

INCREASING INNOVATION... EVEN IN A REMOTE WORK ENVIRONMENT

Best practices in remote worker innovation

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5 Topics For Today



1. What differentiates West Coast people management?
2. What established innovation approaches have been working?
3. Barriers that typically reduce remote worker innovations.
4. Best practices for improving innovation in a remote work environment.
5. Breakout session – What remote worker focused innovation best practices might you try and why?

Let's Start With... Why HR Must Change

What is the... #1 global stress factor for CEO's in 2020? (Conference Board)

➔ **1. Attracting and retaining top talent**

Regardless of a company's size or location... HR ranks as **the #1 internal factor that stresses CEO's around the globe.**

And after 8 years as the top CEO issue...

I hope we can all agree... that it's time for *bold* changes in HR!



**I'M FROM THE SILICON VALLEY...
AND MANY OUTSIDERS WONDER**

**WHAT ARE THE MAJOR FACTORS
THAT DIFFERENTIATE**

WEST COAST PEOPLE MANAGEMENT?

We Manage Differently 3 Different Ways

DIFFERENTIATOR #1

**WE ASSUME THAT UNLESS EVERYONE
INVOLVED SEES THE MONEY... THEY
WILL UNDER-FOCUS ON INNOVATION**

(Action - Convert all HR results into dollars)

Speaking Of Money... Is There A Correlation Between The Most Innovative Firms... And The Highest Valued Firms?

Global innovative firms (BCG)

1. **Apple**
2. **Google/Alphabet**
3. **Amazon**
4. **Microsoft**
5. **Samsung**
6. **Huawei**
7. **Alibaba**
8. **IBM**
9. **Sony**
10. **Facebook**

Of the 6 US firms, 5 are West Coast firms

Top global market cap

1. **Apple**
2. **Saudi Arabian oil**
3. **Amazon**
4. **Microsoft**
5. **Google**
6. **Facebook** (\$527 b)

5 of 6 are West Coast firms

All have discouraged remote work

Source: corporateinformation.com 9/16/20

Top place to work

1. **Alphabet**
2. **Facebook**
3. **Amazon**
4. **Salesforce**
5. **Deloitte**
6. **Uber**
7. **Apple**

6 of 7 are West Coast firms

Source: LinkedIn 9/16/20

Executives Will Also Want To Know The ROI Of Serial Innovation

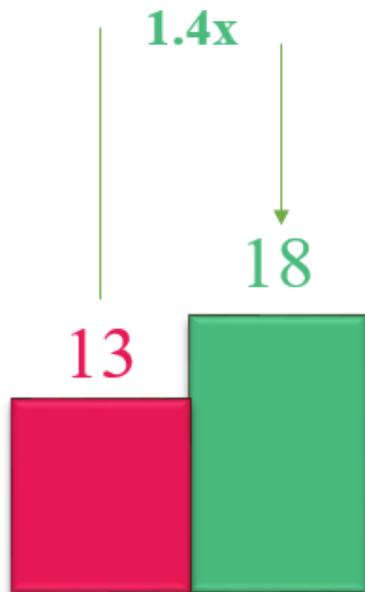
Source: [BCG](#)

