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The innovation benchmarking report

Your guide to building a culture of innovation in B2B marketing

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Meet the contributors



Caroline Scott
Senior director, enterprise marketing, UK, SAP Concur

Caroline joined a small tech start-up during the dotcom era. Initially just hoping for a few years' experience, almost two decades later she's still at that start-up – SAP Concur – and is continually learning. She is passionate about cloud marketing and supporting the individuals in her team to be the best they can be.



John Watton
Senior director, enterprise marketing EMEA, Adobe

John leads a team of more than 40 marketing professionals responsible for establishing market leadership and driving demand in EMEA for Adobe's enterprise solutions. With 25 years in senior marketing at the world's most competitive software companies, John is a regular speaker and industry award winner. He's also a member of the IDM B2B Marketing Council and a mentor on the DMA programme.



Jada Balster
VP marketing, Workfront

Jada is responsible for leading the EMEA marketing and account development teams with a focus on demand generation, customer marketing and developing the Workfront brand. She is a respected marketing thought-leader who is a regular speaker and contributor to marketing publications including *The Drum*, *CrunchBase* and *Creative Review.*



Kath Pay
Founder and CEO, Holistic Email Marketing

Kath lives and breathes email marketing. With more than 18 years email marketing experience and 10 years on the UK DMA Email Marketing Council, she is regarded as an international industry thought leader. Many years ago she coined a phrase, 'Holistic Email Marketing' and now practises this approach at her consultancy, and teaches it to her students and clients.



Malin Liden
VP SAP Experience, SAP SE

As VP of SAP Experience, Malin leads a global organisation focused on community driven innovation. Her team identifies, tests and pilots new ways to communicate and collaborate with users and influencers in the digital age and social economy. Malin is a pragmatic and innovative leader who is known for challenging the status quo. Prior to joining SAP SE, Malin held senior marketing and communications positions at SAP Systems Integration, BMC Software and T-Systems.



Phil Clement
Former CMO and advisor to CEO, Aon

Phil is known for being one of the longest serving CMOs at a Fortune 250 company having held that role at Aon for 12 years. There he was responsible for marketing, sales operations, PR and internal communications. He also oversaw Aon's sponsorship of Manchester United, which he spearheaded.



Nick Worth
CMO, Selligent

Like many entrepreneurs, Nick's efforts began in a coffee shop in Santa Monica, California. After creating, growing and selling the tech-based start-up, Schematic, Nick took the role of CMO at Selligent. A seasoned digital marketing entrepreneur, Nick drives Selligent's go-to-market strategy, including lead generation, content development, product marketing, events and corporate communications.



Scott Stockwell
Global content marketing, IBM Watson Internet of Things, IBM

Scott leads the marketing innovation group in IBM's London design studio, where cross-functional marketing and technology teams use agile approaches underpinned by IBM design thinking to solve the company's biggest challenges. He develops the global content strategy for IBM's Watson Internet of Things (IoT) business, some of the most talked about innovation today.



Tim Dyson
CEO, Next 15

As one of the early pioneers of tech PR, Tim worked on major corporate and product campaigns with such companies as Cisco, Microsoft, IBM, Sun and Intel. He oversaw the flotation of the company on the London Stock Exchange and has managed a string of successful acquisitions by the group years including The OutCast Agency, M Booth and Story Worldwide in the US, and Republic Publishing and Morar in the UK. Tim moved from London to set up the group's first US business in 1995 in Seattle and is now based in Palo Alto.



Todd Latham
CMO and head of product, Currencycloud

As a fast-growing fintech, Currencycloud is built on innovation. It operates under strict Agile methodologies, a strong collaborative culture and a millennial-friendly workspace. The six-year-old business now employs 150 staff members globally, all of whom provide businesses with the ability to make fast and simple cross-border transactions.

Introduction
What *is* innovation anyway?

Innovation is a tricky thing to foster, or even define.

Some believe it should be experimental and opportunistic, others gated and strategic. Some believe that if an idea's not new, it's not innovative.

They're the ones who won't stop until they've disrupted the market and differentiated themselves from their rivals. And more power to them! Yet we believe there is just as much value in those who choose simple, steady improvement through slow and iterative adaptation.

Either way, we're not here to judge or divide, but simply to share the inspirational ideas of those who have achieved success. We looked to the tech sector for that and unsurprisingly, were met with swathes of ideas and practical advice.

We've interviewed a range of senior marketing leaders across a number of tech companies – from large corporates to young fintechs – and we've asked how they innovate. We've also conducted an industry survey to assess the state of innovation in marketing, so that you can benchmark yourself against others.

And we've found that whichever way people wish to define it, innovation boils down to two primary things – the thirst for change and improvement plus a drive to satisfy the customer. Whether it's born from curiosity or necessity, innovation's primary goal is to solve a problem or generate value.

Although this report takes inspiration from the tech sector, it won't assert that we should all try to be the next Steve Jobs.

We can't, and that's okay. We can be one of the hundreds of thousands of small-scale innovators whose cumulative ideas are pushing B2B marketing along at an impressive pace. In fact, the pursuit of improvement shouldn't be an ego-led competition to be the best but a united exploration of opportunities.

This report will encourage you to share ideas, to let go of your creative IP and invite others – even your 'rivals' – to add to it. Why? Because diversity of thought and experience are essential to forming new ideas. We encourage you to network, share your experiences, try methods beyond your own industry and most of all, continue the conversation.

The common misnomers and mistakes

Adopting the latest technology is the same as innovating. No amount of investment in someone else's innovation will make you innovative!

The best innovation comes from a pioneer like Steve Jobs. Creative problem solvers can be a force to be reckoned with, but you need a team to deliver results. Indeed, when an innovative project becomes too much about an individual it will be led by ego, not results.

Innovation and being on trend are the same thing. Wrong. Trend-led innovation is like milk. What tastes good today will be sour by tomorrow. Make sure you're investing in sound ideas not a short-lived trend.

Section 1

Survey results

1.1 A snapshot of innovation in marketing

Together with Circle Research, we surveyed hundreds of industry players* in order to get to grips with what innovation means to the modern marketer. As well as provide a snapshot of where the industry sits today, we wanted to find out what it takes to make the marketing department a powerhouse of innovation.

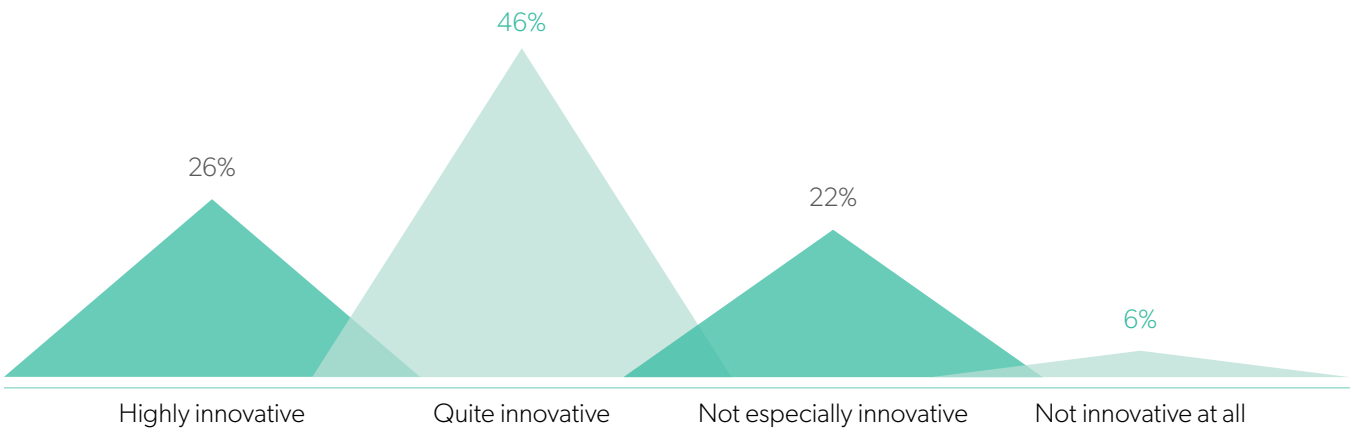
We started by asking some basic questions about how important innovation is to marketing and not surprisingly found that it's high on the agenda. In fact, 91% of marketers want to become more, or much more, innovative over the next 12 months.

We also found that 89% believe it's important that marketing regularly innovates its approach, and that 93% of those who have adopted a more innovative approach found it made their teams more efficient.

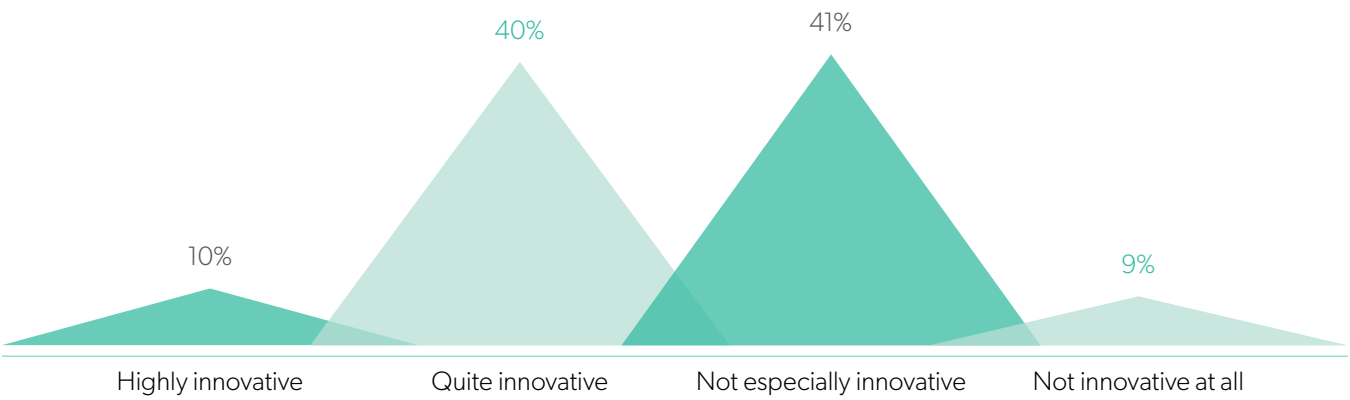
But where it got really interesting is when we uncovered that many marketers feel they generate fewer powerful ideas than their colleagues. Two-thirds of marketers describe the company they work for as innovative while only only 10% say their marketing department is 'highly innovative' and 50% say they are not especially innovative or not innovative at all. We wondered – with all the creative ingenuity and customer insight that marketing houses – why that might be.

