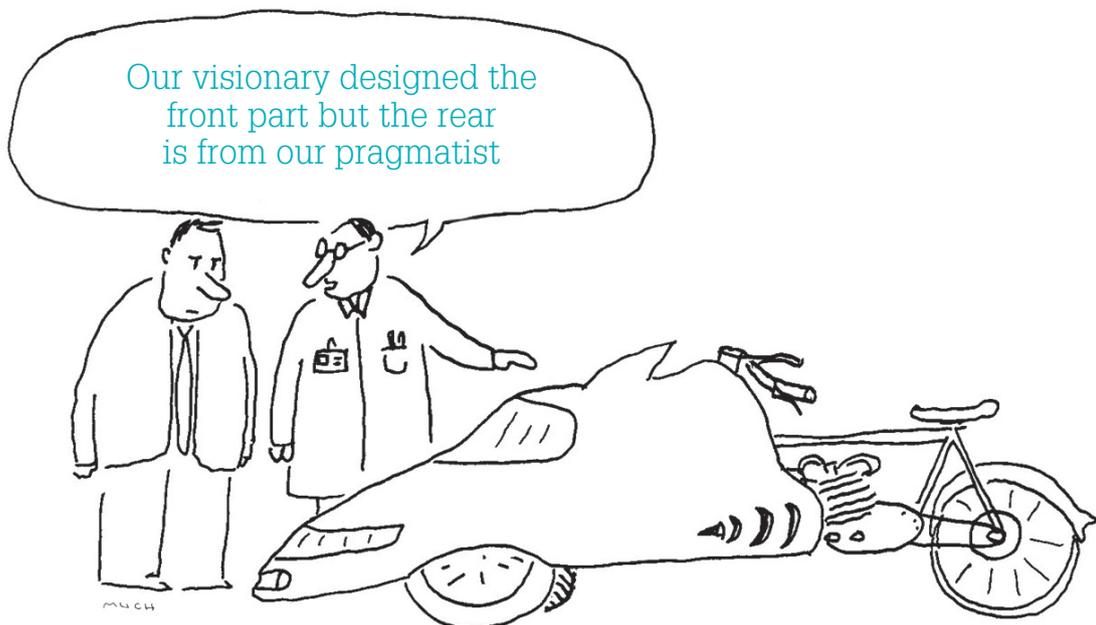


# Feels Like Silicon Valley

---

An established car manufacturer  
in discovery mode



Larger organizations are predominantly oriented towards stability, division of labor, accuracy and efficiency. They are perfectly able to operate in execution mode and, therefore, generate current profit. In the midst of these companies are a number of successful German car manufacturers.

## A second operating system is needed

Year after year, fantastic cars are launched and automotive innovations are perfected. To make sure all of this succeeds, it continuously needs task forces, improvements, troubleshooting teams and the consistent pursuit of goals. Considering these challenging requirements, how much scope is left for creativity, conjuring up new ideas and the search for findings, so that success is still ensured in the next five to ten years? What is needed is to consciously exert the discovery mode – the typical »operating system« of many startups. The discovery mode is the incitement for discovering future potential and is also a way of breaking free from the restrictions of the existing logic of success.

While the execution mode focuses on efficiency and implementation to generate current profit by linear thinking, the discovery mode works according to the principles of renewal and uses creative spaces to create success in the future (see illustration).

It is exactly the creative power of the latter that is inevitable for the European industry in order to face the threats from Silicon Valley. Uber, Airbnb, Apple, Google, Upwork and Tesla are only some of the well known names on their way to revolutionizing entire in-

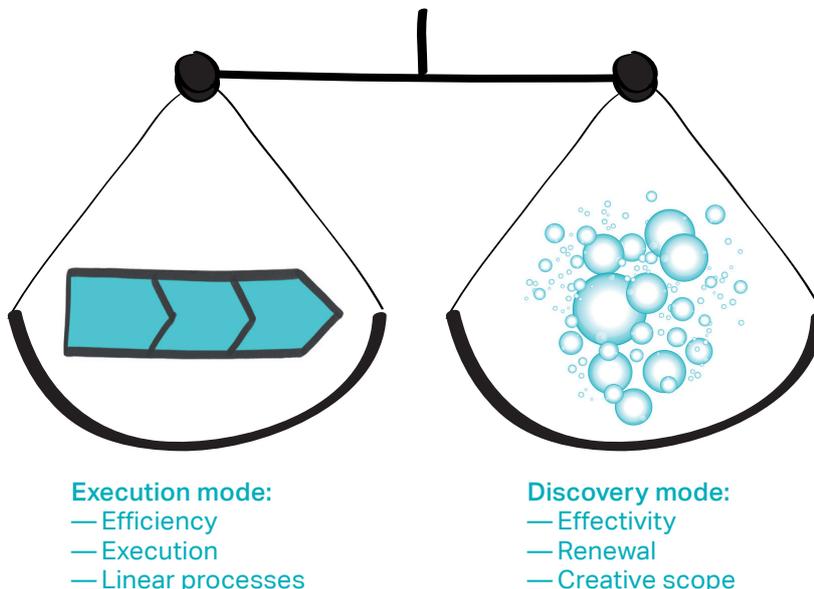
dustries. There are, of course, thousands of others that are about to challenge the champions. Some of them are also good examples of exponential organizations (ExO). They are growing exponentially and are n-times more successful than their competitors are, because ExOs (see also page 87) are based on completely different organizational principles than established corporations.

