

League to MLB. It debuts its concepts in the spring and brings new products to market in the fall. Those products include not only the company's famed baseball bats, but also PowerBilt golf equipment and the Bionic Gloves line of sports and outdoor gloves.

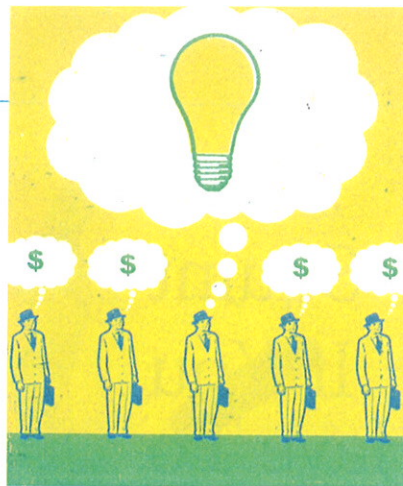
That schedule requires careful coordination, because aluminum and composite bats are now made in the Far East, which poses a challenge regarding manufacturing and shipping lead times. (Writer, in fact, spent a week in China almost immediately upon assuming his post at H&B, solidifying a spirit of partnership with the company's vendors there.) Further complicating the company's production cycle, H&B must build in time for quality testing and, in the case of Little League and some other organizations, certification testing.

As a result, Writer wants to revise the company's production calendar in order to bring products to market more quickly. "We're looking at what that means for all pieces of the pie," he says, "from the supply chain to forecasting to the ways in which marketing is aligned with operations."

As for expanding H&B's global presence, Writer says that while baseball remains a predominantly American pastime, the Asian market is growing, most notably Taiwan and Japan, but also Korea. The Caribbean, Mexico, and Latin America market is promising as well, although it is considerably more price-sensitive, which further underscores the need for greater efficiency.

An accomplished triathlete, Writer did something of a farm-team stint at H&B before assuming his current post, by spending six months with the company as a consultant while a director at AlixPartners. He reports to CEO John A. Hillerich IV, who is part of the fifth generation to run the family firm. (For more on the dynamic between family-owned firms and nonfamily CFOs, see "In the Family Way," page 25.) —SCOTT LEIBS

INNOVATION Forging Ahead: How to Get Innovation Right



COMPANIES OFTEN DECLARE THAT "INNOVATION" is a top priority and spend hours in conferences and meetings discussing it, to little effect. That's because many businesses don't know what innovation really means—or what challenges it presents, says Steve Faktor, former vice president and head of the Chairman's Innovation Fund at American Express and the founder of Ideafactory, a company that develops patents and incubates start-ups. "When you have something that sounds cool and gives you hope that creativity will flourish in your business, people gravitate toward it," Faktor says. "But the reality is that most large organizations aren't built to innovate."

To succeed, Faktor says, companies must be willing to occasionally "cannibalize [their] own business" and endure some growing pains as a new product finds a market. Those aren't easy decisions, and that's where the CFO comes in. If an R&D team came up with a new technology that would replace or make obsolete a product with a predictable revenue stream, for example, would the company push ahead with it, even if it meant taking a step back today in order to eventually take two steps forward? Is the CFO prepared to "talk people down" from unrealistic expectations or help them avoid analysis paralysis?

A WORLD OF INNOVATION

Top 10 countries for innovation as ranked by Insead's Global Innovation Index

Country	Ranking		
	'11	'10	'09
Switzerland	1	4	7
Sweden	2	2	3
Singapore	3	7	5
Hong Kong	4	3	12
Finland	5	6	13
Denmark	6	5	8
U.S.A.	7	11	1
Canada	8	12	11
Netherlands	9	8	10
U.K.	10	14	4

Rankings are based on a wide range of weighted and nonweighted measures, ranging from countries' political and regulatory environments to education systems, financial systems, and specific outputs such as patents awarded.

Faktor says that CFOs should set reasonable criteria, using an uptick in adoption rate as a measure of success, for instance, or establishing trigger points at each stage of development that will determine whether a new idea continues to receive funding. Compensation plans that reward people for taking careful risks can also help, because they send a powerful signal that the company is serious about innovation.

Perhaps most important, innovation should not be something people forget about when they leave the conference room. If a company is truly innovative, Faktor says, it won't need to call meetings to discuss its "innovation strategy," because that strategy will have become part of business as usual.

—MARIELLE SEGARRA

» STEVE FAKTOR will offer a detailed view of how CFOs can help drive innovation at our CFO Leadership Summit Conference in Orlando, March 11–14. For more details, see www.cfo.com/conferences.