Innovation Management

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On behalf of
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Contents

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The need for innovation

Objectives:

While studying this chapter, you will be beginning the journey to innovation management by developing a positive mindset, which is very much necessary for the future of your organization.
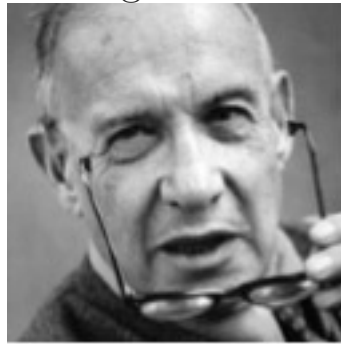
Structure:

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1.1 Hello, friends!

You are now entering the wonderful arena of Innovation Management, which, we are sure, will help you to become an excellent leader as well as an effective manager and you will be a valuable asset to your organization.

1.2 Contribution of the great Management Guru, Peter F. Drucker

Figure 1.1

PETER F. DRUCKER

Peter Ferdinand Drucker, (November 19, 1909 – November 11, 2005) was an Austrian-born American management consultant, educator, and author, whose writings contributed to the philosophical and practical foundations of the modern business corporations. He was also a leader in the development of management education, and he invented the concept known as management by objectives. He became Professor of Management in New York University in 1950.

Drucker's books and scholarly and popular articles explored how humans are organized across the business, government, and nonprofit sectors of society. He is one of the best-known and most widely influential thinkers and writers on the subject of management theory and practice.

In 1959, Drucker coined the term "knowledge worker" and later in his life considered knowledge worker productivity to be the next frontier of management.

Peter Drucker was against bureaucratic management and emphasized management with **creative and innovative characteristics**. The basic objective of management is to lead towards innovation. Innovation includes **development of new ideas, combination of old and new ideas, adaption of ideas from other fields and even acting as a catalyst and encouraging others to carry out innovation**. He treated management as a discipline as well as a profession.

According to Peter Drucker, "every organization, not just business, needs one core competence and that is innovation".

1.3 What is innovation?

Innovation is the application of better solutions that meet customer's new and changed requirements, their implicit needs, or existing market needs. This is accomplished through products, processes, services, technologies, or ideas that are more effective. Another definition of the term innovation is "something original and, as a consequence, new and important, <u>in whatever field</u>, that breaks into the market or society".

However, innovation is not only associated with new products, new technology, and R&D team, as some people feel. Their view is too limiting. Please note that innovation can be applied broadly across all elements of the organization, such as existing products, services, programs, processes and business models. Ideas that provide marginal improvements to existing products, services, programs, processes and business models are also a part of overall concept of innovation.

Innovation differs from invention. Innovation refers to the use of a better and, as a result, novel idea or method, whereas invention refers more directly to the creation of the idea or method itself.

Further, innovation differs also from improvement. Innovation refers to the notion of doing something different rather than doing the same thing better.

Due to its widespread effect, innovation is an important topic in the study of economics, business, entrepreneurship, design, technology, sociology, and engineering. In society, technological innovation aids in comfort, convenience, and efficiency in everyday life.

Some of the areas that add to everyday quality of life are:

- The innovations to the light bulb from incandescent to compact fluorescent (CFL) then LED technologies which offer greater efficiency, durability and brightness;

- Smartphones which supply the public with internet access any time or place;

- From Cathode ray tube to flat-screen LCD televisions.

Innovation is the development of new value through solutions that meet new needs, or adding value to old customers by providing new ways of maximizing their current level of productivity. It is the catalyst to growth.

Given the noticeable effects on efficiency, quality of life, and productive growth, innovation is a key factor in society and economy.

Look at the following design of USB's. If we have many pen drives, we have a problem of keeping them properly somewhere so that they are not misplaced or lost. Look how they are properly organized in this design.

The need for innovation
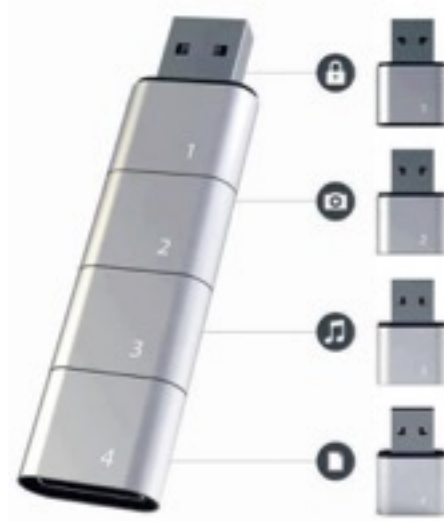
Figure 1.2

Then, look at the following example of a method to carry six milk bottles safely and easily. What fascinates us is the beautiful design of the bottles, which are made light in weight.

Figure 1.3

Then, look at the following example of the service in a restaurant. Look how beautifully the eggs are served. This is the service quality, which enhances perception of the customer. Surely, the customer will love such dishes, won't he?

Figure 1.4

Look at the following beautiful design of a bottlelike crate in which wine bottles are stored. Customers certainly get fascinated and are ready to pay more if they get such choicest designs in the market.

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Figure 1.5

Given below are some examples of innovative furniture designs:

Figure 1.6

Figure 1.7

Figure 1.8

Some innovative crockery designs:

Figure 1.9

Figure 1.10

1.4 Innovation and creativity

Generally, people have an impression that innovation is same as creativity. To some extent, they are right. Without creativity, there is no innovation. However, innovation being same as creativity is a half-truth. Actually, creativity is discovery of a new idea. Many ideas already do exist somewhere. Creative thinking is about finding these ideas and connecting them in a new way.

However, innovation is much more than just finding these ideas and connecting these creative ideas.

It is about <mark>strategy and action</mark>. It is about bringing value to the organization through the **implementation** of these creative and strategic ideas so effectively that they are profitable also.

Therefore, Innovation is defined as **"Profitable implementation of strategic and creative ideas"**.

1.5 Types of innovations

There are three types of innovations:

1. Efficiency innovation:

Marginal improvements to what already exists. Look at the chair in the following photograph as an example of it.

Figure 1.11

2. Evolutionary innovation:

Distinctly new and better ideas

Figure 1.12

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3. Revolutionary innovation:

Radically new and better ideas

Figure 1.13

The wheelchair of a new concept shown above is powered by a strong single cylinder 4-stroke engine. It contains adjustable footrest and translucent compartments to put food and other handy materials. There are armrests, backrests, and leg rests to ensure that the owner of the wheel chair is comfortable. The rests also provide support for the body parts making sure that they are in stable positions at the high speeds at which they will be traveling.

The designers have used six different concepts to make sure, that it is a very helpful product for all handicapped individuals in wheel chairs and that it improves their safety, support, and caregiver access.

However, it is a challenge to balance the pursuit of these three types of innovations. If the organization pursues too much of the efficiency innovation, it runs the risk of missing opportunities in the marketplace. If the organization pursues too much of revolutionary innovation, the organization might be thrown into a state of chaos and the employees might get disturbed. Therefore, it is better to move from too much efficiency revolution to a greater emphasis on evolutionary innovation.

1.6 The need for innovation

We are in the midst of a significant transition, largely because of three main factors:

• Technology
• The world is becoming more accessible
• Customers ever demanding more

These three factors are explained as follows:

- **Technology**: Even the most stable industries and the strongest brands can be blown to bits by the new information technology. Technology is forcing every organization to rethink its business models and organizational designs as it contributes to the rebalancing of power in the marketplace. First place is no longer guaranteed to those organizations that have financial resources and size on their side. Smaller organizations that are fast and flexible can now outsmart the traditional large cats by employing new technology that enables them to deliver goods and services to their customers at a faster pace and lower cost. Machines can replace people. ATMs have replaced tellers. Internet sites have replaced sales personnel. Photo radar has replaced police patrols. Technology allows customers to do-it-themselves with little need for service personnel. An organization must keep pace with new technology in order to remain competitive.

- **The world is becoming more accessible**: The Internet, low cost long distance telephone calls, etc. are just a couple of examples how the entire world is becoming more accessible. Everyone has more buying options. A company no longer has to hire a consultant who lives nearby. With online learning, a student no longer has to choose the closest university. Hence, the level of competition has gone up tremendously. The world is flooded with products and services. It is becoming tougher for the customers to choose the needed product by differentiating among so many products.

Figure 1.14

- **Customers ever demanding more**: Customers have more buying power. They have more choice. They know exactly what they want. Obviously, they are more demanding. They want it their way and they want it now! They are not going to buy the old big desktop computer now, however good in quality and reliability it might be! They are not going to buy the old Fiat car now, however in good condition it might be.

  One person had bought a good-looking mobile telephone just three years back. It was Samsung made, touchscreen, having dual simcard etc. However, within such a short time, as per his son, it has become an old and almost ancient model.

  Regarding motorbikes also, the older models are not liked by the younger generation any more. If somebody now utters an old word "floppy", people will look at him as if he is an illiterate person.

- **Results of a recent survey**:

  Some seven hundred organizations worldwide were surveyed, in which 84% of business leaders agreed that innovation is **more a critical factor** than it was five years ago. However, only 25% of these business leaders were pleased with their current performance in innovation.