The best invest 1.4x more

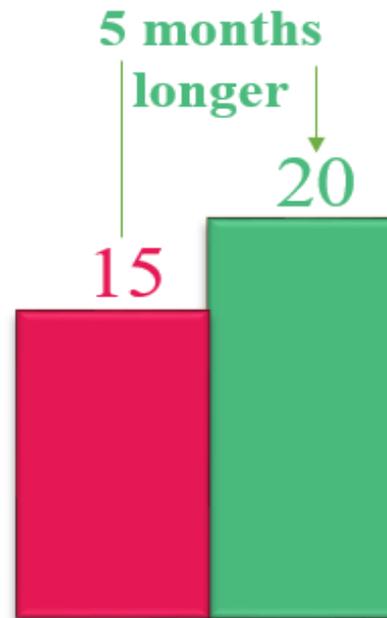
And take 5 months longer

But produce 4x the output

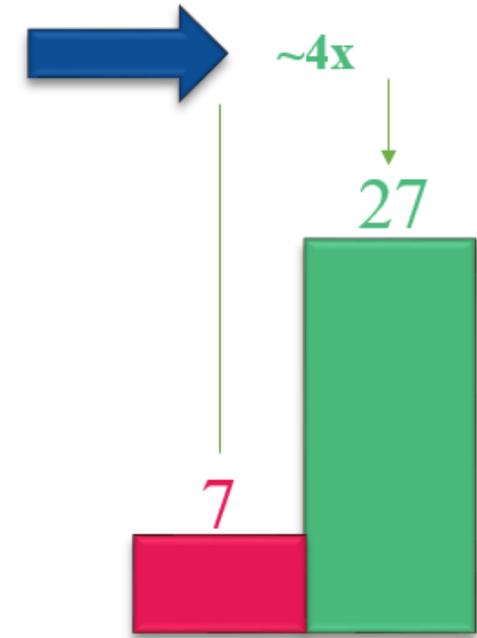
Innovation Input
In % of sales



Time To Market
Noncore, in months



Innovation Output
In % of sales



The ROI of serial innovation is 2.9 – 1

Nearly three sales dollars returned for every innovation dollar invested

Do Top Innovation Firms... Also Have Very Productive Workforces?

(Revenue Per Employee)

Expectation: Serial innovation firms will have a much higher revenue per employee #

Average	\$211,000		
Amazon	\$360,000	(Nearly 70% above the average)	
Microsoft	\$902,000	(Nearly 4 ¼ times the average)	
Alphabet	\$1,390,000	(Nearly 6 ½ times the average)	Median salary \$197,000
Facebook	\$1,570,000	(Over 7 ½ times the average)	Median salary \$240,000
Apple	\$1,980,000	(Over 9 ⅓ times the average)	

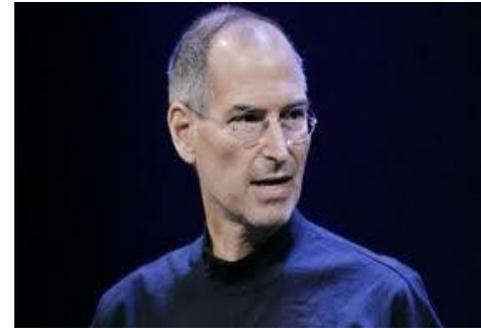
W O W

Key learning – **Apple's serial innovation** can produce the same revenue as the average firm... with **10.6% of the workers**

Why Do We Prioritize... The Hiring, Retaining, And Managing Of Proven Innovators?

Because we calculate the performance differential between a proven innovator... and the average worker in the same job!

➤ **CEO quote** - "The secret of my success is that we have gone to exceptional lengths to hire the best people in the world." "And when you're in a field where the dynamic range is **25 to 1**, boy, does it pay off."



➤ **Google** – a top technologist is worth “300 times more” than the average employee. (Alan Eustace)

The one top performer on a team produces 90% or more of the team's value.

WE HAVE 3 BASELINE ASSUMPTIONS ABOUT INNOVATION

- 1. Innovation over productivity** – WFH may increase productivity by up to 47% ([Forbes](#)), but that is **not enough for industry domination**.
- 2. No employee or team is exempt** – to dominate, **every segment of the company must innovate**... so that **no single lagging function can slow the implementation** of our product/service innovations.
- 3. It's the environment that brings out innovation** – we assume that the primary key to drawing out the innovation that is inherent in every employee is... **the carefully sculptured “innovation centric environment”** they work in.

What building design guarantees that employees will frequently run into each other?



An example of how...

our work environment encourages innovation and collaboration

DIFFERENTIATOR #3

DATA BASED HR DECISION MAKING

2 Quick Examples of Data-driven West Coast Firms

Amazon

“We seek to be the most scientific HR organization in the world.”

“We form hypotheses about the best talent techniques... and then set out to **prove or disprove them with experiments.**”

(Source: Beth Galetti, VP of HR, Amazon)

Google

“All people decisions are based on data & analytics...”

