

Implementing Creativity & Innovation



Gold Level Winner
Australian Business
Excellence Awards



at Fremantle Ports

Presented by Raymond Roose at IPAA Forum 16 September 2015

The innovation dilemma for Australia

(Asia Pacific Creative Innovation Conference - Melbourne 2015)

- 4th biggest capital market in the world
- Amongst top 10 in the world for R&D investment
- 78th for *applying/ translating* innovation (ie. output)

Recent research – Asia Pacific Creative Innovation Conference 2015

- The first person who will live to 150 **is already alive today**
- The current 'digital' age is as big as the 'industrial' age was in terms of transforming the world

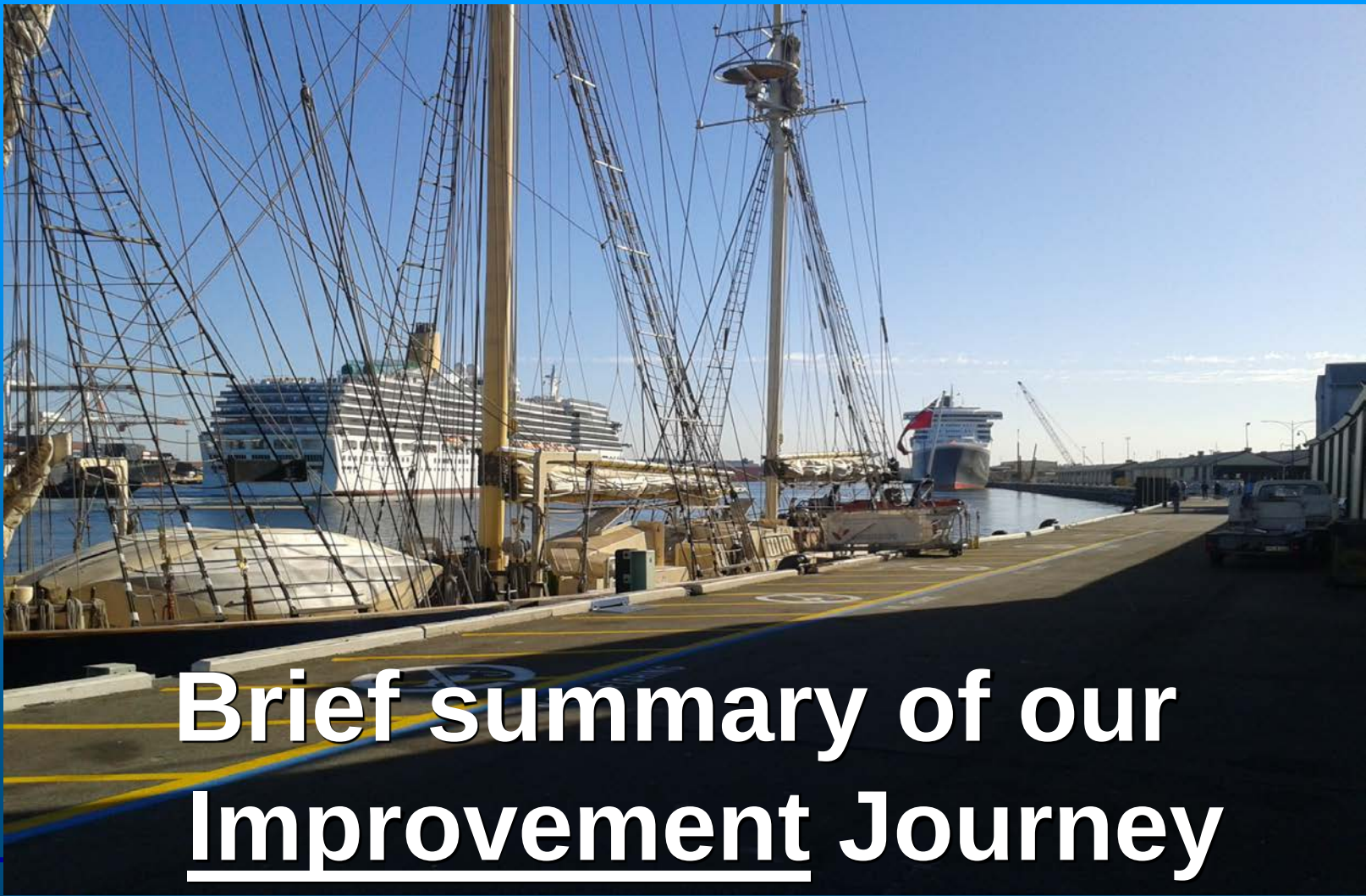
In 10-15 years;

- we will be able to **order replacement organs** for the body
- 3D imaging & manufacture of prosthetics limbs for \$500
- **35% of cars will be driverless**, negating need for parking lots



The six most costly words in business

**“We’ve always done it
this way”**



Brief summary of our Improvement Journey

Milestones in Our Improvement Journey

- **1993 Start of journey** to Excellence (Quality Matrix – AQA)
- 1996 Self-assessment conducted against ABEF
- **1998 'Foundation in Business Excellence' in ABE Awards**
- 2003 'Bronze' level in ABE Awards
- **2004 Integrated S,E & Q Certification achieved**
- 2006 External Assessment against ABEF – next priorities identified
- **2007 'Gold' level, ABE Medal & 'People' in ABE Awards**
- 2011/12 - External assessment /validation against ABEF (Cat. 3 & 6)
- **Focus on *simplification***
- **2013 Re-booted our Creativity/ Innovation Journey**

