

Leading Innovation in an Industrial Company – Implementing a Hybrid Model of Organisation and Leadership, Hubert Lobnig

In: the Hub, newsletter of the Center of Leadership Studies, University of Exeter, No 2, 2012, p7

The Vienna headquartered Frauenthal Automotive Group (3500 employees in 9 plants across Europe, producing springs, air tanks and U-bolts for the European truck industry) asked me to help them as a consultant to design and implement a new organizational model and leadership approach for their product innovation. After the board decided to head for an ambidextrous innovation concept rather than a departmental solution, a new model of leadership was required: Instead of leading an organisational unit, the innovation leaders would manage the innovation process in which different departments, plants and professions need to contribute in the different stages over time. Instead of using the power of being a superior, the innovation leader would need to organize cross-organisational collaboration – much of it on a peer-to-peer level.

For each of the 4 product groups an innovation leader was assigned, with approximately 30% of his total working time allocated to this task. The innovation leaders meet together with the Vicepresident for Market and Product Development bimonthly in one of the plants. The meetings are designed around progress reports of the different innovation activities in the plants, peer coaching on specific problems, and a special focus on the innovation processes of the host with site visits and critical reflections of strengths and problems.

After a period of six months of the innovation leaders job profile began to get a good grip in balancing the needs of the production sites and the requirements of the innovation process. Based on an interim evaluation in November 2011, the Innovation leaders tasks are now defined in three major areas:

- Leading the Innovation process: Managing the stage process, coordinating the scope setting for innovation; leading idea generation meetings (brainstorming workshops), nurturing the stock of ideas and data warehouse; pushing promising ideas up to the innovation committee where the decisions on investments are made;
- Marketing of the innovation platform: Keeping the momentum in the plants through continuously producing and communicating good stories for internal and external audiences. Building innovation corners (spaces with exhibitions of prototypes, research results, questions for further research), regular internal newsletters and info meetings;
- Meta-Management of the innovation process: being a part of the corporate team of innovation leaders, contributing to the evolution of the innovation platform, building and maintaining external networks for benchmarks and new ideas.

It is too early to assess the impact of the innovation initiative for FA but some first successes reinforce the initiative: Signals from customers are positive as they appreciate really different types of solutions for truck components they were confronted with in the last months. A number of innovative projects were sent into the R&D process and one product found its commercialization with an axle producer recently. Another impact lies on the level of corporate culture: the involvement in open idea generation and in innovation workshops, the experience of engagement for the companies future contributes to a culture of commitment and positive inner work life. There are no data to measure it (yet) but you can sense it when you go there.