



# ExecBlueprints™

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## Action Points

### I. What Is the CEO's Role?

The CEO sets the tone for innovation at his or her company and is responsible for establishing the right culture to foster the kind of innovation the company needs. This is accomplished by sharing vision, establishing trust, leveraging differences between departments and people, and rewarding the generation of novel ideas and processes.

### II. The Bottom Line

Investments in innovation and diversity may seem frivolous to a struggling company, but the fact remains that every company needs periodic breakthroughs to remain competitive. Moreover, as more people immigrate to the U.S., every company must learn how to accommodate these demographic shifts both in their workforce and customer base.

### III. Must-Have Strategies for Fostering a Climate of Innovation

Innovations can only occur within a culture and infrastructure that supports them. People are better able to generate and implement new ideas in environments that they physically share where goals and expectations are clearly communicated, "soft" concerns about their feelings and relationships are addressed, and their different styles are embraced.

### IV. The Golden Rules for Training and Managing an Innovative Workforce

Your people are the ones that create – not your business plan or IT infrastructure. You can develop a workforce to address your company's needs for innovation by conducting trainings, sharing planning processes, encouraging open dialogue, and setting goal-oriented performance expectations.

### V. Essential Take-Aways

To survive in the long term, companies will need different types of innovation at different points in their lives, which will all require different types of people managed in different ways. The continuing challenge for the CEO is to inspire and execute this process while sustaining the company's core vision and trust of its team members.

The CEOs from Idea Connection Systems, U.S. Lumber, SRB Productions, and Garber Travel on:

## Cultivating an Innovative Workforce

*Robert Rosenfeld*

*CEO, Idea Connection Systems Inc.*

*Lita M. Abele*

*President and CEO, U.S. Lumber Inc.*

*Sheila Brooks*

*President and CEO, SRB Productions Inc.*

*Roselyn Garber*

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In the course of conducting daily business, it's easy to get caught up in the tasks that require immediate attention and put off those that don't. Unfortunately, spending time to develop creative ideas that will sustain the business in the future is often one of those delayed "tasks." Every company that plans to remain in business over the long haul will require periodic infusions of both incremental and breakthrough innovation — if only because technology as well as the tastes of their customers continue to change. This ExecBlueprint addresses the CEO's role in inspiring, directing, and rewarding the process of innovation at their companies. The first step is always to determine what type of innovation a company presently needs, and then to create the appropriate infrastructure and management practices to support it. Included are discussions on how to train and motivate employees, as well as how a diverse workforce can contribute to the innovation process. ■

## Contents

<b>About the Authors</b> . . . . .	p.2
<b>Robert Rosenfeld</b> . . . . .	p.3
<b>Lita M. Abele</b> . . . . .	p.7
<b>Sheila Brooks</b> . . . . .	p.10
<b>Roselyn Garber</b> . . . . .	p.12
<b>Ideas to Build Upon &amp; Action Points</b> . . . . .	p.14

# About the Authors

## Robert Rosenfeld

CEO, Idea Connection Systems Inc.

For over 25 years, Robert Rosenfeld has dedicated himself to creating environments that foster the creative, innovative spirit and has developed proprietary approaches and tools that unleash an organization's potential to innovate.

In 1988, Mr. Rosenfeld founded Idea Connections Systems, a company dedicated to releasing an organization's creative potential. While this concept specifically applies to products and services, it also affects an organization's people and culture. The company's work focuses on three areas: innovation leadership and culture; innovation inclusion and diversity; and innovation systems. Serving public, private, and international clients as well as regional and national governmental agencies, Idea Connections has worked with many Fortune 200 companies, including BP Amoco, Aventis, Bausch & Lomb, the Eastman Kodak Company, ExxonMobil, Frito-Lay, General Mills, the General Motors Corporation, Hallmark Cards, Praxair Technology, the Quaker Oats Company, and Xerox Corporation.

Mr. Rosenfeld's ability to identify and understand the dynamics behind innovation led to the creation of the Eastman Kodak Company's office of innovation in 1978. The first infrastructure of its kind to be successfully implemented inside an organization, it provided Kodak employees with a systematic way to develop their ideas and obtain funding to convert them into business opportunities. He expanded the initial office of Innovation into a worldwide corporate network that has since helped to transform ideas into hundreds of millions of dollars in revenues and cost savings for Kodak.

Since 1980, Mr. Rosenfeld has also had a long and productive association with CCL, the Center for Creative Leadership in Greensboro, N.C. He designed and taught two courses at CCL that deal with innovation and effecting change.

In 2005, Mr. Rosenfeld's book, *Making the Invisible Visible: The Human Principles for Sustaining Innovation*, was published by Xlibris. It integrates his years of learning about the importance of the human

element in sustaining innovation. He has also presented his concepts to numerous organizations and, with his company, is actively involved in applied research. His contributions have been documented in many books including *Managing Innovation in The New Millennium*, edited by S. S. George (2002), and *Positive Turbulence* by Dr. Stanley S. Gryskiewicz (1999).

In 2001, he served on Mayor William A. Johnson's Commission on Race and Ethnicity. Its purpose was to address issues of race in the Rochester, N.Y. community. Teamed with a diverse group of business and community leaders, Mr. Rosenfeld spearheaded the development of Mosaic Partnerships — an innovative process for breaking down barriers between races.

