

# Who's Bringing You Hot Ideas (and How Are You Responding)?

by Thomas H. Davenport, Laurence Prusak, and H. James Wilson



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HBR CASE STUDY R0302A  
**A Consultant's Comeuppance**  
Robert Buday

---

HBR AT LARGE R0302B  
**I Was Greedy, Too**  
Diane L. Coutu

---

**Why Bad Projects Are So Hard to Kill** R0302C  
Isabelle Royer

---

**Who's Bringing You Hot Ideas  
(and How Are You Responding)?** R0302D  
Thomas H. Davenport, Laurence Prusak,  
and H. James Wilson

---

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Ron S. Fortgang, David A. Lax,  
and James K. Sebenius

---

**AIDS Is Your Business** R0302F  
Sydney Rosen, Jonathon Simon, Jeffrey R. Vincent,  
William MacLeod, Matthew Fox, and Donald M. Thea

---

**The Enemies of Trust** R0302G  
Robert Galford and Anne Seibold Drapeau

---

BEST PRACTICE R0302H  
**Clueing In Customers**  
Leonard L. Berry and Neeli Bendapudi

---

TOOL KIT R0302J  
**Who Needs Budgets?**  
Jeremy Hope and Robin Fraser

# Who's Bringing You Hot Ideas (and How Are You Responding)?

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**T**HERE'S AN UNSUNG HERO in your organization. It's the person who's bringing in new ideas about how to manage better. Mind you, we're not talking about product and service innovations. The people who cook those up—and they are heroes of the organization, too—are celebrated loudly and often. We're talking about the person who, for instance, first uttered the phrase “intellectual capital” in your hallways, believing that better management of knowledge assets could yield a competitive advantage. Or perhaps it was the notion of “real options” as an antidote to overly risk-averse capital investment analysis. Or, depending on how long the person has been around, maybe it was even “total quality management.”

Exactly who are these people in your particular organization? You probably already know. It's the middle manager you called when you decided to include something about process redesign or balanced-scorecard management in your letter for the annual report. It's the smart executive who advised you on which consulting firm to employ for help with e-commerce and who seemed to know all about each one's strengths and weaknesses. It's the first person who comes to mind when you need a strategic thinker to do

a special project. Come to think of it, it's that manager who just sent you a conference binder on a topic you've expressed some interest in.

As much as you might wish you did, you don't have many such people. And they're more important than ever because fresh ideas about management are more critical than ever to enhancing business performance, to motivating workers, and to revitalizing your organization. Product innovations are copied quickly and easily today, leaving managerial innovation as an important way for companies to differentiate themselves. So shouldn't you be doing more to manage your idea people to get the benefit of this peculiar talent of theirs—or at least to keep them from leaving?

## A New Type of Practitioner

For the past couple of years, and less formally for our entire working careers, we've been studying the people who bring management ideas into organizations. As management researchers and authors, we've always worked with such people as "customers" and long ago had to admit that any impact we had on actual management practice was owing to their translation and implementation efforts. Rather belatedly, we've come to recognize them as a distinct type of practitioner. That is to say, they share a common way of working and resemble their counterparts in other organizations more than they resemble their own colleagues. We tested this notion by identifying and interviewing 100 of them in various organizations, industries, and locales. The group was diverse—it included, for example, a chief financial officer of a global manufacturer, a chief learning officer of an investment bank, and a chief operating officer of a large U.S. government agency. But sure enough, we found a surprising degree of commonality in how these "idea practitioners" go about their work.

The similarities begin with how they scout for ideas. All of them, not surprisingly, are avid readers of management literature and enthusiastic participants in business conferences, and many are friendly with business gurus. They approach all their sources with open minds; they're nei-

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ther cynical nor overly credulous. The philosopher William James once wrote, "The art of being wise is the art of knowing what to overlook," and this is a discerning group. They are extraordinarily attuned to the zeitgeist—the often opaque economic, social, or technological environment that can determine whether an idea will thrive or quickly perish. In our interviews, too, we discovered that idea practitioners tend to value an interdisciplinary perspective, looking to fields outside business for new approaches to solving problems. When we interviewed Lawrence Baxter two years ago at Wachovia Bank, for example, he was reading a book on superstring theory in physics. He, like others we interviewed, believes a singular focus on management theory is "very limiting."