Two-thirds of marketers describe the company they work for as innovative but only half say the same about its approach to marketing

How innovative would you say your organisation is overall...



How innovative is your company's approach to marketing?



91%

of marketers want to become more, or much more, innovative over the next 12 months

89%

believe it's important that marketing regularly innovates its approach

93%

of those who have adopted a more innovative approach found it made their teams more efficient

Two-thirds

of marketers describe the company they work for as innovative while only half say the same about its approach to marketing.

We decided to delve a little deeper into the business functions to see how marketing compares to its company cohorts. Of course, most people equate innovation with products and services – so we looked there first. Again, we found disparity. The survey uncovered that while 83% believe marketing innovation is equally important as product or service innovation, only 63% say marketing performs as well.

We then looked to marketing's closest partner, sales. Surely, with marketing's clear efforts to improve results for sales the two would be allied and aligned on idea generation. Wrong. In fact, according to our survey, sales seem pretty uninterested in the creation of new solutions with only 35% saying the team encourages innovation.

So what can we take from this? While marketers aspire to be as innovative as their colleagues in product or service development, they most likely fall short because the business invests less resource in buoying their ideas.

CEOs and their boards will see a greater return from investing in new products and services than in groundbreaking ways to market them. But while marketing can't beat development teams to those resources, there are things they can learn from them. Indeed, much of this report is dedicated to relaying the experiences and efforts of tech developers and how their expertise can translate to our own. In this, there is a great deal to learn.

Second, it's clear marketing must do more to engage sales with its mission to explore and deliver new ideas. It has the required skills by the bucket load. It knows how to decipher the demands and challenges of a demographic and how to deliver a rallying narrative that wins hearts and minds. It's simply a matter of applying those skills to the cause.

73% said their marketing team encourages innovation, yet only 35% said the same for their sales team

Where do marketers most want to innovate?

Almost all marketers (91%) want to become more innovative in the next 12 months, but what are the most common areas of focus?

21%

Engagement throughout the buying journey

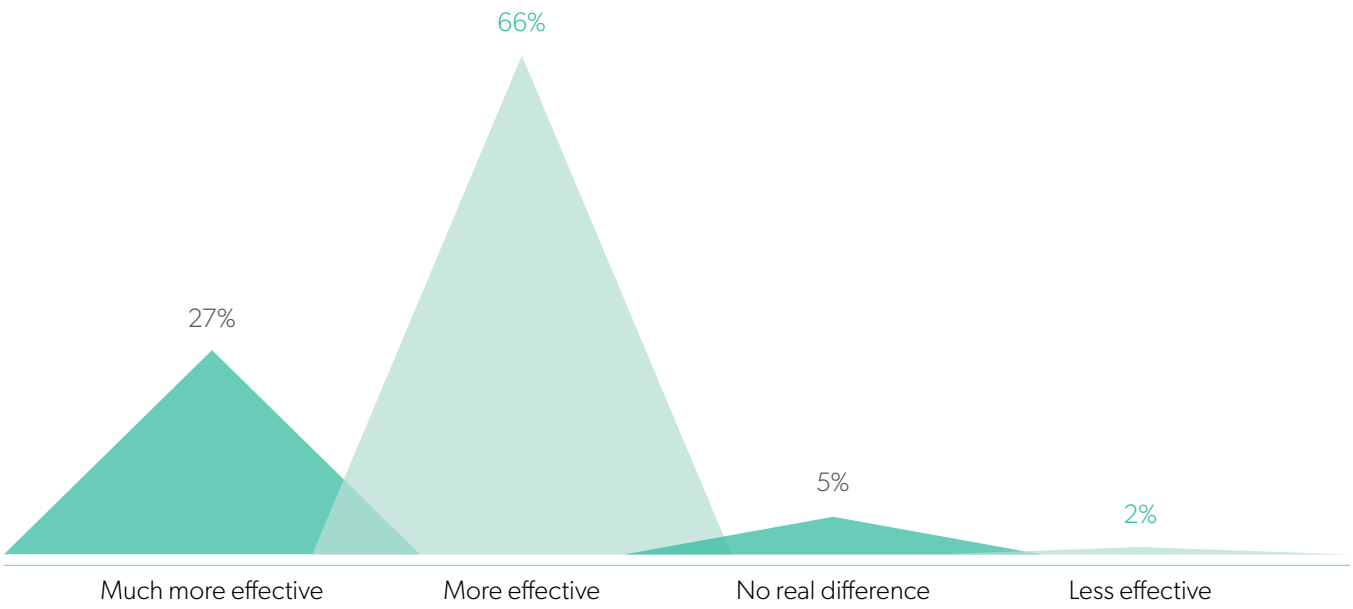
20%

Ways in which the target audience is reached

18%

The use of marketing technology

Has adopting an innovative approach made your organisation's marketing more effective?



1.2 What helps innovation?

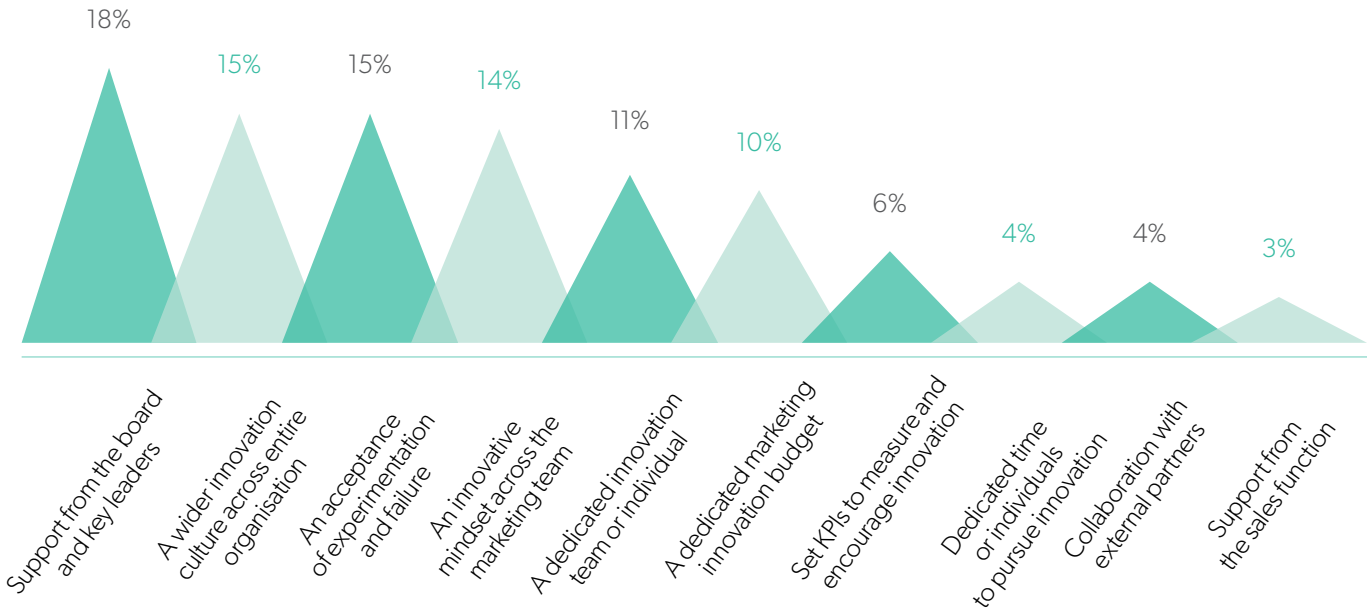
We wanted to uncover what elements really nourish innovation in marketing so that we could share insights in those areas. When asked, our respondents told us that support from the board is the most effective means by which to drive innovation (18%), yet less than half of marketers (49%) feel their board backs them in this way.

In equal second place was the acceptance of failure and a culture of innovation across the whole organisation (each at 15%), shortly followed by an innovative mindset within the marketing team (14%).

Our contributors fared even worse here with only 30% strongly agreeing that there's a culture of innovation in their organisation and a shockingly low 12% strongly agreeing that failure is welcomed, even when lessons are learned.

Thankfully, this is buoyed by a more positive finding that within B2B marketing teams, 77% of leaders encourage innovation as do 73% of its teams.

What have you found to be the most effective factors in driving marketing innovation?



How does B2B marketing score on what it sees as the three most effective elements of innovation?

49%

Support from the board and key leaders

30%

A culture of innovation in their organisation

12%

Failure is welcomed

What hinders innovation?

Aside from a lack of the elements that cultivate innovation, we also wanted to know what the biggest blockers to its success are. Unsurprisingly, it all comes down to resources. The most significant barriers to marketing innovation as seen by those surveyed are a lack of budget, followed by time and skills.

In this report, we will explore ways to carve out dedicated resources from the existing pot so that you can do more with what you've got. This is crucial because few leaders will be able to conjure significant investment without first showing the potential to make that money grow. And, put frankly, if you're not willing to invest in innovation you shouldn't expect your board to. Thankfully, even the smallest of projects using borrowed resources can be enough to show commitment and proof of concept.



The most significant barriers to marketing innovation are a lack of budget, followed by time and skills

What are the most significant barriers to marketing innovation?



Show me the money

In particular, our survey found that only 23% of marketers have a dedicated budget for innovation while 73% want one. This is of concern because the benefits of having one is clear – those who have a separate budget rated themselves higher than those who didn't across all areas of innovation we tested.

