SIX STEPS TO IMPROVING BUSINESS PERFORMANCE

A major study of the construction industry has been used to formulate a six-step guide to being more innovative.

The guide was developed because innovative businesses are more successful than other businesses. The guide has useful and achievable ideas to help contractors and other construction businesses to improve their profitability through innovation.

The *Innovate Now!* guide was developed by the BRITE Project of the Cooperative Research Centre (CRC) for Construction Innovation. "The industry put a lot of effort into helping us research this work," said BRITE project leader Dr Karen Manley. The guide provides six action steps for interested consultants and contractors:

Step 1. Identify opportunities for innovation

Project clients can be particularly effective in creating opportunities for innovation, under certain circumstances. Leading edge clients, who have high levels of technical competence and extensive experience, are more able to accommodate and encourage an innovative approach. For example, leading edge clients are more likely to use value-based tender selection and design new forms of contract to allow flexibility, creativity and cooperation among stakeholders. With the backing of an experienced client, even crises on projects can become innovation opportunities.

Innovative businesses seek work with leading edge clients.

Step 2. Build effective relationships

Clients, consultants and manufacturers are the main encouragers of innovation in the industry. Hence contractors are encouraged to form strategic relationships with them, to gain access to innovation assets, such as 'demanding requirements' from clients, 'creativity' from consultants and 'R&D' (research and development) from manufacturers.

Innovative businesses form strategic relationships to gain access to new capabilities.

Step 3. Know where to find ideas for innovation

Clients, consultants and manufacturers encourage innovation in part by providing ideas to contractors. Other sources of innovation ideas for all industry stakeholders are industry associations, conferences, previous projects and very importantly, in-house staff. Nearly 70 per cent of businesses in the construction industry find in-house staff a prominent source of new ideas.

Innovative businesses value in-house staff and provide incentives for them to develop value-adding ideas.

Step 4. Anticipate obstacles

Obstacles to innovation are usually non-technical in nature, with cost and insufficient time being the main obstacles to innovation. Businesses can usefully provide employee training in areas such as value-management, planning and social skills in order to better manage the challenges posed by cost and time constraints. Project-based businesses are also encouraged to look at joint approaches to innovation, to spread the potential risks.

Innovative businesses provide employee training in areas such as value-management, planning and social skills.

Step 5. Take action for innovation

You are now ready to:

- assess your current innovation readiness
- assess the value of your existing staff-related practices
- develop and use relationships to achieve your innovation goals.

Innovative businesses develop an Action Plan to improve their innovation performance.

Step 6. Share your success

Successful applications of innovation should be widely broadcast throughout the industry. The sharing of successes helps speed the diffusion of new ideas and benefits the reputation of the innovating business.

Confining innovation within a single project or business represents a missed opportunity for growth. Capitalise on experience by having systems in place to collate what has been learnt on projects and integrate this into an ongoing business plan, as well as sharing the successes with others.

Innovative businesses seek opportunities to share their successes across their projects and throughout the industry.

This abridged guide was prepared by the BRITE Project of the CRC for Construction Innovation. The full version is lodged at www.brite.crcci.info and is available for free download. The guide provides detailed steps for businesses wanting to improve their innovation performance, along with checklists to assess innovation readiness and to help businesses develop an innovation program. For further information, contact Dr Karen Manley, BRITE Project Leader, k.manley@qut.edu.au.

CRC Construction Innovation
BUILDING OUR FUTURE

The CRC for Construction Innovation (www.construction-innovation.info) is a national collaboration of 21 industry, government and research partners focussed on creating technologies, tools and processes for the property, design, construction and facility management sectors. The BRITE Project is one of over 20 research projects managed by the CRC for Construction Innovation.

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