

## Breakaway Innovation

Innovation is *the* critical topic at every company. CEOs agree that in order to survive and be successful in the 21<sup>st</sup> Century their companies must innovate continually. But how is that possible? My solution is to develop a new type of strategic thinking, which I call "Breakaway Innovation". It is a process and mindset that allows you to distance your company from the competition.

Process and mindset represent two essential ingredients to achieving Breakaway Innovation, a kind of Yin and Yang. Establishing the right process and mindset requires a company-wide strategic initiative to establish world-class business practices that build relationship and trust between employees. This in turn creates an environment that fosters creativity and empowers employees to feel comfortable about taking the risks necessary to accomplish extraordinary results or what I call Breakaway Innovation. You can call this strategic initiative anything you want. My term and process for Breakaway Innovation is ERM, for Employee Relationship Management.

My thinking is based on principles similar to CRM, or Customer Relationship Management. The principles of CRM focus on increasing the asset value of the customer base. The goal of ERM is to dramatically increase the kind of productivity among employees that leads to breakthroughs in the way employees interact and do business. A series of successfully executed breakthroughs leads to Breakaway Innovation. This increases the asset value of the employee base.

I am not talking about just technological breakthroughs or innovations. It includes breakthroughs in marketing, sales, product development and manufacturing processes, finance and/or business models? With ERM breakthroughs are possible within every function of an organization.

The power of ERM is that it addresses ideation, innovation and employee empowerment. As far as I know there are no other company-wide initiatives that address all these critical issues. Implementing ERM as a strategic initiative will make other company-wide initiatives, such as CRM, more successful.

I have focused on ERM for a few simple and obvious reasons:

- Business transactions are done by people, not companies.
- Innovation is created by people, not companies.
- Executing the company mission is done by people, not the company.

So our approach to ERM is based on 3 simple but powerful principles:

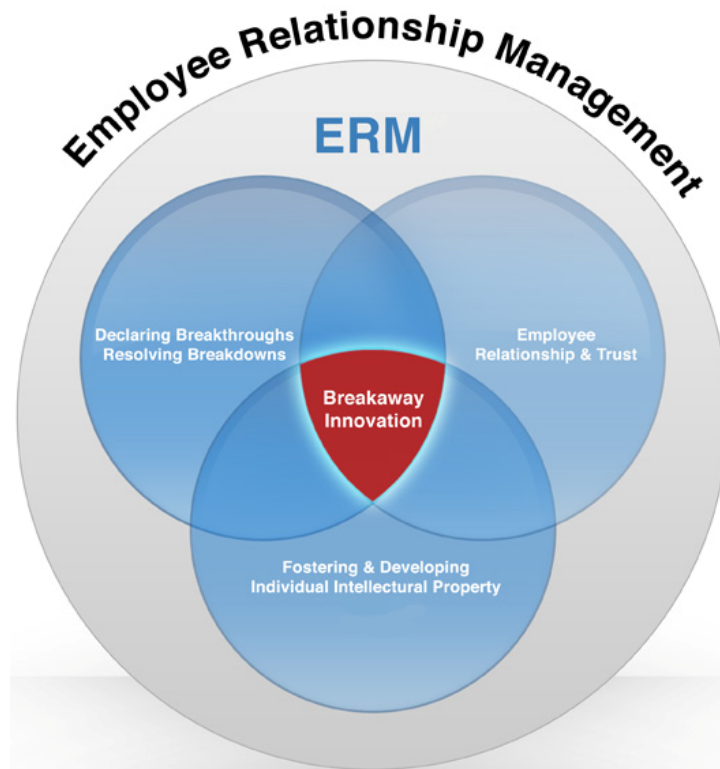
- Protecting the employee base
- Nurturing the employee base
- Increasing the asset value of the employee base

In today's environment, the complexity of employee relationships and the dynamics between individuals, divisions, departments, remote manufacturing and engineering operations makes such goals challenging, to say the least. Yet successful cross-functional employee relationships are just as important to a company's success as the process of managing complex customer relationships.

The bottom line is that the basic behavioral desire to take care of the concerns of customers and employees must be woven into the fabric of the organization along with a rigorous process to fulfill that desire. If not, no amount of software or consulting will make a difference. Ignoring this dynamic will result in abject failure.

So, what is ERM and how does it lead to Breakaway Innovation? I view ERM as the intersection of Relationship and Trust, Individual Intellectual Property and Breakthroughs.

Relationship and Trust produces a safe environment for employees to declare and commit to breakthroughs while feeling empowered to share their concerns and ideas. Where there is Relationship and Trust, individuals can fully express their creative ideas and opinions they would normally withhold in typical corporate environments. This dramatically increases the ability of leaders to successfully mine the Individual Intellectual Property of all employees and in turn will produce unprecedented Breakaway Innovations.



Since CEOs always consider customers and employees their most valuable assets, how can a CEO increase employee asset value in the same manner they want to increase customer asset value? The answer: ERM. The hard and soft cost of losing key employees is expensive and in some cases devastating. Turnover is a non-budgeted item but that cost hits the bottom line dollar for dollar. So retention of employees, as with customers, is extremely important especially when there is a 'War on Talent'. ERM focuses on building relationship and trust that leads to happy and more productive employees. When productivity is increased employees work better together, have greater trust, and are a great recruiting vehicle because they tell others they love where they work but most importantly they are willing to commit to extraordinary results. This leads to breakthroughs that lead to Breakaway Innovation and a new future for employees and the stakeholders of the company.



Just like CRM, ERM touches every function within an organization. ERM provides the tools and processes needed to create breakthroughs that lead to Breakaway Innovation. Given the 'War on Talent': can employee relationships be less important than customer relationships? We don't think so. ERM should be a strategic topic at every executive staff meeting. If you want breakthroughs that lead to Breakaway Innovation then ERM is that path.

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Strategic Momentum helps companies dramatically increase employee performance and innovation. Implementing ERM increases Employee asset value in the same manner that CRM increases customer asset value resulting in incredible employee retention.