“We want to bring the same level of rigor to people-decisions that we do to engineering decisions” (Source: Laszlo Bock). They like Facebook and Amazon **have a dedicated people analytics team.**

Because They Are Data-driven – Google Has Algorithms For Everything

Promotion Success Formula (Google)

$$\text{Odds} = e^{-.22216 - (5.227 \times \text{AvrgPerf}) - (2.732 \times \text{MgrRecommended}) - (.971 \times \text{SelfRecommended})}$$

$$\text{Probability (\%)} = \frac{\text{Odds}}{1 + \text{Odds}}$$

Their model showed 90% accuracy for 30% of promotion cases and it seemed to be reliable and stable across multiple cycles. (Source: Prasad Setty)





**ENCOURAGING INNOVATION IN THE
TRADITIONAL OFFICE SETTING..**

**WHAT EXISTING INNOVATION
PRACTICES
HAVE BEEN WORKING?**

Traditional Innovation Practices



The #1 most effective current innovation best practice is...

Google's algorithm containing the 4 key innovation elements

Innovation = **Discovery** + **Collaborative interactions**
Results from Learning & time to think from serendipitous meetings + fun interactions between non-team mates

Source: K M World Magazine Webinar 2008



**LET'S HIGHLIGHT A FEW
SNAPSHOT EXAMPLES
OF THOSE 4 INNOVATION ELEMENTS
STARTING WITH DISCOVERY**

(Learning and time to think)

Critical Success Factors

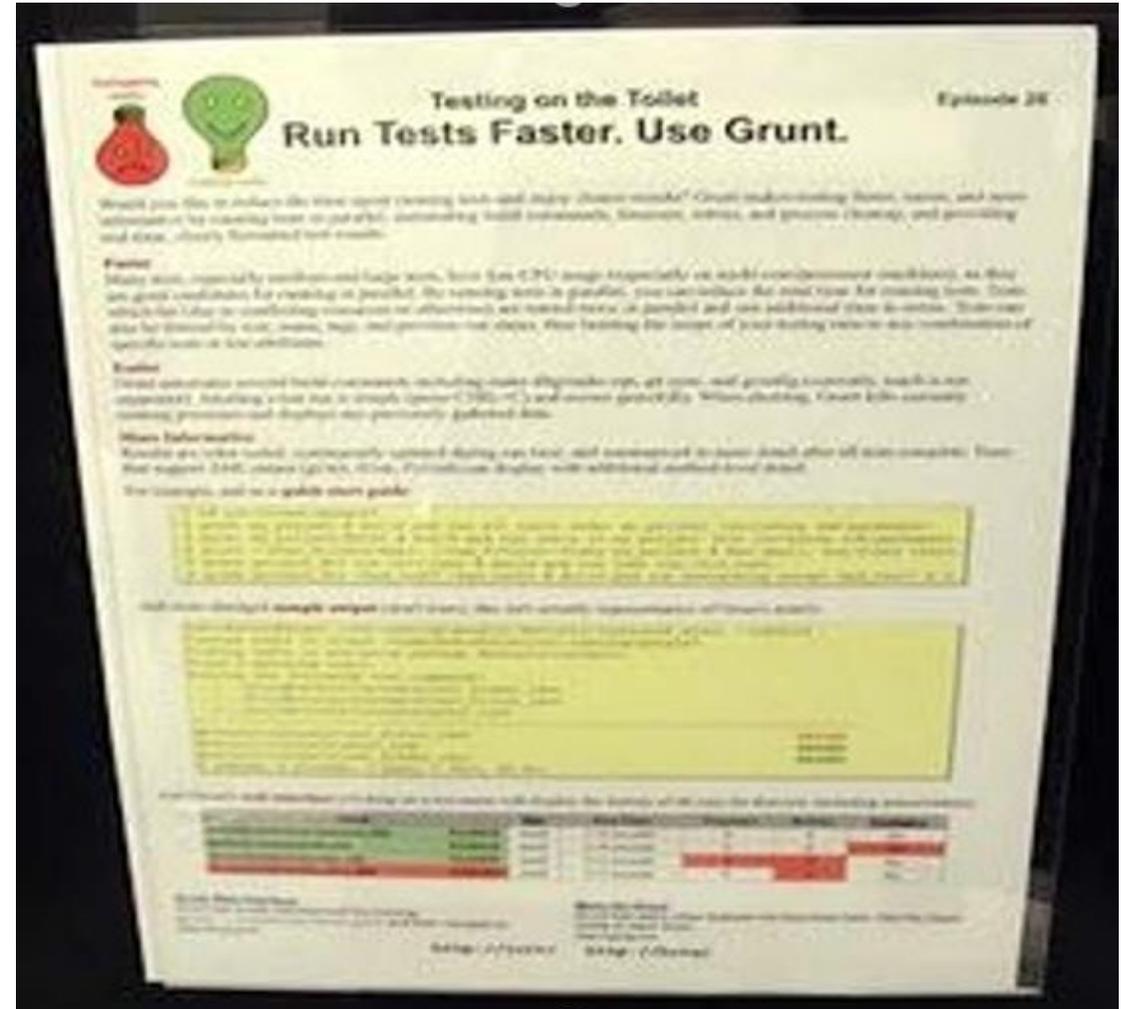
Know the key drivers of employee discovery