Yet while everyone dreams of being handed a big pot of cash and being told 'go do something fun with this', for most this dream will never materialise. Those who don't have a dedicated budget should focus on redistributing what they have; it's a simple but important case of prioritisation.

Again, a small amount of investment is better than none. A few hundred pounds to take the team out for the day, expose them to new ideas and give them the time to think creatively is a start. A bit of money spent on creating a more collaborative work environment or incentives schemes will show your team that you are serious. It's about starting small and scaling over time.

**The survey polled 188 marketers globally. It covers a range of seniorities with 60% coming from tech companies.*

Section 2

7 steps to innovation: The marketing innovation wheel

To help in your pursuit of great ideas, we've taken the information gleaned from our survey, plus advice from high-level interviews and produced a simple, yet effective model for innovation.

This one-glance guide outlines the key requirements for assuring and improving innovation within your team. It also clearly encapsulates the information and advice this report offers, all of which are explored in detail further on.

While by no means exhaustive, the wheel reflects the key steps B2B marketers must take if they're to create a culture of innovation. We understand those two things – culture and innovation – are often as hard to deliver as they are to define. Yet it's our strong belief that while elusive as a whole, an innovative culture is comprised of clearly identifiable, definable and measurable elements, which are laid out and explained here.

The marketing innovation wheel



2.1 The sweet spot for great ideas

The first set of key factors essential to innovation are shown in the outer ring of this model. Irrespective of the innovation they deliver, all great business ideas sit at the epicentre of these four factors, neatly acknowledging and catering to each one. These four high-level considerations are:

- The company strategy
- Your customer needs and pain points
- Gaps in the services and products offered to the market
- Your team's creative vision.

It's crucial marketing leaders educate their team on the four elements above so that all innovative efforts are aligned to them. While every business will have a solid understanding of these factors, those learnings must be simplified, shared and given traction among the team at all levels.

2.2 The 7 steps to innovation

The inner ring of this model represents the active efforts – or seven steps – marketing leaders must take to foster a culture of innovation. While the order in which these steps are taken will differ in each company, they should all be given attention and consideration for ideas to flourish. These seven steps are:

- Secure buy-in from the board down
- Allocate resource – including time, budget and staff
- Grant autonomy
- Teach staff to evaluate ideas at a strategic level
- Set measurable targets and KPIs
- Celebrate failure and show an appetite for risk
- Experiment with organisational structures.

2.3 Secure buy-in from the board down

A highly innovative culture will have a CEO and board that not only understand the value of innovation but feel passionately the company must deliver it. This passion will of course be demonstrated by granting the resources marketing leaders need in order to deliver.

Yet buy-in from senior leaders is about more than just resource. Without it your team's efforts to innovate will be like wading through tar; everything will push against them.

The leading innovators we spoke to boast a culture of innovation that is supported from the top down, permeating every effort and creating an environment in which innovation can develop naturally.

2.3.2 Allocate resource: Time, budget, staff

Highly innovative businesses and the marketing departments within them will have dedicated time, budgets, staff and even office space for innovation. Some offer a percentage of what they have, others commit the whole business. These dedicated resources will not only create the freedom to innovate but also the culture. Why? Because it shows employees the business and its leaders are fully invested and supportive of new ideas.

Yet the majority of marketers feel they don't have enough time, budget or staff, and struggle to acquire more. These leaders should focus on redistributing what they have through a resource allocation model. Section 5 of this report (page 22) examines some of the ways in which tech businesses are redistributing their resources and using partnerships and peer-to-peer learning to do more with what they've got.

2.3.3 Grant autonomy

Game-changing ideas are born from passion, not instruction. You can't force or dictate your way to innovation, in fact it's quite the opposite. Leaders must give their teams freedom to think freely, trusting them to use their time well and to explore the right ideas. This may require training to bring the team up to the right level, but equally some leaders may need their own coaching to improve their ability to step back and enable, rather than rush in and control.

Many marketing leaders are working together with HR to map their employees' skills and interests, then aligning them to existing jobs and projects. Finding people who are passionate about the tasks they need to perform will improve engagement and productivity, in turn allowing the company to feel comfortable with granting them autonomy.

2.3.4 Teach staff to evaluate ideas at a strategic level

No matter how great the idea, it will only gain traction if it serves the business and its customer. This is often an issue with bottom up innovation, which unknown to the innovative employee, is often misaligned to the company's strategic vision.

Without knowing the needs of the business and its stakeholders, staff won't be able to provide ideas that matter. Furthermore, they're likely to become demotivated when their efforts are rejected – particularly if that rejection doesn't come with an explanation.

Effective teams know the company's strategy by rote, they have understood and engaged with it, expressing it in every business action they take. Not only can they assess the current and long-term value of an idea to the company, but they use this insight to generate ideas in the first instance.

2.3.5 Set measurable targets and KPIs

Static marketing departments often have little understanding of how to measure innovation, or set targets for it. This is understandable as innovation is notoriously hard to formalise – but it's not an impossible task. Indeed, a number of the marketers we spoke to have specific quarterly and annual KPIs for innovation, some for their collective team or teams, others for each individual within them.

Of course, you must first determine what you wish to achieve. Are you looking for a high-impact campaign that uses the latest technology? Perhaps you're working with your product development team, using your customer insight to find the right solution to a client's needs. Either way, marketing leaders must demonstrate a clear vision of what they're aiming to achieve. Targets and KPIs must be aligned to them, showing innovation is not simply for innovation's sake.

2.3.6 Celebrate failure and show an appetite for risk

The 'okay to fail' ethos can feel like a platitude, often said but rarely meant in full. For the sake of innovation though, it's got to be more than a pleasant phrase.

Experimentation is inherently interwoven with innovation – you can't have one without the other. A fear of failure during those experiments will leave innovation dead in the water. For this reason, staff must feel safe to test, fail and learn from it.

While a lot of leaders accept the importance of failure, often their behaviour belies their words. This is where a great ethos becomes an empty motto; saying you accept failure is fine, but how will you react when you're met with its aftermath?

Thankfully, an increased appetite for risk doesn't mean free-falling into chaos; risk can and should be measured and controlled. Furthermore, the emphasis must not be on hiding failure but in openly sharing it, as well as what can be learned from it. The successfully innovative businesses we spoke to have regular and popular communication pathways to share learnings quickly and across all levels.

2.3.7 Experiment with organisational structures

Many of the most forward-thinking companies have removed their traditional hierarchies to allow greater collaboration, autonomy and the free flow of ideas.

Traditional organisational structures often produce heavily siloed departments with little understanding or collaboration across teams. Innovation demands the opposite.

Agile teams and skunkworks can be a great way to deliver autonomy, clearly defined resource and isolated targets and KPIs. A highly innovative marketing department is likely to have experimented with, if not fully deployed, modern organisational structures. These focus on collaboration rather than hierarchy, and agility rather than standardised processes.

The best innovators have a clear and tested process for upscaling the innovation demonstrated though skunkworks and small teams with additional budget likely to have been secured from this success.

Section 3

The board and its backing

Support from the board is seen at the most effective means by which to drive innovation, yet less than half of marketers (49%) feel their board backs them in this way.

Let's be clear, board support doesn't just mean handing out a wedge of investment capital, it's about behaviour and belief. The right beliefs and actions at board level will create a culture that is naturally conducive to innovative thinking.

As the engine of the business, the board sets the conditions for culture including the company's mission statement and objectives. It's from this that almost all decisions will be made. A board's influence permeates through a business, swaying behaviour despite the strongest of intentions. If yours doesn't value innovation it simply will not prosper. And if its main driver is risk-averse profit generation, the culture will encourage fearful and short-term behaviour rather than exciting new ideas.

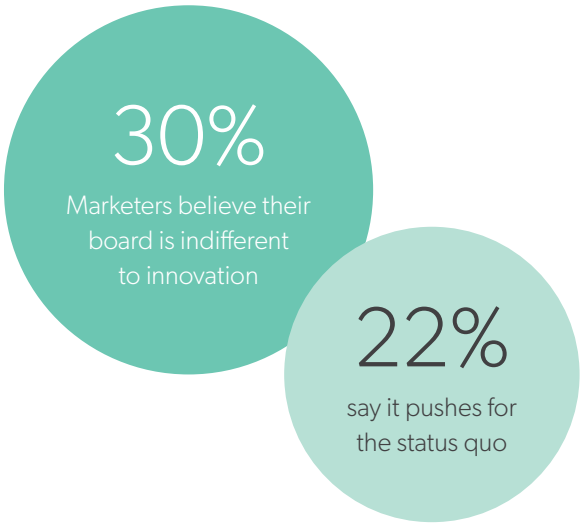
Of course, innovation should make money but that doesn't mean it should be led by a drive for ROI. Great innovation lets the customer know that someone feels their pain and cares enough to provide a solution. Great innovation is about creating a connection with the customer and finding people passionate enough to provide the solution. This is marketing's forte, and it's why it should become known as a hub of innovation.

94%

Say support from the board is an important driver for innovation

"It's crucial that you create a culture where good ideas float to the surface. We delegate authority down the organisation and allow ideas to bubble up. The tone from leaders will really influence things – we need to be open to ideas and show our people that we are. That also means making sure there's not an echo chamber of senior voices but that leaders hear from the front line team and through them, the customer"

Todd Latham, CMO and head of product, Currencycloud



Great ideas let the customer know someone else feels their pain

Innovation is about creating a connection with the customer and finding people passionate enough to provide the solution. This is marketing's forte, and it's why it should become known as a hub of innovation



Of course, experiments come with risk, which boards are naturally averse to – particularly those in public companies, which are exposed to pressures from the press and shareholders. Nevertheless, a good board will understand that failure to innovate is a far greater risk than failure when innovating. In today's fast-moving market, inspired adaptation is essential to keeping the business alive. That's why the board must ensure marketing feels comfortable reporting loss-making experiments while also setting safe parameters within which it can test and learn.