## An example

While traditional European corporations want to create solutions that are 130 percent ready, innovative Silicon Valley companies like to work with solutions that are 70 percent ready and act according to the Lean Start-up principles. Early tests in market niches with MVP (minimal viable products) and fast prototyping in development processes are crucial ingredients to act in the discovery mode.

When we visited organizations in the San Francisco Bay Area, we looked for decisive success factors for an innovative company culture. We found many that make companies successful. Having sorted them, we came up with the following seven dimensions for innovation fitness.

## Innovative organizations have two operating systems



# Seven dimensions for innovation fitness

## Vision and purpose to give orientation

Every person involved is guided by a »higher purpose,« a greater aim that one pursues – that something that lights up their eyes. A strong common purpose creates energy to go the extra mile and overcome barriers.



## Freedom, time and resources

Management provides necessary freedom by supporting initiatives, arranging contacts and enabling easy access to small money. Leaders are role models for an agile working approach.

## Self-organization, personal responsibility, intrapreneurship

Teams have more autonomy – team members follow their ambitions and get involved with enthusiasm and passion for their vision. The principle is: »Don't ask for permission; ask for forgiveness.«



## Spaces and appropriate work environment

Appropriate spaces are required to make agile working possible. These areas are places where people can work creatively with each other and move furniture freely – therefore encouraging lateral thinking as well.

## Few guidelines and fewer processes

Performance systems are »innovation neutral« and don't hinder people in their ambitions. Working in discovery mode, processes are reduced to a minimum. Fast personal interactions dominate formal procedures.



## Networking and working in heterogeneous teams

Differences make the difference – the discovery mode only works with a variety of personalities, origins and biographies. People work temporarily in cross-functional teams and are not limited by organizational silos.

## Innovation methodologies and processes

The toolset is different from the one that is used by traditional management. Discovery mode uses real dialogue, all kinds of creativity methods, rapid prototyping and agile approaches like Scrum or Design Thinking.



»You don't have to know everything and be cool. Just be curious.«

David Weekly, Google



## The example of a German car manufacturer

Since the beginning of 2016, the development division of an established car manufacturer has been focusing on strengthening its discovery mode. The top management of the company initiated the project and in a pilot process, the management team engaged in experiencing this mode. It's not always easy to do that, since the organization and its employees, like in other large corporations, were already working flat out in the execution mode. So in this case, time was the most valuable resource.

### Beginning of a common expedition

To start the process, several workshops took place where employees from lower hierarchy levels localized specific strengths and pointless barriers that keep them from experiencing creativity. Internal clients were asked to provide an external view, inspiration was taken from other innovation leaders and all of this was discussed with the management team. An attractive vision for a creative and inspiring development division was quickly found within a few hours during a workshop. Contrary to traditional plans for introducing change, no intricate change programs or new systems were developed. Instead, the focus quickly switched to »doing.« Following the Rapid Result approach, seven innovation teams were formed, each made up of four or five voluntary employees.

Each team had members from different departments and a challenging objective for the next 100 days was set. Top management decided the fundamental policy for each team, while everything else was based on self-organization. Office spaces were redone to suit a creative working environment. Team members were not appointed; instead, volunteers were assembled by the team leader. The teams organized methodical training on agile working and creativity to test completely new ways of working.



After 100 days, the teams presented their achievements to top management. All seven teams showed exciting results that completely conformed to the strategies of the development division. In this one-day workshop, employees from four hierarchy levels worked together on a new innovation culture. They openly discussed questions such as: »What worked in the last 100 days and why?« »Which obstacles needed to be overcome and what do the young innovators recommend to the top management for further strengthening the discovery mode?« These young innovators were employees convinced of their ideas and who had previously never had any contact with top management.

### Designing moods and making values come alive

The vibe was inspiring on this day. It was marked with high mutual appreciation and full of the desire to do »something together« for the development division. Even hot topics were discussed with remarkable openness. A learning-oriented company culture was therefore not »sermonized,« but rather experienced by all participants instead. Or, as a manager described it: »A kind of Silicon Valley spirit was palpable, even in Germany.«

According to our experience, there are three things that need to be done to consciously reach this stage:

1. It requires at least one top manager who has the courage and is eager to experiment with new ways of working.
2. Some employees who wish to do something in specific areas because they are truly convinced about it (and you can find such people in every company).
3. A team of internal professionals who consistently stay on the task of developing and who are the enablers for trying out working in the discovery mode. ●