DANONE GOES LOOKING
FOR NEW WORLD THINKING
AT PENTACLE

"My dear Watson, what do you learn when you look up and suddenly see the stars above us as we do now?"

"Why Holmes, I learn about the bigness of it all, the mortality of us, the passage of time…"

"So it doesn't occur to you then that our tent has just been stolen, Watson?"

The Sherlock Holmes passage perfectly illustrates the central theme of Danone's recent trip to Pentacle's headquarters in Beaconsfield, and the analysis there of how organisations can learn to break out of difficult cycles of working. The name of the game was to crack the issue of endless innovation, and how businesses can continue to learn and move forward.

The trip was part of a wider tour by Danone – a company which has aggressively sought to create a climate of product innovation in recent years – to look into how a long-term environment of innovation can be sustained, continually reviewing and challenging working processes. This is even more imperative to Danone as the business consolidates, having recently acquired Numico, a major supplier of baby food and milk products.

Returning to our literary example, it is striking how with characteristic clarity the great detective is able to look back and establish *why* he is in his predicament with incredible ease. But how straightforward is that kind of diagnosis for a mighty corporate, involving many people, processes, stakeholders and third parties? A corporate often caught in the midst of a number of problems, which are making it increasingly hard to see the way, and even harder to know how they can be fixed?

The answer is that there is no easy answer. Once upon a time, businesses were a top-down affair and you could trust to the likes of Holmes at the helm. The growth in competition and the emergence of technology has long since undermined this view. We are still adjusting to this 'New World' and the commercial threats and opportunities it brings to business.

Thus, the Pentacle programme sought to recognise these challenges and give Danone some insight into how you combat them. Pentacle's solution involves a combination of better working underpinned by virtual and collaborative technology, and specific business tools that help speed up decisions and working methods.
Virtual working was at the top of the agenda, not least with Eddie Obeng dialling in international staff, Andy Burnett and Denis Rieu via Skype, to join the discussion on collaborating and managing virtually. Outsourcing and using collaborative technologies, from pooled emails to shared document readers, were particularly championed as a way of communicating across geography and cutting down on the barrage of unnecessary internal emails.

(BUSINESS) MODEL BEHAVIOUR:

1. Get rid of anything which is not core to the business – outsource! You can similarly "borrow in" expertise to add more skills if required for a particular project, helping to beef up full-time staff

2. Forget hierarchies and go for collaboration driven by strong leadership. Create a web of accountability

3. Invest in collaborative working technologies to allow co-ordination and communication, even across distances.

4. Use technology to promote openness. Stop the emails and CCs to the person sitting next to you, and all the attachments that go with it! Think shared document technologies and real-time viewing

5. Accelerate the way the business works and its research – from competitors, to product development. Then embed them into the organisation!

To achieve this acceleration, Eddie Obeng and Will Stevens at Pentacle argued that businesses simply take too long to analyse their needs, and often do not understand the root causes of the problems they face.

POP THAT BUBBLE!
Pentacle showed Danone a number of techniques it could use to accelerate research, the most important being bubble diagrams. These vocalise or map out the particular issues a business faces, linked by cause. For example:

o "Our cost base is rising at a point where top line growth is facing pressure" (leads to)

o "We have problems with our suppliers"

o "There is no agreement on who owns these relationships"

o "No-one works together around the supplier demands"

o "Our various interfaces are weak and inconsistent"

Focusing on causality goes far deeper than statistics or market research. It gives organisations the proper grounding to understand the problems they are facing (and quickly). In this case, the business clearly needs to address the barriers from within to appreciate the various demands it is making of its supplier base. This technique can be used to help diagnose various business constraints, not least of all those relating to innovation itself.

Next comes a structure. This revolves around both alignment of people and how you deal with the problem in hand. Alignment requires building a team of the *right* people to help deal with the issues diagnosed by a bubble diagram. This team should sit *on top* of conventional hierarchies and reporting structures so that politics are avoided.

If the particular bottleneck is about innovation, then the business will need to work especially hard to overcome some of the common, wrongful assumptions they make in this area. "Businesses need to recognise that innovation is not a funnel for ideas", explained Eddie.

"Innovation can only work if it is given a framework to address bottlenecks, if evaluation is put in place from the start, and if the results are rewarded. Like rabbits, innovation cannot be allowed to multiply all at once, nor would you wish to kill it all off!"

Embedding these practices comes next, to give businesses a powerful tool to then develop and motivate staff. Virtual working has a part to play here, particularly if businesses are willing to think about creating virtual environments where employees can check up on projects, give and receive advice around common pitfalls, and converse with other employees throughout the organisation.

Embedding strong and more fleet-of-foot working practices is the only way businesses such as Danone can continue to safeguard and reap the benefits of innovation. For too many, innovation is a case of sky-high thinking – and failing to realise that the competition has just run off with your tent.