- **Google** found that across all jobs... the single common predictor of success in a fast-changing world is...
learning ability / intellectual curiosity (along with technical capabilities).
They also found that... **your professional network** is a key learning and success factor.
- At **Tesla** learning agility... is **the top hiring factor**.
- At **Facebook**... applicants should be "**builders & learners**" or people who are constantly educating themselves at the office.

Continuous Learning



“Testing on the Toto toilet” ensures learning is continuous



I Bet In Connecticut That You... Fire People That Nap On The Job



The decompression ball for thinking time



The aquarium room for thinking

- Google encourages thinking time with “a nap room”
- Facebook offers **maker's time** (no meeting Wednesday)

An Expensive Place To Think Inside Amazon's Spheres

(Gigantic Terrariums)



“We wanted to create a unique environment for employees **to collaborate and innovate**”

Learning Supports Innovation

Highlighting four additional learning best practices

1. **A video learning portal** – Microsoft realized that many learn best through video. So, they created a **video portal to drive shared learning**, and to prompt employees to talk about their learnings.
2. **A list of “How the best learn”** – **increase team learning speed by sharing the sources** & optimal learning approaches of your top learners.
3. **An informal learning network / study group** – like college study groups, these informal groups focus on one learning area (they can be virtual, and they can have members from several companies).
4. **Cross-industry learning** – BCG found that the most innovative firms emphasize **cross-industry and cross-functional pollination** (e.g., Amazon in health care or Alibaba in financial services).

**SNAPSHOT EXAMPLES OF THE OTHER
MAJOR SUPPORTING FACTOR...**

COLLABORATIVE INTERACTIONS

(Serendipitous meetings and fun events)

At Google Everything Is Designed To Increase Collaboration

What amount of time is too short to wait in a lunch line?



Google researchers found that the ideal lunch line should be about **three or four** minutes long

A Scientific Approach To A Collaborative Work Environment

Why does Google do this?



Facebook Has Crazy Approaches For Increasing Collaboration



Living close increases collaboration

Employees that buy or rent a home within 10 miles of the Facebook campus get at least **\$10,000 per year.**

Fun Also Increases Collaboration At Google



Mixing fun and collaboration on a Google conference bike





**START BY UNDERSTANDING...
THE TYPICAL BARRIERS
THAT RESTRICT INNOVATION
FROM REMOTE WORKERS**

Typical Remote Worker Barriers To Innovation

Five common remote worker barriers to innovation

1. **Few serendipitous meetings that excite – remote workers have no water cooler chats, so they lack excitement** (e-mail response time is painfully slow).
2. **NIH headquarter centric bias – any idea from outside of HQ goes nowhere, because outsiders don't understand the politics (NIH).**
3. **No expectation – the manager and the remote employee have never discussed any expectation for innovation (**Google on-boarding**).**
4. **A feeling of isolation – feeling isolated dampens remote workers enthusiasm for innovation.**
5. **Idea generation events are face-to-face – idea generation events are either in person or at an off-site.**



IN AN ERA OF REMOTE WORK...