- **Change**:
  Once upon a time, in business you could experience a change and then return to a period of relative stability. That era was followed by one, in which, as soon as you handle one change, you had to get ready for another. Nowadays, the changes are occurring rapid fire: one on top of another. There is no rest and there is no getting ready. In the heat of this chaos, it is hard for people to maintain perspective.

  In a constantly changing business environment, the ability to modify and implement new strategies quickly is important. Economic pressures, industry changes, regulatory pressures and changes in consumer preference can affect ability of the business to sell its products or services. Dealing with inevitable change in an organization typically involves transitioning to a new way of working.

Once they were champions, now they are forgotten
Example of Zundapp, the Bavarian motorcycle manufacturer

The **Zundapp** models never held the fascination of a BMW or a Harley Davidson, but their mopeds were inexpensive and robust. Their advertisements promised 'Motorcycles for everyman'. In 1977, the company employed a workforce of 1,900 and produced 115,000 mopeds and motor assisted bicycles. However, the management of the company failed to recognize the changes taking place around them until it was too late.

Rapidly increasing insurance premiums and changes in legislation, making it compulsory for drivers of mopeds to take a driving test, sent sales plummeting. In addition, competition from cheaper Japanese manufacturers made life no easier for Zundapp either. Zundapp was forced into liquidation in 1984.

The list of companies that remained blind to the changes taking place around them could be continued.

The American computer manufacturer **Digital Equipment** is another example that comes to mind. This company was caught completely unaware by the development of the personal computer. In the year 1977, Ken Olson, the founder, president and managing director of Digital Equipment, made a statement which has become legendary: 'There is no reason for any individual to have a computer in his home.'

These examples illustrate that the 'Thomas Lawson Syndrome' is in fact an **insidious disease** which strikes companies blind and deaf. It enchains managers to the goose that

laid the golden eggs yesterday, despite the fact that the poor animal is obviously on its last legs.

Beware the "Thomas Lawson Syndrome"
The Thomas Lawson Syndrome strikes whenever managers have become so accustomed to dealing with existing products and processes that they are Complacent and literally blind to new ideas. Those who have successfully established themselves on an existing market are particularly susceptible. The danger is to become phlegmatic as the organization is gradually lulled into a false sense of security and hence the status quo is no longer questioned. It seems enough to merely keep improving one's products rather than keeping one's eyes, ears and mind open for new, radical and innovative ideas. And yet that is exactly what they should be doing — and at the same time, this is one of the most challenging tasks facing every industry. The lesson is clear.

Wherever managers are happy simply to maintain the status quo, believing themselves immune to the fortes of change on the markets, we shall see the typical symptoms of the Thomas Lawson Syndrome appearing. The sales figures of today reflect decisions made yesterday. Markets do not react immediately; there is always a delay. Decisions that may bring success today will not necessarily do so tomorrow. Fighting tomorrow's battles with the successful products of today is no recipe for business success, no matter what the size or nature of the company. And so it is the task of top management to think differently, to embody a readiness to embrace change and dynamism.

In all fairness, it has to be admitted that this is not exactly easy. And the reason that it is so difficult is that the path to change is paved with the objections of the **skeptics**. The defenders of the status quo will doubtlessly tell you that it is not possible or necessary to implement your idea. After all, they are the people who established the **status quo**, and now they are under attack from you! And so, if you want to bring about a revolution, you must steadfastly ignore these arguments.

1.7 Being innovative pays off

As said earlier, innovation is an essential ingredient for today's social and economic growth. It improves our quality of life, raises our standard of living, and enables our organizations to grow and prosper.

Gone are the days when one person or one department like R&D was focusing on the future while everyone else was keeping their heads down and focused on the present.

All of you all should know now that you need to have every employee in every area of the organization to be on the lookout for innovative ideas. You now should know that you need an innovation roadmap and detailed action plans in order to help your teams and organization to support innovation on a continuous basis.

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Certain characteristics that seem to be linked to creativity are:

- Flexibility
- Persistence
- Ability to recombine elements to achieve insights
- Ability to breakdown huge systems into smaller interrelated subsystems and determine how they function together.
- Recombine these to form a comprehensible "whole picture" framework to work with.

The mind is like a parachute. It functions only when it is open. One of the most important elements is the organizational climate that is conducive to free flow of ideas. Several human tendencies affect the creation, development and implementation of the idea. The environment under which people work can act as a stimulant to bring out their innovativeness. Inhibitions and misconceptions act as roadblocks. When people do not worry about making mistakes, even the timid and the reticent may come up with some good ideas. Aimless and undirected activity does not bring about innovation. Endeavors must be planned and organized.

Motivation is essential to successful innovation, and reward is single most important motivator. People will go to great lengths to solve problems, but only if they know that their efforts will be recognized and rewarded.

It takes courage to be creative. When you first have a new idea, you are a minority. Successful innovators say that ideas that pay off have gone through four steps of development.

- The idea is conceived
- More people become involved as the idea is discussed and examined.
- The idea is publicized and everyone understands its nature and scope. People investigate its potential, measure its range, and evaluate its economic feasibility
- The innovation represented by the idea is adopted and put into practice.

1.8 Being innovative pays off

- Believe that **everyone** is creative
- Believe in your **own** unique creative thinking talents
- We are all unique individuals. Each of us has different ways of expressing our talents, knowledge, values and interests.
- We all have capacity to be creative, but we express our potential differently.
- There are four innovation styles:
    - o   Visioning

- o Exploring
- o Experimenting
- o Modifying

- Set clear goals

- Develop new rules

- Rely on current standards

- Look to the future

- Work with details

- Combine different talents for maximum results

- Eliminate obstacles to creative thinking

- Learn to unlearn and forget

- Accept failures

1.9 Creative connections

- Discover the ideas, which are already there. Find those old ideas. Interview the people who have previously worked on some challenges, and learn from their experiences. Excavate old research reports, brainstorming session reports, old business plans. Uncover what is already there and reconnect it in a new way to your current problem or challenge. Ask the participants to submit their old ideas in the meeting. Distribute your collection of ideas to them.

- Become obsessed with the challenge. Understand the market, the client, the technology, and the perceived constraints. Observe real life people and find out what confuses them, what they like and hate, and where their implicit and explicit needs are not addressed. Interview the experts. Observe actual customer behavior. Have courage to ask customers to share their frustrations.

- In today's hyper-fast world, conceptual, innovative and intuitive thinking have become increasingly important, especially in industries where frenetic change represents the rule rather than the exception.

- Look into the future to see where the company needs to go and what it will look like once they get there.

- Allow your subconscious mind to process all the facts and send you signals in the form of your "sixth sense". Your "intuition" is valuable for your organization!

- Think "**out of the box**" when you are alone in your study room, particularly early in the morning, and ask yourself, "what can I do to fulfil the new customer needs? How can I implement a distinctly new idea so that the organization and the customer will get

benefitted? How can I come out of the daily rut, and think something different than all the others who are busy in just the routine matters?

1.10   What Innovation is NOT

• Innovation is not a flash of genius

• Innovation is not just a "new technology".

• Innovation is not sector specific.

• Innovation is not just for the R&D department.

• Innovation is not isolated to special teams.

• Innovation is not a creative playroom.

• Innovation is not a one-off event

• Innovation is not just creativity training

• Innovation is not just applicable to new products

1.11   Innovation is hard work

• It is hard work to move people away from their sacred traditions and their tendency to conform to industry norms.

• It is hard work to get people to admit that what they are doing today might not work anymore.

• It is hard work to get people to drop their emotional attachment to "the way they did the things around there" and take the leap to a new way.

• It is hard work to stay the course and confront the natural tendency to return to their old and comfortable way of doing this.

1.12   This book is for you!

This book has been written for all those who want to make a difference in their own world as well as in their organization. It is a book for all those who are crazy enough to dare to try something new. It is madness to keep on following the same old routines yet expect to achieve different results. Dare to be different. Never trust an expert who tells you that he has been doing things that way for twenty years. It could be that he has been doing it

wrongly for all these years. This book is for anyone who is fed up of endless debates where people only talk and talk but nothing ever changes. It is a book for all those who deliberately set out to counteract the trend of high level moaning and groaning and who are convinced of one thing: the future is something we create, not something that happens to us. This book is intended for those who are sick of always playing safe. It is for those who are not prepared to sacrifice their dreams on the altar of conventional wisdom.

If you are determined to be smarter, more successful and to really stand out from the rest, this the right book for you.

Finally, in the spirit of the famous innovator, Walt Disney, let us dream, believe, dare and do!

Figure 1.15   Figure 1.16

Welcome to the paradise of Innovation management!

1.13   Activities for the students

Activity A:

Your father, on the way back home, always gets stuck up in the traffic jam. He is tired, hungry, tensed. Think how you can use your smartphone to help him automatically, without your intervention.

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_____

_____

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Activity B:

Suggest a new way to use your I-pad to solve some household problems.

_____

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_____

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1.14   Summary

• **Innovation** is defined as "Profitable implementation of strategic and creative ideas."

• There are three types of innovations: Efficiency innovation, evolutionary innovation and revolutionary innovation.