Scouting for ideas is only the first phase of a four-part process by which these practitioners infuse their organizations with new ideas. The next phase is packaging an idea with promise for broader organizational consumption. Idea practitioners add to, subtract from, or otherwise translate the ideas they want to introduce, tailoring them to fit their organizations' specific needs. Often this is a question of, as one of our interviewees put it, "building a logic between the idea and the firm."

The most successful idea practitioners are able to gear ideas to the issues executives care about and express them in terms of the key themes—such as innovation, efficiency, or effectiveness—that executives stress in their rhetoric. At Whirlpool, for example, the senior management passionately believes in and communicates the idea that innovation is the key to the company's future success. When Antonella Padova, an idea practitioner, wanted to bring knowledge management to

Whirlpool, she realized she would need to tie the concept to innovation—as opposed to, say, cost efficiency. She personally believed knowledge management would prove valuable in many ways, but to ensure that the idea got traction, she hitched it to a train already leaving the station.

No business idea takes root within an organization purely on its own merits. Instead it has to be sold—to senior executives, to the rank and file, to middle managers. In this third phase, idea practitioners advocate for new ideas: They build marketing campaigns, find early adopters, and work to persuade other leaders and managers to "put some skin in the game." One way they do this is by illustrating the competitive pressure to change. Dave Barrow of British Petroleum told us, "What is universally helpful in gaining executive support is benchmarking data." Another made the same point, calling it "show and tell." He told us, "I like to call it benchmarking, but basically you're finding users who are using or doing whatever it is you want to show and putting them on the stage."

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Finally, all good idea practitioners have some hand in the fourth phase: making it happen. Most are well versed in the principles of change management and understand the importance of rolling out a new idea simultaneously from the top down and the bottom up. As one manager told us, "I try to work both sides toward the middle in terms of ideas, but this means you must participate in a dance." They realize that their advocacy must reach from the boardroom to the grassroots level of the organization – and sometimes beyond. One idea practitioner who works with franchisees told us that at her organization new ideas often must rest on a "three-legged stool." The company's employees, owner-operators, and suppliers all have to buy in to a different way of working. Idea practitioners also know when their work is done. They are usually involved in early, small-scale experiments, but when those take off, they get out of the way and let others execute.

People who do these four things – scouting, packaging, advocating, and implementing ideas – are properly called practitioners because, by sharing practices and a common body of knowledge, they learn from one another how to better advance what they do. Indeed, one of the surprising findings in our study was how many of these people are repeat offenders. Dave Barrow at BP, for example, has worked on a variety of special projects involving government relations, network computing, crisis management, capital productivity improvement, and human resource processes in engineering. Mike Burtha, an idea practitioner at Johnson & Johnson, has helped introduce new concepts in process improvement, quality management, and knowledge management. Each has been able to apply lessons learned in successfully championing one idea to those that follow.

## A Certain Kind of Person

Idea practitioners don't share only their processes; they also share personality traits. Optimism is one quality we observed in nearly all our interviewees. That's notable because it's quite easy to be cynical about the business-idea business. Many executives are quick to dismiss the endless stream of new practices and approaches as fads or as opportunism and media hype gone mad. But where cynics see only consultants hungry for billable hours or academics jockeying for tenure and speech deals, idea practitioners see the true potential of new business ideas. They see the possibility of a better way and hold out a belief that people and organizations can change.

Idea practitioners are also devoted to ideas in general. Most of the people we interviewed are well educated, often with liberal arts backgrounds, and are clearly not lacking in basic brainpower. One entered Harvard at 14, for example, and completed a PhD program at 20. They are well versed in the art and science of management, but most also subscribe to a variety of nonbusiness, idea-

focused publications. They are intellectually restless and passionate about ideas for their own sake. At the same time, they don't come across as fanatical, or as fadmongers. Most seem quite mild-mannered at first blush. In fact, several attributed their success partly to their reasonableness: "Cultivating a moderate image is important," one noted. "Lecturers and zealots always fail." Some said they try to ensure that an idea, and its success in the enterprise, doesn't get tangled up in their own personalities. Hubert Saint-Onge, who shepherded various ideas at Canadian insurer Clarica, argues that idea practitioners should "allow organizations to reach their own conclusions" and that they should "become invisible" to the process as individuals.