WHAT ARE THE

LATEST BEST PRACTICES

FOR INCREASING REMOTE WORKER

INNOVATION?

Surprisingly, Remote Work Has A Few Inherent Innovation Advantages

1. Time flexibility may increase innovative ideas – there are **certain times during the day or week when individuals are naturally more innovative**. Most remote work is unstructured, and that allows workers to think during the most opportune times. A flexible time structure may also **allow the employee to, more frequently, collaborate globally across time zones** (after the family goes to bed).
2. Location flexibility may increase innovative ideas – there are certain **physical locations where each individual is naturally more innovative**. Most remote work is unstructured, and that allows workers to go to that ideal location to think (**in a park, at the coffee shop, a satellite office, or in a co-working space**). Or, to work at a location alongside others that stimulate them.

Remote Work Best Practices



Remote work has inherent advantages (Continued)

3. **Environmental additions** may improve innovative ideas – the lack of an office structure **allows remote employees to add factors to their work environment** that increase their innovation levels. (Music, beverages, lighting, furniture, yoga, etc.).
4. **A broader professional network** aids collaboration and learning – remote workers are often forced to build more extensive external and internal professional networks. And, if they are successful, **these contacts may expand their collaboration and learning.**

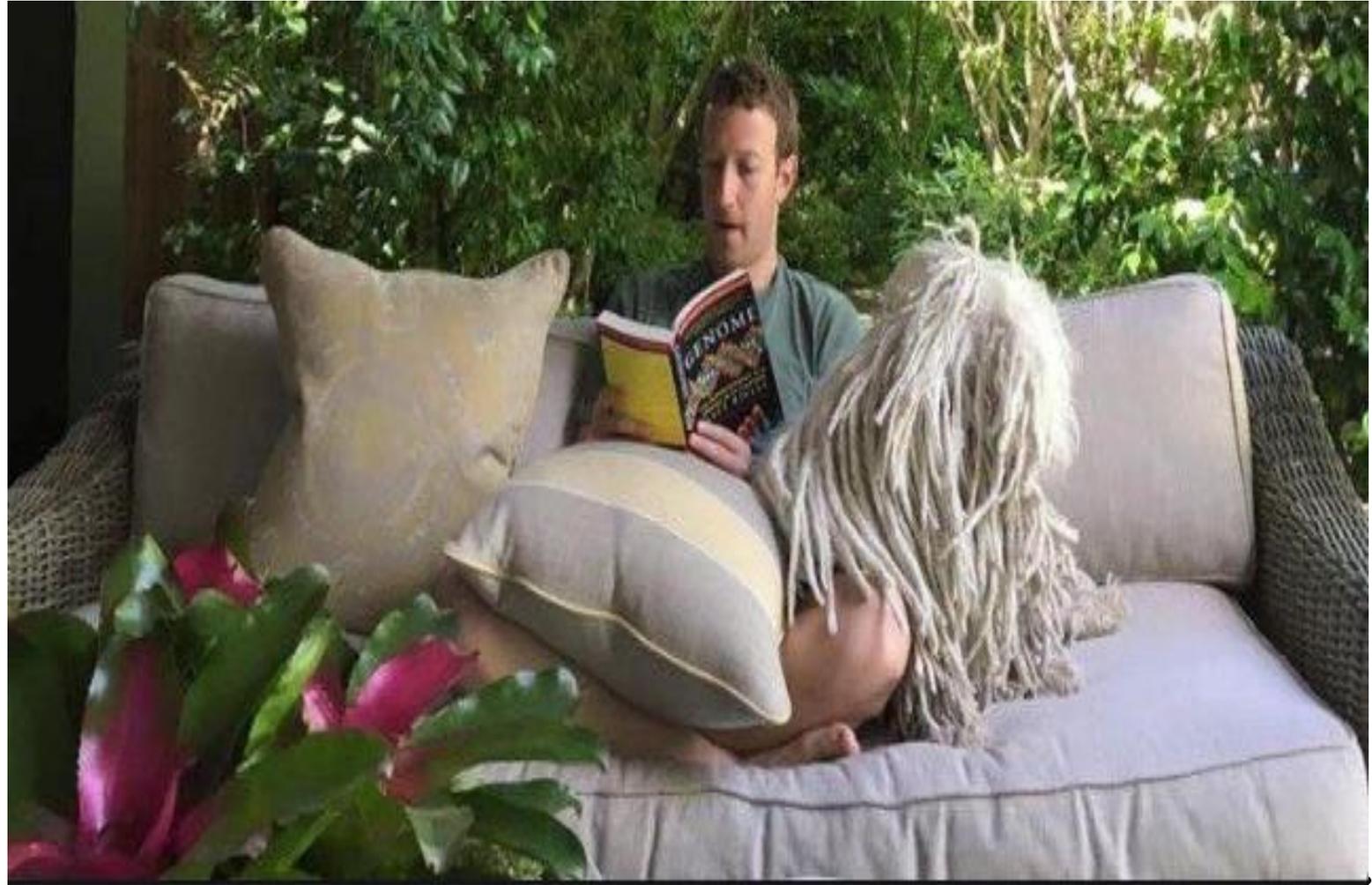
Remote Work Has Inherent Advantages (Continued)

