



MYTHS AND BENEFITS OF AN INNOVATION SYSTEM

Leading companies in non-legal industries have been required to be innovative over many years to remain competitive. These companies' experiences can now teach those within the legal profession many important lessons about successful innovation.

One lesson is that although one-off breakthroughs may occur, long term sustained successful innovation results from having a structured system in place.

This article explores four myths around innovation and outlines some of the benefits of having a system that fosters innovation.

Myths and benefits of an innovation system

#1 – Direction.

Myth: To be innovative you must throw open the doors and ask all and sundry to 'think outside the box' without any parameters.

Do not be confused. This is one perfectly valid approach to innovation. There exist large scale companies and innovation incubators, where this approach is used successfully.

However, this is not the only way. In contrast, one benefit of approaching innovation by a systemised method is that innovation efforts can be aligned with business and strategic objectives. Doing so heightens the likelihood that innovation efforts will be successful.

For example, compare two situations. The first: a law firm informs participants of the law firm's strategic objective to become market leaders in health and safety regulation, investigations and enforcement.

Those participants generate a number of ideas relevant to achieving that strategic objective. The group's best efforts are targeted and focussed on initiatives that will achieve (hopefully) that goal. The ideas generated have a higher likelihood of being pursued. This leads to a sense of achievement for those involved; encouraging further participation in the future.

In contrast, consider a law firm that has a general 'let's be innovative' policy that rewards staff for one-off creative ideas. Ideas will likely be sporadic. Decision makers may consider ideas trivial because they do not meet the future needs of the business. The person(s) who generated the idea will be disappointed when the idea is not pursued, or taken seriously, and maybe even be resentful. That person is unlikely to participate in future efforts to be innovative.

#2 – Deal to risk

Myth: Lawyers cannot innovate because innovation involves risk.

It is correct that innovation involves risk. Many good ideas may never get past an initial discussion because of one person's comment similar to 'that sounds like a risk...'





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However, in most instances there are two categories of risk: acceptable and unacceptable. The events that fall within these two differing categories vary from person to person.

To implement change within a law firm it is beneficial for Partners to come up with a collective view of acceptable and unacceptable risk; as opposed to having a multitude of disparate views which act to stymie growth.

An innovation system allows a law firm to explore these areas of risk in a methodical and reasoned way. Strategically, an innovation system enables business owners to examine their risk profiles meaning that good ideas are not precluded based on undefined risk.

A transparent set of boundaries can be compiled that help to shepherd an initiative's journey through firm decision-making processes. Also, an innovation system allows ideas to be tested in a robust way, thereby minimising risk.

#3 – Manageability

Myth: Innovation is too hard; it's too big a concept; takes too long and costs too much. Successful innovation does involve time and commitment of resources (generally people and money).

The benefit of implementing an innovation system is that the overall goal and process can be broken down into manageable units of actions, time and money.

A seemingly daunting undertaking can be defined and scoped. It can be broken down into actions that can be matched with resources.

For any person or organisation (but especially for time poor professionals), having a to do list of defined actions formed from a plan to achieve a goal, is more readily achievable than a broadly defined goal with no plan in place.

#5 – Building on resources

Myth: To be innovative, we must look outside ourselves.

Whether or not the primary focus for idea generation comes from within the firm, as opposed to outside, may depend on what category of innovation you desire.

Broadly speaking, innovation falls into two categories: those initiatives that adapt current products or services (incremental innovation); and, those that look to generate new sources of business (blue sky innovation). Efforts to be innovative in both ways requires discussions with key stakeholders, including employees and clients.





However, incremental innovation may focus more on fostering the knowledge and creativity of those within the law firm. Unlocking the creativity of internal employees can be a valuable way to generate actionable ideas.

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12 November 2017

Conclusion

Putting in place a tailored innovation system is strategic.

A system enables a law firm to:

- align its business development efforts with its strategic objectives;
- plan for success (rather than rely on serendipity); and
- build on the knowledge and passion of existing employees.

Implementing a simple, workable innovation system with a firm improves the likelihood of successful innovation.

View Consulting's services information (www.viewconsulting.co.nz/ourprograms) provides more information about innovation within law firms and testing your firm's aptitude for innovation.

To discuss this paper, or innovation within legal services generally, please get in touch.