Read Bob's insights on Page 3

## Lita M. Abele

President and CEO, U.S. Lumber Inc.

Lisabelita Marcelo Abele, president and CEO of the family-owned and southern New Jersey-based U.S. Lumber Inc., has successfully "gone against the grain" and positioned her certified woman and minority-owned lumber and building materials company as a regional leader in sales. Her outstanding leadership in a non-traditional woman-owned firm has been recognized in the past nine years with 10 national, regional, and local business awards. They include being named one of 25 Women of Influence by *NJBIZ* magazine in 2005 and *Philadelphia Business Journal* in 2004.

When she left her homeland of the Philippines in 1981 to seek new opportunities in the U.S., Ms. Abele initially took a job as a housekeeper for a Filipino family in New

York. Now, with her husband and minority-percentage business partner Merrill L. Abele, she directs U.S. Lumber Inc., a leading lumber supplier throughout New Jersey, Delaware, Maryland, and Pennsylvania. In 2000 and 2001, U.S. Lumber Inc. was ranked by the *Philadelphia Business Journal* as one of the top 25 fastest-growing companies in the region. In 2003, revenue topped \$5 million; by 2004, it had reached \$10 million.

Past and present clients include Dupont Company, Philadelphia Gas Works, Exelon Peco Energy, Merck & Company, Madison & Carson Concrete, Mumford & Miller, and, most recently, Atlantic City's newly opened Borgata Casino. The Philadelphia Eagles stadiums, Trenton Rte. 29 Tunnel, and Temple University all contain materials supplied by U.S. Lumber.

Ms. Abele has served under Gov. James E. McGreevey as one of the 45 commissioners on the New Jersey Asian-American Commission charged with representing the concerns of the Asian-American community. One of the founders of the New Jersey Asian-American Chamber of Commerce, Ms. Abele serves as its executive vice president and has a seat on the board of directors. She is also a member of the U.S. Pan-Asian Chamber of Commerce.

Read Lita's insights on Page 7



## Sheila Brooks

President and CEO, SRB Productions Inc.

Sheila Brooks is an award-winning journalist, entrepreneur, and dedicated advocate for minority and women's issues and our nation's small businesses. Ms. Brooks is founder, president, and CEO of SRB Productions Inc., a Washington, D.C.-based full-service media and communications agency with a post-production facility. Celebrating 16 years in business, SRB Productions is an award-winning company that provides high-quality communications solutions in broadcast, print, and multimedia formats, and specializes in the production of original programs for network television and training and educational videos.

Prior to starting her company in 1990, Ms. Brooks built a distinguished television career as a news director, reporter, anchor, and documentary producer at CBS-, NBC-, PBS-, and Fox-affiliate TV stations across the country. Her 28 years experience and success in the

television and communications industry have resulted in numerous awards for excellence in journalism, entrepreneurship and community service. She has received 33 national Telly Awards, a national Gracie Award from American Women in Radio and Television, induction into the National Capital/Chesapeake Bay Chapter of the National Academy of Television Arts and Sciences' Silver Circle, two local Emmy Awards, and four local Emmy nominations.

Among her entrepreneurial honors, she has received the 2005 Enterprising Women of the Year Award from *Enterprising Women* magazine, and the 2002 and 1998 Women in Business Advocate of the Year Award from the U.S. Small Business Administration.

A sought-after speaker, Ms. Brooks testifies before the U.S. Congress and presents at various business and journalism conferences, schools, and universities

throughout the country. She has participated as a member of a "Brain Trust" representing national entrepreneurial organizations that met regularly with The White House and SBA's leadership and various coalitions to develop political strategy and legislative policy recommendations on small business issues.

Ms. Brooks is a member of The Presidents' Roundtable, a CEO membership organization dedicated to "accelerating business growth." She serves on the board of directors for the Center for Women's Business Research, the premier source of knowledge about women business owners and their enterprises worldwide.

Read Sheila's insights on Page 10



## Roselyn Garber

President and CEO, Garber Travel

As president of Garber Travel, Roselyn Garber is the primary architect of the company's vision as well as its chief strategist and executive leader. Garber Travel is ranked as one of the five largest women-led companies in Massachusetts, and the ninth largest agency in the U.S. (as reported by *Business Travel News*).

Possessing more than 30 years of organizational leadership experience, she oversees the management and

development of the company's staff, services, operations, and resources. Ms. Garber also represents the company in its industry, business, and community affairs.

Earlier in her career, Ms. Garber served as executive director of Hadassah in Boston and, prior to that, as assistant director of the Synagogue Council of Massachusetts.

She serves on the Board of the International Business School at Brandeis University, as well as the Boards of

Hadassah Boston, the Zamir Chorale, and Mayyim Hayyim, Living Waters and Education Center.

Read Roz's insights on Page 12

# Robert Rosenfeld

CEO, Idea Connection Systems Inc.

## Conducting Innovation

If I wish to cultivate an innovative workforce, then I must first determine what I am interested in innovating. I must also decide if I want incremental or breakthrough innovations. If I want both, then I will need different types of people. All innovation starts with people converting problems into ideas. There then must be a means to translate those ideas into reality. If I were to create an orchestra, I would know that I needed different instruments to create the best sound. Which instruments I pick will depend on the piece of music selected. Innovation also requires more than one instrument and the leader must conduct the innovations much as he or she would conduct an orchestra.

