

# Horizontal innovation versus ambidexterity

*Horizontal innovation is a great way for an organisation to be innovative, says Antonio Teixeira*

“ Specialised literature has registered a movement of companies in search of what is being called *Horizontal Innovation* (innovations from all the people of the organisation). It is the democratization of innovation. Some authors compare this movement to the quality movement in the 1980s. The quest for reproduction of the so-called Japanese industrial techniques led to the democratization of quality control functions that became the responsibility of all operators, especially those in the front line. It was only after this change that techniques like *just in time*, *kaizen* and *lean production* became commonplace in the West.

The main idea behind democratization is the horizontalisation of innovation, encouraging ideas from all the people belonging to any area of the company, not just R&D or marketing, a policy that would boost the organisation in the systematic pursuit of innovation.

## **But what about radical innovations?**

Both types of innovation, radical and incremental, are necessary and fulfil different functions in the company. The radical ones are associated with the strategic positioning of the company in the market in which they act or intend to act, and the incremental ones to operational efficiency.

However, the coexistence of the two types of innovation in the same organisation is not usually common. Radical technological (not organisational) innovation presupposes an organised area of R&D, while systematic incremental innovation demands open channels of communication and participatory management. On the other hand, in the past, some renowned authors criticised the incremental strategy, based on the erroneous assumption that continuous process improvement would work against radical innovations.

Innovative sustainable organisations are able to simultaneously undertake not only incremental innovations that ensure short-term efficiency but also the radical ones maintaining competitive advantage in the long run. These organisations were



Editorial board member Antonio Teixeira is vice president of the board at Brazilian canmaker *Brasilata*

called ambidextrous.

The concept of ambidextrous innovation has been studied by several authors, modifying the idea that the incremental innovations would be antagonistic to the radical ones.

A remarkable example is Google, where all employees can use 20 percent of their time in pet projects, producing countless incremental improvements, but also some radical innovations like Orkut and Gmail were born out of that program.

As incremental innovations are common to all organisations, it could be an underlying thought that ambidextrous organisations would be those that, by introducing radical innovations, would also invest in incremental innovations rather than the contrary.

However, the contrary happens. Organisations that have a high-performance suggestion program create an *Internal Innovative Environment* and get some radical innovations among thousands of incremental ones.

I was the chief executive of *Brasilata*, the largest steel can producer in Brazil, for 37 years (currently as a shareholder I am vice president of the board). The company approved more than one million ideas in 35 years – of course the vast majority gave rise to incremental innovations, but significant product innovations such as *Plus Closure*, *Biplus* and *Ploc Off* were obtained with a high performance suggestion program.

I believe that *Horizontal Innovation* is a great way for an organisation to be innovative, especially in mature sectors as the steel can industry.”