



Leading Innovation: Insights From Industry Executives (Part 2)

By Kim Morton and Ron Magnus

Leaders tend to respond differently when given the opportunity to lead innovative processes. Some leaders feel an overwhelming sense of excitement for the challenge ahead and the chance to make a significant impact on their businesses. Others get a deep pit in their stomach full of doubt and fear for what lies ahead.

Interestingly, both types of leaders are venturing into unknown territory where their leadership skills will be tested in new ways. The journey of leading innovation can be exhilarating, exhausting and challenging for every leader regardless if you're a novice or a well-seasoned innovation leader. It's part of the beauty of leading innovation—you never know what to expect, and the outcomes are likely going to be different than your original intentions.

As we continue our series, "[Leading Innovation: Insights From Industry Executives](#)," we focus on the lessons learned in leading organizations through innovation and disruption, which Russ Becker (APi Group), Tom Scarangelo (Thornton Tomasetti) and Atul Khazode (DPR Construction) shared with us during an intimate, one-day "think forum." This article summarizes these executives' insights and offers practical industry examples.

Lessons Learned in Leading Organizations Through Innovation and Disruption

One of the best benefits of being a successor to your business is the chance to learn from your predecessors. FMI's Center for Strategic Leadership (CSL) notes that the most effective leaders glean wisdom from the various mentors and leaders in the industry by asking questions and learning from those experiences. Fortunately, Tom, Russ and Atul are all at perfect points in their careers to be able to share their knowledge and experiences in leading innovation with other future leaders in our industry.

Here are the key lessons learned from our think forum:

- Challenging assumptions with a curious mind can crack open the innovation egg.
- It's easy to chase the wrong opportunities when your vision and innovation strategy are unclear.
- Understand each stakeholder deeply because each one values and invests in innovation differently.
- Technology is outpacing us, and how we organize ourselves as humans is either a limiter or an accelerator.

1. Challenging Assumptions With a Curious Mind Can Crack Open the Innovation Egg

It's one thing to be interested in something, and it's a completely different thing to be genuinely curious about it. These leaders demonstrated a sincere curiosity about the various trends they were witnessing in their businesses, the industry and in terms of innovation in general. This natural curiosity helped Russ, Tom and Atul see opportunities and trends before most of their peers did. To incentivize its leadership team and employees, and to encourage them to challenge each other's thinking, Thornton Tomasetti regularly awards current and future engineers with innovation and technology awards. The awards are simply to evoke an innovative and idea-sharing culture across the organization while keeping each other curious about what's possible in the industry. The group's curiosity didn't turn on or off at specific times of the day either—it was a constant mindset and approach for all of their interactions and conversations. FMI witnessed this curiosity firsthand throughout our day together, and we noted that they were teaching each other as much as they were learning from each other. By pausing to consider what others were saying, challenging each other's observations via questioning, and digging deeper into nuggets of thought-provoking data, the conversation spiraled into many unforeseen and fascinating areas. The natural intellectual curiosity, drive for constant improvement, unquenchable thirst for finding the edge in a highly competitive market, and the desire to build winning cultures are just a few of the behaviors and characteristics we witnessed in Atul, Russ and Tom. The curiosity simply does not stop.

We also discussed the fact that many assumptions emerge during the innovation process. Assumptions came in all shapes and sizes for these leaders, but the most common were related to the innovation itself, the process to test/ implement it or the people who were involved in the process. They acknowledged that challenging assumptions with a curious mindset helped them see each perspective in a new light that oftentimes cracked open the innovation egg for their organizations. Russ, for example, knew that he wanted to build a culture of leaders who could change the way the industry grows and operates in the future. Rather than dictating what the “right” leadership approach would be for each company within the APi Group, Inc., Russ first got to know each company and each culture for who it is. He explored its nuances and collectively created an approach to leadership that would fit each company like a puzzle piece. This curious approach to building a leadership culture broke APi Group's innovation egg in a way that has led to notable growth trajectories and strategic successes internally and externally. As we mentioned in the first article in the series, bringing together people with different experiences and business perspectives helps spur innovative ideas. As a leader, approaching those conversations with an inquisitive mind and a willingness to challenge one another's assumptions enriches the process tenfold.

The key lesson learned: Listen to your naysayers and your champions; don't discount them. Learn from them. Be curious about what they are saying. Every person brings a different and valuable perspective to the innovation process. Challenging them and yourself will surprise you.

2. It's Easy to Chase the Wrong Opportunities When Your Vision and Innovation Strategy Are Unclear

Opportunities can present themselves differently, depending on what type of day you're having as a leader. Emotional swings, internal company dynamics, industry shifts and numerous other factors have taught these leaders to lean on their organizational visions and strategies before chasing new, innovative opportunities. Building this foundation upfront serves as a guiding light through different scenarios of growth, innovation and transition across APi Group,

Thornton Tomasetti and DPR Construction. A common dilemma these leaders face is figuring out which ideas to invest in and implement versus which ones to decline. Through trial and error over the years, the consensus of the group is that you need to deeply understand your vision and be crystal clear on the innovation strategy you are aiming to achieve before considering new opportunities.

