



Innovate or Die

Reflecting on COVID-19 BY GAIL BALL AND DANIEL FREEMAN

EVERY ORGANIZATION FACES a simple imperative: innovate or die. Recognition of this imperative has fueled many well-known initiatives aimed at facilitating corporate innovation and intrapreneurship, including Lockheed Martin's *Skunk Works*, 3M's *Bootlegging Policy*, and Google's *20% Project*.

One lesson learned from the pandemic is that companies and their people must be prepared to move faster and adapt to changing circumstances more fluidly than ever before. As we've seen, companies that nimbly adopt new ways of working and rapidly devise creative solutions to continue serving customers have generally survived. Many have even thrived.

A second lesson learned is that most organizations remain ill-prepared for the pandemic-fueled amplification of the innovation imperative. In fact, less than 30 percent of respondents in a 2021 McKinsey survey about innovation in times of crisis indicated feeling confident that they and their teams are prepared to successfully operate in a changed and rapidly shifting environment.

SURVIVING THE INNOVATION IMPERATIVE

To better position their people to meet the challenges associated with an accelerated pace of change, companies are investing heavily in training programs. According to the *2021 Training Industry Report*, the majority of companies increased their corporate training budgets in 2020 to reskill and

upskill their teams. Soft skills pertinent to innovation and intrapreneurship have been a primary focus of this increased spending. As noted in a recent EY's *The Entrepreneurial Mindset of the Future of Work*, "Businesses need people who offer not only hard skills but also the soft skills associated with entrepreneurship: innovation, self-reliance, comfort with risk, communication, and problem solving."

Through innovation and intrapreneurship training, companies can unlock the full creative and adaptive potential of their people by helping them to develop:

- Beneficial habits like self-reflection and self-leadership to accelerate learning from experiences, provide clarity of purpose, and bolster individual and team effectiveness.
- Critical interpersonal skills like empathy and communication skills like active listening to detect and understand pain points.
- An entrepreneurial mindset to provide the impetus to address pain points and the imagination to recognize them as opportunities for creating value from new ideas.
- Enhanced connectivity to networks of people and resources that can be utilized to pursue opportunities.
- A creative problem-solving skill set for devising, testing, and iterating solutions that deliver unique value.

HATCHING INTRAPRENEURSHIP TRAINING PROGRAMS FOR WOMEN

A third lesson learned from the pandemic is that the need for innovation and intrapreneurship training is particularly acute for women, as the pandemic significantly widened the gender equity gap. In fact, net job losses associated with the pandemic can be explained nearly in full by the job losses of women. This “she-cession” also extends to new venture creation. For example, funding of all female startup teams fell to their lowest levels in a decade, accounting for just 2.3 percent of all venture capital allocated. Underscoring the magnitude of this inequity, one venture-backed company—Robinhood—raised more capital than all female founders combined in 2020.

To help Delaware companies meet the innovation imperative while also addressing the extraordinary challenges faced by women innovators, the University of Delaware’s Horn Entrepreneurship launched the WE Hatch professional development workshop series in spring 2021. To date, the series’ interactive sessions have focused on providing participants with practical insights and skills for: recognizing and overcoming biases in the types of questions women innovators are asked to answer, capturing and utilizing customer insights, cultivating a lasting culture of collaboration, and effective storytelling. UD Horn is working with its network of Chamber members and partners to develop the next set of WE Hatch workshops. Contact Laurie Prysock at lprysock@udel.edu for more information.

INNOVATION TRAINING = A WINNING STRATEGY

History tells us that investing in innovation is a winning strategy, especially in challenging times. An analysis of corporate performance following the 2008 financial crisis showed that companies that maintained their innovation focus during the crisis outperformed market averages by 30 percent and delivered accelerated growth over the subsequent three to five years.

Extrapolating these outcomes to our present context suggests another lesson that we are about to learn. Namely, companies that invest in training to increase their innovative human capital will realize outsized returns over both an immediate and a long-term horizon. In the short term, innovation and intrapreneurial training will prepare people and teams to successfully adapt to the many problems resulting from a breakneck pace of change. Over the long term—as new habits of mind become established, and as expertise in utilizing new skills advances after thousands of hours of practice—people and teams will produce extraordinary productivity gains. They will also create exceptional value by manifesting their full creative, innovative, and intrapreneurial potentials. ■



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