5. Global time zone handoffs can speed project completion

- With remote workers spread around the world, work can continue for projects 24/7.
 - Using handoffs that occur **at the end of the HQ workday, an important project is literally handed off to teammates that work in the next time zone.** And then the handoff is repeated twice more within the 24-hour period.
 - These handoffs effectively **reduce project completion time by up to two thirds** and they can also help to handle sudden work overflows.
6. **Casual dress and relaxing furniture** at home may increase thinking and innovation... also reduce stress. >

You Probably Also Have Dress Codes?

Which work outfit / work environment... encourages free thinking?





EMERGING BEST PRACTICES
DESIGNED SPECIFICALLY
FOR REMOTE WORKER INNOVATION

(10 categories)

Best Practice Category #1

A virtual marketplace of ideas makes opportunities / ideas visible

- **Isolation makes them less aware of opportunities** – so, remote workers **are often the last to learn about problems, ideas, and opportunities...** because they don't have the same informal discovery channels as in-office workers.
- **Create a virtual marketplace & idea exchange portal** – firms like Google provide an **internal portal... that serves as an “electronic open marketplace for ideas, projects & rotations.”**
- **Another variation – Rite-Solutions idea market...** allows “anyone to post an idea and list it as a ‘stock’. Employees can then invest virtual currency in order to determine the best ideas. In its first year, **it accounted for 50% of their new business growth.**”

Best Practice Category #2

Schedule serendipitous meetings between a pair of employees

- **Schedule buddy chats** – with remote workers... don't wait for chance meetings... instead **proactively schedule virtual random serendipitous meetings** to help break down barriers and to spur new ideas **between a pair of individuals in different departments.**

Zapier - schedules random serendipitous meetings with a **Slack app called Donut.**



donut

Hi @susie and @jack! It looks like you don't work together closely. Why don't you pick a time to get coffee?



susie

Great to meet you, @jack! How about Blue Bottle tomorrow at 3pm?



jack

Perfect! See you then!

Best Practice Category #3



Reveal common interests to the team to increase collaboration

- **What I'm working on and my interests' profile** - require every team member to create and periodically update a “**What I'm working on**” profile. Include anything they are willing to share, such as, their emerging business and personal interests, their hobbies, and any personal information. (Also use it for **proactive internal movement**)
- **Distribute a team portfolio** – also build cohesion by periodically distributing **a portfolio containing the LinkedIn profiles** of all teammates.

