

# Using the Competing Values Framework: Make Innovation Happen

## WHAT IS THE COMPETING VALUES FRAMEWORK?

The Competing Values Framework is a strategic blueprint developed from over 25 years of academic research that identifies and solves particular innovative challenges. Recognized by the Financial Times as one of the 40 most important frameworks in the history of business, the CVF has been used as the game-changing innovation playbook by thousands of organizations worldwide. By identifying and analyzing four different types of innovation, the CVF helps you understand how you can use the tension between competing forces—like the simultaneous pursuit of standardization and customization—to create positive movement. The CVF is a practical way to help organizations develop, implement, and sustain change and innovation.

The CVF represents a unified theory of practice that aligns and integrates different kinds of leadership, culture, and competencies, as well as situational elements like industry dynamics, markets, and even financial valuation. It allows you to align your organizational practices with the strategic factors that lead to growth—the key to making innovation happen.



## HOW DO THE 4 COMPETING VALUES FUNCTION INDIVIDUALLY?

<b>The Collaborate Profile</b>	<b>The Create Profile</b>
<p>The Collaborative profile represents the kind of people who believe in something greater than the business itself. They are committed to their community, focusing on shared values and communication. They hope to nurture a group of empowered individuals. Taken to an extreme, the Collaborative profile becomes an uncritical celebration of the firm's shared values where everybody is a winner.</p>	<p>The Create profile represents the kind of people who pursue radical breaks from the past and breakthrough ideas. They are artists and visionaries who value experimentation and speculation. They strive to orient their products, services, and ideas to the future. Taken to an extreme, the Create profile becomes chaotic.</p>
<b>The Control Profile</b>	<b>The Compete Profile</b>
<p>The Control profile represents the kind of people who want incremental change that is systematic, careful, and practical. They look for efficiency and predictability and tend to implement innovation by elaborating or extending existing products with minor variations. Taken to an extreme, the Control profile becomes a bureaucracy.</p>	<p>The Compete profile represents the kind of people who appreciate the intensity of competition and achievement. They are motivated towards speedy, profitable outcomes and embrace the discipline necessary to achieve them. Taken to an extreme, the Compete profile becomes a sweatshop.</p>

## HOW DOES CREATIVE CONFLICT PRODUCE INNOVATION?

It is a simple fact: the green innovators and the red innovators don't see eye-to-eye. But they need each other to achieve growth. Left alone, green thinkers become orphans, who don't relate to the rest of the organization. Left alone, red thinkers become static bureaucrats. Green needs red to scale the business—to make the business replicable. Red needs green to help see the future. Without green, red will become habit-obsessed, perpetually looking backward. This is a productive tension—a conflict that is constructive. The goal here is to use the advantages of each quadrant at the right time: listen more to green thinkers in the early stages of growth, and as you get larger, listen more to the red thinkers.

At a larger level, the tension between the yellow and blue quadrants represents a generational conflict. Baby Boomers are often blue thinkers—cutthroat, competitive, revenue-obsessed—while Millennials are often yellow thinkers—hopeful, slow-moving, driven by values. These are people who need each other. Without blue thinkers, yellow thinkers become victims of groupthink and irrational enthusiasm. Without yellow thinkers, blue thinkers become impatient and have no long-term goals—everything they do is for the moment.

## HOW DO THE COMPETING VALUES FRAMEWORK FUNCTION WITHIN AN ORGANIZATION?

In the Competing Values Framework, the term ‘whole’ is always only comparative, because everything is both a whole thing and a part of a greater system. There are three interrelated levels of innovation that both enhance and detract from each other. The CVF integrates these three parts by looking at how they function individually and how they function together:

**People** = Individuals in the organization, including leaders

**Practices** = Culture, competency, and key processes of the organization

**Purposes** = Outcome, or the value the organization intends to create

The only way to reach your targets is to make sure that the way you actually run things matches up with the way you want them to be. In other words, your purposes (goals) must align with your practices.



## WHAT ARE THE USES OF THE COMPETING VALUES FRAMEWORK?

The CVF can be applied to teams, business units, organizations, or a conglomeration of companies using the same process. Typical uses of the approach include:

- Strategic planning
- Changing culture
- Improving performance management processes
- Developing customized innovation processes
- Organizational competency development
- Integrating innovation into existing processes
- Creating shared vision and values
- Developing high-performing teams and leaders
- Launching innovation initiatives

## HOW DO YOU LEARN AND TEACH THE COMPETING VALUES FRAMEWORK?

Learning that lasts is always developmental. To learn a new language or how to play a musical instrument, you cannot study it from afar or through a textbook. Rather, you must have a series of meaningful experiences and conduct high-impact experiments that reveal what works and what doesn't work. You develop competency through trial and error—a rapid succession of failures that quickly leads to success.

Teaching innovation is no different than training physicians: it is best done through a “See One, Do One, Teach One” approach. By developing a community of highly practiced innovation leaders, you create a mentor system that ensures the cycle of innovation will continue. Today's leaders transfer deep knowledge about the art of innovation to those who will become future leaders, all while working on projects with high potential for developing new practices and competencies.