• We are in the midst of a significant transition, largely because of three main factors:
  -Technology
  -The world is becoming more accessible
  -More demanding customers

• **Change**:
  Once upon a time, in business you could experience a change and then return to a period of relative stability. That era was followed by one in which, as soon as you handle one change, you had to get ready for another. Nowadays, the changes are occurring rapid fire: one on top of another. There is no rest and there is no getting ready. In the heat of this chaos, it is hard for people to maintain perspective.

• In a constantly changing business environment, the ability to modify and implement new strategies quickly is important.

• Believe that **everyone** is creative

• Believe in your **own** unique creative thinking talents

• There are four innovation styles:
  -Visioning
  -Exploring
  -Experimenting
  -Modifying

• Set clear goals

• The efforts must be invested in setting an <u>innovation culture throughout the organization</u> before investing efforts in innovative breakthrough ideas.Gone are the days when one person or one department like R&D was focusing on the future while everyone else was keeping their heads down and focused on the present.

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- Leaders and team members should know now that they need to have every employee in every area of the organization to be on the lookout for innovative ideas.

1.15   Self-Assessment Questions

1.   Define innovation

2.   Explain evolutionary innovation.

3.   Write a short note on: The need and urgency of innovation

1.16 Multiple Choice Questions

1. 700 organizations worldwide were surveyed in which 84% of business leaders agreed that innovation is more a critical factor than it was five years ago. However, how many of these business leaders were pleased with their current performance in innovation?

A. 5%
B. 10%
C. 15%
D. 25%

2. Innovation is ----------------------------specific.

A. Sector specific
B. Nation specific
C. State specific
D. Not sector specific

3. There are four innovation styles:

Visioning, Exploring, -----------------, Modifying

A. Experimenting
B. Acting
C. Planning
D. Organizing

4. It is --------------------- to move people away from their sacred traditions and their tendency to conform to industry norms.

A. Easy
B. Impossible
C. Hard work
D. Manageable

5. Efficiency innovation means:

A. Marginal improvements to what already exists
B. Distinctly new and better ideas.
C. Radically new and better ideas
D. Improvement of worker efficiency

Transition from chapter 1 to 2

So, my dear students, by reading the chapter 1, you have made a beginning of your journey in innovation management and we assure you that this journey is going to be enjoyable and fruitful for you.

I hope that in this first chapter itself, you have already got an idea of what the subject is like, and you have put forward your first step towards your career in innovative thinking.

You have got acquainted with management Guru Peter F. Drucker, understood the meaning of innovation, saw some examples of innovation, understood what is creativity, types of innovations, and need for innovation in your career.

We sincerely insist upon you that you become a great innovator, and get benefitted in your career tremendously from all angles.

This book is written for all those who want to make a difference in their own world as well as in their organization. It is a book for all those who are crazy enough to dare to try something new. It is madness to keep on following the same old routines yet expect to achieve different results. Dare to be different.

Let us now move to Chapter 2 which guides you how to create ideas and innovate.

Reference Material

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video1

Video2

Flow of Ideas

Objectives

At the end of this chapter, your mind will start working to get a flow of lots of ideas, which will help to solve your problems and help you to innovate in your designs and processes.

Structure

2.1   Bolt from the blue

2.2   What makes a person creative?

2.2.1   Problem sensitivity

2.2.2   Idea fluency

2.2.3   Originality

2.2.4   Creative flexibility

2.2.5   Remove mental blocks:

2.2.6   Lateral thinking

2.2.7   Affinity Diagram

2.3   Solve the problems on hand

2.4   Examples of amazing innovative ideas from young Indians

2.5   Twenty-five Ways to Keep Ideas Flowing in Your Workplaces

Figure 2.1

It's an umbrella that transforms into a Stylish handbag

2.1   Bolt from the blue

It has long been considered practically an axiom that highly creative people get their ideas not through ordinary rational processes like the rest of us, but by some kind of mysterious bolt from the blue.

Figure 2.2

Take the case of John J. Moran, the one-time laboratory technician, who made a fortune by inventing an automatic blood analyzer in 1965. He worked for months on the problem, then gave up in frustration, and went out on an excursion. On his first day out, as the Sun's rays filtered through the hotel window onto his face, he saw in his mind's eye a detailed program of finished machine. Recognizing it as the long sought solution to the problem, he sprang from bed, hastily sketched it on hotel stationery and flew home, where he spent the next few months building a prototype from the sketch. As it happened, the prototype worked perfectly and Moran built around it a Company called Hycel Inc., which he sold to a German conglomerate for $ 40 million.

It takes no genius to recognize that new ideas are the primary catalyst for growth in any industrial organization, whether they involve coming up with new products and marketing strategies or developing entirely new technologies.

It is inaccurate to speak of creativity as a trait that some people have and others do not have. Everyone is creative to some degree. The human mind is taught from birth to accomplish certain tasks in specific ways. Creativity is simply the degree to which one can think of different and more effective approaches.

However, why some people have a knack for this while others do not have is a mystery. Aristotle did not know the origin of his remarkable insight. Archimedes who leaped from the bath with the displacement theory was at loss to explain how he got there. Many great thinkers concluded that it arose from something other than logical reasoning. They offered little advice on how to achieve it.

Figure 2.3

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2.2 What makes a person creative?

All studies to determine what makes a person creative, point to following main characteristics:

- Problem sensitivity
- Idea fluency
- Originality
- Creative flexibility
- Remove mental blocks
- Lateral thinking
- Brainstorming by affinity diagram

Experiments have demonstrated that all of these can be acquired or developed to some degree in any individual. The naturally creative person can learn to raise his already high creative output even higher through experience. A person who is rather low in using his imaginative faculties can learn to do more with what he has through application.

2.2.1 Problem Sensitivity

This is the ability to recognize that a problem exists, or be able to cut through misunderstanding, misconception, lack of facts, obscuring handicaps and recognize the real problem.

The easiest way to improve your problem sensitivity is simple to keep in mind that every business operation, every human relation technique, every man-made article can be improved further. In every situation you encounter, an opportunity exists to find a better way. If you can once learn to recognize these problems as challenges to your own creative effort, you will be half way to finding creative solutions to such opportunities.

2.2.2 Idea Fluency

A person can pile up a large number of alternative solutions to a given problem in given time. More the ideas you have, the greater are your chances of finding a usable one, the more plentiful are your opportunities to get out of the same old ways of doing things.

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Idea fluency depends upon personal mental habits. It is an attribute that can be developed or improved by nearly every person who will consciously apply himself to it.

Remember that in the beginning, gathering of quantity of ideas is important. Do not mix evaluation of the ideas with gathering the ideas. Get your ideas first, and worry about whether are good or not later on.

Here are a few tools to help you for gathering ideas fluently.

- **Making notes:**

    ✓Always carry a notebook or notepad in your pocket. Use it extensively and continuously. Once you get a stray idea, immediately write it down. Do not depend on memory. You will forget the idea if you depend on memory. If necessary, keep many notepads all over your house as well as office so that you can write the idea on one of them without fail.

    ✓Record your observations of circumstances. Record your conclusions or opinions on problems you have been thinking about. Frequently, a person spends hours, even days working on a problem. After reaching some good conclusion, an idea or a decision, and acting on it, he puts the problem out of his mind and starts working on another problem. Later the first problem may occur in some different form. Hence, recording of the earlier work is a must.

    ✓You should certainly form the habit of noting anything that may have possibilities for future use to you, however remote those possibilities may seem now. Include clippings from newspapers, magazines, books etc.

    ✓Along with note making system, develop a note using system to which you transfer your spur of the moment notations at the earliest opportunity.

    ✓When you have the problem, be sure to use the notes.

- **Picking your time to be creative:**

    ✓Every individual runs on a daily cycle. Each of us has a time during the day or night when he is most capable of creative or imaginative thinking. Your personal cycle is something you will have to analyze for yourself. Once you find it, use it extensively for idea formation. Use it for thinking about problems with a view to getting ideas.

    ✓You may find that you create best in some special location, may be your balcony, or a garden. One of my friends believes that he is most capable of creative thinking when he is in toilet.
    Try to use your favorite location for creating the ideas.

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- **Set a deadline:**

✔ Do not procrastinate on problems. There is a real and practical deadline to have the urge to push yourself mentally. Set a deadline for yourself.

- **Give yourself a quota:**

✔ Create a target for yourself that you are going to come up with ten or twenty new ideas. It brings up good individual spur.

2.2.3   Originality

Finding new ways to vary existing conditions, finding new ways to adapt existing ideas to new conditions, or creating a new modification of something that will fit in existing condition are the needs of the day. Ability to produce these original variations is the attribute of a great business executive. This creative attribute of originality can also be developed. The secret is in the systematic use of questions, for "Systematically challenging the obvious":

- "Why is it made this way?"
- "Why do we follow this procedure?"
- "Is this object really necessary?"
- "How can we improve the way we do this?"

Figure 2.4

Sample IDEAS checklist

Use of idea checklists is required for not forgetting to be original. The idea checklists consist of operational questions that challenge the obvious aspects of a problem. Using such checklists to spur ideas can be the basis for forming the questioning habit in an executive. This questioning must be done in a positive frame of mind. The objective of creative questioning is to uncover new possibilities for better ways of doing things. Idea checklists can often be improvised. A sales manager looking for new customers might get real benefits out of just leafing through the yellow pages of a telephone directory with an open mind, or through the list of SMS messages given by concerns such as www.justdial.com. An office manager trying to develop a more efficient utilization of

office space might get some ideas by paging through a trade publication devoted to hotel or kitchen planning. The originality may consist in the fact that this has never been used in your particular field before. If it solves your problem, settle for that.