Idea practitioners must be self-confident because putting new business ideas in place is difficult and often politically charged. Every organization is full of senior managers who are happy with the status quo and who don't want threatening new ideas coming in from left field. At the same time, the manager who lives to fuel his own ego is destined to fail as an idea practitioner. We have known of several people (though they're not included in our sample) who would appear frequently at conferences to discuss their organizations' efforts at reengineering, customer relationship management, and so forth. Some even wrote an article or two. But when we'd visit their companies and ask about these individuals, we'd get dirty looks and muttered curses in reply. Or we'd ask, "What's going on with your 'knowledge superhighway' project or your 'customer relationship reengineering,'" and we'd get blank looks. Such people are great at publicizing their own work, but not as good at bringing others on board.

Finally, idea practitioners tend to be boundary spanners. They have the personal networks within their organizations to know whom to enlist in their efforts. These networks often give them a nearly direct line to the CEO. World Bank employee Steve Denning, for example, formed a collegial relationship with a VP who worked closely with CEO Jim Wolfensohn. This helped Denning vault knowledge management to the top of that organization's agenda. Because of their networks, idea practitioners don't have to resort to door openers like "I'm from corporate, and I'm here with a better idea."

Outside their organizations, these people are likely to show up on conference agendas, as members of communities of practice, and as sponsors of multicompany research programs. Gene Meieran at Intel, for example, is the senior sponsor for the company's relationships with MIT. He works both with the business and engineering schools there and with special programs such as the Media Lab and Leaders for Manufacturing, a joint business and engineering program. At one point, Meieran even became the director of research for the program with a faculty designation. He's on advisory boards at Purdue and the University of New Mexico, and he also "hangs out" at Berkeley, Stanford, and Michigan.

## Care and Feeding of an Idea Practitioner

It's far from clear how many idea practitioners a given organization needs. But it's safe to say that every company should have at least a few—and that the better these people perform in that role, the more competitive the organization will be. In our study, we looked at how some companies enable and others hobble their idea practitioners. We asked our interviewees what makes their life difficult, what motivates them, why they left some companies, and why they've stayed at others. Based on our research, we have seven pieces of advice to offer.

**Recognize their existence.** It's your obligation to determine just who is playing this role in your organization. It might take some digging; they're likely to be scattered around the place. There may be someone in manufacturing who's spotting operations-oriented ideas, while someone else in marketing may be on the lookout for new approaches to innovation and customer management. Your strategic-planning function ought to be good for at least one strategy maven. Find out who your idea practitioners are, and then let them know you've taken note.

**Carve out roles for them.** Some organizations have begun to create formal units to deal with new business ideas. Ericsson, for example, has a group dedicated to importing and implementing approaches to business improvement. This structure recognizes that some people are better at propelling new ideas along than others, and they should be freed from other duties to do so.

Still, almost all of the idea practitioners we know have other jobs and play their idea roles somewhat on the mar-

gin. They are most often found in staff functions like strategy, IT, or HR, which may not be ideal—at least not initially—given the difficulty of making change happen from corporate. We have seen companies establish high-ranking corporate offices for idea practitioners—Hubert Saint-Onge's role as senior VP of strategic capabilities at Clarica is an example. But that approach seems to be wisely reserved for those individuals who have already earned the respect of the organization. We suspect that the best approach would be to identify a capable idea practitioner and carve out a role to leverage his or her strengths, rather than to establish a formal idea-oriented role and then look for candidates to fill it.

However you structure the role, as leader, you must ensure that the idea practitioner ends up in a good position after the idea has run its course or becomes embedded within the organization. If idea practitioners don't prosper from championing ideas, then people in the organization won't see the value in pushing ideas. At General Electric, for example, senior managers try to ensure that the business unit leaders of idea initiatives emerge with good jobs. Gerry Podesta, who led the e-business initiative at GE Plastics, for example, was promoted to head of GE Plastics for the Americas after e-business was embedded within other business functions.

**Give them license.** Idea practitioners need freedom to pursue ideas. But this doesn't mean they should be given carte blanche by top management from day one. One of our interviewees noted: "New people come into the company—maybe right out of business school—and they think it would be really cool to go to conferences and work with external gurus. But it doesn't work that way. You have to

# Do Ideas Make a Difference?

In its heyday, Westinghouse was an innovative giant—at least in terms of its products and services. The company brought to market the electric power plant, air brakes, the shock absorber, nuclear power, commercial radio, radar, frost-free refrigerators, and many other less dramatic innovations. Yet despite its vibrant product history, Westinghouse is effectively dead as a company, its businesses dismantled

and sold off. Its decline came as no surprise, because its financial performance had languished for many years.