Australian Business Excellence Awards

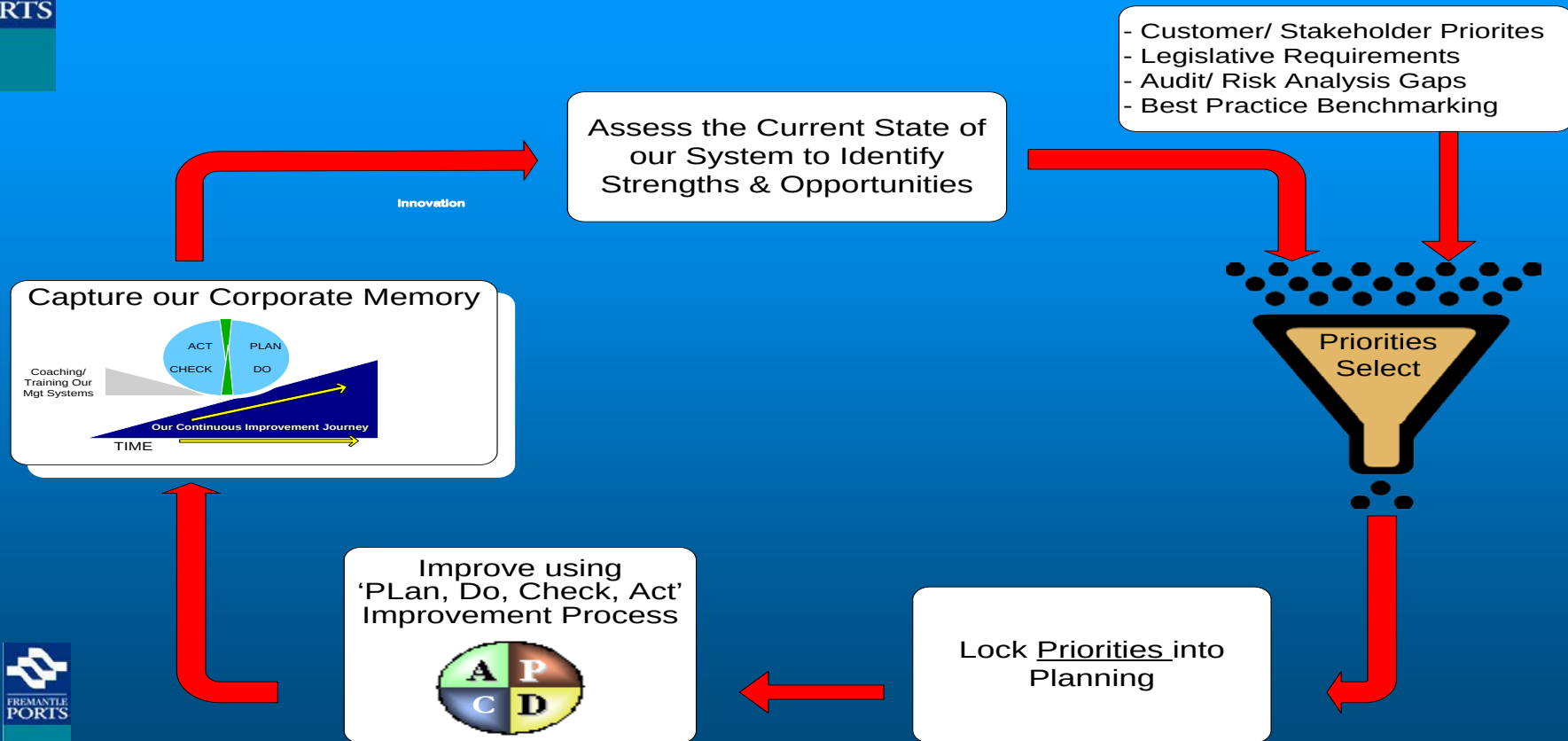


Excellence Medal

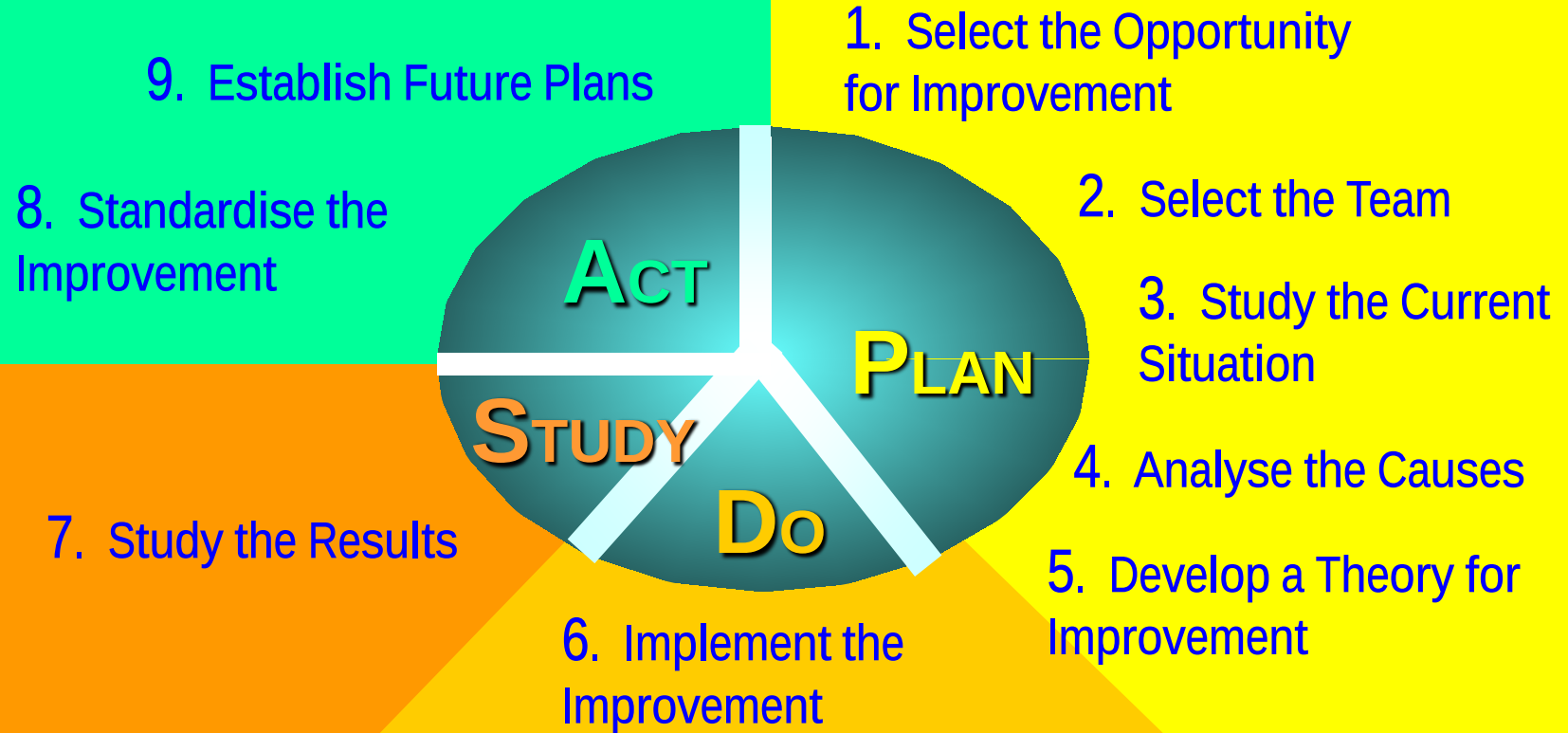
Gold Award

People Award

Fremantle Ports Improvement Process - Systems View



PDSA – Our *tools* of Improvement



Maintaining certification to international environmental, quality and safety management standards is an important part of our present and future success.



Simplification – 2011/ 2012 (based on de Bono's work)

- Involved identifying & getting rid of;
 - things that waste time, energy and money
 - unnecessary steps or blockages in the work we do
 - things that aren't valued by internal/ external customers
- Making things easier to understand and do



Similar to using a Vertimower which cuts deep into a lawn, ripping out the unwanted thatch and leaving it on the surface to be discarded.

Our Motivation for Excellence?



Continuous improvement relies on;

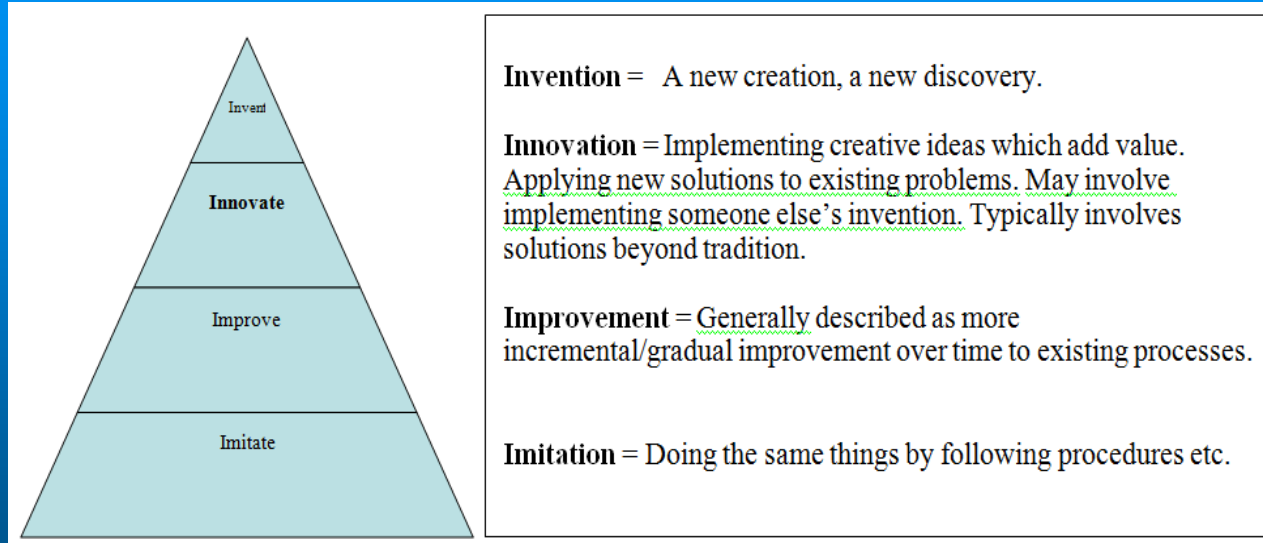
- ✓ continuous learning
- ✓ our ability to learn faster than our competitors



Our Creativity/ Innovation Journey

Our innovation ‘struggle’

- Before 2012, we struggled to distinguish *improvement* from *innovation*, mistakenly believing that innovation was ‘invention’



- ‘There is not always a clear distinction between the two – they are sometimes interlinked’ (Prof. Danny Samson from Melbourne Uni. 2013)

Our steps to build greater creativity & innovation

- **Mid-2013: Request from CEO to 'reconsider Innovation' at FP**
- Managers agreed whilst we have effective improvement culture, we wouldn't describe ourselves as a "deliberately innovative org."
- **Merit seen in moving towards being more innovative provided it is not by way of a complex/ bureaucratic innovation strategy**



Current Situation

- We define Innovation as **“Implementing creative ideas that add value”**
- Each of the past three years, we’ve realised +/- 200 improvements
- 2013/14: 40 of these retrospectively identified as ‘creative/ innovative’

*“True innovation is about **‘building systematic innovation capability’** & not about ‘an occasional lucky break’”*



(Prof. Danny Samson from Melbourne Uni. 2013)

Oct 2013 - Assessment of our Innovation 'maturity/ appetite'



innovation
program.

