

INNOVATION

Finding Great Ideas in Emerging Markets: The Idea in Practice

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For the past two and half years, we have been interviewing executives in multinationals around the world about their biggest challenges. One recent interview stood out. Tomas* is a regional vice president in Santiago, Chile. He works for a European company with operations throughout the globe. When we met, he expressed deep frustration with his home office in Germany. Executives there had repeatedly shut down his attempts to develop a modified product for the Latin America market. Despite the negative response, Tomas kept trying. He explained to us why the product needed to change, why the modification would benefit his company, its distributors, and most importantly, its customers. Listening to him, it was clear he is passionate about his idea. He believes the new offering would revolutionize not only his region, but other markets as well. Given his extensive experience in the industry and with the company, it is hard not to believe him. So why don't the home office executives?

Tomas' experience is all too common. We've heard from countless managers like him who have seized on what they believe to be a game-changing innovation that they cannot get senior leaders to pay attention to. The reality is that in many organizations, most transformative ideas are never even heard.

In the September 2011 issue of HBR, we published "[Finding Great Ideas in Emerging Markets](#)" to share our findings about this conundrum. The article was the product of a two-year exploratory study intended to better understand how organizations can tap external innovations and implement them in their existing businesses.

Since the article came out, we have continued to refine our research through interviews and executive training. In this ongoing work we've learned that we underestimated how pervasive the need is, across various markets and organization sizes, to improve the way ideas are scouted and sold into an organization. We have heard from even more executives around the world who are struggling to adapt their old organization to the operational realities of a wildly dynamic business climate. These managers realize that most transformative ideas developed in emerging markets are filtered out by their existing structures and they want to remedy this situation. To help them, we created a supplement to our article that helps executives ensure their organizations are successfully scouting and implementing ideas from the field. In this [Idea in Practice](#), we share in detail one story of a manager at Conoco Phillips who discovered an idea in the marketplace and successfully integrated into the company's lubricants business.

There are several key lessons to be learned from Conoco Phillips' experience and the other companies in our study, including:

Companies must better utilize their managers as critical sources of primary data. In the overwhelming majority of the companies we've studied, transformative ideas came from managers who saw market gaps and opportunities, not from surveys or aggregated studies. On the ground intentional observation of customers, suppliers and competitors spark insights. The best in class companies task their managers with scouting ideas and provide them with the skills they need to bring the idea back to the organization and make sure it gets heard.

The life cycle of a transformative idea is fragile and must be protected. Even ideas that gather organizational support are likely to die before ever being implemented. The most successful firms in our study recognized this and created structures that improve the likelihood of implementation. They ensure that home office managers have the right skills and political capital to champion the best insights from the field. They "pre-fund" the most promising recommendations so that managers are incented to put their best ideas forward. They avoid the common mistake of launching disruptive insights within traditional business units.

It is quite possible that a strategic recommendation your firm needs is sitting in an office somewhere. If not in Santiago, Chile, maybe somewhere else. To learn more about what you can do in your organization to give the best innovative ideas a chance, read the [Idea in Practice](#). What are you doing to ensure that great ideas are scouted and implemented by your organization? We would love to hear from even more organizations and managers about how the model discussed in the Ideas in Practice works for you.

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