As an interesting comparison, General Electric, Westinghouse's competitor since the late nineteenth century, is currently one of the world's most valuable corporations. Over the past two decades, the company has delivered more than 20% growth to shareholders each year. Like Westinghouse, GE

became a diverse conglomerate, and several of its businesses overlapped with Westinghouse's: broadcasting, power generation, industrial equipment, financing, and so on. Why did GE rise to the top of the industrial heap, while its onetime powerful rival sank into the graveyard? Many factors were at work, but surely one is their different approaches to business improvement. Westinghouse had innovative products,

earn your stripes as someone who can...actually do something with the idea when it comes inside."

The best way to set idea practitioners loose is within the bounds of explicitly stated values and leadership-driven initiatives. At Johnson & Johnson, for example, the values of the organization are clearly articulated in the company's famous credo. Mike Burtha feels that the credo gives him a framework for exploring new business ideas and makes him more comfortable taking risks. "For me, it provides a relevant foundation for my idea generation process," he says. "As long as I'm staying in that framework of values, I know I'll be okay."

**Reward them...carefully.** Idea practitioners, like everyone, need reward and recognition. But throwing too much money and power at them might be counterproductive—if only because such rewards will attract wannabes, who lack the intrinsic motivation integral to the role. Idea practitioners are primarily motivated not by money or power but by intellectual stimulation and the excitement of seeing ideas transformed into action. Some we talked to, in fact, felt they could have been more successful in traditional terms had they been less passionate about ideas.

Whatever you do with regard to cash and perks, don't fail to reward idea practitioners with attention. Your willingness to hear them out, and to visibly get behind an idea, is a powerful motivator—and your disregard counts as a penalty. Your public acknowledgment of their roles in bringing important ideas to the organization may be the highest reward you can give. It may even make sense to adopt a practice commonly employed by technology and engineering companies, which live or die on the

strength of their innovation: granting the status of "Fellow" to innovators who continually make important contributions to the business. Motorola, for instance, annually announces new recipients of its Dan Noble Fellow Award and also recognizes a broader group, consisting of about 1% of its technologists, called its Science Advisory Board. Gene Meieran, the idea practitioner we mentioned earlier, is an Intel Fellow—that company's most senior technical role. All Intel Fellows—49 of them thus far—have been technical visionaries, but Meieran is also a managerial innovator. Together with CEO Craig Barrett, he introduced a quality and reliability initiative to the manufacturing organization. Meieran has championed the modeling of manufacturing processes and supply networks, remote data sensing, supplier maintenance, process control methodology, the role of the Internet in manufacturing, and knowledge management. Meieran admits that his designation as a Fellow has helped him start "brushfires" around a new idea. "Whether I'm right or wrong," he says, "my stuff at a minimum will get a fair hearing."

**Get into the ideas.** Again and again in our interviews, we heard that the single greatest factor determining whether an idea catches on in a company is the perception of CEO-level backing. A leader can signal support for an idea in any number of ways: by sending out an organizationwide memo; by calling a meeting of the management team at which each member discusses how his or her unit is addressing the idea; by introducing a guru associated with the idea at a management meeting; even by keeping a copy of a thoughtful book about the idea on his or her credenza.

but the only business notions it pursued involved financial analysis, acquisition and (more often) divestiture, and a late-in-the-game approach to quality. GE under Jack Welch in the 1980s and 1990s trumpeted the business innovations of "Work Out," "boundarylessness," "speed, simplicity, and self-confidence," "Six Sigma," and "digitization," among other ideas. Welch's letter in GE's annual report became a reliable

place to find the management ideas that would reshape the business landscape over the subsequent months and years.

GE's world-class idea practitioners, including Noel Tichy and Steve Kerr, would not only stir up corporate initiatives but also help embed them into the company's "operating system," or way of managing itself. Key initiatives continue to be discussed and moni-

tored at year-round meetings in which senior executives and idea practitioners from GE and outside companies gather to discuss the best new ideas in management. And once GE embraces an idea, management sticks with it and doesn't treat it as a fad. Globalization has been through more than a dozen annual cycles. Six Sigma has gone through five; services orientation, six; and e-business, three.