Clarity around company purpose and values helps these innovation leaders keep the bigger picture in perspective when striving to achieve their vision and innovation strategy. Oftentimes, a vision requires significant innovative shifts in an organization's operations, leadership, products and services, and market approach. So which shifts are the right ones? Without understanding what customers you want to work with and why, it's easy to pursue opportunities that seem wise at the time but that wind up missing the mark significantly. These are painful mistakes to make, but each leader has learned from them and adjusted his decision-making process moving forward.

The key lesson learned: Combining your company's purpose, values, vision and innovation strategy can act as a sieve that filters out the wrong opportunities and brings in the right opportunities for your company. Just because one opportunity is right for one company doesn't mean it's right for your company. For example, an E&C firm may identify a potential opportunity in a new vertical (say, the construction of health care facilities) one day, but upon further examination may realize that the resources, time and human capital needed to fully explore and leverage this opportunity may not pay off in the long run. On the other side of town, however, a similar firm may be both successfully identifying and leveraging a similar opportunity.

3. Understand Each Stakeholder Deeply Because Each One Values and Invests in Innovation Differently

In a surprising conversation shift, we discussed how differently stakeholders in the industry view innovation and invest in it accordingly. These leaders talked about how communicating the value of innovative ideas for projects requires a different approach with an owner than with a contractor or an insurance company. Tom mentioned that Thornton Tomasetti spends a lot of its time with owners, explaining its new tactics to engineering to help them understand why it is designing a project in a new way and the short- and long-term benefits for the owner. Atul commented on the fact that each stakeholder in an integrated project delivery (IPD) system values new, innovative ideas and approaches differently. Some viewpoints are complete opposites, but when leaders come together and discuss those viewpoints, the creative ideas begin to flow much more easily. The entire IPD team can begin to buy into new methods together rather than trying to catch up to each other in silos. It's a win-win-win for everyone involved.

This was a fun conversation for FMI to participate in since we work with all areas of the industry—owners, architects, engineers, contractors, insurance companies, building manufacturers, etc. And while we hear their differing perspectives on topics, we rarely get to hear their perspectives on each other related to innovation. Everyone agreed that if any stakeholder can see the risk of trying something new, but also understand the benefits, then he or she is usually willing to give it a try. How you approach those conversations is what matters the most.

The key lesson learned: Influencing and implementing innovation requires a customized, intentional and patient communication strategy. A one-size-fits-all with all stakeholders does not work. You have to understand where they are coming from in terms of risk and help them understand the benefits of the innovation before you can expect them to buy into your ideas. Listen to their feedback and make adjustments. Innovation is a give-and-take for all parties involved.

4. Technology Is Outpacing Us, and How We Organize Ourselves as Humans Is Either a Limiter or an Accelerator

There was a strong consensus in the room around this topic. Technological capability has surpassed our ability as humans to leverage it. It's outpacing us! Russ, Tom, Atul and FMI all shared stories of how technology had signifi-

cantly shifted the way projects were being designed and built. We are all seeing it, and it's not going to turn backwards. Atul brought up the fact that the way we organize ourselves throughout a project life cycle is either a limiter or an accelerator—it's not just about technology any longer. As you can imagine, this sparked a lively conversation in the room. In the past, leading innovation meant finding the right talent to come up with great ideas and then implementing those ideas using technology. Now that technology has leapfrogged over the human side of the business, innovation leaders recognize that technology is determining the way we staff projects.

For example, smart buildings are in high demand right now, and industry leaders have seen this coming for some time. They've learned that the information about a building and what's happening inside of it has become more valuable than the building itself. The data we are getting from these buildings is being consumed by more people than just the building owners, so the design and project delivery methodology now involves many more stakeholders. Learning and understanding what we want the building to accomplish from a data standpoint significantly shifts the way we lead those projects and influence stakeholders. The chasm between the progressive technology adaptors and the traditional players is widening. Leaders who can align their organizations and cultures to keep up with the technologies and flex accordingly will win in this market.

The key lesson learned: Leading innovation today requires an appreciation for, and fluency in, new technologies. Building and leading cultures that embrace technology and recognize that it's something to keep up with, not be scared of, are flourishing in this new market.

The Next Step

Part One of this series described the traits of innovation leaders based on Russ, Tom, Atul and FMI's experiences. In Part Two, we heard their lessons learned in leading innovation. These lessons are easily adaptable for current and future leaders who are embarking on new innovation horizons.

We will continue this journey in Part Three of this series, where we will outline how the influence of culture, talent and leadership has shaped the way Russ, Tom and Atul have led innovation and disruption in our industry.



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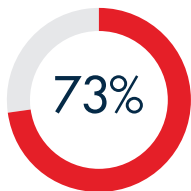
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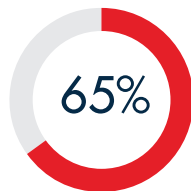
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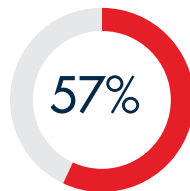
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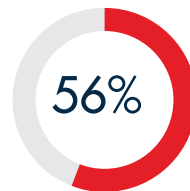
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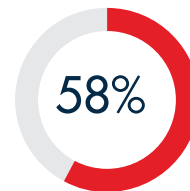
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