## Principles of Innovation

I have found that there are eight basic “human principles” of innovation. They form the essence of the innovation process and its environment.

1. The first principle is to determine the type of innovation I’m most interested in. This will change over time. There are always cycles that require breakthroughs and cycles that require incremental advancement. I need to know what I am looking for before I can design a process for discovering it. For example, a manufacturing plant is more likely to look for incremental innovation in order to keep the plant operating smoothly and more efficiently over time. However, every few years, the company might discover that it has exhausted all the available incremental improvements and

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CEO

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that it will need a breakthrough of some sort or it will start to decay. On the other hand, a technology company might seek more breakthrough innovations on a regular basis given the nature of their business and the competitive environment in which they live.

2. The second principle is that innovation needs a system. An innovation system is not separate from the corporate culture. In fact, the culture determines the type of innovation systems that will work well. Trying to create breakthrough innovation in a culture that will only support continuous improvement is doomed to fail. Different innovation needs require different systems. There are at least five unique systems that can be applied. For example, if you want a bottom-up approach to innovation, then an “originator-assisted” system may work best. If you want a top-down approach to innovation, then a “targeted-innovation” system may work best. And no matter what system you choose, there is a process that must be employed



**Robert Rosenfeld**

CEO

Idea Connection Systems Inc.

*“Senior managers have to live and breathe the corporate culture that supports the innovation process/system that they’ve chosen to implement.”*

- Founded company in 1988
- 25-plus years’ experience in fostering innovation
- 2006 “Innovator in Residence” at Center for Creative Leadership, Greensboro, N.C.
- Founding member, Association for Managers of Innovation
- Member, Creativity International Advisory Board

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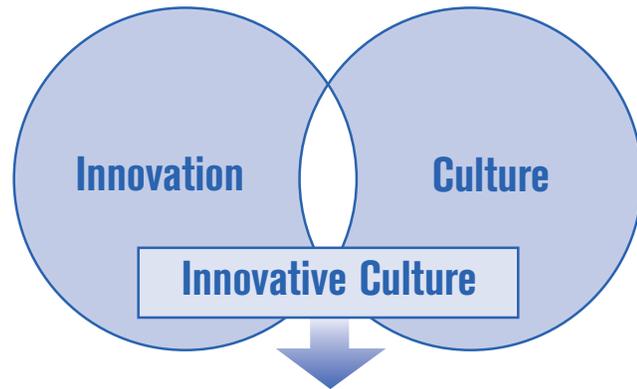
to move ideas through a pipeline — a process that will add, refine, or eliminate ideas along the way, thereby ensuring that only the “best” ideas make it through the ideation/innovation funnel.

3. The third principle relates to the innovation leader helping employees understand that passion drives innovation: it is the fuel that stokes the fire of creation. Pain is simply a hidden ingredient of the process, and

it's one the innovation leader must help employees work through. There is nothing so painful as a new idea trying to make its way into an established system. Because there will be pain, roadblocks, frustration, false starts, etc., only people with passion can push the more radical concepts through to success.

4. The fourth principle is co-location. The idea that innovations are made by the single entrepreneur operating alone in a basement is, for all practical purposes, a myth. If innovation is to occur, it will only happen when employees work together and do so in close proximity to each other. They must be physically present to each other, not just communicating via the Internet. That is the only way to build trust between team members as well as between them and the management team. It also facilitates "water cooler" conversations that sometimes spark new ideas that are invaluable to the innovative process. The more risky the project, the more co-location is required. Some projects don't require much co-location (they are more task-based), but those that require the cross-fertilization of novel thoughts should have more co-location time.
5. The fifth principle in the innovation process is the ability to leverage the differences in people. An innovation leader must understand and be able to utilize each team member's particular creative problem-solving styles, personality type, and temperament. These different

## Important Ingredients for an Innovative Workforce



### The 8 Principles of Innovation: Essential Characteristics of an Innovative Culture

1. Determine the type of innovation needed: breakthroughs or incremental advancement. (All companies will periodically need both.)
2. Develop a system to support the type of innovation you need.
3. Never forget that innovation is fueled by passion, without which the attendant frustration and roadblocks will not be overcome.
4. Locate team members near each other – most new ideas are not developed via long-distance communications.
5. Leverage natural differences in problem-solving styles, personality types, and temperaments among team members.
6. Understand the assumptions your new ideas are based on: these will not always hold true in the long run.
7. Attend to the "soft values": your team's level of motivation, feelings toward the company and themselves, and the quality of their interactions.
8. Nourish your team's "love" of the work.

styles will prove advantageous at different times in the innovation process. One talent is not necessarily better than another, but they must be effectively combined to reach a successful conclusion. Returning to the example of the orchestra, many people take these instruments but do not know how to effectively leverage them. Yet leveraging the information they provide is essential to the innovation process.

6. The sixth principle is the realization that the seeds of destruction are present at the time of creation, whether it results in a new product, process, structure, etc. Every successful innovation is based on a series of assumptions about people — what matters to them and what works for them. For example, Ford's Model T was hugely successful. But its success was based on the assumption that there was a huge market for inexpensive cars. For a while that was true. But eventually, people wanted to “differentiate.” They were willing to pay a little more to get a better car. Ford stuck with their original assumption and it cost them. In the end they lost significant market share.
7. The seventh principle is that “soft values” drive an organization. While hard values like profitability and other things that can easily be measured also matter, soft values tend to drive the day-to-day activities of people. Soft values are things like level of motivation, how people feel about the

company and themselves, how they interact with each other, and how this quality of interaction affects both short-term results and long-term relationships. Attending to these more subtle and difficult-to-measure elements matters a great deal in the innovation process.