INNOVATION MATURITY MODEL (assess your agency and track your progress)

FP Current Level	FP Desired Future Level	Levels of Innovation Maturity	"Level 1 Innovation Deficient"	"Level 2 Innovation Structure"	"Level 3 Innovation Processes"	"Level 4 Innovation Standards"	"Level 5 Innovation Optimised"	"Level 6 Continuous Innovation"
2-3	5	Culture	Culture is risk-averse, overly stressful, lacking trust and closed to new ideas	Culture recognizes ideas but systems to move the ideas forward are lacking	Culture is risk-tolerant and new ideas are documented	Culture encourages risk-taking and trust issues are confronted	Culture encourages collaborative innovation efforts	Culture encourages risk-taking, collaborative innovation efforts and dedicated idea time
2	3-4	Leadership	Leaders focused on past performance and current initiatives only	Leaders understand the difference between quality control efforts and innovation	"Leaders appoint ""Idea Champions"" or serve on Idea Boards to organize ideas and form business cases. Senior leadership relies on middle management to communicate innovation processes"	"Leaders create and market targeted idea campaigns. Senior leadership communicates innovation strategy and processes"	Chief Innovation Officer or similar senior management position dedicated to innovation program established	Leadership is actively engaged in innovation portfolio management, culture maintenance and validating innovation/ corporate strategy alignment
2-3	4	People	People are viewed as productivity units, rather than idea sources	People are encouraged to submit ideas	People are encouraged to work with "Idea Champions" to jointly move the idea forward	People are encouraged to take calculated risks when problem solving	People are encouraged to use work time to work with others on ideas	"People are seen as the key input of new ideas and innovation. People are encouraged to use work time to generate and prototype new ideas"
3	4	Processes	Innovation-related processes not present	Innovation-specific recognition and reward systems are established	Idea management process and related systems established	Goals related to innovation system are established	Innovation program/portfolio system established	Funding sources and management oversight separated from corporate entity
2	4	Tools & Techniques	Innovation-related tools & techniques not present	General idea submission systems are established to collect and store ideas	General idea campaigns are launched to harvest ideas, regardless of the problem(s) to be solved	Targeted idea campaigns are launched to solve specific problems	Idea generation sessions are sponsored and facilitated	Full spectrum of idea generation, creative problem solving and innovation systems are analyzed to match the problem to the most effective technique
1	>1	Training	Innovation-related training not provided	Employees and managers are introduced to creative problem solving and innovation concepts	"Employees and managers are trained on idea generation techniques and available processes. Senior leaders and executives are offered creativity and innovation training"	"Advanced Innovation process training to employees and management. Idea Champion training provided"	"Advanced creative problem solving, idea generation and innovation training provided to employees and management. Idea generation session facilitator training program established"	Creative problem solving, idea generation and innovation training provided to customers, vendors and all other outside idea sources