Best Practice Category #4

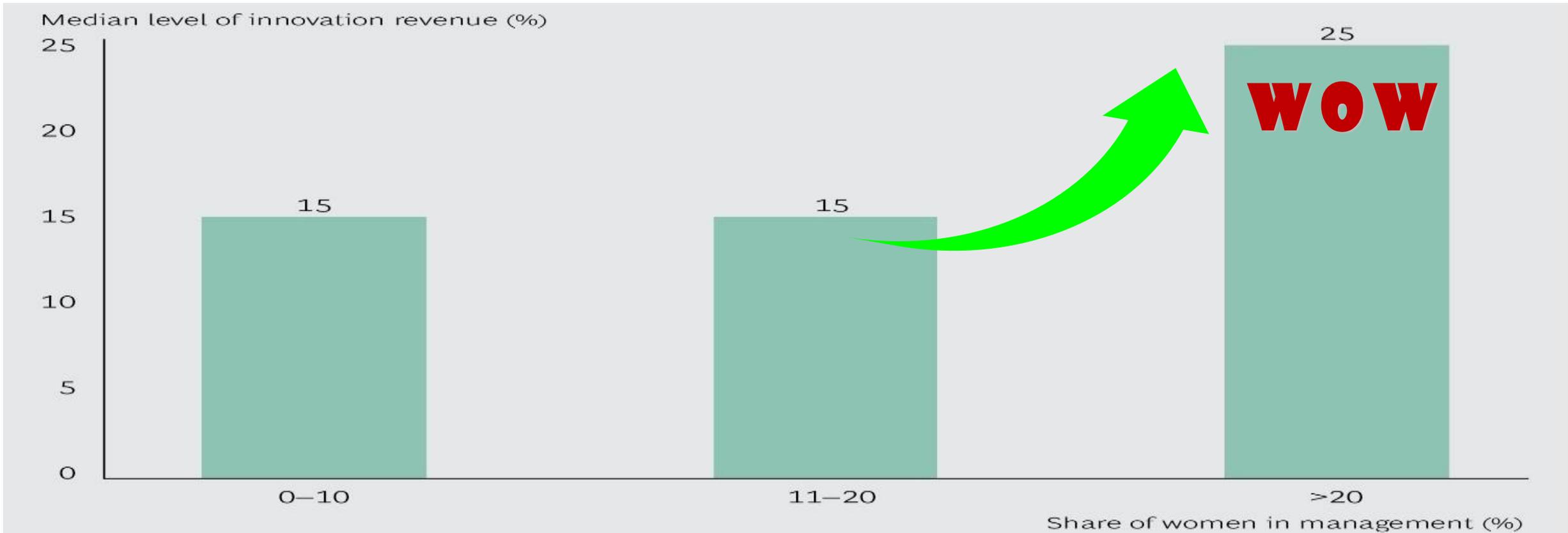


Reveal how diversity increases innovation

- One North Carolina State study showed **a causal effect between workforce diversity and increasing innovation.**
- **Fewer bad ideas are another benefit** – a diverse team reduces the number of really bad ideas that get through.
- **Proactively listen to diverse thoughts** – innovation increases only when **a diversity of thought is expected, listened to, and acted on.**
- **Show them the money** – diversity receives an increased focus once everyone realizes its economic impact. >

Example – Female Diversity Increases Innovation

When women in management positions exceed 20%
Revenue from innovation goes up by 10% [\(Source: BCG\)](#)



Best Practice Category #5



Proactively minimize remote innovation roadblocks

The goal is **implemented innovations**... not generating creative ideas.

- **“Help me get around my roadblocks meetings”** - remote employees ask others for help in getting around implementation barriers.
- **Failure analysis** - identify general innovation barriers by **analyzing all major innovation successes and failures**.
- **Anonymous pulse surveys of remote workers** - **Microsoft** gathers daily snapshot data from a sample of employees on employee feelings and other topics.

