What is the Difference between

Change Management and Innovation?

The Innovation Network

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The question posed to The Innovation Network:
An Innovation Network member, Peter Marinelli at Kraft, has asked us a question we thought would make an interesting thought stimulator:

> "What do you see as the key difference between innovation and the activities required to successfully complete any large-scale change-management activity/project that causes leapfrogs in competitive advantages or causes people to work in a completely new way? This question came up in a discussion with a very seasoned process implementation person, who is somewhat skeptical of putting the banner of "Innovation" on various and sundry activities."

So, think about "innovation" and "change management" and tell us what difference, if any, you see between the two.

The Results:

From: Mike, gj1335@hotmail.com
Change should be "controlled" by either a company or a project using a process to ensure that change is orderly and consistent. Innovation on the other hand should be "channeled" when decisions are made within a project or company. Innovation may be a precursor to change, but may equally be required for design, or problem solving.

From: Laura Ricci, lricci@r-3.com
I see innovation as the result of putting in place a management system designed to change the organization/culture/mission. The managers must provide the structure and space, the innovation comes from the staff released to play in this new space. In organizations in which I've been the change agent, I don't consider my actions as innovation. In fact, I tend to boil my practices down as quickly as possible to a process and practice that other managers in the organization can emulate. However, the results I get are consistently over the top, exceeding all previous measures for success. Those innovations come from the staff, and are simply seeds getting light and water from management.

From: Lynda Curtin, OppThinker@aol.com
I see change management as one component of innovation. It is an important component and needs to be well thought out and planned for. Barriers identified and removed.

From: dskinner@mmm.com
Without going into too much verbiage I would say the difference between the two is basically one of vision. In change management one has a very clear vision for the future and the task is to identify which changes are necessary to realise this vision. One must figure out the factors promoting change and those resisting change and deal with these one by one during the change process. So change management is a process with a clear goal and defined path but obstacles to

be overcome in getting from A to B. Organisational change and restructuring are good examples which require little or no innovation but a lot of skillful leadership to implement.

Innovation, on the other hand, is dealing with lack of clear vision for the future - we have problem X which we do not know how to solve; we have opportunity Y but no means to realise it; we see a future set of possibilities which do not look attractive to us. While these things also involve change, the actual change required is not yet defined. We can often resolve some of these issues by doing what we have always done but prioritise more resource to be applied. A technological example would be: we need to improve the driving distance between stops for petrol of our mid-size car. Using what we have in our capability today we can increase the size of the petrol tank, maybe reducing the luggage storage capacity to accommodate it. That would be change but hardly innovative. Innovation would be required to make the car more economical without losing performance. Very crude example but hopefully it communicates the point.

From a personal view point I think innovation is an overused term, probably because it has become a buzz word, and is even in danger of losing its traditional meaning. The original question seems to evidence this.

From: Barry Tipping, Barry.Tipping@atl.frb.org_r
Change Management is a bit of an oxymoron; like Military Intelligence. Nobody really "manages" change, they simply "adapt" to it in different ways. Suppose an individual approaches change in an open, flexible manner, (i.e. embraces it) and successfully navigates a project/system to completion. Is this an outcome based on "innovation" or simply superb situational awareness and adaptability? Innovation requires the imagination to envision something which has no precedent, AND the adaptability and awareness to make the vision come true.

From: "Wilson, Skip", skwilson@csw.com
 Innovation is taking a creative idea to a point that it has produced something of value to the organization, adding to the bottom line, cutting costs, etc.

Change Management is a larger concept, involving taking an organization through various stages from point A to point B. Point B need not necessarily be a innovation.

An example, about 12 years ago, our company launched a system-wide process to instill principles of the Managerial Grid. The Managerial Grid is hardly new, and the principles are solid even today (candor, inquiry, advocacy, etc.). The "Change by Design" process seems to have worked, and we see the difference between our company and other companies like us who have not undergone the transformation.

Innovation may require Change Management; Change Management does not require Innovation.

From: "Coleman,Philip D", philip.coleman@dhs.state.tx.us
 Change management includes innovation. I think of innovation as often experimental. Someone once said, "Why not call an experiment an experiment?" This could take some of the threat out of it.

Change management seems to be the art of getting people to buy into the innovation/experiment. One way to do this is to sell it successfully to a selected few. In areas of technological training, we've found demonstrating a prototype to those few often gets good results. After awhile others are clamoring to get on board.

From: [*MichaelK38@aol.*](MichaelK38@aol.)com

I'm uncomfortable with the use of the language pattern 'change management'. The concept of 'Change management' and the use of that language is possibly a 2nd wave way of talking about a 3rd wave phenomenon (vestiges of a control based model where we think we can manage and/or control things). In a world of complex adaptive systems new states of being 'emerge' and aren't really managed (and a key component to survival is the ability to quickly respond and adapt to new environmental conditions).