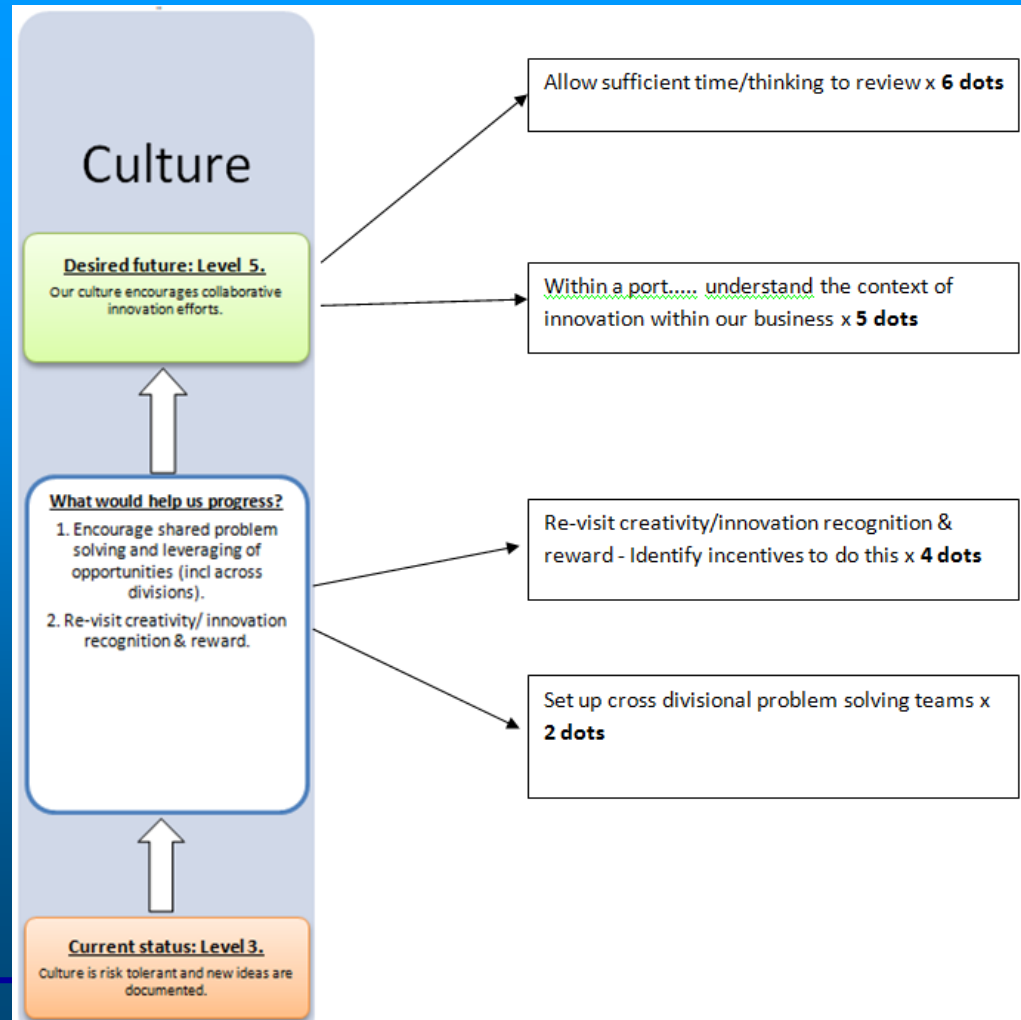
capture
your thought
bubbles

Steps to Building Our Creativity & Innovation

- Maturity (Dec 2013) assessed at around level 2 out of 6
- **Desired future state was to move towards 3 - 4 out of 6**
- Focus on building skills & process to facilitate **more deliberate (and early)** 'creative thinking' discussion

Our Plan/ Strategy

- **Management Team input** into strategy & priority steps
- intended to **complement & build on our existing improvement culture**
- **8 initial steps (intro/ tools/ application) completed without fanfare** or disruption to 'business as usual'





Culture

Desired future: Level 5/6.

Level 5. Our culture encourages collaborative innovation efforts.

Key steps to help us progress

8. Set up cross divisional problem solving teams to work on identified priorities (from #7) to encourage shared problem solving and leveraging of opportunities
- Re-visit our creativity/ innovation recognition & rewards.

Our current status: Level 3/6.

Culture is risk tolerant and new ideas are documented.

Leadership

Desired Future: Level 3-4/6

Level 4. Leaders create/ market idea campaigns. Exec communicate innovation strategies & processes.

Level 3. Our leaders appoint idea champions or serve on peer review groups to organise ideas & form business cases. Exec relies on managers & supervisors to communicate innovation processes.

Key steps to help us progress

- Promote & support use of Divisional 'catalysts' to facilitate/ progress ideas & remove barriers.
- Establish 'Peer Review Team' to review/ organise ideas. *(nominated as critical by Prof. Samson - Melb. Uni, & Landgate)*
- 6. GMs & Managers to promote use of creativity/ innovation skills (from #3 & 5) in their Divisions, look for ways to apply these & encourage their facilitators & people to allocate appropriate time to be involved.

Our current status: Level 2/6

Our leaders understand the difference between quality control efforts and innovation

People

Desired Future: Level 4/6

Level 4. People are encouraged to take calculated risks when problem solving.

Key steps to help us progress

- Identify divisional 'catalysts' to facilitate ideas & jointly move them forward.
- GMs & Managers encourage appropriate level of calculated risk-taking (ie trial & error) to solve problems or leverage opportunities.

Our current status: Level 2-3/6.

Level 3. Some people encouraged to work with idea champion to jointly progress ideas.
Level 2. People encouraged to submit ideas.

Processes

Desired Future: Level 3/6

Level 3. Goals related to the innovation system are established.

Key steps to help us progress

- Review current process flow for ideas in ICI (eg consider Div. catalyst as focal point; & consider Peer Review Team)
- Establish and communicate process for innovation project (distinct from simple idea in ICI)
- Establish approp. measures for innovation (eg: % of creative ideas per improvements logged; 'catalysts' in place; # of think tanks held on specific problems; # of people trained; % of people participating).

Our current status: Level 2/6.

Ideas management process and related system are established.

Tools & Techniques

Desired Future: Level 4/6

Level 4. Targeted idea campaigns are launched to solve specific problems.

Key steps to help us progress

2. Mgmt. Team to identify priority opportunities for initial innovation focus (739763).
4. Trained people from #3 facilitated to apply their skills on an initial pilot project/s (from #2) & to learn from results.
7. CEO to invite ideas to solve next identified priority problems/ opportunities.
- Identify & prioritise next problems/ opportunities for focus & CEO to invite targeted ideas for these.

Our current status: Level 2/6.

General ideas submission systems are established to collect and store ideas.

Training

Desired Future: Level 2-3/6

Level 3. Employees & supervisors trained on idea generation tools & available processes.

Managers & executive offered creativity/ innovation training.

Level 2. Employees & managers introduced to creative problem solving & innovation concepts

Key steps to help us progress

1. Intro. Exec & Managers to creative problem solving & innovation concepts.
3. Train Managers & Div. Coords. in creative thinking & problem solving, idea generation tools & available processes (eg Jason Clarke tools - TRIM 739863).
5. Extend the intro to creative problem solving & innovation concepts (from #1) to FP Facilitators & Leadership Dev. Group

Our current status: Level 1/6.