2.2.4   Creative Flexibility

The quality of creative flexibility is largely that of being willing to consider a wide variety of approaches to a problem. This is, in turn, is largely a matter of attitude. Rather than obstinately freezing into one particular idea, or a single approach to a problem, the flexible person starts out by remembering that if one solution will not work, he can always approach the problem from another angle. This is also called as creative expectancy, which means that the creative person expects to solve the problem, no matter how many failures temporarily delay the solution.

2.2.5   Remove Mental Blocks

Figure 2.5

Blocks of any nature are a result of one thing: not being firmly in the present. Through either anxiously living in an anticipated future or stuck in the habitual past, we cut ourselves off from the inspiration and creativity that exists when we are fully present.

• **Taking a shower** is a simple and effective way to bring our attention firmly back to the present moment, as it's difficult not to be present when you have a stream of water hitting you in the face (for supersized results, go for a cold shower).
There is an added benefit here in that during a shower, we tend to relax, further increasing the probability of having inspired ideas and producing creative solutions. Does it make sense now why people have some of their best ideas in the shower or bath?

• Sometimes, an effective way to get out of the neighborhood where blocks like to hang out (e.g. our heads) is to engage in any **high intensity activity or exercise**. Whether this involves a casual stroll in the park or running up mountains, anything that gets you into a different environment, preferably one with fresh air and nature. Any

activity that will cause you to become present and grounded in the now is great for jump-starting your creativity and circumventing blocks (e.g. running, gym, yoga, or dancing).

- **Change the channel**: Blocks arise when we focus on what we do not want, instead of on what we do want. When we take our attention off our initial aim and allow it to drift to places it has no business being, we end up going down a dead-end street and the next thing we know we have a big hairy mental block.
A great trick for removing it is to change the channel or input we are putting our attention on. One way to do this is by doing something completely unrelated to the problem you are working on.

- **Change the environment**: This is a great trick for disarming mental blocks that do not seem to go away. A great way to "reset" an unwanted rut, which inevitably leads to the same dead-end destination, is to change the environment.
This applies to both our outer and inner world, and can be as simple as taking a holiday to a place we've never been before or taking a course we would never normally go on, which has always seemed interesting.
Anything that **disrupts the same old routine** can be incredibly effective at helping us broaden our perspective and ultimately see new solutions to old problems.

2.2.6   Lateral Thinking

Lateral thinking is solving problems through an indirect and creative approach, using reasoning that is not immediately obvious and involving ideas that may not be obtainable by using only traditional step-by-step logic. The term was coined in 1967 by Edward de Bono.

In the following example, six eggs are kept in a basket. Six people take one egg each. Still one egg is left in the basket. One could say that it is impossible. However, lateral thinking says it is possible.

This is because after five people take one egg each, one woman takes the last egg that is still in the basket.

Figure 2.6

There are six eggs in the basket.
Six people each take one egg.
how can it be that one egg is left in the basket?

She takes the basket as well with the last egg still in it

While solving the problems we must think laterally, and think out of the box.

In the following diagram, there are six points, which have to be joined by using only four straight lines without lifting our hand. Once you try it, it will look impossible for you. However, when you think out of the box, as shown by the arrows, then only you can solve this problem.

Figure 2.7
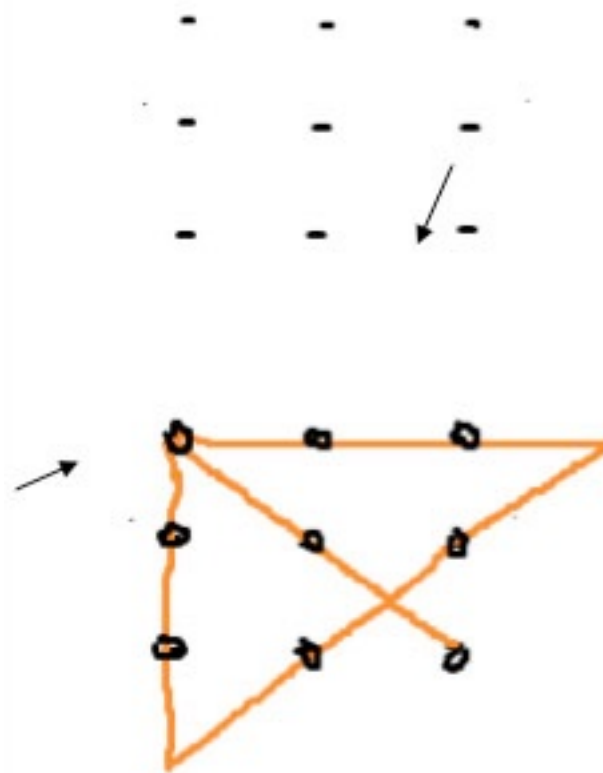
2.2.7   Affinity Diagram

Figure 2.8

It is an activity of organizing large amounts of data in groups according to some form of natural affinity.

The affinity diagram is a business tool used to organize ideas and data.

The tool is commonly used within project management and allows large numbers of ideas stemming from brainstorming to be sorted into groups, based on their natural relationships, for review and analysis. People have been grouping data into groups based on natural relationships for thousands of years; however, the term affinity diagram was devised by <u>Jiro Kawakita</u> in the 1960s and is sometimes referred to as the KJ Method.

- **Process**

    o   Record each idea on cards or notes.

    o   Look for ideas that seem to be related.

    o   Sort cards into groups until all cards have been used.

    o   Once the cards have been sorted into groups, the team may sort large clusters into subgroups for easier management and analysis. Once completed, the affinity diagram may be used to create a cause and effect diagram.

In many cases, the best results tend to be achieved when the activity is completed by a cross-functional team. The process requires becoming deeply immersed in the data, which has benefits beyond the tangible deliverables.

2.3   Solve The Problems On Hand

Consider the following method for solving the problems on hand:

o   Define the problem. If it is large and complex, break it down.

o   Get the facts.

o   Go after ideas. Many ideas. Lots of them.

o   If you have labored over a problem and have not found a solution, you might get frustrated. The best thing to do then is to sleep on the problem. Break away from your desk to walk to the water cooler or go to lunch.

o   Evaluate your ideas. Screen the ideas as "possibles", "probables", "impossibles". Ask creative questions about bad ideas so that some of them will develop into new ideas and approaches. Be objective.

o   Plenty of cold-blooded judicial thinking has to be exercised and some decisions should be made about implementation of the ideas.

Here are a few things that keep an average person from being creative:

o   Laziness

o   Lack of confidence

o   Fear of ridicule

You must overcome these hurdles.

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The executive who wants more ideas from his organization has to first create the atmosphere of encouragement and appreciation of creativity, climate of safety and above all, freedom to fail.

The road to success, fame, and fortune for an aspiring executive is that he has used his own imagination to analyze, develop and infuse his company with the necessity and means of getting all-out, imaginative, creative thinking from everyone.

2.4   Examples of amazing innovative ideas from young Indians

The following examples will inspire you to think laterally and innovate:

1.   Varsha Kumari, Class 10, Indra Prasad Singh Gangstahliya Balika Gyanpith Patna, Bihar proposes a system where the driving license is swiped, like a credit card machine. The vehicle starts only if a pre-authorized license is swiped. This also protects the car against theft. This will also ensure that the driver carries his license positively. The idea came to her a friend's car was stolen and never found.

2.   Rajashree Choudhury, Class 5, Little Flower School, Jamshedpur, Jharkhand wants to stop people from using a mobile when driving. She proposes to use a device with a place for inserting a mobile, and it is fixed on the car dashboard or handle of a two-wheeler. The vehicle moves forward only if the mobile is inserted into this device. In other words, the driver cannot talk on the phone while driving.

3.   Rajashree further proposes to have personalized doorbell ringtones so you know who is at the door beforehand. The doorbell has unique codes assigned to different individuals. Therefore, when a guest presses their code, the doorbell rings with a specific sound.

Figure 2.9

In America a stranger approached an 8 year old boy
and asked him to come with him.
The stranger told him that something had happened
and his Mum had sent him to pick him up.
The boy asked the stranger for the PASSWORD!
and used the man's confusion to run away.

He and his mum agreed a password
in case she ever had to send someone to pick him up.
Maybe this saved the boy's life.

So SIMPLE - So EASY!

Please agree a PASSWORD with your children!
Maybe it will make the world a little bit safer!

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4.   Siddharth Pal of class 11, Sai Grace Academy, Dehradun, Uttarakhand says that all of us observe that vehicular traffic load on either side of the divider at different times during the day (especially during peak hours) varies. He suggests that suggest having movable road dividers, which can be shifted to the left or right depending upon the incoming traffic from a particular side thereby easing congestion on roads. Siddharth used to get annoyed when he would be delayed while on the way to an important class. He put on his thinking cap and came up with a simple but effective solution -- movable road dividers.

Figure 2.10

5.   Shweta Verma, Class 9, Gyan Sthali Public School, Jhansi, Uttar Pradesh suggests that we can design retractable toilet fitted with sensors -- the pot can be pulled inside the wall after use and taken out when needed. Shweta believes that it will help people who have small homes with little space. It can also be used in other places where space is a constraint.

