

# Innovation Journalism and Corporate Environments

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**Business is people and evolution is the natural mechanism through which we function. In this process, creativity and innovation play a major role. Past experiences suggest that sustainable development of business systems appears in four main phases of business evolution: working environment, learning environment, thinking environment and conscious environment. The transition from a “learning environment” to a “thinking environment” comes from dramatic changes in the behavior of business systems on all levels of management, governance and leadership. Creativity and innovation are the primary drivers of these changes. Slovenian businesses are responding to the call for innovation on different levels and in different forms. Yet, they need more help from the environment, from the society, in order to fully transform into long term competitive players. Media and journalism itself play a major role in the creation of such an environment. Of special importance are external and internal journalistic contributions on innovation. Therefore, journalism should take a more proactive role in creation of the innovation society.**

## 1 Introduction

The models and thoughts presented in this paper have evolved from my first-hand engagement with numerous business systems: small and large companies, high tech and traditional, successful and in transition, entrepreneurs and local communities. My experience confirms that regardless of an increase in time dynamics of business cycles, all changes follow a social-economic logic. Furthermore, they follow the sociological development of an individual. This proves the evolutionary alignment of the business world. It proves the correlation between businesses and the external environment. **Business is people** and evolution is the natural mechanism through which we function. In this process **creativity and innovation play a major role**. Since they require quite different conditions to flourish, **strong forces of change** in the (business) community are needed to be freely open to creative powers.

Slovenian businesses are responding to the call for innovation on different levels and in different forms. They try to develop internal and external means and networks in order to allow the establishment of innovative technological and business platforms, to challenge the minds of their employees and managers towards creative thinking. **One of the forces that has a strong influence on acceptance and understanding of the impacts, benefits, and the power of innovation, is media.** TV stations, newspapers, radio stations, e-media, magazines, blogs, etc. are slow in catching up with this topic and do not give enough support to the promoters and devotees of innovation. A stronger general support and overall acceptance for this important and long term sustainable growth factor is needed, especially on the operational level. **All the stakeholders need to work hand in**

**hand** in order to take faster steps towards an opened, dynamic and innovative society.

## 2 Evolution of Business Systems

Past experiences suggest that sustainable development of business systems appears in four main forms, e.g. **phases of business evolution: working environment, learning environment, thinking environment and conscious environment**. Although all four phases seem to be independent of one another, they are in reality closely related. Furthermore, they evolve in a logical sequence, from one phase into another. Each succeeding step is an upgrade of the previous one. Each new phase requires the vital forces of its predecessor.

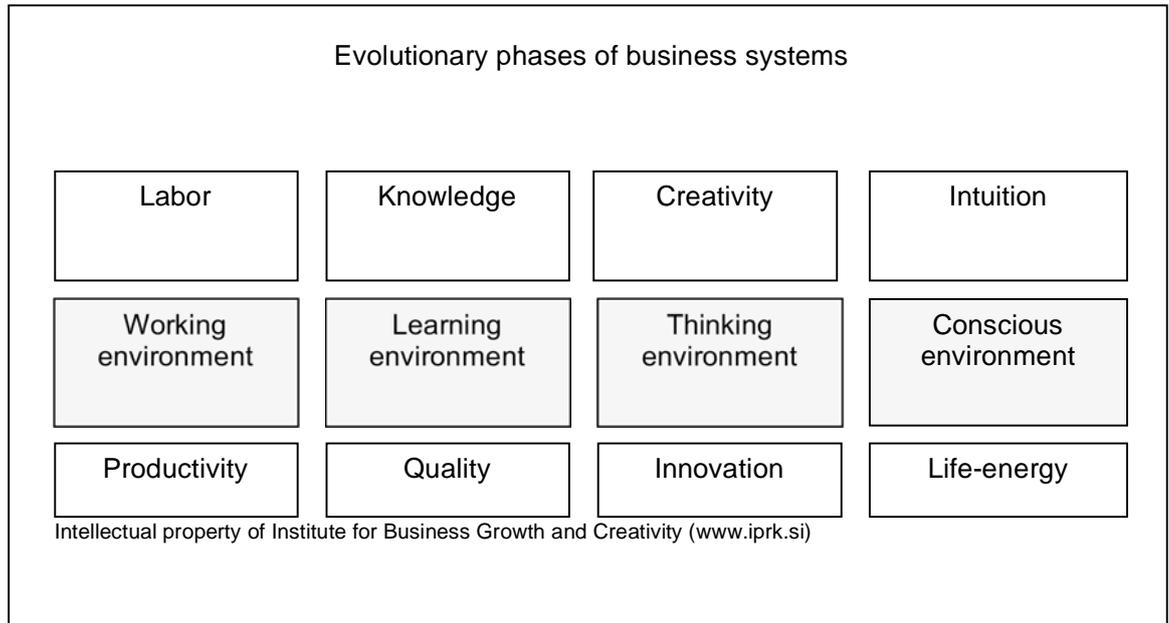
Environments have their own **means of creating added value**. In the “working environment” it is the “hardworking” manner, in the “learning environment” it is the gained “knowledge”, in the “thinking environment” it is the engaged “**creativity**”, and in the “conscious environment” it is our “intuition”. Each of the mentioned phases has its own **winning success factors**. During the transition process from one phase to another the “winning factors” of the formal phase become the entry (commodity) factors of the new one, as they are soon engaged by competitors. In the working environment, the winning factor is “productivity”, in the learning environment it is “quality”, in the thinking environment it is “**innovation**”, and in the conscious environment it is “vital (life) energy”.