But it's here marketing leaders may feel at a disadvantage. Because unless they inherit a good board – one that sees both the value of innovation and of marketing – they may feel their routes to success are extremely limited. Many senior marketing leaders still struggle to get their board to see the value of marketing and will assume that if they can't master that, they certainly won't be able to secure the budget and permission to experiment with big ideas.

But they shouldn't be put off by a risk averse or unconvinced board. Why? Because they have the greatest weapon in the arsenal. Customer insight. The customer is paramount to every modern business and marketing has the ability to understand them in far greater depth than any other department. Marketing's data-led insights are at the beating heart of the company and central to innovation.

Section 4

Teaching the team it's okay to fail

4.1 Teaching the team it's okay to fail

While limitless failure isn't good, failing as a means to an end should not only be accepted, but celebrated. Indeed, of the marketers we surveyed, 93% saw the acceptance of experimentation and failure as an important ingredient of innovation.

This is in stark contrast to the 12% who strongly agree that failure is welcome in their company – even when lessons are learned.

No big idea is perfectly formed at the start and no big process, project, or product was delivered without hitting a few hurdles. Failure is simply an early by-product of success. It provides a starting point from which to learn and develop. As such, staff must be granted the ability to innovate without the fear of reprimand.

Of course, that doesn't mean allowing people to waste endless time on fruitless ideas or turn campaigns into reckless creative adventures – there must be controls, KPIs and oversight. But the dividing line between those two is largely dictated by trust and without which, no team will innovate. Trust empowers employees to take bold approaches and think beyond the confines that have held the business where it's been kept to date.

4.2 The honest approach

The worst you can do in the event of failure is to ignore the issues or sugar-coat its implications. Hiding mistakes from those around you – whether it's the board, your team or your peers – leaves you unable to fully address the problem.

Aside from this being highly counterproductive, it ignores the fact that cover ups are rarely as discreet as those who attempt them would think. As a leader, covering your mistakes paints a picture of weakness and untrustworthiness; it also tells your team their failure should similarly be hidden away in shame.

Taking time to reflect on your mistakes without emotion or ego will encourage others to do the same. It's normal and easy to feel personal embarrassment but a good leader will show by example that it's okay to experiment and fail in the pursuit of success. They will lead the group towards recovery with honest analysis of what went wrong and how to put it right.

> "Be clear that you've thought about the implications of what's happened. It may be embarrassing to talk about how you've failed but if you get through it quickly there's often fewer business problems as a result"
>
> Nick Worth, CMO, Selligent

4.3 When to quit

Innovation is always a gamble and it's tempting to hold out for a better hand, especially when you've already invested all your chips. The skill is knowing when to cut your losses.

Don't let emotions mean that a project is held onto for longer than it should – recognise if it's not working and when it's time to move on. This can be particularly hard with innovation as ideas don't come with timelines for ROI; that is largely down to guesswork and the extent to which senior leaders are willing to invest. However, it's vital to set clear expectations on deliverables right from the start and revise as you go along if need be.

Similarly, the company must acknowledge and accept risk while not letting it spiral. Of course, you will having signals from on high when a project's time is up. Senior executives and the board are there to give you honest feedback, which is why it's crucial to be equally honest with them. Success and failure should be reported with equal and scrupulous honesty.

Bottom-up innovation can go astray far more easily than that set by senior figures and aligned to core objectives. Not only will it have less buy-in but more junior innovators run a greater risk of becoming blinded by detail, overwhelmed by the scope or led by the desire to chase a trend. This type of innovation in particular requires guidance, observation and coaching.

Conversely, top down initiatives will often find additional resource to plug any overspill and delays because the senior decision-makers will see their strategic worth and be invested in their delivery. However, they are prone to slow delivery as it takes time for the message to filter down and take root.

Whichever type you deploy, without a return – whether it's profit, engagement or insight – every project should have a clear expiry date.

"Risk was a very loaded thing in marketing 10 years ago, it meant betting your budget on a campaign and having to wait six months to see whether it had delivered. Now we talk about AB testing as something baked into everything we do. Risk isn't what it once was"

John Watton, senior director, enterprise marketing, EMEA, Adobe



"There's always a risk of failure and it's important that the board is aware of this. Innovation should be risky by nature, attempting to neuter innovation to ensure success will usually result in third-rate ideas that won't have any impact on the organisation."

Jada Balster, VP of marketing at Workfront

Mistakes shouldn't be feared but viewed as a short-term blip. Only 3% of marketers say that previous failed attempts at innovation were a hindrance to later efforts.

4.4 Boosting morale

Failure is likely to result in a dip in morale and perhaps productivity, so it's important to galvanise the team at these times. Talk about the failure, what went wrong and what can be learnt from it, but don't dwell on the conversation for too long or it'll foster negativity. Most crucially, leaders should never allow a culture of blame and finger-pointing to take root but relay that the entire team should take responsibility for success just as much as they do for failure.

There can be a great deal of fun in celebrating failure. Some hand out awards for the biggest or most painful fails as a way of taking the edge off the downfall and moving forward with good grace. Others create newsletters, videos and company emails to share their mistakes en masse and show there's no shame in trial and error.

It's important not to make light of serious mistakes, or create the belief that a run of them will be accepted, but a trusted team should be able to laugh and move forward having learnt from the process.

Section 5

The power of storytelling

5.1 The power of storytelling

A huge part of managing any change to work processes or principle is mastering the art of engagement as everyone involved will need to be inspired, united and invested in the road ahead.

People will want to understand why a new initiative is taking place and the context of their role. The more information you give on the bigger picture, the more meaningful their work is to them – and the harder they will apply themselves to it.

Of course, messaging is where marketers excel. They understand the power of storytelling and how to create emotive narratives; they're fully equipped to unite the tribe through storytelling.

Whether you're presenting at a town hall, sharing updates on a company video or message board, or having an informal team catch up with beers and a white board, it's important your mission statement remains clear, consistent and empowering.

The scope of your internal comms message should reflect the size of the project itself. Big innovation will likely require input from other departments such as sales, IT or legal. Feeding their interest at an early stage and regular points thereafter will make it easy to pool resources when the time comes. Some projects are too small to shout about globally, and that's fine. The point is to share the relevant information at the right time and in a fun way.

5.2 Getting it all out at SAP Concur

A crucial element to include beyond your mission statement is regular progress updates and what's been learned along the way, so others can borrow from it and speed up the pace of learning. Similarly, internal comms is a great way to move on from failed attempts at innovation, boosting morale by focusing on the insights gained.

Caroline Scott, senior director, enterprise marketing, UK at the SAP Concur says she makes a concerted effort to share both the good and the ugly. "We're such a big organisation and quite a matrix, which means there must be a lot of focus on sharing best practice."

"A few years ago, it was a case of me asking to share our innovation with others but as the company has become better at passing ideas around," she continues, "we now have to make a business case for which projects are discussed. Putting forward ideas that have been really successful means they're more likely to be showcased, but if that's all you show, you're telling people they must always be successful."

Malin Lidén, who heads up SAP's Experience arm, recalls how one of her team asked for a slot at one these meetings specifically to share how he failed with one of his projects, what he learned and how he turned it into a positive.

"I thought that was brilliant, I made a fuss of it and recognised him in public because to me, that's when you see the culture alive," says Malin.

"If people are afraid, they can't think creatively in the first place. They will also never have the courage to try something new. It's not fun to fail and no one is going to be proud of it, but if you see someone who did it the right way – they tried something new, they failed fast, they learned from it, they moved on to improve on the idea or do something different – you have to shine a light on that and show this is the right thing to do, so you give other people the confidence."

"Give employees access to information around what their co-workers and leaders are working on and how they fit into the puzzle. This type of visibility is an effective unifier – it encourages teamwork, promotes better working relationships and collaboration, and aligns the team toward one goal"

Jada Balster, VP of marketing at Workfront

Great innovation requires collaboration and understanding; that won't happen without clear, regular and engaging communication. You must share why you are on a mission to innovate and the great things you're set to achieve.

Without powerful communication – and that's conversational as well as formal – marketing simply won't get the recognition it deserves from the wider business as being the source of great ideas and shifting expectations.



5.3 Creative approaches to internal comms

The rise of technology such as communication platforms and gamification has created a playground in which marketers can spread internal comms messages in exciting ways. Yet even without the tech (or the budget that comes with it) there's a great deal you can achieve by applying concepts used on external marketing campaigns.

The big tease

A teaser campaign can create a great sense of mystery and hype around what your team is doing. Revealing a little more each time and in just the right way will help you maintain interest over the long period. Think of how Apple builds hype during its product launch campaigns.

Cheap laughs, and even cheaper tricks

Comedy is a great way to engage and one particularly effective tool is to apply it to a rehash of others' work. Creating a pastiche of someone else's campaign will not only get laughs but creates a strong sense of who the message is coming from.

The human element

As marketers, we know the value of human connections; people buy from people and they're more influenced by those they know. So, why not use the personalities in your team to convey your message. Sharing honest, gritty accounts of what's gone wrong will engage people far more than a shiny corporate message.

Involving the customer

The real reason for innovation is to excite and please the customer, so why not include them. Sharing their pain points and perspectives will show what your team are trying to achieve and why.

Great ideas focus on meaning, not money

Now a Silicon Valley venture capitalist, Guy Kawasaki was responsible for marketing Apple's Macintosh computer back in 1984. He believes the best innovation is about meaning, rather than profit. He places the biggest tech giants (and incidentally some of the biggest profit making businesses) as examples; Apple's reason for being was to democratise computers. Similarly, Google wanted to democratise information and eBay, commerce. This was their meaning. For marketing, it's about the customer. Connecting with the customer's needs, hopes, desires and fears will deliver innovation with meaning and purpose. Get your team onboard with the mission to empower and enable the customer, allow them to dig deep into buyer personas or individuals accounts to come up with creative approaches to targeting them.