I think what most of us are attempting to describe when we use the term change management is really coordinating or orchestrating parts (people, processes, machines, etc.) so they develop new capacity to respond and adapt to environmental conditions.

Simply stated - Innovation is a very specific response to a specific environmental condition.

'Change management' is building the capacity to respond and adapt to lots of environmental conditions.

From: Brian J Tillotson, [*briant@hsvaic.hv.boeing.com*](briant@hsvaic.hv.boeing.com)

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Innovation and change are points on a continuum:

Statis -> Change -> Innovation -> Revolution

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Change implies incremental adjustments: rearranging the car factory to make it more efficient, for example. Innovation is a bigger step, e.g. using graphite in place of aluminum, with a corresponding change in nearly all components of the factory. Beyond innovation lies revolution, e.g. replacing the factory with a big vat where cars are "grown" by the action of genetically engineered bacteria.

From: "Brooks, Greg", GBROOKS@techdata.com

As a seasoned process implementation person, I agree whole-heartedly with the skepticism of acquainting standard change management activities with the process of innovation. Change management is the application of largely mundane empirical methods used to successfully introduce planned change into the environment. The introduced change may or may not be the result of innovation.

Innovation on the other-hand is the practice of "looking outside of the box" and re-thinking what we currently do in ways that leverage new and exciting technology and / or greatly simplifies what would otherwise be complex, convoluted practices. Innovation should be a standard part of the re-engineering process and is a prelude to the change management activities which introduce the innovation. Of course, we can -- and should be innovative in our change management processes, as the most difficult part of innovation is the successful implementation of the paradigm changes. The tendency to fail at introducing change is often the result of inadequate

communication and the general unwillingness of organizations or individuals to wholly "own" a given project. Those projects that are structured with clear ownership of both the implementation as well as executive sponsorship, stand the best chance of success....again, to confuse change management activities with innovation would be folly.

From: "Bowman, Joe (JC)", JCBOWMAN@*dow.com*
 My experience tells me that Change Management (activities required to successfully complete any large-scale change-management activity/project that causes leapfrogs in competitive advantages or causes people to work in a completely new way?) are generally doing what we know how to do in a logical manner taking into account the human reactions to change. It may require some innovative thought along the way but for the most part it is doing what we know how to do in a systematic way ... especially listening to people and involving them as much as possible in the change.

From: Ken Tombs, *knt@kent.demon.co.uk*
 Innovation is essentially a creative mental process.

Change Management is essentially a planned and methodological process, even if the methodology is based upon anarchic or maverick techniques.

Innovation can occur in 'Status Quo' as well as 'Change Management' Enterprises.

'Status Quo' Enterprises can still innovate although that form of innovation may be haphazard and lack focus, unless creativity forms part of the Enterprise's working activities.

'Change Managed' Enterprises usually seek to manage and focus innovation, often as a means in its own right to stimulate participation in bringing about some re definition of how the Enterprise works or behaves - management culture or operations for example.

Innovation purely for its own sake (Directive) is of little value and does not establish firm change in the Enterprise. Innovation that seems to initiate itself (Cognitive) in the context of a well perceived need to change, does establish firm and lasting change. I have working experience of both.

'Being innovative' is often a misnomer for 'attempting improvements' by managers and individuals who do not understand change and how to establish it. This attitude seems to be linked with managers who prefer to think of change as Business Process Re-engineering, they think of it as a 'one time job'!

My very rough and ready web site http:\\www.kent.demon.co.uk has some material on change management and change agents in it.

From: *paulette.lutz@ssa.gov*
 The four basic elements of management are planning, organizing, controlling and motivating. These are drummed into every manager's head. All of these elements are coming from a authoritarian controlling foundation. Change management is just changing the type of control. No free thinking here. Innovation requires free thinking and incorporating new ideas. It has

always been my experience (and I've been on both sides of the fence - manager and employee) that the managers are the least likely to accept change/new ideas. Employees will show resistance at first, but eventually concede to change (innovation) and work with it very well. The managers, however, dig their heels in and refuse to change. Managers think that innovation means loss of power (control) for them and more power to the employees.

From: Kim Daus kdaus@corp.sgi.com
 Innovation takes place quickly, spontaneously, and unpredictably. Change management takes place over looooong years, and is usually orchestrated.

From: Alan Mossman alanmossman@compuserve.com
 Continual Improvement/Innovation/Change Management/

I find it helpful to make the following distinctions:
Continual improvement (CI) is a systematic and systemic approach to the iterative incremental improvement of products, services (= design improvement) and/or processes (=process improvement). CI usually takes place "on the line".

Invention: Creating something that did not exist before. Invention can be a solitary process rather than a group one. Group processes sometimes kill inventions before they are invented. It is possible to organize groups in such a way as to encourage inventions, but there is no agreed-upon way to do so except to give considerable freedom to inventors.