Winning (success) factors play a leading role in evolutionary positioning. and are in fact co-dependent. We cannot ensure long-term stable results with quality products as the key success factor only. We need the appropriate productivity already in place. Innovation, by itself cannot ensure the existence of thinking environment without the presence of expected level of quality and productivity. The speed of progress and the actual implementation of the success factors largely depends on the business condition of a company’s business sector.

### 2.1 “Thinking Environments”, the Realm of Creativity and Innovation

In “thinking environment” people are already playing the essential role in value creation and market differentiation. Consequently, leadership techniques are moving from hierarchical structures to more network constellations: from management of operating processes to facilitation of thinking processes; from a material world to a more intuitive world. Managers are no longer focused on the external players, (competition, new entries, substitutes) But rather on internal strengths, such (core competences, values, intellectual and social capital). They start to manage from the inside out. They manage more the environment and the “rules of the game”, and less the processes themselves.

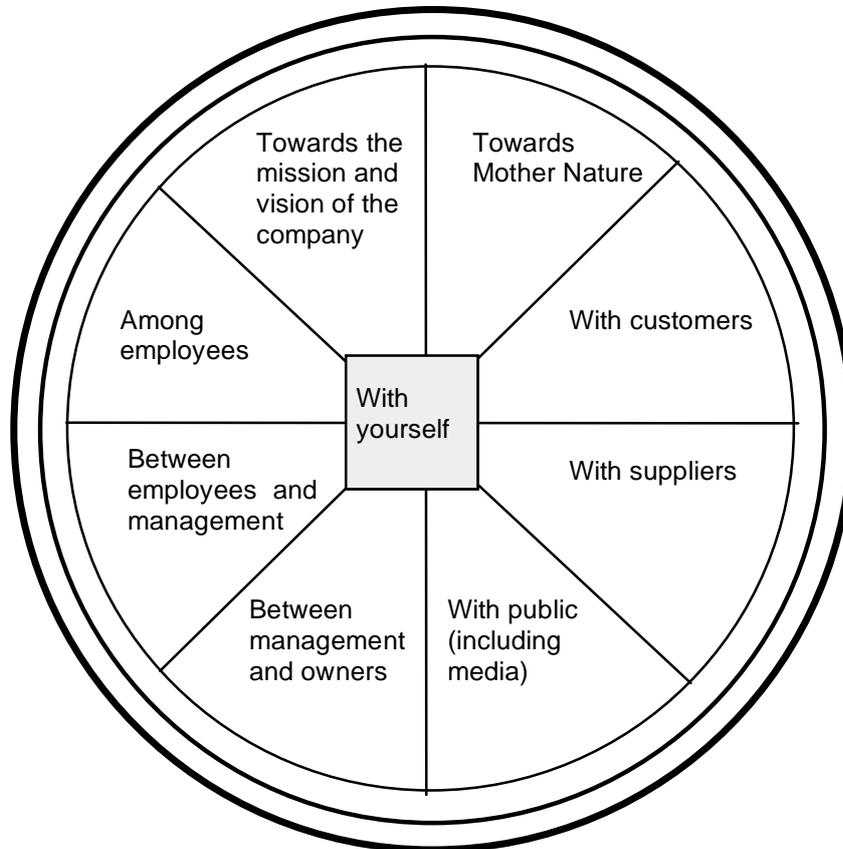
Figure 1: Evolutionary phases of business systems



The transition from a “learning environment” to a “thinking environment” comes with dramatic changes in the behavior of business systems on all levels of management, governance and leadership. With these changes new challenges arise: how to lead the thinking process, how to ensure the development of innovations, how to facilitate creativity.