Source: The art of innovation | Guy Kawasaki | TEDxBerkeley

Section 6

Finding time to think

6.1 Finding time to think

It turns out B2B marketers are in a pretty good place with respect to advocating innovation. We've found 77% of leaders encourage it, while 73% of the team do. While there's still room for improvement, serious efforts are being made. But which challenges ought to be addressed in order to give these numbers a boost?

Our survey showed that a lack of time is considered one of the top blockers of innovation, despite 90% of marketers wanting to dedicate a set number of hours to the pursuit of new ideas. So how, with all the existing demands of the 'business as usual', can you possibly squeeze in space to think up that game-changing moonshot?

There's not a single marketing leader who won't argue the case for more resource. In fact, it's such a common request, it almost always falls on deaf ears. It simply isn't good enough to ask for more. The expectation (and often the only option) is to deliver more with the same.

Granted, this may feel like feeding the 5000 with five loaves and two fish, but to continue the parable, innovation could be the miracle that multiplies that food. It can simplify your efforts and speed up your work – if that's what you want it to do.

It's about carving out time in the first place. Many businesses now assign a set percentage of hours to innovation, something that was first championed by Google back in its early years.

Caroline at SAP Concur takes the same approach with her team. She explains: "We know what the tried and tested things are, and we'll spend the majority of our time and money doing those so that we're covered. But we'll spend some on more innovative, new ideas. Maybe they'll work, maybe they won't. It doesn't matter so long as we make our numbers and learn fast. Hopefully we'll find one or two things that are successful and can be exported to other teams and divisions."

To ensure innovation planning time is spent wisely, Caroline's team are also given specific targets under the drive for new solutions. "Everyone in the team has a goal for innovation, which is reviewed on a quarterly basis, and we also have a yearly roll up. At those points, the team is encouraged to talk about what they did, who they shared it with, and what the impact was."

> "I encourage my people managers to block out time on a regular basis, away from usual distractions – cafés are good! They should be without a laptop or phone and spend a few hours to think about what they can do differently. I do that too"

Caroline Scott, senior director, enterprise marketing UK, SAP Concur



Google's 70/20/10 model

Google engineers are allowed to spend 20% of their time – that's one full day a week – on whatever they want. It might be work related, it might not – the point is to trust your team in the effort to explore new things.

Google also has a wider model for innovation, which dates back to its inception. It allows leaders to understand what level of resource to dedicate to the business' strategic objectives versus exploring brave and uncharted concepts.

- 70% of Google's projects are dedicated to its core business.
- 20% of projects are related to it.
- 10% of projects are unrelated.

"It keeps the focus on core needs while also encouraging a healthy stretch into new and related areas," Susan Wojcicki, former senior VP of advertising and commerce for Google, and now CEO of YouTube, said publicly. "Just as importantly, the 70/20/10 model supports a culture of 'yes' rather than 'no.' It promotes 'what-if,' out-of-the-box thinking. This positive framework feeds our core business while also encouraging new ideas and big dreams that can become huge wins for the company."

Source: Creating a Culture of Innovation: Eight Ideas that Work at Google



6.2 Peer to peer learning

A significant drain on time for most marketers is the speed at which it takes to deliver an idea, then test, learn and iterate.

Phil Clement, former CMO at Aon for 12 years, says this time can be shaved if we look to what those around us are doing and learn from them. "I like to spend at least 10% of my time understanding trends. Networking with those who are experimenting helps you avoid the challenges that others have come up against," he explains.

"Everyone has other friends in marketing – some may have tried a bit of AI, another may have gone back to doing seminars. Getting feedback from other practitioners is one of the best ways to experiment. The notion you have to do it all yourself is quite flawed."

"I haven't found a marketing trick yet that has a long-term sustainable advantage," he continues. "While I don't think the pace of change is any different to how it's been for the past 10 years, the potential for change is far greater. For example, AI could change everything; literally turn everything upside down. I'm also fascinated by brain science. Now we can watch how a brain reacts to advertising; whether it stores the memory in a place corresponding to rational thinking or emotion."

The power of peer-to-peer learning

Kath Pay, founder and CEO at consultancy Holistic Email Marketing, was astounded at the closed-off nature of the B2B email industry when she first landed on UK soil from Australia in 2004. To rectify this, one of the first things she did was set up informal dinners, gathering industry thought leaders over food and drinks.

"From the outset, we started getting to know each other as people, not just as brand competitors. By building these relationships we'd start sharing our challenges, trials and tribulations, and ultimately our learnings on what we'd gathered from the market. Therefore we were spreading all the information, rather than just extracting our own learning and keeping it for ourselves.

"My motivation has always been to help the email channel itself, help email marketers do a better job, which in turn ends up helping the end consumer. All of that eventually comes back to help my company in the long term."

"Getting feedback from other practitioners is one of the best ways to experiment. The notion you have to do it all yourself is quite flawed"

6.3 Partnering for innovation

Large organisations are often hampered by their size and simply can't innovate with the same speed and agility as their smaller counterparts, which is why partnerships between the two can be a great option. The larger business benefits from the agility and innovation of the smaller, while the smaller partner is supported by the capital, expertise and customers of the larger.

This works particularly well in the fintech sphere where tech start-ups are partnering with large, established banks. Santander has taken this further by a creating a network of fintech businesses, in which it has invested a collective $100 million since 2014.

While the number of companies that can recreate Santander's endeavour are extremely limited, the project's ethos is applicable to many. Santander has used its resources (in this case, investment capital and advice on running a small business) to create a pool of successful and fast-growing clients it can market to long-term. Furthermore, it's gained access to the IP of these small rival companies and forged alliegances with them that other large competitors will find near impossible to break.

Co-opetition: Partnering for innovation

Sharing trade secrets with your rivals may feel like an uncomfortable thing to do but it's fairly standard in the tech industry. "Pretty much all of the industrial architecture of today's computer industry is there because many companies invested in the same areas, worked together and were willing to look at common standards," says Tim Dyson, CEO of communications group Next 15.

While it's natural to have concerns about what and how much to share, Tim urges most partnerships find a natural balance. "There'll always be one company that has a bigger vested interest in the future of something, for example Microsoft with computing or Intel with processors. [But] companies that have most to gain usually do the most sharing, and it tends to operate relatively efficiently from that perspective," he says.



Section 7

Adobe Kickbox: A case study on innovation

7.1 Adobe Kickbox: A case study on innovation

When Mark Randall, chief strategist and VP of creativity at Adobe was charged with creating an internal programme for innovation, he knew the company's brightest minds were caged by the complexity and rigidity of Adobe's corporate structure. He wanted to capture the essence of a nimble start-up, the type he had previous founded, and use it to nourish powerful ideas.

Having asked his employees what held them back from innovating, he discovered it came down to three simple things: time, money, and a lack of process. People were too consumed by their existing objectives and day job to take on new projects – or even consider new ones. There was too little resource to try ideas and negotiating with senior leaders for more was so cumbersome no one bothered twice.

Finally, people didn't know what to do with a great idea when they had one. While Mark recognised his innovators needed to be taken away from the rigidity of the existing system, together with its processes and structures, they still required a framework; a simplified roadmap specific to bringing an idea from inception to fruition.

He gave them a simple red box. In it was a prepaid credit card worth $1000 (which could be spent without question or accountability) and a six-stage toolkit for innovation, detailing the most effective way to bring an idea to market.

Source: Mark Randall, How We Funded 1,000 Experiments

7.1.2 What's in the box?

- Chocolate and a Starbucks voucher to fuel thinking
- A pre-paid credit card worth $1000 (no receipts required!)
- Post-its and notebooks
- A six stage product development plan, based on lean processes.

What's the six stage plan?

1. **Inception**

   The first stage is about understanding the motivation for innovating, because personal passion is what fuels it for the long term. Their staff might be driven by a desire for recognition, promotion, or the satisfaction of fixing a problem. Adobe didn't care, so long as the motivation was strong.

2. **Ideation**

   The second stage offers frameworks for divergent thinking. This is about breaking out of systemic thinking and repetitive behaviours. People will be drastically limited if they feel they're subject to the 'way we do things around here'.

3. **Improvement**

   At the third stage, employees use a score card to assess their ideas from a number of strategic angles.

The innovation benchmarking report © B2B Marketing 2018

They're also encouraged to ask their colleagues to provide feedback on the same points, which include:

- Sustainability
- Customer need
- Market size and fit
- Opportunities for offshoot solutions
- The 'wow' factor
- Fit with existing technology
- Fit with brand and strategy
- Testable incrementality.

4. **Investigate**

This is the prototype stage at which innovators would test their project, usually via a website that was not linked to the company brand. They would use it to measure engagement and conversion rates.

5. **Iterate**

With the knowledge they'd gained, the innovator would then tweak and improve their idea, perhaps repeating stages four and five.

6. **Infiltrate**

At stage six, the idea is ready for serious consideration at a senior level. Innovators with ideas taken further were given a blue box – a prized possession containing more resource and advice specific to the particular project.

Know your team

It's important to know who your internal innovators are and how to engage them. The red box was first given to 60 internal innovators, which Adobe had already identified and could invite together into one room.

7.1.3 Fighting the tide of resistance

The box itself was a powerful innovation, which, unsurprisingly faced push back along the way. Adobe's legal and financial teams balked at the idea of giving away numerous $1000 on pre-paid credit cards, especially when they heard that the recipients would not be asked to fill in expense forms. That wasn't the norm, and it wasn't comfortable. But when Mark was able to explain the value of innovating without fear or accountability, even for the budget, he was able to win them over.

He was also told the business already had more ideas than it knew what to do with. So how could opening the floodgates to more visionary plans (and the impassioned employees who came with them) possibly help?

Mark's rationale was that the hierarchy of management had created a safety net for 'bad ideas'. People felt they could float whatever they wanted upwards because someone else more senior had the responsibility of stopping those ideas before they had a negative impact. He asked: 'what if those employees were personally responsible for the success of their own ideas?' Total accountability of the budget, strategy, resource and project management meant people capped or refined their own ideas until they were fit for senior management discussion.

