

## Culture is at the core of innovation

Doing a deep dive into what makes companies tick . . . and grow and thrive . . . is an interesting exercise in human nature.

One of the things we are most likely to encounter when we begin working with a company is a strong desire on their part to be more innovative when it comes to their product development, marketing and customer retention strategies. Unfortunately, organizations cannot simply stick “innovation” into their tagline and expect it to magically become meaningful and real.

Innovation can only occur within an environment where structure, processes, and most of all, people are part of a deeply embedded culture that grants them permission to take calculated risks, to dream big (and sometimes crazy) ideas, and to think about their world and their company’s world in a truly different and previously unexplored way.

There is no tried and true formula for an innovation-friendly culture. It can be accomplished best by rigorously thinking about what business a company is in and by examining what its customers truly want from the company. It is my contention that many businesses have no idea why their customers buy from them. They focus primarily on the number of transactions that occur, but transactions – in and of themselves – do not necessarily lead to sustained customer loyalty. And frequently, as soon as the special promotion or the novelty ad campaign runs its course, those transaction-based customers go away, in search of the next “great deal.”

Most companies know what they do and how they do it, but fewer of them really understand why they do what they do, and even more importantly, why their customers are loyal to them. . . or not.

Studying your organizational culture can be a key way to help you understand those important “why’s” and can also lead to becoming a more innovative company with a greater ability to attract and retain customers:

### **Define what you believe in.**

Then instill that deeply rooted belief system into every action your business takes.

### **Customers care about how you make them feel.**

Sometimes companies try to be too rational. Sure, customers need to hear about the logical reasons why they should do business with you. But even more importantly, they want you to stir their feelings, to touch their senses and to create differentiation by evoking emotions that lead to deep attachment and loyalty.

### **Create an empowered team.**

Everyone in your company should have the ability to respond to your external audiences and customers from their hearts. In addition to receiving the kind of ongoing training that causes your team to be extremely knowledgeable about your business and its products and services, they should also feel a sense of “permission” to go beyond the usual solutions and to be creative in the moment.

### **Nurture a constantly questioning attitude.**

The companies that win in the long term have a culture that is always experimenting, uncovering new perspectives and embracing different opinions.

### **Develop systems that capture new ideas.**

It’s not good enough to simply have a “brainstorming culture.” Smart companies go beyond that and create systemic ways to take their good ideas to an actionable level.

In today’s competitive environment, it’s critical to move away from the belief that sales volume and new business activity is the primary way to gauge your business success and to move toward a more sustainable model which is based on a thorough understanding of why both you and your customers behave the way you do.

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