8. The eighth and final principle deals with the critical importance of developing trust between people and the importance of attending to something that has been a taboo subject in business — “love.” When people deeply care about their work, their co-workers, and their company, their level of commitment goes way up. They become “owners” vs. “contractors.” They care about achieving significant results as well as attending to the well-being of one another. They draw the proper balance between the short term and the long term. They make the company, to use a phrase from Jim Collins, “built to last.”

## *The Cultivation Process*

The process for cultivating an innovative workforce must start with examining the type of culture that exists within the company. The company must also make decisions about its innovation portfolio. It can either focus on incremental or breakthrough advances, or a mixture of the two. Whatever the choice, the company must have the correct system in place to allow innovation to occur and, of course, the principles of innovation must be visibly present and lived.

## *Training Programs that Foster Innovation*

If innovation is to flourish and be sustained, a company needs to train leaders and managers in how to make this happen. They in turn must train employees. It has been my experience that the Center for Creative Leadership in Greensboro, N.C., has such programs. Soon they will be running a pilot program that will focus on the often hidden principles, systems, processes, etc., that foster and sustain the innovation process. There are other programs focusing on innovation located around the globe as well. They do a lot to help leaders understand and create “innovation” environments.

The type of training program a company seeks is dependent on its needs. It must know its own culture as well as what it is trying to accomplish. The training program should not be complex and should ultimately be run by people inside the organization. Technology and the language of business are purely the tools we use to build innovative programs and projects; to actually create and cultivate the ideas that lead to innovation, however, requires people.

## *Creating an Innovative Environment*

When cultivating an innovative workforce, the tone must be set by senior management. This will trickle down through the organization, allowing every person to be on the same page.

There are always going to be different areas of the company that are better at certain things than others. Senior managers should celebrate those differences. For example, one area of the company may be better

suited for breakthrough innovation because it has the right leadership, employees, sub-culture, diversity, structure, systems, etc., to support it. On the other hand, the same might be said of another area if continuous improvement is what's needed to achieve the vision and mission of the company. For example, manufacturing operations need to celebrate innovation (usually incremental in nature) that is associated with process or quality improvements. Similarly, R&D in a technology-driven company needs to celebrate breakthrough innovation. Both types of innovation are critical to the long-term success of any company.

## Best Practices

The best practice for cultivating an innovative workforce is to find a leader who can establish the right culture that fosters the kind of innovation the company needs. If the leadership at the top does not know how to establish the right culture for the innovation portfolio they desire, then the company will not succeed. The company infrastructure must be designed to allow people to generate novel thought as well as implement the projects they believe are important.

## Cultivating a Global Workforce

Efforts to cultivate an innovative workforce differ in international locations. The way novel ideas are generated and pursued varies by culture. For example, the individual's motivation for innovating in China

## Attaining the Right Mix of Minds

I ask the leadership team to give me a list of people who they consider major innovators in their department. Usually, I receive between 5 and 15 names. I personally interview these people to learn what is really going on within the company. I try to determine if they feel appreciated and heard when they generate new ideas. I ask about budgeting, etc., to determine how the funding process works in the normal course of events. I also try to learn about the distribution of people inside the organization to find out if I have the right mix of minds from a creative problem-solving perspective to meet their portfolio needs.

is different from the U.S., which is different from India. Each culture has its own strengths and blind spots that must be considered when designing an innovation system. This is one of the reasons why trying to replicate what was successful in one country is often times far less successful in another. Regardless of location, however, an innovative leader is essential. The leader should understand the culture they're in and motivate the individuals based on that culture, as opposed to any other. The one-size-fits-all approach does not work. However, as noted above, there are a series of principles that apply across the globe even though they must be implemented according to the characteristics of the local culture.

## Greatest Challenges

The three greatest challenges in cultivating an innovative workforce are finding the correct innovation leader, building trust, and setting up the appropriate infrastructure:

1. A global leader must be comfortable in multiple locations. He or she should have the style that is needed to move the company forward.

2. The leader must have the trust of the people inside the organization. They have to believe in him or her and be willing to follow that person's lead if the company wants to be truly innovative.
3. The infrastructure must allow ideas to flow and be developed and implemented. This system should not be overly bureaucratic and should mesh well with the corporate culture.

Mapped on a Venn diagram, innovation is one circle, and culture is the other. The overlap is the innovative culture. When I cultivate an innovative workforce, I focus on that overlap. The overlap contains the eight principles of innovation that should be applied to the organization as needed. This process may seem very simple, but it's not. Anything to do with people and how they interact will always be complex. But if any of these principles are overlooked, then the innovation process will at worst fail, or at best fail to provide the level of innovation desired and/or needed. ■

# Lita M. Abele

President and CEO, U.S. Lumber Inc.

## *The Role of Background*

Innovation is in the eye of the beholder: what appears to be innovative to one leader may be much less so to another.

In my family-owned lumber company, I am a Filipino immigrant who is now an American citizen. My company is certified as a minority- and women-owned business, and I represent a small but growing portion of this industry that has been traditionally dominated by Caucasian men. So, it is important to recognize that when a woman with my background turns up as the CEO and president of an American lumber company, some heads will turn. My charge is to demonstrate to the traditional lumber leaders, senior management, and owners that U.S. Lumber Inc., can do the job and perform it with the utmost professionalism and distinction.