The undisputed search for enhanced creativity leads us closer and closer to a human being and his/her potential. Only after creative processes are triggered, we can hope they will result in innovations, which turn out to be the new winning factor on the market. Internal teams are no longer adequate for complex problem solutions, intra-functional internal and external teams (including strategic customers and suppliers) are evolving and gaining recognition. Relationships among all stakeholders, e.g., public, media, customers, owners, suppliers, employees, are now in the spotlight. Relationships are the central point of observation, diagnostics and the source of business opportunities.

Figure 2: "8+1" Core Business Relations



Intellectual property of Vibacom

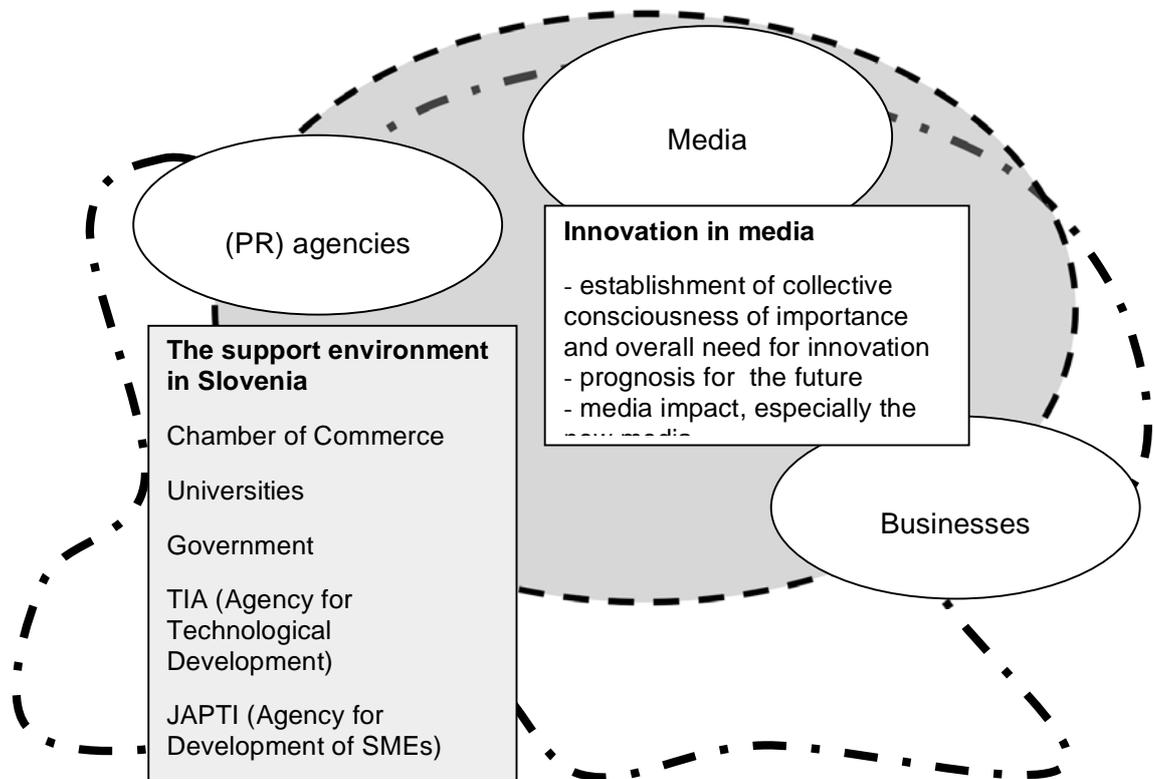
### 3 The Role of Media in Evolution of Business Systems in Slovenia

The Slovenian economy has made great progress over the last 15 years. Most importantly, it has developed a critical mass of successful companies that have established vital forces of progress and development, as described in the evolutionary model, (competitive productivity and quality for selected markets). In short, Slovenia has managed the transition to the learning environment. The progressive businesses have already started the process of moving towards the innovation based economy, towards the thinking environments.