7.1.4 The results

Just over 20 of the first 1000 innovators made it to the blue box stage, yet none have reached a full project launch. Nevertheless, it energised Adobe and many other companies that used the six-stage process, from start-ups to NGOs and other tech businesses, including Cisco.

Where Adobe has seen more significant results is in the cost and scope of R&D. Previously, Adobe would take between six and 12 products per year from the idea stage to a prototype. Each product would cost between $100,000 to $1 million but under Kickbox, the company was able to explore several hundred projects at a much lower cost.

Source: kickbox.adobe.com





Live fast, fail fast

Knowing failure is the road to success, Adobe set a goal to increase its rate of failure. Not only does this push the scope for experimentation, it shows employees failure is not a punishable offence, or even an accepted norm – it's something to embrace.



7.1.5 Applying Kickbox to your marketing team

Kickbox was never intended for marketers – similar to Agile, it was meant for tech product developers. But just like Agile, there's much we can borrow and learn from it. If the six-stage plan (or more likely, $1000 per person budget) isn't right for you, use it to create a framework that is.

Regardless of the process you take, the principles of Kickbox are really at the heart of all innovative company cultures. Stay true to these and innovation will blossom.

The principles of Kickbox

- Remove bright thinkers from the system, including its process and norms.
- Accept and celebrate failure as the path to success.
- Demonstrate your increased appetite for risk.
- Remove accountability at seed stage.
- Grant autonomy, paired with full support.
- Teach innovators how to evaluate the strength of an idea at a strategic level.
- Focus on personal passion and motivation as the fuel for innovation.
- Show trust, from the CEO right down.
- Strive to create innovators, not just innovation.

7.2. Adobe's John Watton on marketing's approach to Kickbox

John Watton, B2B marketing leader at Adobe EMEA, shares how marketing has benefited from Kickbox, plus the additional efforts he's making to improve innovation within his team across Europe.

How many Adobe employees have used Kickbox and what benefits have you seen to date?

We've had over 1200 employees through the programme so far. Adobe has a lot of engineers and product developers in software so it's not specific to marketing, but does include them. It really is having a material effect on our business. Ultimately, the measure is in our business performance, but it's also about trying to think differently about how we go to market and engage with our customers. We're a very competitive industry so we've got to stay ahead of the game.

What are some of the benefits the marketing team have delivered through Kickbox and its philosophies?

It's helped us come up with ideas to provide better analytics to creatives and bloggers so they can validate and improve their social efforts. It's helped provide dashboards for our customers so they are better able to use our solutions. It's also provided improvements to our thinking, resulting in photo editing software and even led to our acquisition of stock photography company Fotolia, which is now Adobe Stock.

These sound more like the efforts of the product development team, does that suggest marketing is closely aligned with them?

At Adobe, the line between marketing and the rest of the business, especially product development, is blurred. As marketing is the voice of the customer, we're often coming up with ideas to add value. Ten years ago, Adobe sold its software in boxes through distributors, now we distribute through the Cloud and can get much better insight into how people use our solutions almost in real time, in turn using that to provide in-product messaging with hints and tips.

Kickbox sends a strong message about the culture of the company and how seriously it takes innovation. Is that something other B2B marketers should apply?

This is rooted in things at the heart of the company and what our brands stands for. Our mission is to change the world through digital experiences, underpinned by a set of values, one of which is to be innovative. Defining values can be talked down in B2B, but I don't agree with that. A lot of B2B businesses need to get that sorted – it certainly gives us a strong anchor from which to drive innovation.

What other efforts are you applying to innovation within your team?

We've reorganised our marketing department to remove silos. For example, where we previously had separate teams organised by channel, our structure is now organised around the customer. We've also brought a lot of expertise in-house – such as data management, the purchase of our programmatic advertising, and the management of social media. We need to fully embrace and understand digital, and we can't do that if we divest the responsibility to others. We still have agencies, of course, but they provide more strategic counsel. We see a trend for rebalancing where you put your efforts.

Section 8

Organisational structure

8.1 Organisational structure

We all know the bigger the business, the slower it moves and the same applies to teams. Some marketing leaders have seen great success in developing an innovative ethos among their whole team and embedding it in everything they do. But change under that approach can be slow.

By focusing on a smaller team, you'll be able to introduce greater agility and faster experimentation. This may take the form of a pilot scheme held solely by marketing, or a cross-functional team that could extend out to other departments such as sales and R&D. Whatever the case, you need to look for people who are invigorated by new ideas, willing to challenge the norm and accept change.

Cross-functional teams can be a way to test and promote staff in areas they have the most potential, but it's important not to steal mission critical employees away from existing projects. Finding the right people to innovate – rather than forcing innovation on them – will mean those team members really feel they're better off for the work they're doing.

The most effective efforts usually take the team away from their day job entirely, or they simply won't dedicate enough time to it. The pre-existing workload will always seem the most pressing, because it's what people are emotionally and mentally invested in.

Yet taking people away from their day job will put pressure on the rest of the team to deliver. This can be particularly hard for middle managers who must accept performance is likely to drop, or find resource from elsewhere. If they're not driving this innovation themselves, it's important they understand the value of the project and believe in the ethos behind it.

"The team has to be open and excited about innovation. It can't be a collection of people swept from the company and told 'we're all becoming innovators', that's not going to work"

Nick Worth, CMO at Selligent

8.2.1 Room of one's own

Pilot schemes or skunkworks can be an effective way of trialing innovation on a small scale with similarly low risk to finances and productivity. But they must be kept separate to the processes and systems that hold the wider company together. Put simply, doing things in the same way will create the same results, so you must allow your innovators to break free.

It's easy to underestimate the gravitational pull of the wider team. People will be interested in what's going on, and want to input their opinions. This is when you need to support collaboration while not allowing it to dilute ideas.

Many marketing leaders choose to keep innovative projects in complete isolation until they're strong enough to withstand exposure. Thankfully, there are many ways to create boundaries. Some come in the form of specific KPIs and targets, others are physical – such as dedicated rooms or spaces.

Pilot schemes can be protected by:

- Creating dedicated teams.
- Providing a single space or room for an innovative team to work.
- Removing existing targets and KPIs from the team (and providing clear new ones).
- Making innovators exempt from existing rules that may hold them back.

> "You have to shine the light away from the team as they go through the cycle of success and failure that all innovators go through. Keeping all eyes on innovation puts the weight of the entire company on that team"
>
> Nick Worth, CMO at Selligent

8.2.2 The innovative office space at Currencycloud

As the office of any young tech company will silently yet powerfully argue, the physical working environment can have a huge impact on collaboration and innovation. Take Currencycloud's offices as a case in point. There are so many informal meeting areas at this six-year-old fintech business, the office feels more like a café than a place of work. But look around and there's a lot going on, says Todd Latham, the company's CMO and head of product.

"We have a very open structure as a whole company, we don't hide anything from the team and anyone can join any meeting. This is reflected in our office space," he explains.

"Innovation is about people, so you must find ways to get them to mix. You have to actively create the opportunity for people to build connections with each other, and once they have them, collaboration comes naturally."

"The office environment is critical to that," he continues. It's so incredibly powerful when you see the sales guy talking to the product guy or the developer, who then changes two lines of code and solves all of these problems for the customer. It really can be that easy, but only with conversation and a collaborative work environment."

Yet you don't have to convince your CEO to relocate to improve innovation – even small changes can have a big impact. Redistributing existing space to free up areas for informal meetings, moving people so ideas and perspectives are shared across the team, or simply adding whiteboards and pinboards to chart progress and share information can all have a great effect.

8.3 An Agile approach to marketing innovation

For those who haven't already heard about Agile, or played around it with its processes, this tech-led methodology has staff work in small autonomous teams that quickly push out products and services under a flatter, more decentralised hierarchy.

It's the brainchild of Silicon Valley sweethearts and as such, is loved and hated in equal measure. Some embrace the opportunity to adopt the processes of tech innovators, no matter how dissimilar they are from them. Others understandably question its relevance to marketing, B2B or wider corporate life.

There's no doubt that Agile is not for everyone. It simply will not fit with every team or department, and nor should it. Yet it does share a very strong link to marketing, and that's the desire to get close to the customer. The focus of any marketing team is to understand what their customer wants, while Agile provides a means with which to deliver it. Even in the testing phase, products and services will be trialled by the end user and adapted in close sympathy with them.

The main tenets of Agile are to test, learn and improve with greater speed and efficiency, which is why its philosophies are incredibly important to innovation. It speeds up the R&D process and shares learnings, so everyone benefits.

This way, marketing stands to gain a huge amount from Agile methodologies, (whether they adhere to it rigidly, or in a philosophical sense). Agile marketing teams can learn to move faster, be more responsive and of course, innovative.

But the benefits don't stop there. Agile teaches agility, collaboration, creative thinking and problem solving – all of which are essential ingredients of an innovative culture. Indeed, much of its teachings focus on changing an existing perfunctory team into one that's energised and able to respond to today's fast-changing customer demands.

Many have found Agile is a great way to unlock creative thoughts and hidden skills among the workforce, because it encourages companies to align people to projects based on their skills, experiences and passions, meaning employees are often much more driven and engaged.

For this reason, many employees also embrace Agile. The rigid hierarchies and command and control practices typical of most companies are the bi-product of centuries' old work practices that stem from Victorian ideals and army principles. They're simply out-dated and, in many cases, ineffective. As such, hierarchies are being replaced by flatter structures, command and control by autonomy, and the 9 to 5 with flexible working. Agile responds to each of these modern demands and while it's not a panacea, it's a highly interesting school of thought that deserves consideration.

The Agile marketing manifesto
Jim Ewel, founder of Agilemarketing.net

Agile marketing is an approach to marketing that takes its inspiration from Agile development, values the following:

- Responding to change over following a plan.
- Rapid iterations over big-bang campaigns.
- Testing and data over opinions and conventions.
- Many small experiments over a few large bets.
- Individuals and interactions over 'one size fits all'.
- Collaboration over silos and hierarchy.