Innovation-related training is not provided

Our Creativity/ Innovation Mascot (branding)

- Water & land-based (very 'Freo Ports')
- **Tenacious**
- Easily recognizable
- **Quirky**
- Combines various ideas
- **Revolutionary**
- Challenges the norm
- **Adaptable**
- Proactive



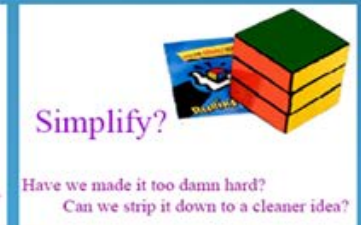
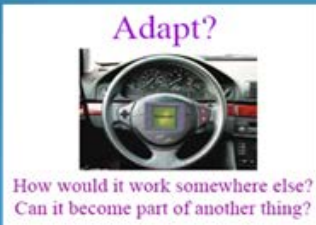
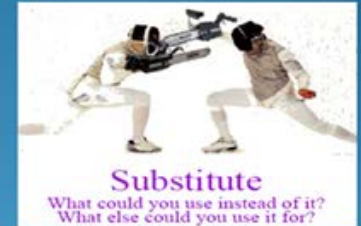
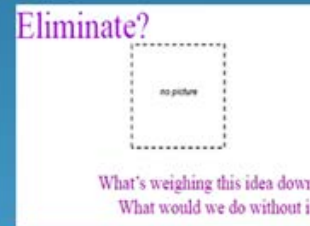
Education for Managers & Key Resources

- Initial awareness/ education for Managers, catalysts, leaders, facilitators (via Jason Clarke - Minds at Work)



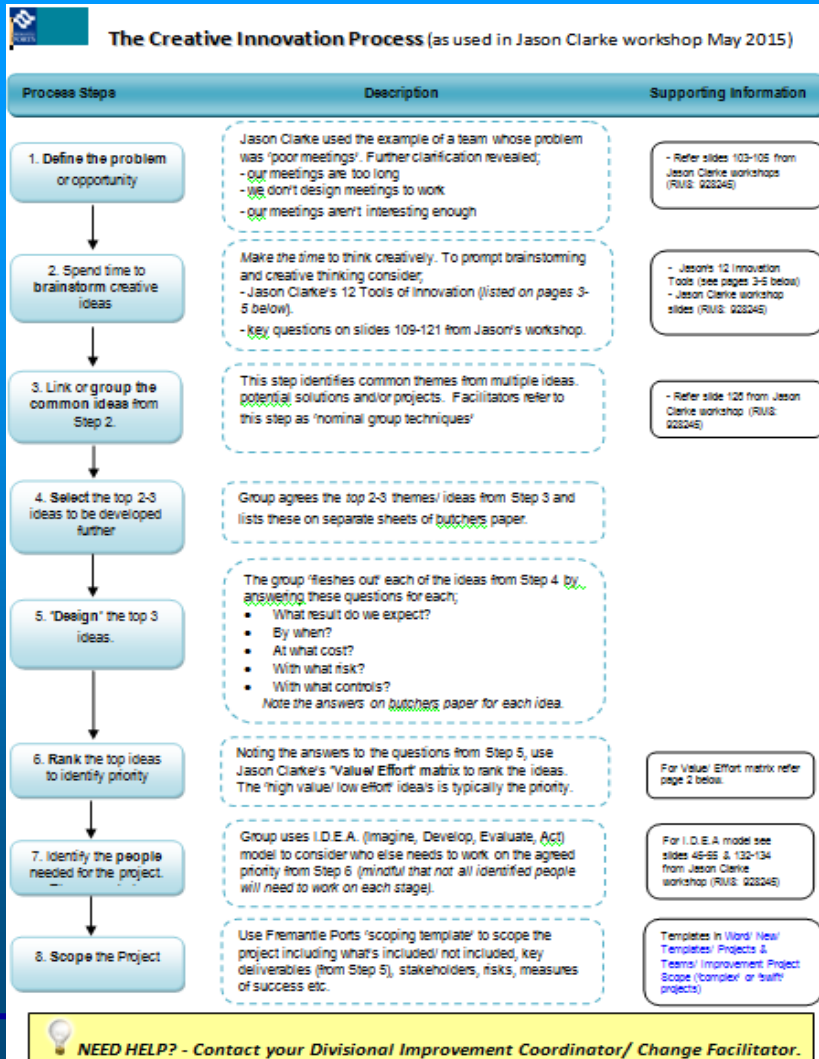
Tools for Creativity and Innovation.

Reference – Jason Clarke "Secrets of Great Innovators"
(Hint: For an overview of each tool refer to TRIM 739863)



Application/ Trialing of skills & process

Experiential learning:
Skills & process trialled on 4 pilot projects
selected by Managers



Lessons Learned from Skills & Application Workshops

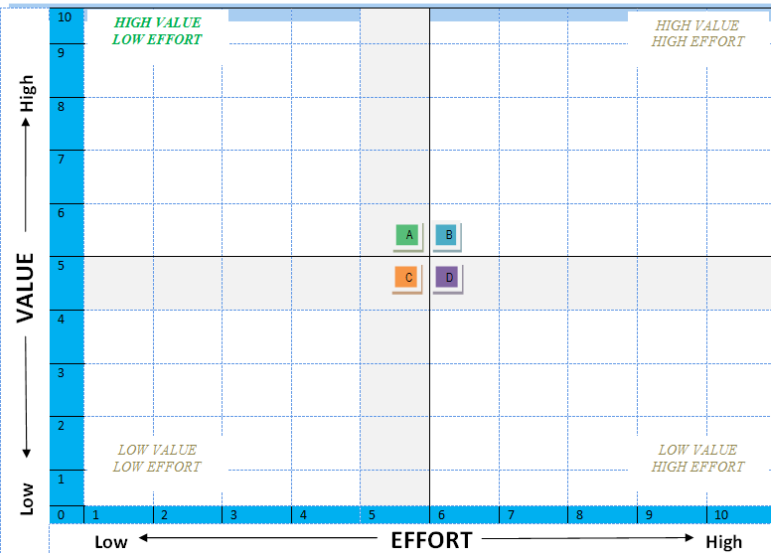
Examples shown next slides

- ✓ **Value/ Effort matrix** to determine priorities
- ✓ **I.D.E.A concept** – ensures optimum engagement of our people
- ✓ Need to **make time to allow creative thinking** (especially at the ‘Imagine’ stage)
- ✓ Need for **Simplified Ideas Process**