6.   Jatin Kumar Bhoi, Class 9, KK High School, Sundergarh, Odisha, found it difficult to remain awake while studying. It landed him in problems, especially during exams. To overcome this tricky situation, he suggests a special shirt with a mechanism for making sure that the person wearing it remains awake. He also wants it to have buttons that can tell time.

7.   Vaibhav Tidke of Mumbai has designed a solar conduction dryer. Dehydrating fruits and vegetables can increase their shelf life to almost a year but most conventional methods use non-renewable energy. This innovation's intellectual property involves a complex process through which heat due to solar energy is transferred and dehydrates the produce. A much needed innovation to prevent losses in agriculture due to spoiling of produce.

8.   Atul Kulkarni of Bangalore has designed an automated solar irrigation system. It works without electricity thus solving the problem of other systems that fail to work when electricity is absent and endanger the health of crops. The unique design has a very efficient solar energy converter module to run the motor and a micro controller

based automatic pumping circuitry that prevents water wastage. A decisive solution for irrigation that tackles the electricity supply issues and is also labour and water saving.

9. Harinarayan Prajapati, Location Jaipur has designed auto kit to improve efficiency. It is a grass-root invention by an innovative garage mechanic. This kit for four stroke engines can be easily fitted in the inlet manifold line, and increases the mileage without compromising on power. The estimated savings in fuel consumption are about 10% or more. The inventor's IP achieves the mileage benefits by an ingenious approach to rectify the air-fuel mixture: it sucks in and stores an extra air fuel mixture that can be released back to the engine when required. This widely applicable innovation can go a long way in curbing the rising fuel consumption.

10. Arnab Chakraborty, Class 12, Future Foundation School, Kolkata, West Bengal, who recently moved to Kolkata, was surprised seeing a large number of cycle rickshaws plying on the city roads. It also disturbed him to see thin, frail men pulling such weight. So, he thought of a modified cycle rickshaw with extra pedals for passengers who may wish to share the burden and co-pedal the rickshaw.

11. Ramdas M U, Ashfaq Muhammed T, Shahin T A, Sonu Unnikrishnan K, Sreelakshmi, Suresh, Sruty A, Location Thrissur have designed a device for comprehensive protection from electrocution. It is a device to protect technicians on distribution power lines where there is a high risk of accidents.
Realizing that the most common cause of the accidents is the crossing of the minimum safe distance from the high voltage lines, the developers have created an instrument that alerts the technician with an alarm when this distance is reached. It is based on the principle of detecting the increased electromagnetic field that occurs through a sensor. The device is small enough to be installed on the technician's security helmets. It is a life-saving aid for front-line employees in the electricity sector.

2.5 Twenty-five Ways to Keep Ideas Flowing in Your Workplaces

1. Ask for ideas. Make sure everyone on your team knows that they are supposed to think.

2. Ask the new employees immediately for their ideas. Do not let them walk around thinking to themselves, "There must be a reason they do it this way" and not telling anyone!

3. Create an idea or inspiration room specifically designed to encourage people to brainstorm and debate ideas in a fun, relaxed atmosphere.

4. Put up a "What if…" board in your workplace, where employees can pose outrageous "what if" kind of questions.

5. Have a "What if…" section in every meeting.

6. Have an "Idea Challenge of the Month" that encourages employees and customers to generate ideas on a specific problem or in a specific area.

7. Design your workplace to encourage spontaneous, random encounters between employees.

8. Create job swap days where people experience each other's jobs and become more aware of each other's challenges and perspectives. Creativity thrives on connections, changed perspectives and synchronicity.

9. Create contests around idea challenges and include not only all the employees, but also the families of employees.

10. Create mentorship programs that encourage newer employees to develop their critical and creative thinking skills.

11. Create "mastermind" brainstorming teams that meet regularly to brainstorm key issues and opportunities.

12. As some organizations do, give employees $10 - 20\%$ of their work time to work on their own pet projects and initiatives.

13. Start a book club that meets once a month to discuss current, hot books.

14. Create sabbatical programs that allow employees to take an extended leave every five years.

15. Take your team on an inspiration hunt. Walk around your downtown; go to a museum or a zoo to look for ideas and inspiration related to a specific challenge.

16. Facilitate employees taking colleagues to lunch with whom they normally would not interact.

17. Create more space for thinking: a dedicated quiet, tech-free room or lounge area with relaxing chairs.

18. Create more time for thinking, incubating, and more face-to-face conversations by creating a technology-free day once a week or twice a month.

19. Meet in unusual places. Hold the occasional meeting off site: at a park, at the zoo, over breakfast, at a picnic site, on someone's farm house.

20. Reward smart failure. If you are truly valuing creative ideas, then people need to be given room to make smart mistakes without fear. Creating a reward program that actually recognizes people's blunders in the face of trying something new sends a powerful message.

21. Create a straightforward and transparent system for assessing ideas. Ensure that anyone can submit an idea and have it properly heard by whoever needs to hear it, and

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a system for acknowledging and getting back in a timely manner to the person who submitted the idea.

22. Listen to ideas and immediately, when possible, put them into practice. One of the most motivating things you can do at work is to show people that their ideas can actually shape their business or workplace.

23. Offer training on creative thinking, creative leadership, and brainstorming skills.

24. Create an idea repository on your internal website.

25. Inject more fun and humor into your meetings, hiring practices, and workplace culture. Humor is one of the biggest catalysts for creative thinking!

2.6 What helps creativity flow?

- Giving people more autonomy

- Open and honest communication

- A fun, inspiring meeting room

- Simplified rules and processes

- Recognizing that not changing, not trying anything new is often the biggest risk

- Simple, plain, everyday language

- Accessible and open leaders

- Teams that interconnect with other teams

- Bold, audacious goals and targets

- Idea championing language

- High levels of trust

- Leaders recognizing innovators

- Brainstorming on a regular basis

- Embracing healthy conflict and debate focused on ideas not personalities

- A clear and bold vision of the future

- Recognizing that "90% good" is sometimes all you can ask for to move forward on an idea

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- Hiring people with varying perspectives and backgrounds

- Confident egos

- A healthy sense of humor

2.7   What Blocks Creativity?

- Micromanaging projects and people

- A lack of open and honest communication

- A stuffy, stifling meeting room

- Too much red tape

- A risk-adverse attitude and culture

- Buzzword jargon

- Inaccessible leaders

- Teams working in isolation

- Small, unexciting goals and targets

- Idea-killing language ("We tried it in 1957")

- A lack of trust

- Leaders who take credit for others' ideas

- "Blame-storming"

- A conflict-adverse culture

- A vague or confusing vision

- Analysis paralysis & waiting for perfection

- Hiring similar personalities and profiles

- Big egos

- Seriousness

- Too much criticism of certain people in their absence

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2.8 Activities for the students

Activity A:

One morning, when you were in your bathroom, you got a funny idea. Describe it. If implemented, what kind of problem will it solve?

_____

_____

_____

_____

_____

Activity B:

While travelling, we have either to carry a water bottle from home or buy a mineral water bottle. Both the options are not acceptable to you. Any other roadside water may not be potable. Suggest an idea to solve this problem.

_____

_____

_____

_____

2.9 Summary

New ideas are the primary catalyst for growth in any industrial organization, whether they involve coming up with new products and marketing strategies or developing entirely new technologies.

It is inaccurate to speak of creativity as a trait that some people have and others do not have. Everyone is creative to some degree. The human mind is taught from birth to accomplish certain tasks in specific ways. Creativity is simply the degree to which one can think of different and more effective approaches.

However, why some people have a knack for this while others do not have is a mystery. Many great thinkers concluded that it arose from something other than logical reasoning. They offered little advice on how to achieve it.

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Instead of one mode of thought, each person actually has two modes of thought. One, freely associative, is the idea generator; the other, which worked in a step-by-step logical fashion, acted as a filter. For several reasons, most notably the fear of ridicule by others, the filter has become so dominant in most people that it blocked the release of novel ideas.

Ideas are vital factors in business survival today. In any type of organization, creativity must come from the top. Top management must set the example. If the top executive is not an idea man, he must at least have enough knowledge and understanding of the creative processes that he does not inadvertently block or discourage fresh or different kinds of thinking within his organization.

2.10   Self-assessment questions

1.   What is problem sensitivity?

2.   How should one deal with mental blocks?

3.   Describe affinity diagram.

2.11   Multiple choice questions

1.   Who invented an automatic blood analyzer?

a.   Jiro Kawakita
b.   John J. Moran
c.   Alex Osborn
d.   Edward de Bono

2.   Who leaped from the bath with the displacement theory?

a.   Aristotle
b.   Newton
c.   Tolstoy
d.   Archimedes

3.   This is the ability to recognize that a problem exists, or be able to cut through misunderstanding, misconception, lack of facts, obscuring handicaps and recognize the real problem.

a.   Problem sensitivity
b.   Idea fluency
c.   Originality
d.   Creative flexibility

4.   One of the tools to help you for gathering ideas fluently

a.   Engage in any high intensity activity or exercise
b.   Keep eggs in a basket
c.   Taking a shower
d.   Making notes

5.   A way to remove mental blocks

a.   Lateral thinking
b.   Change the environment
c.   Change the bathroom
d.   Set a deadline

Transition from chapter 2 to 3

So, my dear students, the second chapter has given you enough insights to understand your creative abilities, and guided you to the path of innovation. It is interesting how small childeren also think creatively. By lateral thinking, you can surely be a great innovator. Remove your mental blocks, use idea checklists, and think calmly and quietly every day in your favorite place. Solve problems on your hand in time without postponing them.