Source: Agilemarketing.net

8.4.1 Case study: How IBM put Agile at the heart of its marketing

When former CEO of Travelocity Corp and Gilt Groupe, Michelle Peluso, joined IBM as its new global CMO in 2016, she came with the mission to build accountability, measurement and transparency. Agile came as a part of Michelle's toolkit, which meant new ways of working across the global marketing business.

"Under Michelle, we've created what are called diamond teams, within the marketing organisation. These are cross-functional teams that bring together about six to eight people from all areas, such as product marketing, category marketing, communications or the digital team," says colleague Scott Stockwell, global content marketing, IBM Watson Internet of Things at IBM.

Michelle's belief in Agile has led to changes across the business' entire marketing function and in Q4 2017, everyone in marketing was encouraged to take an online foundation level course. The second stage of training involves face-to-face guidance, with personal and practical feedback. "When this training is complete by the end of Q2 2017, everyone in marketing will be operating under some form of Agile," explains Scott.

Scott is well-versed in Agile, having championed its methodologies for three years, starting when he ran IBM's design studio in London. Now one of IBM's Agile evangelists, he's quick to explain its benefits. "It has allowed marketing to have clearer KPIs, which the business likes because it prefers to go on facts. There is an easy perception that marketing does the pink and fluffy stuff, or the long-tail stuff. Agile dictates that something will be delivered every couple of weeks and that it will be delivered with transparency and visibility."

Agile also creates a closer working relationship with the rest of the business, and the ability to understand what the company needs from marketing. "Every fortnight there is what's called a showcase, at which marketing shows others in the business what they've created," Scott explains. They have to demand feedback from the business on whether that's what's needed, or if marketing must change course for the next iteration."



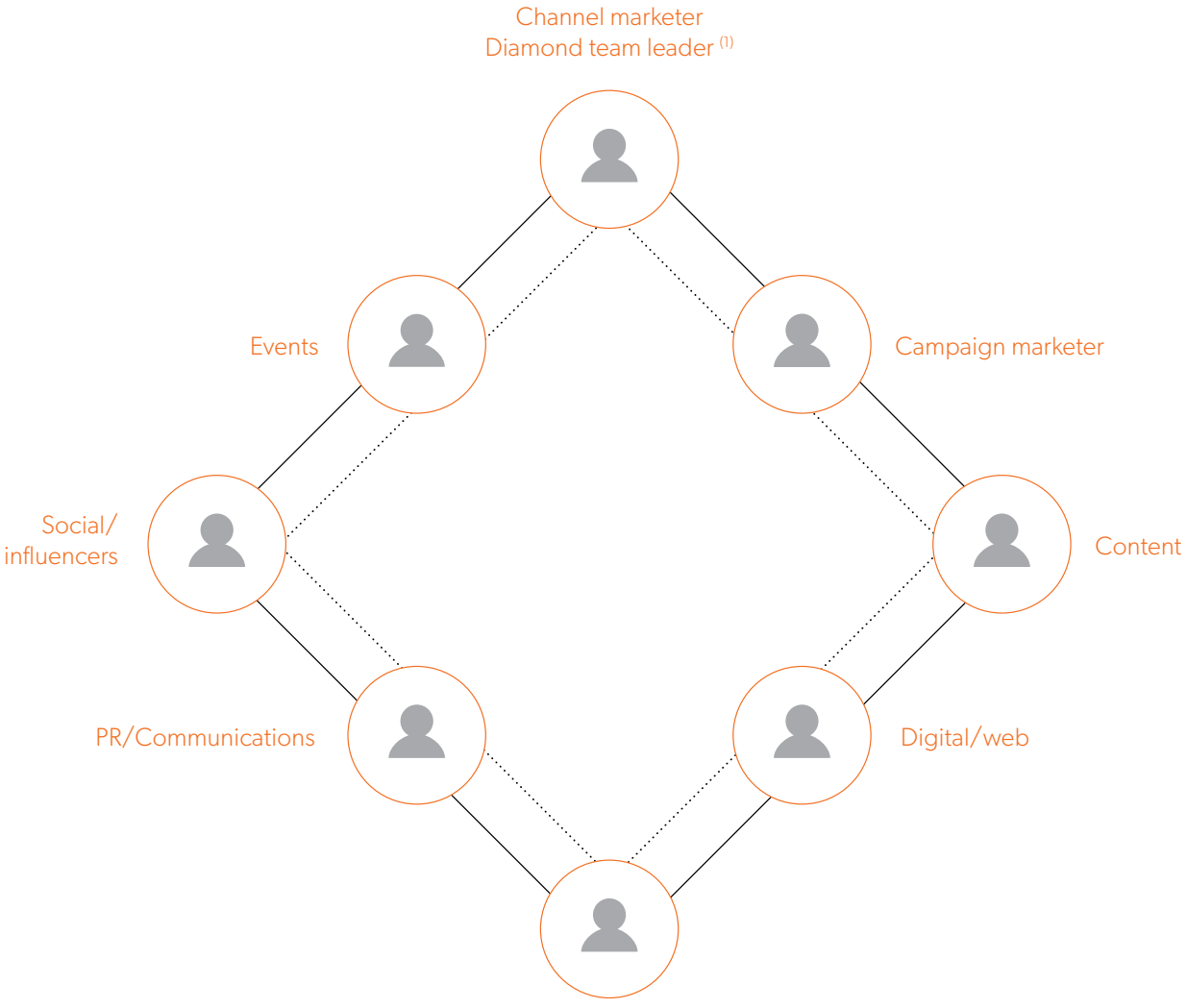
IBM's Agile org-structure

Each diamond team has a leader who owns the financial marketing target, and it's up to them how the team works in order to meet objectives.

Within the Agile team, there's also a Diamond focal: they're expected to really understand Agile practices and make sure the team follows them.

For every five or six diamond teams, there's one Agile champion, who sits at the highest level.

The Agile Focals and the Champions meet frequently to update each other. There's also an online community through which information is shared more widely.



(1) aka product owner – best knows the customer and product/service set
(2) aka srcum coach – this could be any member of the team as a 'special role'

The innovation benchmarking report © B2B Marketing 2018

8.4.2 IBM's Agile marketing in practice

Each Agile team will be set a business unit target. For example, the software department may need to make X amount of money on a particular product in a certain market. The diamond [Agile] team leaders will know what they need to hit to achieve that, and it's their team's decision how to do it.

In this way, innovation at IBM has clear KPIs and is closely aligned to a strategic objective. With a clear target in place, IBM's marketing teams are given the autonomy to take the approach they believe will achieve the best results. "That can be very fulfilling, as people feel they are the masters of their own destiny. They're able to be more creative and it's very rewarding when they see results," says Scott.

"It works if you trust the marketing team to go with what they think will work, but not if you tell them what you want them to do," he continues. "Instead of marketing being responsible for creating a website or video for example, the business is suddenly saying to them; 'this is the product, this is the target. I trust you to hit that target in whatever way you see …fit'. It's up to the marketing team to be autonomous, and the senior team must trust them to do that. It won't work unless there is senior sponsorship."

> "We have a very agile approach, particularly regarding product innovation. We used to try tailoring it to our business, but increasingly, we're realising we need to go back to a scripted methodology, whether it's Scrum or Kanban – we allow the team to decide"
>
> Todd Latham, CMO and head of product, Currencycloud

Agile marketing in action

The Agile team covering IBM's Cloud development platform, Bluemix, wanted to take a fresh approach to targeting customers. They wanted to find a way to 'disrupt' the developer community, who they knew weren't aware of IBM's vision and purpose.

Many of their potential clients were Shoreditch-based developers who would take the London Underground into Shoreditch station. So, IBM's Agile marketing group rented a pop-up shop by the station, enticing people in as they made their way to work.

Once there, the team showed visitors the platform in creative ways. For example, through IoT-enabled pinball machines, with scores measured in the Cloud and shared around the world. Once they could see what the platform was able to do, they signed up for trials.

8.4.3 Physical versus virtual

IBM has made significant investment in modernising wallplaces in a way that fosters Agile teams and process.

"I've led teams that are physically together and teams that are purely brought together virtually, which is something IBM has a long history of. Both can work very well. But what doesn't work so well is when some of the team are office bound and others tap in virtually – it needs to be either everyone together, or no one together," Scott advises.

If it's the latter, you'll need to invest in a solid IT infrastructure that allows for seamless and speedy communication – thankfully there is much on offer.

Technology for Agile

Mural: Online brainstorming application

Trello or ZenHub: Online Kanban board for project management

Webex, Skype and Zoom: Communication that allows people to see one another

Slack: For constant updates and file sharing

"We're a digital company and big supporters of flexible working but still try to get the right balance of physical and virtual working. We see the need to get people together on a periodic basis. My team is spread across Europe so virtual meetings are essential, but we also need to bring people together for a day or two every quarter – that's when we see extra innovation start to spark"

John Watton, marketing leader in digital, technology and marketing solutions, Adobe

8.4.4 The ups and downs of Agile

Rolling out Agile on a large scale is no different to any other change journey – there needs to be a significant cultural adjustment, including those beyond your team, such as finance or the board. For example, Agile doesn't align itself easily to the typical corporate quarterly reporting cycle and the expectation that results will be delivered at very particular points. That will have to be managed.

Work requests will also be subject to new timelines, with projects added to the Sprint backlog, prioritised and then worked on when appropriate. Some colleagues may be frustrated their requests are not seen to immediately, which could cause further frustration between the teams. Agile teams don't set their own projects months in advance, but are far more responsive, making it harder for others to plan.

These challenges are likely to mount when external teams realise Agile teams require a much faster response from others. They need quick sign off, often on unusual requests and for Agile to really work, they must sit somewhat outside of the standard laws of order.

Like any change programme, it will take time to bed in. Agile must be learned, championed, mentored and grown. Even then, not everyone will take to it and it may affect staff turnover.