Value for Effort Matrix

determines priorities

VALUE/ EFFORT MATRIX - Allows Ideas to be Prioritised/ Ranked (as used in Jason Clarke workshop May 2015)



Getting the Biggest 'BANG for your Buck'

Hint: Give priority to those ideas which are;

- 'high value/ low effort to implement'
- simple
- effective
- practical

A word of Caution before proceeding:

Consider whether your selected priority;

- cuts corners on safety, environment or quality standards or
- introduces unnecessary risks

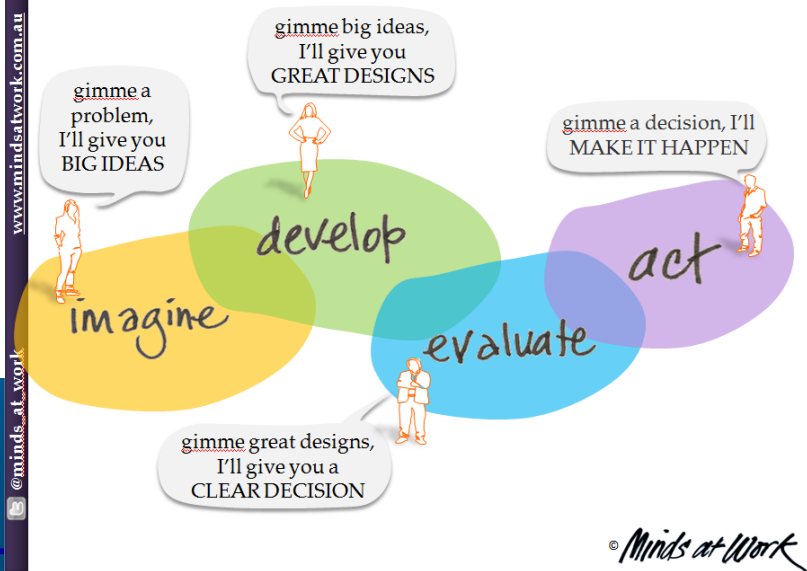
*If it does, do **not** proceed with that priority unless you can remedy these.*

