

Innovation Equality

Nobody disagrees with the fact that there are few things and maybe no things these days that are more important than innovation. I just want to add one small twist to that and it's what I call my Innovation Equality Act. And what I mean by that is, when we think of research and development, we almost always think of new product development. Well, here is my iron law, my request, my command, my rule: Innovation and R&D budgets of significance are equally important in every single piece of the organization.

They are important in the logistics function. They are important in the purchasing function. They are important in the HR function. They are important in the finance function. That is, innovation (and R&D) is about every single nook and cranny within the organization. It's not just a marketing thing. It's not just a new product development thing. Think about it. An R&D budget in every training or HR department; it just doesn't happen very often, and that is genuinely, truly dumb.

You are just as likely or more likely to find that elusive competitive advantage in purchasing or HR as you are in an official engineering or marketing department.