## *Recognizing the Importance of Minority Growth in the U.S.*

The U.S. Census Bureau has noted that minority groups now account for the largest share in U.S. population growth. In addition, the fastest growth in small businesses is often found among women and minority entrepreneurs. For example, the U.S. Census Bureau reported the extraordinary growth in Hispanic-owned businesses in its

*An employer must fashion a workplace structure that nurtures and encourages open dialogue and does not “punish” someone for taking a risk to suggest another way of achieving a goal.*

Lita M. Abele  
President and CEO  
U.S. Lumber Inc.

March 21, 2006 press release: “The number of Hispanic-owned businesses grew 31 percent between 1997 and 2002 — three times the national average for all businesses — according to a new report, Survey of Business Owners: Hispanic-Owned Firms: 2002, released today by the U.S. Census Bureau. The nearly 1.6 million Hispanic-owned businesses generated nearly \$222 billion in revenue, up 19 percent from 1997.”

In 2006, the bureau also reported that the number of Asian-American businesses grew 24 percent, the number of African-American firms grew 45 percent, and the number of women-owned businesses grew 20 percent between 1997 and 2002. My state, New Jersey, is ranked third in the number of Asian-American owned businesses. In addition, the Center for Women’s Business Research ([www.womensbusinessresearch.org](http://www.womensbusinessresearch.org)) reports that businesses majority-owned by women of color have grown six times faster than all U.S. firms between 1997 and 2004. The number of firms increased by more than half (55 percent), number of employees increased by nearly two-thirds (62 percent), and annual sales revenue increased by almost three quarters (74 percent).

The Center for Women’s Business Research also quoted a national business leader on growth trends among



**Lita M. Abele**  
President and CEO  
U.S. Lumber Inc.

*“Change takes time and money, as do strategic reforms that will promote innovation. We try to be patient with this reality.”*

- Over \$10 million in sales
  - Ranked among top 50 woman-owned firms in the region in 1999 by Philadelphia Business Journal
  - Named one of Enterprising Women magazine’s 2005 Enterprising Women of the Year
  - 2004 member, N.J. Development Authority for Small Business, Minorities & Women Enterprises
  - 2004 national finalist, Wells Fargo Asian-American Leadership Award
- Ms. Abele can be e-mailed at [lita.abele@execblueprints.com](mailto:lita.abele@execblueprints.com)

women-owned firms. “Women-owned firms are growing and increasing their employment faster than the general market. These firms are driving growth in the American workplace, while generating revenues at a similar rate to all firms. This is a powerful statement about this fast-growing segment of American small business owners,” said Joy Ott, Regional President for Wells Fargo in Montana and National Spokesperson for Wells

*An evaluator for the Hospitality Management Program offered by Gloucester County Institute of Technology, I believe in sharing my knowledge with others to help them work toward the achievement of the American dream. Education is the foundation for all growth, and sharing with the community helps our business remain a great community partner. I never know where the next CEO I will work with might come from, and it would make me very happy to see the Girl Scouts encourage entrepreneurship and business leadership among the many girls served with programming.*

Lita M. Abele  
President and CEO  
U.S. Lumber Inc.

Fargo's Women's Business Services Programs.

These trends cannot be ignored by the traditional business sector, because these businesses are the future purchasers of services. In addition, they provide many opportunities for strategic partnerships to secure federal and state procurement contracts as well as employment within the supplier diversity programs of the private sector. When hired as a contractor, for instance, my business can help a large corporation communicate that it is an advocate of diversity and employs contractors from traditionally disadvantaged networks.

## ***Finding Strength in Diversity***

Change is coming, and everyone must be on board. In July 2006, I was named one of the *Courier Post* daily newspaper's first Champions of Diversity for my advocacy on behalf of women- and minority-owned businesses. Active in the Unity Day program for Gloucester County's Human Relations Commission that promotes cross-cultural appreciation

and cooperation, I believe that a diverse nation can help make America a stronger nation, if all the groups work together to respect cultural differences.

## ***Raising the Profile of Minority- and Women-Owned Businesses***

Like my peers, I attend many lumber shows, construction networking forums, and meetings with traditional chamber leaders to reinforce our company's outstanding track record in service and to remind them that women in business are indeed successful and can serve as business role models.

## ***The Keys to Successful Innovation***

A vision built upon teamwork, hard work, and strong customer services provides the foundation for our innovation. Even though our industry is becoming increasingly mechanized, I still believe we need to rely on talented and dedicated professionals who will be able to subjectively judge quality. A robot

can measure the size of something, but can it give insight into the look or feel of the wood? I think not. However, I, too, am concerned about how globalization will affect my workplace organization and employee structure. Every employee receives an employee handbook because I want them to know what their rights are and what I expect of them. In my opinion, unless workers know they are respected, they will not perform to their full capabilities. I value my team, and I hope they feel the same way about me.

In my workplace, innovation is most greatly demonstrated through comments from my workers in the plant. These men are the front lines, and they handle the wood, process it with equipment, and notice if there are problems with the quality of our products. They are my eyes and ears, and I trust them to bring to my attention any and all problems so we can fix them, prevent loss of income for the company, and succeed in keeping our customers pleased with a superior product.

