

NANO TOOLS FOR LEADERS®

INNOVATION TOURNAMENTS: MORE AND BETTER IDEAS

Nano Tools for Leaders® are fast, effective leadership tools that you can learn and start using in less than 15 minutes — with the potential to significantly impact your success as a leader and the engagement and productivity of the people you lead.

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THE GOAL:

Create and select exceptional opportunities for innovation.

NANO TOOL:

Companies with a structured, professional approach to innovation are rare. Most do a great job managing processes like recruiting and sales training, but view innovation as a creative process that's shrouded in mystery. As a result, money is often thrown at mediocre projects with the hope that some luck will enter in and make them successful. Organizations seeking exceptional opportunities for innovation must instead employ a very process-driven approach to drive innovation.

An innovation tournament is one such approach. Like its counterpart in sports, this is a structured, multi-round competition. Based on the Darwinian principle of the "survival of the fittest," it systematically elicits a large number of innovation opportunities (the contestants) and selects a handful of exceptional ones (the winners). An organization's first tournament should take the form of an innovation workshop, which introduces the key ideas of tournaments to participants while creating an appetite for future competitions. It also can result in some exceptional innovation opportunities.

HOW IT WORKS:

- The professional services organization **Deloitte** holds annual three-phase innovation tournaments, or "Innovation Quests," to identify innovative ideas that occur daily at client sites or field organizations. In the first phase, all employees are invited to submit ideas electronically. These ideas are reviewed, and a few are selected by a team of leaders and subject experts. In the next phase, idea owners build teams and solicit feedback meant to enhance the original proposal. During the final phase, all personnel vote on the ideas. Winners receive a monetary prize and greater exposure to senior leadership.
- Grand Challenges Explorations was initiated by the **Bill and Melinda Gates Foundation** in 2008 to identify and create tools to improve the health of those in the developing world. The \$100 million accelerated grant program seeks ideas from anywhere and anyone, requiring short online applications and no preliminary data. Offering encouragement to those with bold, unconventional proposals, Grand Challenges selects winning grants after about four months from the submission deadline. Grants have been awarded to 405 researchers from 34 countries.
- **Google's** "Product Ideas" campaign invites users to preview features and products and then submit innovation suggestions. Other users can then vote on the ideas. A recent campaign involved a preview of a new version of Google Groups. In two months, it drew more than 1500 suggestions that were voted on by over 20,000 users.

ACTION STEPS:

1. **Select** a group of 15 to 40 employees to participate in the innovation workshop, and determine an area of strategic importance in which you want to innovate. Instruct participants to spend 20 minutes on individual ideation, coming up with five ideas related to the chosen area.
2. **Convene** groups of four or five participants to discuss the opportunities that each individual conceived, and then generate additional opportunities through group discussion. Each group should pick, from the entire set identified, its best opportunities to share with the full workshop group.
3. **Pitch** ideas to the full group. All pitches should adhere to the 2-1-0 rule: a maximum of two minutes for a presentation, exactly one opportunity per sheet of paper or slide, and no discussion of the opportunities during or after the presentations. Each group member should pitch one idea.
4. **Vote** on the opportunities and review the results. Arrange opportunities in the order of support they garnered. Discussion will ensue, which should include steps needed to advance the opportunities, as well as the strengths, weaknesses, and opportunities for improvement in the process.

SHARE YOUR BEST PRACTICES:

Do you have a best practice for promoting innovation? If so, please share it on our blog at Wharton's Center for Leadership and Change Management. <http://whartonleadership.wordpress.com/>

ADDITIONAL RESOURCES:

- Innovation Tournaments: Creating and Selecting Exceptional Opportunities. Christian Terwiesch and Karl T. Ulrich (Harvard Business School Press, 2009).
- "Idea Generation and the Quality of the Best Idea." Karan Girota, Christian Terwiesch, and Karl Ulrich, *Management Science*, Vol. 56, No. 4, pp. 591-605, 2010.
- "Picking the Winners" Christian Terwiesch and Karl T. Ulrich, *International Commerce Review*, Vol. 9, No. 1, pp. 10-21, 2010.
- Christian Terwiesch is faculty director of Wharton Executive Education's [*Innovation Tournaments*](#) program and teaches in the [*Executive Development Program*](#). Karl Ulrich teaches in [*Innovation Tournaments*](#), [*Competitive Marketing Strategies*](#), [*Innovation for Growth: Strategies and Best Practices*](#) and [*Global CEO Program: A Transformational Journey*](#).

ABOUT NANO TOOLS:

Nano Tools for Leaders® was conceived and developed by Deb Giffen, MCC, Director of Innovative Learning Solutions at Wharton Executive Education. It is jointly sponsored by Wharton Executive Education and Wharton's Center for Leadership and Change Management, Wharton Professor of Management Michael Useem, Director. Nano Tools Academic Director, Professor Adam Grant.