For example, Agile features what's called a retrospective – a chance to review and critique the previous cycle of work so improvements can be made. "It asks for quite a lot of honesty and reflection in how the work was done. Some people don't like being that upfront – it can be taken very personally and it doesn't work so well for them. But when people learn to use that feedback to make improvements, you do have much better performing teams," explains Scott.

Agile teams offer little place to hide – they're small and everyone must pull their weight. Within them, strengths and weakness are exposed. You may find an unlikely leader, hidden talents or new opportunities, but it's important to discuss the weakness either simply as areas that need more support and training, or where another team member should be brought in.

When Agile is working properly and the right people are involved, the team becomes a very close working unit. The autonomy it affords can create far greater employee engagement and shared learning; Agile team members are exposed to new perspectives and start to see the collective whole rather than a siloed vision.

Finally, regular and honest feedback means everyone learns at a far quicker pace – sharing their insights so they can be built upon by others. "It's a bit a collective mind," says Scott. "If the team try something and it doesn't work, everybody learns pretty quickly from that – and knows to do things differently.

"You can fail locally, but globally everyone has benefited really quickly from that bit of learning. That works equally if someone has done something that works very well."

"Innovation is a bit of a buzzword and has connotations of big flashy ideas, but it's not always like that. It's not always about making big bets but sometimes a million small tweaks, which collectively make a huge difference.

"Our Agile product teams have regular retrospectives where they go back and reflect on what they could do better or worse. We embedded that routine across the whole organisation"

Todd Latham, CMO and head of product, Currencycloud

Shu Ha Ri is a Japanese term used to describe the progression in training and development, and it is been commonly applied to Agile.

Scott describes the entire process of Shu Ha Ri as like learning to ride a bike.

At the first stage you're held and guided as you learn and build confidence. At the second stage, you are still watched over but are gaining in competency. By the final stage you're fully proficient and are starting to adapt and experiment with your new skill.

Applied to Agile, Scott estimates that it takes about 18 months to go through the three stages and become fully proficient.

The Agile glossary

Scrum

Agile project management (in the software development world) can be carried out in a number of different ways. Scrum is one such framework, and generally the most commonly adopted in marketing

Sprint

These are blocks of two to four weeks of work. Each starts with a sprint planning meeting, when the team decides the goals for the Sprint ahead. It's bookended with a retrospective, when the team discusses what went well, what didn't, and learnings for future sprints.

Retrospective

This is a meeting at the end of each sprint to discuss what went well, what could have been better, and things to remember for future sprints. This meeting is usually facilitated by the Scrum Master.

User Story

This is a tool that allows marketers to better understand their target audience (and personas) and their viewpoint. Often written on a large index card, they follow the format: "As a [role], I want to [task], so that I can [goal or benefit]."

Epic

This is a set of User Stories over the course of a few weeks or months – in other words a campaign.

Section 9

Upscaling innovation: Thoughts from a growing fintech

Currencycloud is a fast-growing fintech. At just six-years-old it now employs 150 employees globally, who provide businesses with the ability to make fast and simple cross-border transactions. CMO and head of product, Todd Latham, shares how the business has held on to its innovative culture as it's grown.

What's it like leading marketing at a fast-growing fintech business?

A small organisation like ours has a small marketing department, but we need to tell a great story to get heard. I think that gets respect from the organisation because people can see how it's propelling the business forward.

What's been the biggest cultural challenge as you've scaled the business?

When we were really small and had about 26 people, we sat in one room and we could all talk to each other. This meant information flowed freely, new ideas were both exchanged and executed – the lack of structure actually enabled that. As we grew to 150 employees we had to become much more controlled in our approach to internal engagement and collaboration.

You have to formalise as you get bigger, particularly with communication structures – but it can still be fun. We have regular updates as a company and every Friday we sit down with a beer while someone gives a five to 10 minute presentation on something they're working on. It's very important to connect everyone.

How do you keep up with the growing number of ideas your team feeds you?

As with any company, there's always more we could do so our challenge with innovation isn't about finding ideas but putting those ideas into action. We have a team, called the corporate strategy team, whose role is to take all of the ideas on offer and prioritise them over a six-month period. That gives us a really clear view of the efforts going on.

As a company we decide to focus on three or four key strategies and the ideas need to align with those so that we're moving in the right direction. The team have prioritisation mechanisms but ultimately the decision comes down to robust discussion.

Do you have a specific budget for innovation?

We don't have a separate team or budget for innovation, we have an agile, innovative culture, which is built into the fabric of the company. Similarly, we try not to focus only on ROI but want to innovate for bigger reasons. You also need the scope to bring in ideas that look at the world in a different way. If you make things about ROI you end up trying to innovate through a spreadsheet; you miss good ideas because you don't take risks.

Does large-scale business growth come at the cost of innovation?

It's certainly not inherently impossible for large organisations to be innovative, but they do need to work much harder. It has to be woven into everything you do – the people you hire, the messaging you give out, how you reward people and how you shape the office environment. Most importantly though, it's about keeping the customer at the heart of everything you do. Innovation has to serve the customer, otherwise what's the point?

Upscaling innovation

Your project can have an astounding ROI but when it's a small-scale project, that revenue could seem insignificant in the context of a large organisation. It may not have everyone shouting from the rooftops as you'd hoped. Think about the sustainability and scalability of the project so that you can shout about the trajectory of this return, not just what you've achieved so far.

From a single thought to a multi-billion dollar business

Google's AdSense, which matches contextual ads to websites, flourished from the efforts of a single engineer who put ads into Gmail and realised they could do a far greater job with more sophisticated technology. Google added resources and turned this idea into a small project, which was scaled over time. Today, the multi-billion dollar AdSense is the world's largest ad network reaching 80% of all global internet users.



Section 10

Building the right team for innovation

Innovative teams don't just spring up by chance, they need to be sown, cultivated and pruned. That means finding the right people, engaging and training them where required, or letting go of those who just aren't right.

It's important to play to the strengths and passions of your employees because, as Adobe discovered, passion is what fuels great ideas. Put simply, no one innovated on something they weren't bothered about.

10.1 How to hire for innovation

It's certainly possible to hire innovative thinkers, but it's usually more realistic and cost effective to create an innovative mindset across the team. By focusing on creating innovators, the innovations will naturally follow. The right culture will allow employees to explore their capabilities but it will also take a mix of inherent ability and education on how take an idea to fruition.

Marketing leaders should work closely with HR to ensure the business finds and nurtures the right talent, but it's crucial to understand what to look for. The nature of each company and what it delivers will of course dictate which competencies you require, but often innovation demands a focus on the softer skills such as EQ and collaboration.

To help, we've analysed some of the key personality traits found at innovative companies and produced a checklist of what to look for when building your marketing team.

"We work hard during the hiring phase to weed out those who love to play in politics – it brings too much inefficiency and encourages siloed working"

Todd Latham, CMO, Currencycloud

"If you're looking for individuals a good innovator is curious, passionate, tenacious, charismatic and thinks laterally; they will be a great communicator and not afraid of rejection"

Jada Balster, VP of marketing, Workfront

Create innovators first,
the innovations will follow

10.2 Innovative team profiles

The agile collaborator

Anyone working in an Agile team will of course need to be collaborative. That doesn't just mean a willingness to work with others but the ability to give and take feedback (and at times blunt criticism) with good grace. This is because Agile methods involve regular appraisal of oneself and others. Agile team members also need to be able to adapt quickly and effectively to different people, perceptions and objectives. Those resistant to change or in need of prescriptive structures will struggle. Meanwhile, those suited to agile working will be comfortable operating without hierarchy or traditional roles.

Look for: People with a high level of emotional intelligence, the ability to self-reflect and integrate well with others will suit Agile. Meanwhile, individuals whose ego overrides their judgement will not do. Millennials often value working across disciplines and the boundaries of hierarchy – however, Agile is certainly not just for the young.

The big picture thinker

It's not enough just to think about the company objectives. A successful innovator will constantly look beyond the confines of the business to find creative solutions to market-wide challenges. The best will pre-empt or unearth problems that others weren't even aware existed.

Look for: People who are great networkers and value learning not only from partners, customers and competitors, but also from those with whom your connection isn't apparent. There are many lessons and ideas beyond our industry bubble.

The constant questioner

Tireless questioning teemed with a negative disposition is not only unhelpful, but can be obstructive and even culturally toxic. However, that doesn't mean you should paint all compulsive questioners with the same brush. Some like to deconstruct a process, product or idea to fully understand how it works, thereby spotting how improvements can be made. Although these team members can be tedious, it's important leaders allow free thinking and challenge to the status quo.

Look for: There's rarely need to look; most companies have at least one person who naturally challenges the norm. Instead, marketing leaders should support positive analysis while not indulging circular, destructive or otherwise ineffective questioning. A positive challenger should be seen much like a change champion – allow them to set a good example to the team, stoke energy and be a conduit for great ideas.

The workhorse

It's great to have all these creative entrepreneurs and innovators in the mix, but you also need people who'll deliver results. That means finding people who will follow the lead and work hard to get things done. They may not seem like the kind of person to hunt for when on the mission to innovate, but without them, you risk being engulfed in numerous big ideas that don't go anywhere.

Look for: Hard workers who take direction well and are energised by a strong plan and vision. They will have the desire to see great ideas come to fruition and be motivated by seeing measurable results.

The entrepreneur

It's unlikely your team will be awash with entrepreneurs and it's more likely some of them will already be working in their own companies or for start-ups. Therefore, it's important to think of your team beyond the confines of the company walls. Partnerships are a great way to bring entrepreneurial minds into the fold and keep the next generation of leaders with you for longer.

Look for: Ways to partner with others – from big corporates to start-ups and charities to academics. Of course, entrepreneurs can also be found in your company; look for natural leaders who are self motivated and ambitious. The challenge will be to keep them for as long as possible. To do this, provide autonomy and stimulation.



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