The next chaper insists upon the fact that everyone of you is creative in your own way. You are a God's creation and so you are a unique individual. You should eliminate obstacles to creative thinking. Have open mind, build observation skills, and ask probing questions.

We are sure you will enjoy reading this upcoming third chapter.

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Reference Material

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video1

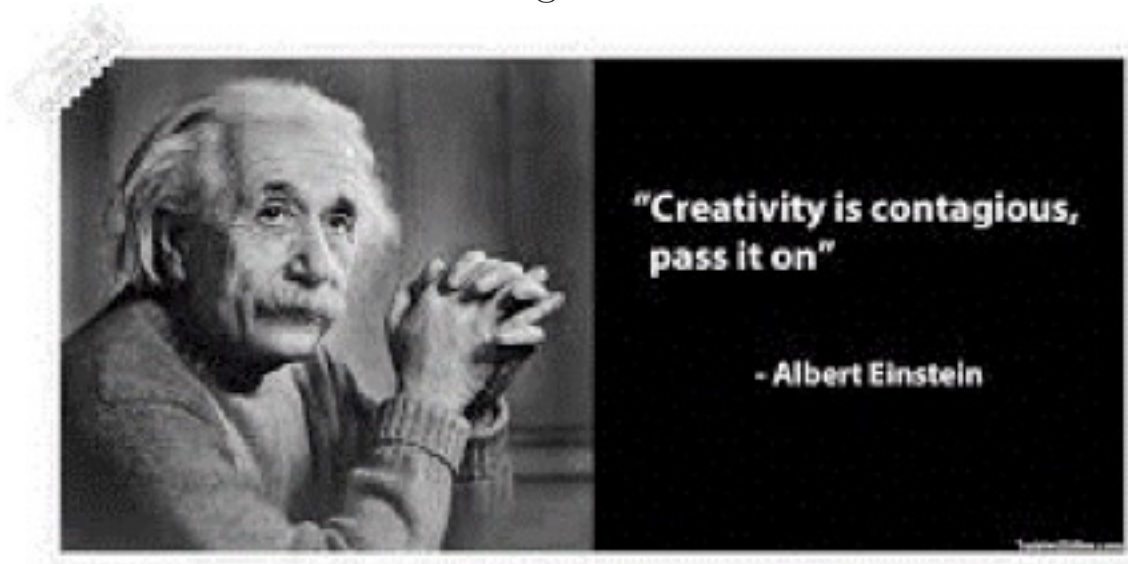### Video2

Everyone is creative

Objectives

After studying this chapter, you will get an insight into your ability as a creative human being.

Structure

3.1   Introduction

3.2   Believe That Everyone Is Creative

3.3   Believe in Your Own Unique Creative Thinking Talents

3.4   Assessment Tools

3.5   Combine Different Talents for Maximum Results

3.6   Eliminate Obstacles to Creative Thinking

3.7   Learn to Unlearn and Forget

3.8   Accepting Failure

3.9   Be Curious

3.9.1   Do You Have an Open Mind?

3.9.2   Acknowledge that alternative ideas can exist

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Figure 3.1

3.1   Introduction

Friends,

We should feel lucky to be born as human beings. Just because the fact that we are humans, we have automatically become creative, genius and intelligent. Many of you will not believe me. However, after studying my book, I am sure you will get fully convinced about this fact. Many of us are not aware of this fact for a long time in their life. If we had a well-read mother, an understanding father, a kindhearted experienced teacher, and great surroundings containing good friends' circle and citizens with educated and well- to-do background, we could become aware of the fact earlier in our life. Trust me; every one of you is creative. Therefore, you can become innovative. Without creativity, there is no innovation.

One of the fundamental principles of Innovation Management is **"Believe in Creativity."** As every good gardener knows, you cannot rely on the same old flowers season after season. They die. New seeds are needed to rejuvenate the garden and stimulate growth. We must do this activity regularly. Creative thinking involves leaving the known and entering the unknown. It is about burning new neutral connections in the brain so that creative ideas have the opportunity to surface. Many people stop themselves from experiencing new things and only want to stay in their c**omfort zones**. Many people stop themselves from being creative because they do not believe in their ability to be creative.

The second principle is **"Be curious"**. Great creative thinkers have an insatiable appetite for understanding how things work and for connecting new thoughts with old ones. They feel free to challenge their own assumptions and those of others. They make room for new ideas by unlearning or forgetting some of what they thought to be true. They know that creativity requires a new mindset. They ask probing questions and listen to the answers they receive with open minds.

The third principle of creative thinking is **"Discover new connections"**. Many ideas already exist in some form somewhere in the universe-in some other department, organization, industry sector, or country. Finding these ideas and then experimenting to mix and match or cut and paste them into new ideas is the essence of creative thinking. Learning how to connect or cross-fertilize ideas into new ones will greatly increase a person's creative thinking skills.

3.2   Believe That Everyone Is Creative

Some individuals have a greater ability to discover new and often amazing ideas than others do. Some are able to make connections between things so well that make people think, "Why didn't I think of that?"

Are these people born with this creative ability? Is it gained through supportive parents, mentors, or other environmental factors? Is creativity a mystery, an untouchable skill with which only a few are blessed?

Many view creativity as an integral part of the DNA with which everyone is born. Others view creativity as a "lucky break," for the special ones, the gifted ones, the crazy ones.

Why is it that an advertising person who discovers a new idea to communicate with potential customers is called "creative," but a purchasing manager who discovers a new idea to source raw materials at a cheaper rate, or a human resources manager who discovers a new idea to recruit students via the Internet, is not? Is creative thinking the domain of only a few?

The answer is "No". If the definition of creativity is "the discovery of a new connection," then *everyone* has the ability to be creative. Everyone has the ability to connect one idea with another, to find an idea in another department, organization, or industry, and connect it with another to solve the challenge at hand. Artistic creativity is only one form of creativity. There are many other forms or avenues of creative expression, such as finding a new idea to better serve a customer, discovering a new recipe using only the ingredients in the refrigerator, or trying a new route to and from work.
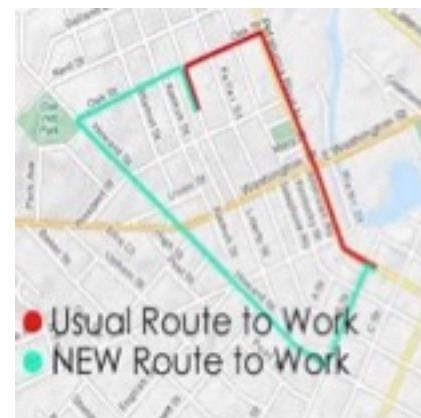
Figure 3.2	Figure 3.3	Figure 3.4

Usual Route to Work
NEW Route to Work

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3.3   Believe in Your Own Unique Creative Thinking Talents

Were you once creative, but now suppress your creativity in an effort to conform? Alternatively, have you lost faith in your creative ability because someone, somewhere in your past, planted the seeds of self-doubt about your creative ability?

Figure 3.5

The most important factor in creative thinking is a person's own belief in his creative ability. A leader cannot just ask people to be creative. They must first believe that they are.

Traits of the creative thinker   Table 3.1

Willing to challenge the status quo	Enjoys complexity
Curious	Has many interests
Adventurous	Enjoys a challenge
Imaginative	Intuitive
Able to make connections	Able to see new possibilities
Observant	Motivated
Flexible	Collaborative
Reflective	Analytical
Playful	Patient
Tolerates being in the unknown	Persistent
Continuously learning	

Not everyone is creative in the **same way**. Everyone has different preferences and talents for creativity in different areas of their life.

- For example, Bill Gates may be a creative thinker in the computer field but might not be as creatively inclined with gardening.

- Wayne Gretsky might be a creative thinker when it comes to hockey and reading the relationships between players on the ice, but he might not be as creative when it comes to composing short stories.

- Albert Einstein might have been a great creative thinker when it came to mathematics, but he might not have been as creative as an athlete might.

- You might be very creative in one area of your life and less so in another.

There are many situations in everyday life in which an individual's creative-thinking talent is needed.