Best Practice Category #6



Hold meetings to lower isolation and facilitate collaboration

- **Periodic meetings are critical** - IBM found that **at least three virtual team meetings each week are necessary**.
- **Weekly feedback meetings with their manager** - Gallup found when remotes hold weekly feedback conversations ... **they are 3x times more likely to be motivated** to do outstanding work.
- **Informal team meetings** – **Maven Wave** schedules **morning coffee meetings, lunches & happy hours** to increase remote collaboration.
- **Virtual hackathons** – a one evening collaborative meeting where a prototype is created (Facebook).

Best Practice Category #6



Hold meetings to lower isolation and facilitate collaboration (continued)

- **Virtual town meetings** – Microsoft and Google hold **virtual town hall meetings** where company priorities, progress, and culture are discussed in an open forum.
- **Teams play videogames** – Grinnel Computers enhances collaboration / teamwork by playing remote video games together Friday afternoon.
- **A shared social event calendar** – because social interactions add to collaboration... Zapier uses a **shared social calendar** that allows anyone to attend remote social activities.

Best Practices Category #7



Allocate time to work on their own project (20% time)

- **Allocate a percentage of time to work on an innovative project** - with so many distractions, remote workers may not find enough time to innovate. **So provide your best with... 5, 10 or 20% free time to work on their own project (Google, 3M, Genentech).**

Require them to **periodically report on their progress on their free time project...** and then provide the remote worker with constructive feedback (Google).

Best Practice Category #8

Technology tools facilitate remote worker collaboration

- **Digitalize innovation processes** – BCG found that **80% of strong innovator firms have digitized their innovation processes** (< 30% at weak innovator firms).
- **Utilize communications and collaboration software** – including Zoom, Slack, Asana, Yammer (Microsoft) etc.
- **Remote whiteboards** - can be used to work out kinks in real-time on an innovation idea or implementation plan.
- **Personalized nudge messages** – Humu sends personalized nudge messages to gently push every employee. Nudged employees are **“2.4x more likely to act & 8% less likely to leave their company.”**

Best Practice Category #9

Know the factors that increase team success

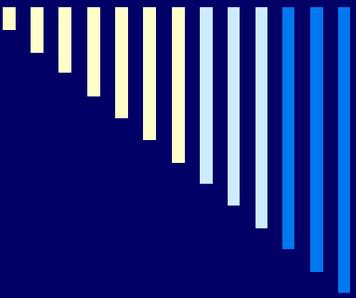
- **Project Aristotle** (Google), surprisingly found that **team member attributes don't predict team success** (i.e., skills, background, interests, personality, outside the office friendships, and introversion / extroversion).

Instead make team leaders aware of the 2 critical success factors...

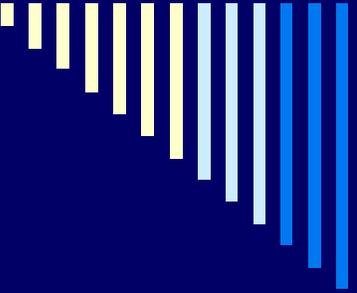
- **Equal time** — “**members speak in roughly the same proportion.**”
- **High “average social sensitivity”** from verbal clues — members of successful teams are “**skilled at intuiting how others felt**” based on their tone of voice, their expressions, and other nonverbal cues.”

And, Finally... Best Practice Category #10 Measure, Widely Report, And Reward Innovation

- **Define/measure implemented innovation** - at least a **20% increase in new products or new product features** that customers desire.
- **Widely report individual innovation outcomes** – to increase **awareness, energy, and internal competition**.
- **Reward outcomes** – the leading innovative firms **reward high quality outcomes** (market success) & **abandoning a doomed idea** (BCG). Also **talk about and celebrate innovation**.
- **Put someone in charge** – Facebook, for example, is hiring a director of remote work. Yours should continually monitor both the volume and the quality of WFH innovation outputs.
- **Continually benchmark** - to identify the best remote work practices and tools in your own and in parallel industries.



Did I make you think...
and give you a few things to try?



Breakout session – up to 15 minutes

**Which remote worker focused innovation
best practices might you try and why?**