Strategy: Measure Innovation

The question routinely comes up as to whether or not you can measure innovation. And, you know, if you happen to be the chief executive officer or something like that, you can certainly focus on the percentage of your revenue spent on research and development, and so on. But most of us aren't CEOs, and, anyway, that's not my way of choice for measuring.

I've got something much simpler. You're running a 25-person human resources department, or you're running a 16-person purchasing department, or what have you. What's going on in those departments is a collection of projects, right? Changing this system, implementing this, whatever it may be. And so, all I want you to do is to take every single project, small or large, that you are working on, and I simply want you to rate them on a scale of 1 to 10. One, the bottom of the scale, is something like maintenance or this or that or the other. The top of the scale is stuff like weird, profound, wow, game-changer.

And then my suggestion is that, if you have perhaps eight projects going on in your little department, you want to ensure that you always have two or three that score 8 or above. That's very simple. It's more or less quantitative, but also qualitative. But, it just allows you to vaguely keep in touch, in a more organized or slightly organized fashion, as to whether we're doing mostly cool stuff or mostly uncool stuff. And that is a very decent way to measure innovation.