## Volunteering and Giving Back to the Community

However, another part of the innovation toolbox is U.S. Lumber's emphasis on community service. Because I came to the U.S. as an immigrant and worked my way up the ladder, I understand the values of kindness and sharing. A company can be successful and also have a heart with its employee relations and community advocacy, and that's what we do at U.S. Lumber.

As a recipient of the 2003 "Tribute to Women and Industry's Woman of Outstanding Achievement" presented by the YWCA of Camden County, as well as the Hudson County Asian Business Award, I view my role as a mentor and teacher for others. To continue that tradition, I joined the 2006 Board of Directors of the Girl Scouts of South Jersey Pines. Starting with high school students, I participate in Glassboro High School's Career Day, and highlight choices available to students in the travel and tourism industry.

## Three Greatest Challenges to Cultivating an Innovative Workforce

On the subject of the three greatest challenges in cultivating an innovative workforce, I would be remiss not to mention the incredible courage it takes for someone to share an idea. Consequently, an employer must fashion a workplace structure that nurtures and encourages open dialogue and does not "punish" someone for taking a risk to suggest another way of achieving a goal. I admire someone who takes risks. That is the key task for

## 3 Major Challenges to Innovation

Building trust that cultivates



Assessing the value of innovation  
first, and cost second



Pushing for diversity consistently

a CEO. We take calculated risks. Therefore, I cultivate an environment where questions are encouraged and rewarded. Of course, I am the boss, and the final decision-making power rests with me. But I can be educated and shown new ways of thinking, especially when we can provide our services more cost effectively.

My three challenges to innovation are:

- Building trust that cultivates
- Assessing the value of innovation first, and cost second
- Pushing for diversity consistently

No change and certainly no innovation will emerge without a

trusting relationship between employees and senior management. A trusting relationship is the foundation for innovation and it must exist before any positive changes can be realized.

While we look at the bottom line when assessing profitability and the delivery of services, we still make a commitment to first understand the nature of an innovation and its long-range impact prior to rejecting it because of short-term investment costs.

No matter what, diversity must be an accepted value in all workplace organizations and has to be embraced by management, owners, and shareholders. America in 2006 is not the America of 1955. The business sector must change. ■

# Sheila Brooks

President and CEO, SRB Productions Inc.

## Responsibility

Responsibility for cultivating an innovative workforce starts at the top. I set standards and lead the way with integrity and certainty. It is very important for people to see that their CEO has credibility.

I practice respect in everything I do, which means staying in control of my emotions. I try to remain logical and consistent at all times so people understand where I'm coming from. It is important that I model professionalism. It's not fair to ask of others what I am not willing to do myself. I expect my employees to be loyal to the company and to me, so I have to be loyal to them.

In order to motivate my employees, I also have to reward them. If we've had a long work week and my people have come in early and stayed late, I may tell them to take a three-day weekend. Moreover, I believe in rewarding employees for exceptional performance.

## Formal Planning

When new employees come on board, we have policies and procedures that dictate their responsibilities for their actions and work. We have an employee manual and a

new hire orientation so employees know what's expected of them.

All new employees are also subject to a formal performance appraisal process that alerts them to what's expected so that they can set strong goals and objectives. Within 90 days of hire, they give themselves a written self-evaluation and their immediate supervisor gives them an evaluation as well.

## Important Factors

When you're trying to get the most out of employees, you have to make retention a top priority. You need to focus on employees and have a game plan to encourage and correct them. You need to push people to their limits. Employees need to know what is expected of them in order to do their best.

It is important to lead the way. You have to share your vision as a CEO. Your team members need to know where the organization is going and how your vision is going to translate into personal gain. You have to create an atmosphere of positive, creative, and synergistic thinking.

## Training

We have created our own set of standards and values. When people



**Sheila Brooks**  
President and CEO  
SRB Productions Inc.

*"When we keep employees informed and show that we care, we are able to motivate the workforce in many ways."*

- Founded company in 1990
- 28 years' experience in TV and communications industry
- Former member, Board of Directors, National Association of Women Business Owners; Women's Leadership Board at Harvard University's John F. Kennedy School of Government
- B.A., Communications (Broadcast Journalism), University of Washington
- M.A., Political Science, Howard University

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*We go on an annual retreat where we get everybody involved in the planning process for the year. The retreat is very important for us in terms of cultivating an innovative workforce. Our people feel like they are participating, collaborating, and solving problems together.*

Sheila Brooks  
President and CEO  
SRB Productions Inc.

have creative ideas about a project or a proposal, we hold meetings to make sure they're involved. We bring in consultants in our IT and marketing areas so our employees can get the triaging they need.

I provide professional development for employees on a regular basis. I send them to seminars and workshops where they can gain the skills they need. I bring in specialists to talk about upcoming software programs or the latest in

production and television technology. I also send them to conferences where they can talk to suppliers as well as colleagues about what's going on in the industry. It's very important to encourage people to enhance their skills and abilities. I want them to do their best job while they're working for me. Moreover, I send my senior managers out to some of the top conferences in the country to meet executives in corporate America.

## Benchmarking

We don't have a formalized training process, but we do have our own way of tracking employee development. We determine whether our efforts to cultivate an innovative workforce are on track on a 90-day, six-month, and annual basis. We set goals and objectives with our employees so we know what they need and can, when necessary, customize their development to make them better at their jobs.