We've seen many other types of signals—some subtle, some not so subtle. If you're looking for real change, not-so-subtle is better. For example, when Jack Welch was championing e-business and digitization at GE, he declared that the opportunities and threats created by the Internet were “the biggest change I have seen at GE,” and “number one, two, three, and four on my agenda.” That advocacy, of course, sends a very powerful message. If any e-business leaders missed it, Welch left nothing to chance. Steve Kerr, formerly of GE and now chief learning officer at Goldman Sachs, told us: “In typical fashion, Jack began calling personally on the newly appointed e-business leaders to ensure there was sufficient urgency and boldness in their actions. At every encounter, he would ask them how much they were selling over the Internet, and what more they could be doing. ‘It's a great job because Jack is into it,’ said one. ‘And it's a terrible job because Jack is into it.’”

**Run occasional interference.** An idea practitioner without the protection of an idea-oriented leader is unlikely to get very far. One practitioner described how important such support was in clearing obstacles: “We didn't have much of an organizational hierarchy. But I was given a mandate from the CEO—a very rare thing at the company—to pull off this particular idea. If anybody questioned it, I could say, ‘Bob wants this to happen.’ And that made all the difference.”

That's not to say that a manager should be able to railroad an unpopular idea through the organization by liberally dropping your name. But that person should be able to come to you occasionally for help in overcoming unhealthy resistance. Another of our study participants put it this way: “Leaders need to provide high-level cover—like a Strategic Air Command. They have to clear a path for you to keep the idea protected, so that it can continue to spread. When you have high-level cover at the executive level, you can make sure that it works and it's going to last.” Without protection from top managers, an idea can fall quickly by the wayside, with all the appearances of having been a fad. Even one experience like that, he explained, “can ruin an organization's capacity for ideas for a long time.”

**Create an idea-friendly culture.** Finally, more than anything, it is the leader's responsibility to create an organizational culture that lets good ideas flourish. In many cases, CEOs are willing to embrace new ideas, but they are surrounded by what one of our interviewees called “centurion guards”—middle managers bent on resisting change at every turn. For idea practitioners, this state of affairs is tolerable, perhaps even expected. But idea practitioners are apt to divest themselves emotionally and intellectu-

ally—then inevitably move on—when a CEO or senior executive communicates an aversion for risk greater than that of the rank and file. Noting the paralyzing rhetoric of a former boss, one idea practitioner recalled, “He always said, ‘Don't make us better; make us money!’”

Cultivating an idea-friendly organization is also about encouraging tolerance for the failures that come with experimentation. It's often been said that innovation requires the ability to fail, and innovation driven by business and management ideas is no exception. Some ideas will not work out, despite the best intentions and efforts. One might argue that the experiments undertaken with business and management ideas are, in some ways, more difficult and complex than those in any laboratory, yet no one expects that all laboratory experiments will succeed.

## Your Real Movers and Shakers

Everyone knows the expression “movers and shakers,” but few people realize it was coined by a poet, Arthur O'Shaughnessy, talking about the role poets play in the world. “We are the music-makers,” he wrote, “And we are the dreamers of dreams...Yet we are the movers and shakers/ Of the world forever, it seems.” Like O'Shaughnessy's poets, idea practitioners are the people who envision a new reality. Without them, new ideas would remain on the periphery of organizations and would never get embedded into practice.

Idea practitioners are a valuable resource for organizations that shouldn't be taken for granted—or they're likely to leave. In conducting this study, we found it was common for idea practitioners to have worked for several different organizations. Dave Clarke, for example, recently joined the not-for-profit world after working in the chemical and automotive industries, moving from WL Gore to General Motors to the American Red Cross. Maybe this is part of their value—like business honeybees, they pollinate new ideas across industries and companies.

But we suspect that their ability to add value grows with their tenure in a particular company, making it all the more important for senior executives to identify and champion them. The more seasoned practitioners have seen a lot of ideas in their time, and they have a good feeling for which ones will fit into the context of their own companies. “Since I know the kinds of ideas this company is receptive to and what it actually needs,” says one practitioner, “I can strike the match that lights the fire of innovation.”

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