Innovation is the process of bringing an invention to market or introducing a radical step change in a product or service or in the way the product is manufactured or delivered. Innovations often originate off-line. Innovation requires the marshaling of people, money, materials, machines, processes, methods, and procedures. It requires group action, and it must be managed. Some Innovations, and all complex ones, will require . . .

Change Management (CM): this refers to a series of planned systemic interventions designed to improve or enhance the performance of the focal system from the point of view of the system of which it is a part. Change management is required when some part of an organisation wants others in the organisation to work in a completely new way (this may be the result of an innovation). Change management may result in leapfrogs in competitive advantages -- or it may just allow the organisation to catch up with its competitors.

[I am grateful to Dr Myron Tribus for the distinction between Invention and Innovation.]

Then there is Lean Thinking -- and beyond . . . But much lean thinking has come from CI in Toyota. For those adopting it, it comes as an off-line generated Innovation and requires CM.

I find Robert Fritz's ideas very helpful in all four areas. See particularly his new book "Path of Least Resistance for Managers" Berrett-Koehler 1999, which I think is excellent.

From: Jack ricchiuto@email.msn.com
 In my work with organizations, the larger matter of labeling any non-local effort is tricky. When asked by a client some time ago what they should call their change/innovation program (for the

balloons, buttons, etc.) I took a zen approach by suggesting no label. This stunned them into asking why not. I suggested that many people expect ("new") things with beginnings to have ends, and if you truly want this to be ongoing, you've got to "spin" its beginnings back to (at least) the beginnings of the company. They liked it and it worked.

I am not easily entertained by trying to decide what the "right word" is--as in, is it change, creativity, innovation, breakthrough, turbo-paradigm shifts. I was brought up in the school that words derive their actual meaning for people in relation to THEIR experience--not mine. What words "mean" therefore cannot be centrally controlled or planned. I know this is potentially heretical, but I think worth expressing.

From: Alan Mossman *alanmossman@compuserve.com*

An associate brought this to my attention today. It is from the 20 February 1999 edition of "The Economist" (London). The article summarised results from an international survey of innovation in today's industry.

* Innovation has become the industrial religion of the late 20th century and is viewed by many as a key to increasing profits and market share.
* Innovation is usually thought of as the development of a better product or process where value is created through the exploitation of some form of change. Coming up with a definition is difficult because of varying opinions and due to the complexity of measuring it.
* Innovation is not imitation, price cutting to gain market share, or repackaging of existing products.
* Innovation is more than creativity. Creativity is about generating new ideas and concepts (this is a step in innovation). For creativity to result in innovation, the change must result in added value through some form of implementation.
* Two things set apart companies with a good record on innovation. One is that they foster individuals that are internally driven to succeed. The second is that they pursue innovation systematically and do not leave it for chance. They actively search for change (the root of all innovation).

From: Jose M. Vicente Gomila *vicente@triz.net*

My two cents contribution is that change includes for instance, a variation in the behavior of an organisation (to achieve a 'healthier', fair, work environment). Innovation is about producing impact (great or little) in the market for the benefit of the society who finally receives de heritage of that innovation. So for a change to be an innovation has to bring some economical advantage. According to this point of view, change has a more broad sense than innovation. All innovation implies change but not every change is innovation.

From: Debi Scott *ryvz20@email.sps.mot.com*

My view is: "Change management" is a pre-defined process with specific rules that is to be followed to manage all changes in an organization. "Innovation" is a process that approaches at each change individually, is defined by the character of the change and processes are created or discovered to manage the change.

From: jmb wizard jmb_wizard@hotmail.com

I see it this way: innovation is the initial inspiration of how to do things differently. Change management consists of the plans that [effectively] implement this new idea.

From: AndyofCCC@aol.com

As the question is currently framed and based on some assumptions about the definition of innovation - the answer is none. But the text has other issues in it.

As the question is currently worded, I can understand the seasoned process implementation person's view. The use of the trendy word 'innovation' is close to falling into disrepute because it is so widely used it lacks any precise meaning. In creativity circles it is often the same as or implies 'new', 'creative', 'good', 'high level', or the 'implementation of creativity'.

The use of the term innovation in this glamorous way also often leads to the sterling value of adaptive change being undervalued. My guess would be that the colleague has a preference for a more adaptive style of creativity and s/he does not want to associate the useful current process implementation with all that 'wooly, unsound, and impractical innovation' stuff.

But.....if the question was: "What do you see as the key difference between creativity and the activities required to successfully complete any change activity/project that causes competitive advantages or causes people to work in a new way?"........then the answer is still none but this time, some potentially changed perceptions. Maybe instead of calling all change innovation, Peter Marinelli could call all innovation change or all innovation problem solving or all innovation creativity. In the end it does not matter as the distinctions are linguistic and not scientific. The brain does not have separate departments for each of these.