Yet, in order to address the needed adjustments and transformations on a local level in a timely manner, businesses need additional help. Not only internally in the form of better management tools, knowledge, experiences, but externally as well. Externally, they need overall social and political support. They need potential

employees that are innovation conscious. They need business partners and suppliers that understand the flow of the creativity and innovation process. They need customers that recognize the value of new solutions and are willing to pay for it. They need owners that value intellectual capital and understand the importance of innovation on stability and long term development. They need the current employees to understand the concept of constant changes and flexibility. They need access to advanced minded companies and individuals from different branches and areas of expertise that dare to think and look beyond the known and seen.

Figure 3: Interrelated external supporting forces of innovation



Media and journalism itself have a major role in the creation of such an environment. Yet the role is not as trivial as it might appear at the first glance. Media has owners and owners ask for results. Profit is being made mostly by populist topics which deep and thorough business stories usually are not. So, how to cut this circle?

In the last few months there have been many discussions about the challenges of innovation journalism in Slovenia. It seems that the only way to start making

progress is by communication on all levels. Journalists need to learn not only about the products themselves. They need to understand the processes, the models, the consequences, the dependencies. One of the responses from media representatives was that they are not sure which information to trust. How to recognize true innovation? Where to get reliable data?. **We need to build trust between the media and the business community.** We need to establish open **two way communication, training and education.**

**PR Agencies and PR Departments** play an important role. Their messages hardly ever explain confidently the innovative products or business models. The level of available information hardly ever goes beyond financial data and marketing information. They have to learn and develop their source of information further. They have to be clear in their communication and need to pass information from the innovation perspective, as well.

The third important pillar are public institutions, Universities, government agencies and public administration. Journalists need to be trained to understand the cross-functional implications of innovation. They need to be able to see beyond the common rules. They need to be trained on what questions to ask. Our formal curriculum is not covering this topic at all. The University studies need to be adjusted.

There are several paradoxes within the government actions and its administration system, as well. For example an innovative business, gains no credits when applying for financial funds at public tenders. Only references, the implementations matter. Yet, innovative products can not have many references. They are new. Another paradox is in the organization of the government itself. Innovation requires an open, non hierarchical environment to flourish. Yet, what we see in the Slovenia government is a tendency towards establishment of a centralized and hierarchical state with increased levels of control. If this process continues we might have a clash of two philosophies that neither in theory nor in practice can support each other.

## 4 Innovation Journalism – a Personal Experience

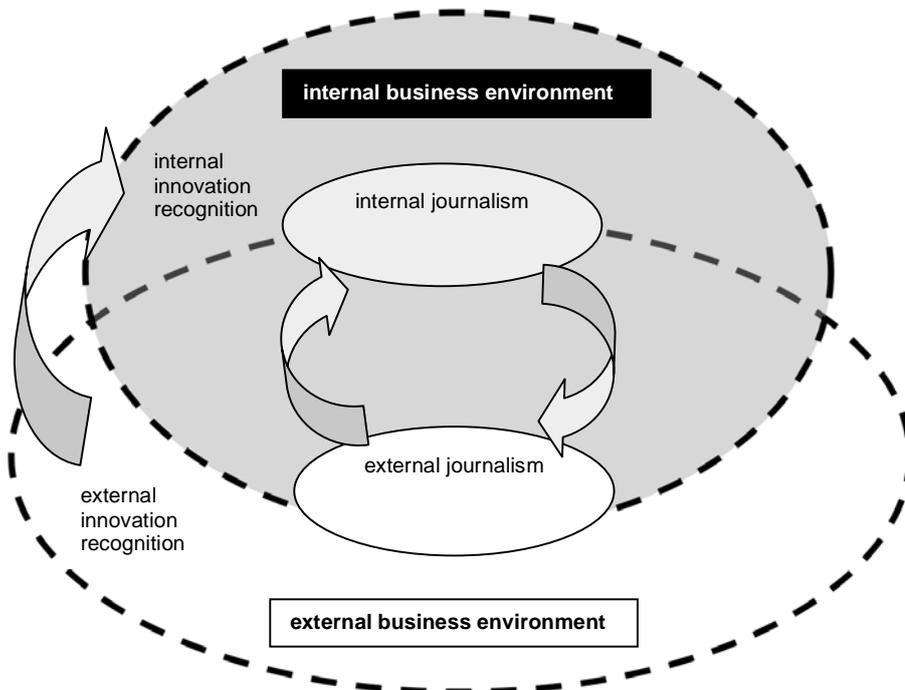
**Media could help** to dismiss this concern. They should, for the sake of the future, devote part of their space, air-time, etc., to professional writing on innovation. For several years some of the **advanced thinking entrepreneurs** have been, based on their own initiatives, systematically informing the public about the power and long term importance of innovation. A monthly electronic magazine called “Aktualno 1.0”, is covering topics that challenged the current state of mind of top and middle managers. It is mostly related to different aspects of innovation. It took almost two years to achieve noticeable effects with readers. It took the Chamber of Commerce ten years to give to the “Award for the best Innovation” a vivid recognition. It took the TV show “Business Rhythms” which talks about innovative leadership and Slovenian business success stories, one year to prove its model. Yet, this year the