www.mindsatwork.com.au

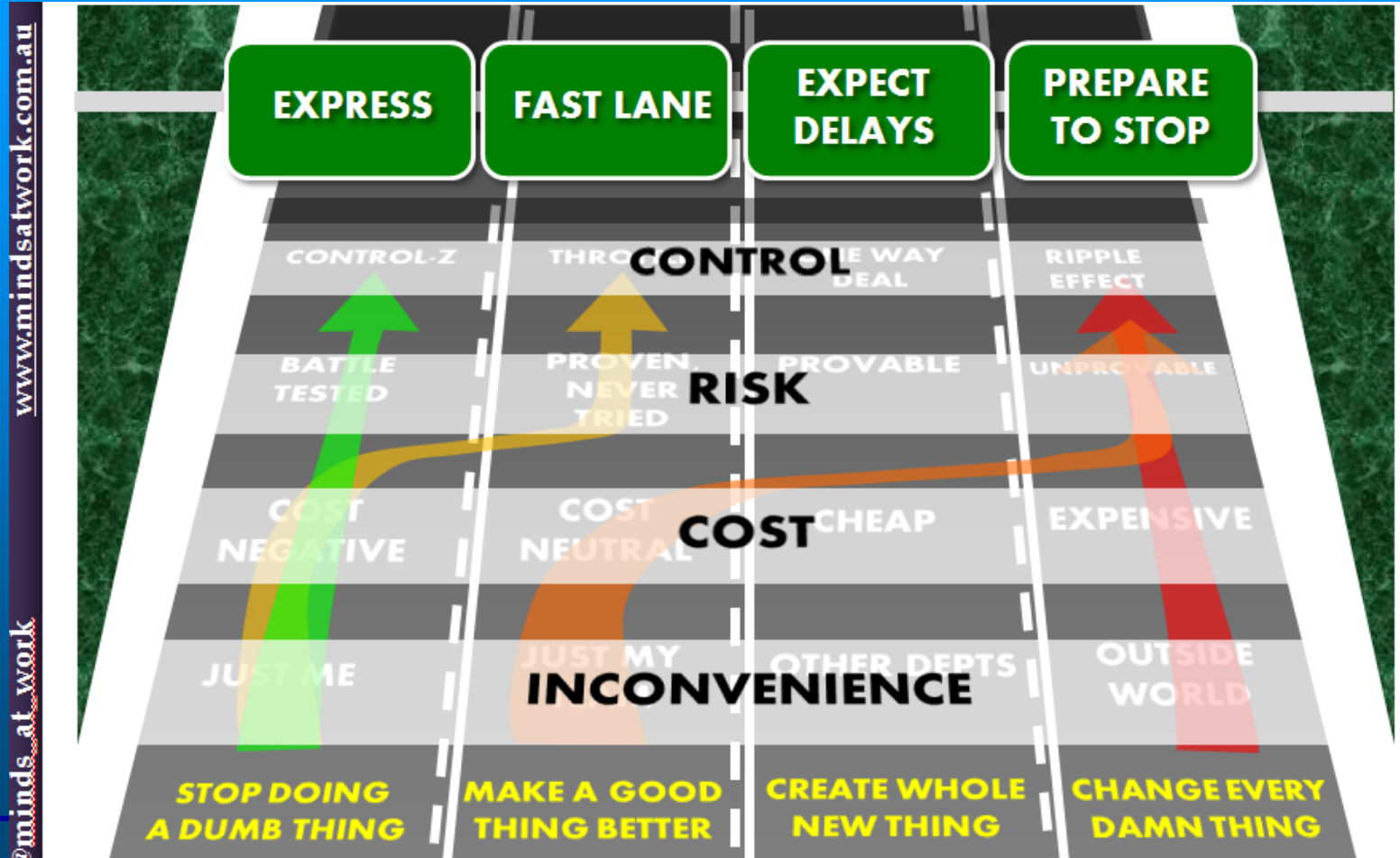
@minds_at_work

I.D.E.A Model

determines people to involve



Improved/ Simplified Ideas Process



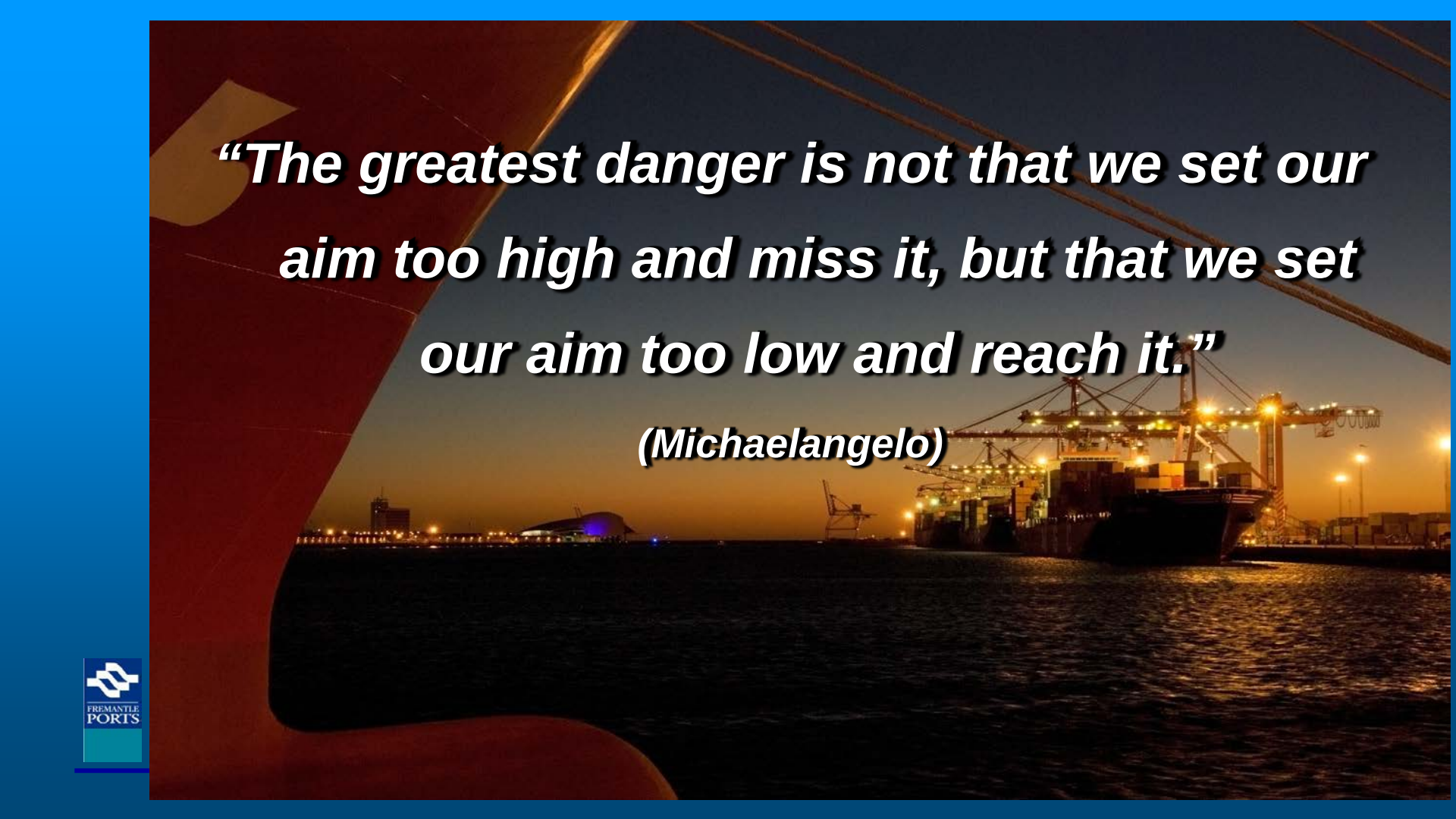
Ingredients for Successful Innovation

- **Strong case** for innovation (eg. burning platform)
- **CEO and Executive commitment**
- Simple/ well defined **process & criteria** for review of ideas
- Failure tolerated and effort celebrated
- **Resources** and \$\$ budget
 - Make the **time** to be creative (% of staff time to be involved)
 - **Timely feedback** on ideas

What's Next for Fremantle Ports (2015/16)?

- Managers, Leaders & and Facilitators to **look for opportunities** to discuss & facilitate use of creativity/innovation tools in their branches
- Executive considering **specific opportunities** in the sale process for focus & for inviting ideas





“The greatest danger is not that we set our aim too high and miss it, but that we set our aim too low and reach it.”

(Michaelangelo)

QUESTIONS ?