Creative ideas are needed:

- when faced with the challenge of finding a birthday gift,

- figuring out a new route to work when the regular route is under construction,

- while locating a long-lost classmate

The fundamental skills of creative thinking in these situations can be transferred to creative problem solving in a work setting. If you have shown your creative-thinking abilities in one area of your life, what is stopping you from transferring these same skills to other areas of your life, including your work?
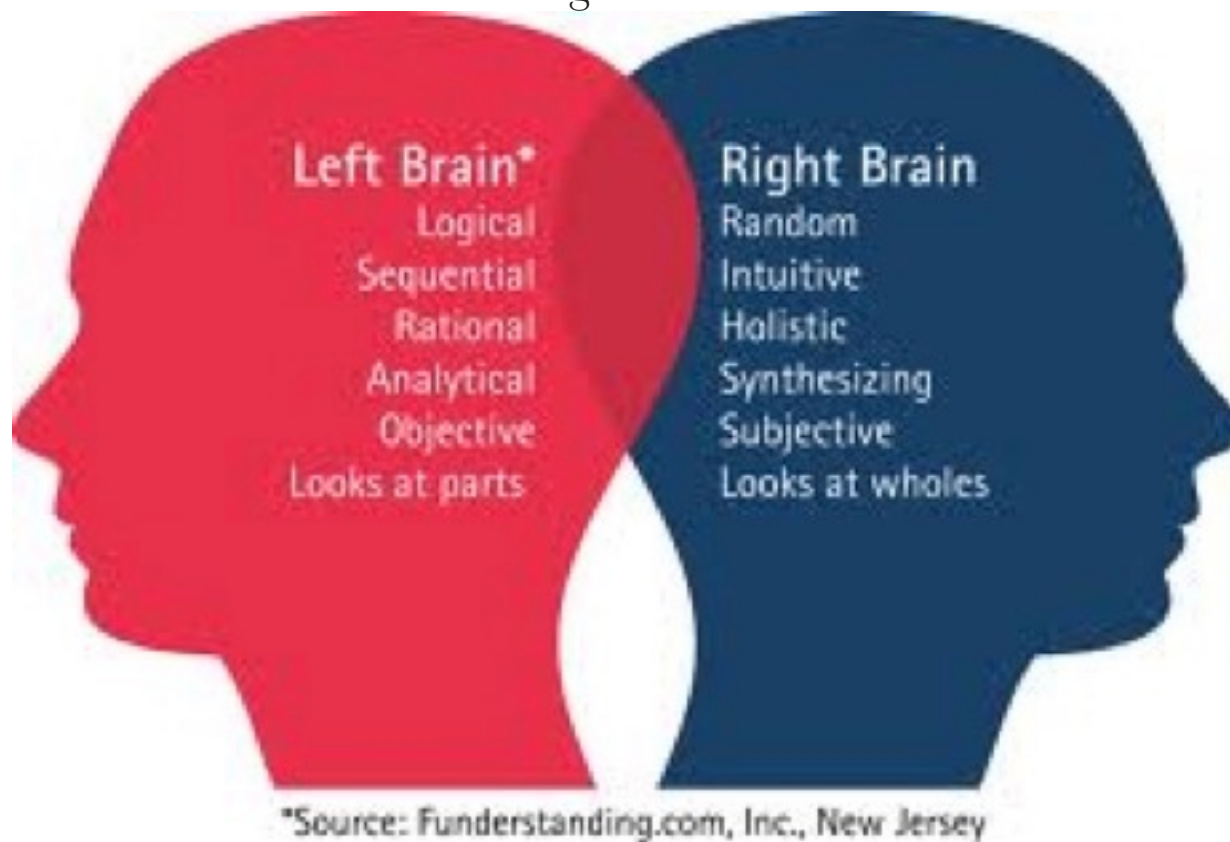
3.4   Assessment Tools

When discussing creative-thinking skills, there is usually a reference to the "right brain" versus "left brain" model of thinking. Each side, or hemisphere, of the brain possesses specialized and differentiated functions.

The left side of the brain is thought to dominate language, logic, and scientific and analytical tasks, while the right side of the brain is thought to dominate visual, spatial, and artistic tasks. In essence, the left side deals with more details while the right side deals with more abstract processes.

Over time, the right brain has become associated with creativity. Some assessment tools purport to measure the subject's tendency for "left brain" versus "right brain" thinking. You may find the value of these types of assessment tools limited. As you will soon discover, you need both sides of the brain, the "whole brain," for innovation work.

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Figure 3.6

*Source: Funderstanding.com, Inc., New Jersey

William Miller developed the best assessment tool. He was a researcher and lecturer at Stanford University and the author of the book "Flash of Brilliance".

Miller believes that everyone has the capacity to be innovative. His approach chooses not to measure whether a person is innovative, but instead seeks to understand or discover the **unique way** in which a person is innovative. His work encompasses the following concepts:

• We are all unique individuals. Each of us has different ways of expressing our talents, knowledge, values, and interests.

• We all have the capacity to be creative, but we express this potential differently.

• We approach innovation and change with our own unique blend of the four Innovation Styles. These four Innovation Styles are Visioning, ***Exploring, Experimenting, and Modifying.*** The styles tap into unique preferences for such things as setting clear goals, developing new rules, relying on current standards, looking to the future, working with details, and so on.

• **Visioning**:

    ✓"Let's develop a clear sense of purpose and goals to focus and drive the creative energy."

    ✓Some people like to focus on the end result. They have a vision of what they want to create. They are comfortable letting their goals be their guide. They can provide a team with direction, inspiration and momentum. They emphasize Visioning.

✔People who favor the Visioning Style trust their instincts and like to make decisions. They seek solutions that focus on maximizing potential rather than focusing on what has gone on in the past. Driven by their long-term goals and their organization's mission, they solve problems by relying on their vision of the future to guide them.

✔This style is characterized by people who are persistent, determined, hardworking, and visionary.

- **Exploring**:

    ✔"Let's explore in new directions and see where we end up."

    ✔Some people like to explore uncharted territory. They thrive on the unknown and unpredictable. Often they come up with new ideas from out of nowhere. They tend to add a sense of adventure to any project and open up the potential for dramatic breakthroughs. They emphasize Exploring.

    ✔People who favor the Exploring Style like using their insights to guide them. They tend to question assumptions and often will try to implement their ideas despite resistance from others. They are adventurous, dislike routine, and like to be challenged.

- **Experimenting**:

    ✔"Let's see what happens if we take existing elements and combine them in new ways. And let's get people involved to ensure an implementable plan of action."

    ✔Some people like to experiment. Once they agree on a common process or way of thinking, they can troubleshoot anything. They contribute to the team by adding careful testing and getting input from all concerned in order to confirm ideas. They emphasize Experimenting.

    ✔When people use the Experimenting Style, they emphasize fact finding and information gathering. They seek solutions by applying pre-established processes and trial and error. As problem solvers, they like to collect as many facts and opinions as possible before they make their decision. They are curious, practical, and good team players.

- **Modifying**:

    ✔"Let's build on what we already have and make improvements where necessary."

    ✔Some people feel comfortable moving forward one step at a time; they like to build on what they already know is true and proven. They provide a team with the stability and thoroughness it needs to do a quality job. They emphasize Modifying.

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✔People who take a modifying approach to innovation are most comfortable working with facts and making decisions. They like to solve problems. They seek solutions by applying methods that have worked in the past. These people tend to be precise, reliable, efficient, and disciplined.

3.5   Combine Different Talents for Maximum Results

If we can be aware of **the ways** in which an individual is innovative, we will be able to leverage this capacity most effectively and efficiently for both individual and collective gain. Everyone is creative but that everyone approaches creativity in different ways. By recognizing each person's **unique talents** as well as their unique Innovation Styles, we can greatly enhance both the quality of interaction within the group and the output of the group.

Many organizations have found that **collaborative innovation** works best when a combination of diverse thinking styles exists.

- An example of applying this philosophy to teamwork can be found at Nissan Design International. In an attempt to get a wider variety of problem-solving approaches, Jerry Hirschberg hires designers in pairs—a free-form thinker alongside someone with a more analytical approach—to ensure greater intellectual diversity.

- Other examples of leveraging diverse thinking styles can be found in the world of basketball, where Phil Jackson the former coach of the Chicago Bulls, was able to combine the unique approaches of Michael Jordan, Dennis Rodman, and Scotty Pippin into a championship team. He repeated this winning approach with the Los Angeles Lakers, combining the diverse thinking styles of Shaq O'Neil and Kobe Bryant, among others.

- Another leading contributor to the creative-thinking field is Professor Howard Gardner, who contributed his insightful theory of "Multiple Intelligences."' Gardner recognized that there are different types of human intelligences, including those that go beyond the traditional linguistic and mathematical intelligences that are most commonly recognized and rewarded. Gardner also offers the following different types of intelligences:

  - Musical Intelligence (sound, rhythm, composition)

  - Spatial Intelligence (visual aesthetics, drawing, painting)

  - Kinesthetic Intelligence (dance, movement, building, drama)

  - Intrapersonal Intelligence (research, reflection, personal projects)

  - Interpersonal Intelligence (interactive expression, cooperative)

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Your creative spirit does not have to be applied only to the linguistic and mathematical areas. Look beyond these traditional types of intelligences to see how you can bring out your unique creative talents in the other important, yet often overlooked, "multiple intelligences." Despite traditional views, many people now realize that creative thinking in the musical, spatial, kinesthetic, intrapersonal, and interpersonal areas is just as valuable as creative thinking in the traditional linguistic and mathematical areas.

3.6 Eliminate Obstacles to Creative Thinking

It is basic human nature to be curious, to try new things, and to learn by discovering new connections. Somehow, along the way, this natural creative talent has been blocked. Through self-judgment and the conditioning of others, people stop looking for new ideas, stop trying new approaches, and stop discovering new connections. Over time, their creative "muscles" weaken and in some cases, may even atrophy to the point that, when called upon, the creative muscles are so weak they are not able to jump into action.