We try to ignite different opinions and bring a lot of collaboration to the table. We send employees out

*Your team members need to know where the organization is going and how your vision is going to translate into personal gain.*

Sheila Brooks  
President and CEO  
SRB Productions Inc.

to get as much skill and experience as possible, which makes productivity higher. We involve people early on in changes in the organization so they become more committed to our cause. We share the company's vision and challenge people.

## Key Challenges

The greatest challenge in cultivating an innovative workforce is communication. People come from different backgrounds, experiences, and cultures, and we have to take many factors into consideration. Everybody communicates differently.

Managing change is always a challenge. People become complacent when they stay at a company for long periods. Most people come here from corporate America or a larger company. They have to understand that working for a small company is different, and not everybody is able to do it.

We have to show people how they can gain from changes made within the company, whether those changes involve hiring a new boss or shifting work hours. We're in the communications business. We work long and hard. Managing change and communication is the key to our success. ■



# Roselyn Garber

President & CEO, Garber Travel

*The process for cultivating an innovative workforce differs for each division.*

Roselyn Garber  
President & CEO  
Garber Travel

## Upcoming Changes

In the next 12 months, I want to focus on training. I feel that it's important to continually help everyone in the company grow, regardless of their level. I begin every team meeting by teaching them something. I hope the lessons will permeate throughout the company. Also, by bringing in new technology, we hope to increase the effectiveness of our workforce.

I brought in a consultant to work with our leisure agents. I have 40 leisure agents who have been in the business for many years. I wanted to give them a shot in the arm and challenge them to look at sales differently. Our market has changed and the world has changed. I have to inspire agents to be proactive.

## Ultimate Responsibility

I provide the vision and inspiration for cultivating an innovative workforce, but the ultimate responsibility lies with our vice president of human resources and our district managers. I've tasked our vice president of operations with bringing in new technology that will help our agents become more efficient.

## Important Factors

There are several important factors to consider when approaching how to cultivate an innovative workforce. One is having clear goals and another is implementing a process for achieving those goals.

We're 85 percent corporate. Our corporate goals are different than our leisure goals. I have a company goal in terms of the revenue stream we expect to bring in this year. I have expectations for bringing on new staff. Our company goals are divided up between departments.

## Training Programs

I'm aware of the importance of training, growth, building, and innovation for the workforce, but there are many different arms in our company. The process for cultivating an innovative workforce differs for each division. Our corporate agents have different training than our leisure agents. Our corporate sales team needs training on presentation and public speaking. I'm going to hold a workshop with our corporate sales team on the importance of communication.

*The first time I met all of the agents in the company, my husband was still alive. He asked me to do a motivational speech and I used the book, Who Moved My Cheese, which deals with change. We have to be open to challenges. If we're not flexible, we're not going to grow and we're not going to be able to cultivate an innovative workforce.*

Roselyn Garber  
President & CEO  
Garber Travel



**Roselyn Garber**  
President & CEO  
Garber Travel

*"It's important for the CEO to step back and be part of the team as opposed to always being the leader. Part of strategic planning is working with an innovative workforce and I have to determine how I can help people create and achieve goals."*

- 30-plus years' organizational leadership experience
  - Previously executive director, Hadassah, Boston
  - B.A., University of Toronto
  - M.A., Brandeis University
  - Graduate, Travel School of America
- Ms. Garber can be e-mailed at [roselyn.garber@execblueprints.com](mailto:roselyn.garber@execblueprints.com)

If I see that we need to bring in a consultant, I hire one. I brought in a consultant last month to work with our leadership team. In the past, I have brought in consultants to work with our leisure agents and with our leadership team on strategic planning.

We have two full-time trainers on staff who work with our new agents and with agents who need retraining. In addition, my HR department works with training. The initiatives that I've worked on with my leadership team permeate throughout the company. I did change our performance evaluation process, which now offers an opportunity for learning and innovation in the workforce.

## **Benchmarking Success**

Everyone in our company has goals, whether those goals are based on numbers or not. Agent goals are measured monthly through performance reviews. I meet with my direct reports regularly to measure their progress.

The benchmarks we use depend on the job description. The benchmark for a CFO is much different than the benchmark for a vice president, for example.

## **International Considerations**

Cultures differ. We are one company and we explain our goals to different locations. I'm Canadian, so we don't have many issues communicating with our Canadian office, but we do encounter cultural differences between Canada and the U.K.



We depend on our managers for mutual respect and understanding. The most important thing to us is servicing clients and offering excellent customer service, and we have to understand different cultures in order to achieve those goals.