“Festival of Innovation” exceeded all the expectations. And the national media finally started to respond, with special radio shows, articles in national newspapers and magazines. They do not talk only about the products and services (which was the case before), but about the processes, models and implications. The Chamber of Commerce for the first time launched a regional campaign in favour of innovation. Entrepreneurs responded. Innovation as a concept has gained public attention. The spirit has been let out of the bottle. Now it needs to be supported and an on-going establishment of favourable “rules of the game” and social environments need to follow.

**The strategy of the European Union** has also had an important influence on the positive response towards innovation. The EU declared innovation as one of the basic pillars of future growth and prosperity. So, at least formally, the word innovation found its way to all strategic papers and in public speeches.

**Internally**, businesses can make important changes as well. Due to the evolution principles, in order for innovation to become a winning factor, a **non hierarchical, employees’ conscious environment** needs to be established. Firstly, an **open flow of information** among employees and between management and employees is needed. Secondly, **platforms for cross-functional problem solving** of operational and strategic issues have to be in place. **Creativity and innovation** need to be recognized as the **core values** of the business environment. A spiral participation model proved to be one of the most effective and powerful tools to use to achieve the stated business conditions. Yet, in addition, all the efforts need to be supported by media tools. They need an effective reporting in internal, company based newsletters, magazines, whiteboards, displays, reward systems, etc.

Figure 4: Correlation between internal and external innovation journalism



Of special importance are external journalistic contributions on innovation to the existing internal systems, (presence of external articles in internal newsletters). They bring a fresh view and confirmation of the value model, an exchange of views and a sense of interrelation with the social environment. National and local media need to talk about innovation on a daily basis. Only then will it get into the subconscious of people and really become the pillar of overall socioeconomic progress.

The primary goal of innovation journalism, external or internal, is to give support and recognition to innovation processes. To bring confidence to people that creativity and innovation are values. That they build a better world. Innovation journalism should help to understand the interrelations and interdependencies between different industries, solutions, teams. It should help to think about the future, options, alternatives. It is a powerful tool to bring faith in development, to help people to understand what wonderful beings we really are.

## 5 Conclusion

Currently business systems are aiming to reach the “thinking environment” phase. The primary winning factors for business to successfully progress in such an environment are creativity and innovation. They are challenging not only to the individuals but to the entire management and leadership structures. They are challenging the society as a whole. They call for a change of the primary methods of development and operations. Therefore, they need broad support in order to be socially accepted. That is where and why media can and should play a vital role. Yet, even media can not do it on its own. They need open cooperation with drivers of change (managers, leaders, individuals, teams, politicians). They need reliable and prompt information. They need learning environments and training programs. They need networks to exchange views and best practices. Slovenia is making noticeable progress towards an innovative society. Yet, there are many ongoing challenges that call for innovative solutions on all levels and in all directions. Innovation needs networks of cooperation, open societies, self conscious individuals that are not afraid of sharing, exchanging, and improving. We all need to get involved in innovation processes in order to move forward.

Violeta Bulc, Vibacom, House for Business Solutions, is a recognized opinion maker for advanced technologies and innovative business models. She promotes change and the power of networks. She has received several awards for business innovations, as well as the Slovenian national FENIKS Award for Consulting Project of the Year. The European Commission has appointed Ms. Bulc to its Advisory Board for the *e-Europe Action and Strategic Plans* initiative for 2012 and 2020. She established the MPI business partnership (Power of Business Innovation) in cooperation with Mediade and TV PIKA, promoting innovation culture and the Slovenian way of doing business, and the Institute for Business Growth and Creativity in cooperation with additional experts, focusing on creation of advanced management tools for sustainable business growth. Ms. Bulc is the author of many professional articles on innovation, expert studies, electronic publications and a co-author of a popular business show called "Business Rythms«.