

Innovation has more to do with culture than money

In an 'internal innovative environment', innovation originates from all people and places in an organisation, says Antonio Teixeira

“ The first metal can was produced by Peter Durand in 1810. After more than 200 years, we cannot deny that our industry is mature, especially in terms of processed food cans.

Since the middle of the 20th century new technologies have been coming up, allowing the development of different packaging solutions, mainly new kinds of plastics and laminated cartons, that continuously have taken part of the metal can's market share. Fortunately, beverage cans are an exception.

Glass started to become mature before the metal can and glass is still successful and present in many and important markets. When an industry becomes mature new uses and new markets naturally appear.

However, to take advantage of new opportunities, it is necessary to invest in innovation. If you think that this is difficult because it is necessary to invest in R&D with labs and scientists, you are wrong. Innovation is more a question of culture than money. The innovative organisation has an *internal innovative environment* where innovation comes from all people and all places of the entire organisation.

Companies that embrace the *internal innovative environment* model have many more innovations.

In 2014, the book entitled *Idea-Driven Organization: unlocking the power in bottom up ideas* was published. The authors are professors Alan Robinson and Dean Schroeder. A bestseller in the US, it analyses more than 60 cases of internal suggestions programs in many different countries. Just one of the cases was taken from the metal can industry. It reads:

“As an example of an idea-driven organization, let us look at Brasilata, which has been consistently named as one of the most innovative companies in Brazil... Surprisingly, Brasilata is in the steel can industry, a two-hundred-year-old industry that was viewed as mature before the Soviet Union launched Sputnik in 1957.”



Antonio Teixeira is vice president of the board of directors at Brasilata and president of SINIEM, the Brazilian association of metal packaging producers

I particularly know this case very well since I was Brasilata's chief executive until 2014. I am currently a shareholder and vice president of the board of directors.

The authors of the book state that in companies that count on a high performance suggestion system, 80 percent of the improvement results originate from ideas from the front line employees and only 20 percent from the management. They also say that these organisations are very rare. Why? First, building an idea-driven organisation takes a lot of work. Second, trusting front lines employees runs against traditional management practice.

Normally, chief executives and top managers are very well prepared and because of this they tend to consider that there is not great value in front line employees' ideas, but this is a big mistake since front line problems are not visible to the chief executive.

The book's examples show how organisations that belong to mature sectors (not only cans, but furniture, textiles, hospitals and many others) can have superior performance when they implement a high performance suggestion system and become an idea-driven organisation.

My personal experience, not only as a former chief executive but also as a professor, allows me to say that the internal culture of innovation is an excellent way to fight against the fact that we belong to an industry that is over 200 years old.”