We hope that these FAQs give a quick start to getting to grips with innovation. The rest of this book shows you how to move from understanding what the key elements of innovation are to an active implementation of innovation either within your team or division, or company-wide if that is your role.

One of the earliest books to appear under the title *The Management of Innovation* was written more than 40 years ago by Burns and Stalker. Not surprisingly, it does not deal with all the issues and techniques discussed in handbooks on the same subject today. It does not contain discussions of research and development, stage-gate processes, multi-disciplinary teams, project management and all the other practices associated with modern innovation management. Instead, it deals with the relationship between organizations and their environment. For Burns and Stalker, management of innovation was concerned with survival in a turbulent environment. Basically, they argued that if changes are frequent and unpredictable, the organization needs to be structured in such a way that it can react quickly and creatively to whatever comes up. In their empirical

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**Designing innovative organizations**

*Professor Ben Dankbaar*

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work, they had found that organizations operating in a changing environ-
ment had what they called “organic” structures, characterized by loosely
defined tasks and responsibilities, horizontal rather than vertical communi-
cation and considerable latitude for employees to guide and direct their own
work. These structural characteristics enabled organizations to react and
adapt to challenges in the environment.

More recent studies tend to define innovation management in a more
proactive fashion. Innovation management today involves the implementation
of strategies for the more or less continuous renewal of the product portfolio
of companies and of the underlying production processes. This is more than
reacting to changes in the environment; it also aims actively to change and
indeed create the environment in which the firm wants to survive. Are the
insights offered by Burns and Stalker still useful today? Later research has
shown that successful innovative organizations are not necessarily character-
ized by loosely defined tasks and responsibilities and other features identified
by Burns and Stalker. And indeed, these features seem to be more appropri-
ate for small organizations or for research laboratories than for big
corporations. But the comparison of organizations with organisms is still
useful to understand the design requirements for innovative organizations.
Burns and Stalker showed that the traditional “mechanistic” design of organi-
izations was inadequate in a rapidly changing environment. They argued that
organizations had to be perceived as open systems, just like organisms that
survive in constant interaction (breathing, digesting) with their environment.

Being organic, then, implies the ability to perceive disturbances, changes
and chances in the environment and to act upon these perceptions in a timely
fashion. Over the past 40 years, researchers have uncovered various ways in
which companies can be organic in this particular sense. We now know that
innovative organizations have to incorporate the following elements:

1 a decentralized system for the generation and identification of
   ideas for new and improved products and processes, including
   ideas coming from outside the organization;

2 a well-structured system for the selection and further develop-
   ment (or sale) of the most promising ideas, including a set of
criteria based on a long-term vision for the company;

3 efficient structures for the production and delivery of (new and
   existing) products and services;

4 a well-organized system to register feedback from customers
   and react to it.