## **Challenges**

One of the greatest challenges in cultivating an innovative workforce

in the travel industry is getting a solid workforce. Encouraging people to come into our industry is becoming more difficult. It is also challenging to change the attitudes of people who have been working in the industry for 20 to 30 years. We want them to be open to doing things in a different way. ■

# Ideas to Build Upon & Action Points

## I. What Is the CEO's Role?

As CEO, you are ultimately responsible for establishing the right culture to foster the kind of innovation your company needs at any given time. (There are two basic types: incremental and breakthrough.) These needs, of course, are subject to change and, to remain competitive, your company will have to innovate in different ways at different times as products mature and markets shift. The CEO must set the appropriate direction for innovation by:

- Sharing his or her vision as CEO and leading the way with integrity and certainty so that employees understand how his/her vision will translate into personal gain
- Living and breathing the corporate culture that supports the type of innovation company leaders have chosen to implement
- Conducting the creative process as one conducts an orchestra, mindful of how the company's diverse departments and employees each contribute to the process as well as the company's overall well-being
- Cultivating a climate of trust between employees and senior management
- Personally interviewing the company's major innovators to determine if they feel appreciated for presenting new ideas and if the company has the right mix of talent to meet current needs
- Serving as a mentor and teacher to employees and others in the community
- Frequently conveying his or her appreciation and respect for employees and their contributions
- Maintaining a visible presence in the business community to discover new trends and share ideas

## II. The Bottom Line

Sometimes it may seem that companies that invest heavily to develop an innovative and diverse workforce are spending unnecessary money. However, because the business climate for most industries has been irrevocably altered by a now-global marketplace as well as shifting local demographics (owing to increases in the immigrant population), such investments are often essential to maintain long-term viability. When focusing on today's bottom line, try not to lose sight of the following:

- Every few years (or less), previously-held assumptions about a company's customer base will no longer be true, requiring bold new offerings and/or marketing approaches.

- Well-trained and highly-motivated employees are more proactive in monitoring quality and identifying problems, thereby preventing mistakes that cost income.
- The number of minority- and women-owned businesses in the U.S. is increasing faster than the overall rate.
- Partnerships with minority- and/or women-owned businesses may be necessary to secure federal and state contracts.

## III. Must-Have Strategies for Fostering a Climate of Innovation

First, you must determine the type of innovation your company needs at the current time. Your next step is then to devise a system that will support this innovation strategy and allow people to generate novel thought as well as implement projects they believe to be important. Such an environment, however, will always reflect and remain an integral part of your corporate culture. The following are some characteristics of business climates that have supported innovative processes:

- Clear goals — and the steps to accomplish these goals — are established.
- Team members are physically present with each other, which is essential to adequately build trust and share original ideas.
- Diversity of problem-solving styles, personality types, and temperaments among the team is embraced and utilized as appropriate to address particular situations.
- Soft values, such as human motivation levels, employees' feelings toward the company and themselves, and their interaction with each other, are attended to.

## IV. The Golden Rules for Training and Managing an Innovative Workforce

A company should never forget that it's their people who innovate — technology and business language are only tools to help build the process. Consequently, it should be every company's goal to motivate employees to care deeply about their work, their co-workers, and their company — to the extent that they become "owners" instead of mere "contractors." Approaches for developing such a workforce include:

- Keeping employees informed of their rights and the company's expectations

- Nurturing and supporting open dialogue that does not punish people who suggest alternative ways to achieve goals
- Frequently evaluating performance through regular appraisal processes and feedback that is focused on goals and objectives
- Administering training programs within the company that are custom-designed to fit specific needs
- Exposing employees to new ideas through seminars, workshops, conferences, and consultants
- Rewarding extra or exceptional work with perks and/or additional compensation
- Seeking employee involvement in planning processes through meetings and retreats
- Sharing the company vision and how people will gain from changes made within the organization
- Helping employees understand that passion must drive innovation — otherwise efforts will become quashed by the inevitable roadblocks, false starts, etc.

## V. Essential Take-Aways

Like nearly everything else, "innovation" is in the eye of the beholder: what may appear innovative to one CEO may be less so to another. Moreover, to the extent that "innovation" signals "change," companies may encounter resistance, particularly among long-term employees. Other challenges companies may confront in their attempts to cultivate an innovative workforce include:

- Finding the right leader that can operate effectively in multiple locations
- Developing the trust of people throughout the organization
- Communicating effectively with people from different backgrounds, experiences, and cultures
- Motivating employees based on the characteristics of their particular culture — not trying to replicate what's worked someplace else
- Establishing the appropriate infrastructure that allows ideas to flow and be implemented
- Assessing the long-term value of the innovation — especially when faced with high costs for development ■



## 10 KEY QUESTIONS AND DISCUSSION POINTS

- 1 In the next 12 months, what major changes do you hope to make to increase the innovativeness of your workforce? What is driving these changes? How do you expect these changes will affect the company's growth rate?
- 2 At your company, who is responsible for cultivating an innovative workforce? How do you hold this person accountable?
- 3 Do you use a formal planning process to cultivate an innovative workforce? If yes, how was this process developed? If no, do you plan to implement such a process in the next 12 months? Why or why not?
- 4 When considering how to best cultivate an innovative workforce, which factors are most significant? Proper alignment of companywide goals with company strategy? Implementation of most vital programs? Other?
- 5 What parties are asked for input regarding cultivating an innovative workforce? Do you expect this process to change in the next 12 months? If yes, how so?
- 6 What percentage of your time do you devote to cultivating an innovative workforce? Is that amount of time ideal, or do you wish you could devote more or less?
- 7 What role can consultants play in cultivating an innovative workforce? How did you calculate ROI for funds spent on consultants who are working to cultivate an innovative workforce?
- 8 Who has the greatest impact day-to-day on cultivating an innovative workforce? Senior managers? Rank and file employees? Other?
- 9 What training programs do you utilize at your company to help cultivate an innovative workforce? What percentage of employees has completed these trainings?
- 10 What kind of benchmarks do you use for determining whether efforts to cultivate an innovative workforce are on track? How is progress measured? How often?