that will “make the nation more competitive,” and that to get there, “we must be prepared to support innovation.” With the grandiose statements comes talk about the need for a bigger research budget, sudden new demands for more funding for science and technology, followed by the same predictable responses from the private sector that the “new initiative” isn't big enough or doesn't go far enough.

And the rest of the population – including many of your members and perhaps even yourself – go back to sleep, concluding that someday, somewhere, some great people will deal with the “innovation agenda.”

The problem with this, of course, is that both you and your membership base are probably missing the point that in a world of constant, relentless change, everyone is responsible for innovation on a day to day basis. Without regular innovation, you will find that increasingly, you'll be left behind.

### **Do you have an innovation problem?**

Take a moment to think about the day to day attitudes that you find within your association management team or board, and within your membership base.

Does anyone ever respond to new ideas with the reaction that “we can't do that, because we've always done it this way!” If someone dares suggest something different, does someone inevitably react by saying, “that's the dumbest thing I've ever heard!” Is any initiative to try something new met with the comment that “it won't work!”

If so, you've got precious little innovation oxygen fuelling your fire for the future, and you'd better work hard to fix the problem. And maybe what you and your membership base require is an appreciation that innovation is about much more than basic “R&D” – and that everyone is responsible for innovation in everything they do.

### **Look to truckers for innovation inspiration!**

Some of the most innovative organizations and individuals that I've ever met happen to work within the trucking industry – simply because they seem to best understand the potential for real innovation.

Truckers? Did an image just spring to mind?

If so, drop that image, because the trucking industry has been at the forefront of what we might call the “logistics innovation revolution”: an effort involving operational efficiencies, revenue growth and organizational transformation, all in one swoop. And it is those three elements that are the essence of innovation for any organization, including associations.

Consider what the trucking industry has been doing. Over the last ten years, a wide variety of trucking and shipping organizations—ranging in size from mammoth organizations such as FedEx and UPS to the smallest of local carriers—have been at the forefront of an effort to reduce their cost base, grow their revenue and transform their line of business. They've been doing this with the overall strategic objective of assisting their customers in the transformation of their own business operations.

Collectively, they grabbed on to a simple premise: trucking organizations could increase the value of

their product and service if they helped their customers run their business better. They could transform their own operations and those of their customers by taking on the role of business partner to their clientele. One of the ways they have done this is by layering a service element on top of their basic business model.

Look at what trucking organizations offer today: simple tools that allow their customers to build efficiency into the process of arranging for and tracking shipments. These tools allow the trucking organizations to reduce their own cost of doing business, which is the idea of “running the business better,” or operational transformation.

Sophisticated planning tools help them maximize the load on their departing trucks. In addition, many organizations have developed systems to help them schedule last minute or partial loads for immediately departing trucks, which they offer to clients at a reduced rate. Both of these strategies, along with other innovations, have helped them to grow their revenue.

Last but not least, they determined there was an opportunity to transform the very nature of what they do: they could take over the entire shipping operations of many of their client organizations, which led them into the “logistics” business. In effect, they’ve transformed themselves into an effective partner with their clients, and have achieved transformational innovation.

Trucking organizations today tend to be some of the more innovative organizations on the planet. Not surprising, given their strategies place them square in the middle of each of the three main innovation opportunity areas: run the business better, grow the business, and transform the business. For associations, that translates into running the organization better, providing better services to the members, and transforming the association so that it can better fulfill its mission and respond to the changing realities of today.

### **The essence of innovation**

What can we learn from truckers? The most important lesson is that real innovation doesn’t necessarily have to involve “research and development,” science, or some research lab that happens to be staffed by a bunch of people in white jackets.

Instead, innovation is all about taking a look around you, and determining what you could do to do things better. From that sense, everyone in every organization should be responsible for innovation.

The problem that has emerged with the political focus on innovation is that many organizations and the people who work within them don’t think they’re responsible for innovation, a misperception that can have disastrous results.

While new product and service development is certainly a big part of what makes organizations successful, it is only a small component of what we might consider the “innovation opportunity.” Truly innovative organizations and the leaders and staff within them realize that innovation can occur with anything: operations, customer service, business processes, the ability to enter new markets, revenue enhancement opportunities, corporate and workplace structure, corporate culture and attitudes and just about everything else!

Innovation is about everything an organization does—and how it does it. The same link of thinking applies to association management.

### **The concept of “running the business better”**

There is plenty of opportunity in every organization for operational innovation; that is, doing what you can to “run the business better.” This type of innovation involves a continuous effort to change, improve and redefine business processes, whether they involve customer service, HR practices, logistics and shipping methodologies, purchasing processes or just about anything else.

For associations, this translates into ways by which you change the way you interact with your members, work to better achieve your goals, and in the manner by which you operate day to day. Opportunity for innovation abounds, if you get into the right innovative frame of mind.

And you shouldn’t ever think there isn’t huge room for improvement—most organizations, including many associations, are inherently inefficient, with outdated or illogical processes in place. There is countless potential for improving the way organizations work, and plenty of opportunities for innovative thinking with respect to the way things are done. Add it up and look at the benefits from doing things smarter or more effectively and there can be a huge return.

## Grow the Business

Second, make sure you understand the opportunities from “growing the business,” or what might also be called “revenue-focused innovation.” Yet don’t restrict yourself to thinking that it is only about enhancing revenue. Think about business model innovation, for example: new business ideas involving expansion in existing markets or new ways of reaching the customer that weren’t previously possible (or that no one had thought of before).

For associations, this type of innovation might involve new products and services that are made available to the membership base, or sophisticated new forms of online education that involve a cost recovery component. It could anything that is new and different in terms of fulfillment of the overall mandate of the association.

## Transform the Business

Last but not least, always keep in mind the concept of “transformational innovation.”

Transformational innovation involves taking a look at the way the organization is structured, and thinking how it might be able to work smarter, more efficiently and with better results by changing the skills makeup of the organization. It involves constant, probing questions that continually assess the organization and its skills, such as:

- Do we have the people we need in the right places/positions to fulfill the mission?
- Do we have the right people with the right skills available at the right time?
- If we are suddenly faced with rapid market or industry change, do we know how to access specialized skills and talent we might need?

With the global connectivity that has emerged over the last few decades, there is plenty of opportunity to do what couldn’t have been done even five years ago to help transform the very nature of the organization. Today’s workforce can be accessed and harnessed in ways that were not previously possible. For example, organizations can:

- use specialized talent in remote locations;
- implement retention policies;
- implement unique tele-working policies;
- form new partnerships with organizations or individuals with specialized expertise;
- use any number of other unique methods to get access to the right skills at the right time for the right activity.

All of these ideas are equally applicable to associations – do you really have a structure in place that fits the unique and ongoing challenges that you are being presented with as the new century unfolds? If not, do you have a flexible structure that helps you adjust your capabilities on an as-needed basis? Do you have an organizational culture that permits rapid transformation of the way you work, such that you can respond quickly to new challenges. If you don’t, then you need to be thinking about transformational innovation.

A key point is this -- organizational transformation also recognizes the concept of “partnership” as a key corporate structure for the future. In a world of mammoth complexity and constant change, organizations must focus on their core competencies and partner with others to accomplish the things they cannot or should not do. In essence, they must recognize that the path to the future is to concentrate on what they do well and on what is critical to their central mission, and to seek partners to help out with everything else.

It is entirely possible to pursue an innovation strategy encompassing all three areas of opportunity. And if you begin thinking about innovation from these three perspectives, you’ll come to realize there are extensive opportunities that can come from innovation.

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