In order to influence the changing world around us and acquire what we need, we have to solve problems and to solve problems we have to think. Thinking is the process by which we solve problems and it is the same brain function that produces creativity and all change.

We see the term change as embracing the concepts of creativity and problem solving as they all closely relate to thinking style and they all involve the elements of newness and usefulness, at least to the creator. Also they all involve moving or trying to move from a current reality to a desired future reality.

Indeed creativity has been described as a special class of problem solving where there is difficulty or ambiguity in problem formulation, unclear pathways forward, and a need for ideas to solve the problem as the outcome does not already exist.

What I found useful in exploring the question Peter is wrestling with, was the realisation that managing change both broadly and well meant I had to learn how to manage diversity well. If the organisation had a framework that embraced and made clear that it valued all styles of creativity and change as opposed to just innovation, then perhaps, the seasoned pro and others would 'all be singing from the same hymn sheet'. Alleluliah.

From: bob_obrien@npd.com

 From my point of view, change management is a critical element of innovation. A truly new idea is rarely accepted immediately by any group.

I recently managed my group through a period of very disruptive change. I (working with a small group) designed an innovative approach to organizing our client service groups. This required that we hire in people with extensive experience in personnel management who were also accustomed to working at high levels within businesses. This particular innovation caused great upheaval within the larger group. We had never had managers who had not learned the ropes from the bottom up. Many fairly senior people rejected their new managers out of hand. It took a lot of one-on-one coaching to get the people and the managers through the trough of despair up to the side of change where the benefits became obvious to all involved.

On the side of technical innovation, we recently created a "big button" application that automatically produced a report (we are a marketing research group) that our clients were constantly asking us to prepare for them. Our culture, which called for us to do anything to make the client happy, had us working through the night to prepare these reports by the dozen as part of the clients' standard contracts (we work by subscription). When I introduced the application and announced that it would be sold to the clients for what was essentially a 20% increase over their standard subscription fee I was met with stoney silence. All the client service people believed that the product would never sell and would simply make the clients mad.

So, we had to go back and coach the client service people out of the "social worker" mentality (not that there is anything wrong with that) and into a perspective of account stewardship. Whatever lingering doubts existed when the product was officially introduced vanished when one of the most frugal clients we have ever had ponied up his money for the product. In a few weeks, 20% of the clients had adopted the new application.

So, in my mind, innovation is the idea and change management is the way you apply innovations. Without one you never can get the full benefit of the other.

From: S Atkin / B Patterson, seasite7@waverider.co.uk

 To me the debate about the differences between innovation and change-management activities may be resolved by examining how the concepts are being applied to the various levels of task, objective, goal or purpose.

Historically, "innovation" has been concerned with the introduction of novelties, doing things in a new way. Hence it is a word of significant value relative to the early days of the industrial revolution. Now, "novelties" has an association with low value, shoddy, mass produced items.

"Innovation", especially since the publication of Thomas Kuhn's THE STRUCTURE OF SCIENTIFIC REVOLUTIONS, is a word which has become more associated with the creation of new paradigms.

Given the stress and trauma which dominate life in (post)-industrial societies, I suspect that through the tinkering we do with activities at the levels of task and objectives, we inflate its importance and our narcissistic egos by calling it "innovation".

Linking this question back to the previous topic of fear in the workplace I'd like to add that the greatest fear there has to do with the pervasively dawning sense that whatever we do working out of our competition and profit driven paradigm is contributing to the destruction of the earth's capacity to support human life. Feeling fearfully trapped in states of stress, denial and dissociation, we honestly don't know how to create the paradigm changes necessary to bring our lives and cultures back into a healthful balance with our planet's needs.

The phrasing of the current question seems to me to accept the industrial paradigm by the way Peter Marinelli defines the sought after outcomes of change-management activities. To me it accepts the destructive status quo of our technology-addicted culture. True innovation, in this context, would have the quality of giving us a paradigm which would help us to restore healthful social relationships and to experience our lives as bounded by a sacred, supportive space.

Blessings of courage, strength and wisdom to all those who with love and patience struggle to develop and bring about such a change within themselves and with others.

From: Jeffrey *Warner*, Jeffrey_Warner@cc.chiron.com
I see innovation as a process of producing creative ideas and change as a possible result of the ideas. The idea may be a change, in this case there would be little difference between innovation and change management. For example, if the idea is to change the structure of an organization to improve efficiency the idea is change notimplemented. Here we have change as an idea and possibly an implementation of an idea. There are some ideas that don't produce change, they are not implemented.

Keshavan Nair

"Change cannot be avoided. Change provides the opportunity for innovation. It gives you the chance to demonstrate your creativity." *-- Keshavan Nair*

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