Most barriers to creative thinking are self-imposed. You cannot expect to "think outside the box" if you constantly put yourself back in the box! There are three common obstacles to creative thinking:

Figure 3.7

Creative Jobhunting : overcoming obstacles
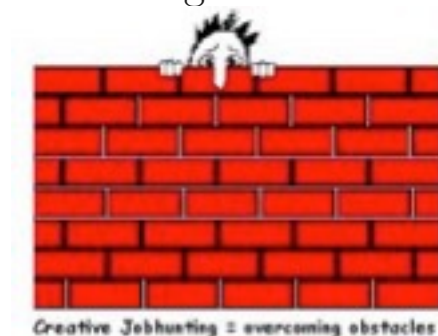
Obstacle 1: Hesitancy to Try New Things

"We tried that a few years ago and it didn't work."

"We've never tried that so it won't work."

"We've always done it this way."

"We don't want any mistakes so do it the way it's always been done."

• Why is it that people try many new experiences in their younger years but somehow, once they are a bit older, the number of new adventures they are willing to experience starts to dwindle?

• Why do they stop trying new things and want every step of the journey mapped out for them, even before they start? Perhaps people get a little too comfortable in their

everyday routines. Perhaps they convince themselves that there is already too much change in the world, so in order to cope, it is best to do what they have always done.

The fear of making a mistake and the fear of what others may think can lock a person in their own creative thinking prison. Children try new things, but many adults only try new things if they think they can do them right.

- "I can't ski because I tried skiing once and I fell."

- "My job doesn't allow me to be creative."

- "I can't give a speech because I gave one in high school and my class didn't like it."

Are these constraints real or imagined? Are these constraints still valid after all these years?

Everyone is naturally full of creativity but our "voice of judgment" takes over.

- "You can't do that.

- That will never work.

- You will fail.

- It will not be good enough.

- That's the dumbest idea I've ever heard."

Everyone has become very good at judging others as well as themselves. The voice of judgment creates fear and destroys confidence in people's creative talents and in their abilities to excel. They stop dreaming of what could be and see only what reality is today. These insecurities hold them back from asking new questions and taking action. What is really stopping people from being creative is **not a lack of new ideas but their voice of judgment**.

Creative thinkers try new things and move with the changing world. Albert Einstein determined that energy is a function of mass and velocity (E=MC2), so in order to develop new creative energy, mass must be moved in some new direction!

People need to move out of their **comfort zones**, open themselves up to new experiences and let more creativity flow into their lives.

Try one thing new each week. Start with baby steps:

- Listen to a new radio station.

- Rearrange your office furniture.

- Try exotic food.

- Speak to new people. Even strangers can help people improve their creative abilities.

Also, challenge yourself to really understand why you stop yourself from trying new things. Write down ten things you have always wanted to do but have not done. What is stopping you from doing these ten things? Are your obstacles real or imagined? Alternatively, when faced with challenges from others, ask yourself if the constraints others are trying to place on you are real or imagined. How can you overcome these constraints so that you can move forward and experience new things?

Obstacle 2: "The Right Way"

"That's not the way it's done in our industry."

"Don't rock the boat."

"The board won't go for that idea It's too radical."

So much time is spent attempting to recommend the "right" answer that there is no time left to find new and better ways.

Many people have a tendency to stop looking for alternative right answers after the first answer has been found. Stopping at the first "right" answer prevents further exploration of possible solutions. If this pattern of stopping at the first answer is repeated, the ability to forge new pathways or thinking patterns in the brain is damaged. One right answer results in little room to move and too few degrees of creative freedom. Nothing is more dangerous than an idea when it is the only one you have.

It's tough to be creative when surrounded by "one-answer" people. It is hard to work with people who are hanging on so tightly to their "right way." There are many people who presumably have the "right answer" and try to manipulate the situation so that their answer appears to be the only option. There are many people who just have to have an answer for everything, whether they are an expert in the subject area or not. Perhaps these people are so uncomfortable with not knowing that they just cannot say those three little words, "I don't know." Perhaps it is hard for these people to enter the state of the unknown and leave the more comfortable state of "yes" and "no" or "right" and "wrong".

It is true that, in some situations, routine answers or the right answer may be the best. For example, at a red light, the decision to stop is commonly considered the right answer. However, in other situations, ideas that are different from everyone else's, or that are different from the answers that were used in the past, are needed. The marketplace may have changed. There may be new competitors. The problems may have escalated. The budgets may be smaller. In these cases, creative answers are needed.

Strong innovation leadership is about encouraging people to look for new ways, to work outside the parameters of what has been done before to seek out new possibilities. Instead of criticizing ideas, people need to ask themselves if the idea is wrong or if the idea is just different from what they are used to.

• If the Wright Brothers had not been encouraged to go beyond the conventional wisdom that declared, "humans can't fly," we might not be flying in jet aircraft today.

- If the Kellogg's team had not challenged the conventional wisdom that declared, "Cereal should be served hot," we might not be enjoying cold cereal today.

Circumstances change. Conventional wisdom evolves. The right way might not be the best approach for solving today's challenges. The right way might be based on old standards, old information, old biases, and even old wives' tales. New approaches are needed. People need to be encouraged to fly out of formation every once in a while.

If creativity is about discovering new connections, you need to evolve from allowing only "one right connection" to supporting "multiple connections." To do so:

- Increase your awareness of how you might be criticizing ideas that do not mirror your own.

- Increase your awareness of the number of different approaches yon will tolerate.

- Help others increase their awareness of how they might be limiting the number of new ideas by their heavy criticism.

- Have your team adopt a phrase such as "There is more than one right way!" to be used whenever someone starts to hear too much criticism of new ideas and approaches.

Obstacle 3: We Want Control

"We never had to do that before."

"We've just finished writing the vision and mission statements. We don't want to have to change them."

"We know the old way will work."

Many people feel their lives are too chaotic and "out of control". They want the world to slow down and stop changing so much. They crave predictable routines and want answers that fit the proven patterns of the world. In reality, though, the world has never been and will never be a stable place. All things in the world, all things in life, are constantly moving and changing. The world is naturally chaotic because it is alive—it is a complex, living system that is constantly reshaping itself.

So is the corporate world. Gone are the days when "what you see today will be what you see tomorrow." Gone are the days when organizations can guarantee they will exist in fifty years and that everyone who is employed today will have a job forever. Gone are the days when the competitive set can be predicted or the distribution channel can be controlled. The political landscape is also constantly reshaping itself.

Organizations attempt to achieve stability in the midst of this chaotic change. However, once an organization stabilizes or achieves the perception of stability, most people do

everything in their power to keep it that way. They spend their time and effort pursuing efficiency by perfecting current processes and approaches. Unfortunately, by the time they have perfected the process, the world has already changed and the revamped processes are already out of date.

A better strategy might be to dedicate the team's energy and skill toward finding new and more effective processes as well as building the creative-thinking skills that will be needed for coping with future challenges. While some organizations are spending their time pursuing a strategy of doing things better, others are spending their time pursuing the strategy of doing things **differently**.

- Nokia, a world leader in mobile phone technology, leapfrogged the competition by finding new and different ways to launch innovative products and services faster than the competition. In the meantime, other companies were busy reducing the number of errors in their old processes.

Creative thinking rarely emerges from organizations where order and control are valued. Organizations that are trying to control too much of their internal environment will miss out on the creative energy of their employees. If a manager tries to control all aspects of the process as well as the end result, the team will just stop searching for and finding new answers. If the ideas that receive the most support are the ones that reinforce the past, the flow of new creative ideas will certainly slow down to just a trickle. If creative ideas are constantly being shot down, people will stop launching them. The overwhelming need for control leads to less exploration, less experimentation, and, in general, less creative thinking.

Noncreative thinkers are typically unwilling to let go of their opinions.

They attempt to control others' viewpoints and behaviors. They do not invite others to participate in their innovative-thinking exercises.

- "You're new here so you probably shouldn't be involved."

- "You're not in our department so we don't need your input."

They effectively shut off the oxygen flow to their creative vessels!
On one end of the continuum is control and on the other end of the continuum is freedom.

Control _____   _____Freedom

Determine where the majority of your behavior falls: closer to the control end, where you may be stiffing your own creative spirit as well as the creative spirit of those around you, or closer to the freedom end, where you may be **nurturing the creative spirit** and encouraging the creative juices to flow. Being aware of your behavior is a critical first step. Try to eliminate some of your controlling behavior by allowing yourself to offer new ideas as well as encouraging others to bring forward their new ideas. Realize that you could

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become a role model for letting go and accepting new ideas proposed by others. By doing so, you can encourage others to be a little more lenient when reviewing your new ideas in return! Learning to free your own creative spirit is an important step in building your capacity in creative thinking.

3.7   Learn to Unlearn and Forget

One of the reasons people shut down creativity is because they know that, once they have identified new ideas or new ways of doing things, they might actually have to accept and implement them. This means that they might have to change their current position. They might actually have to try new things. They might actually have to let go of "the right way" and release their grip on order and control.

As Peter Drucker once said, "If you want to do something new, you have to stop doing something old."

Old thinking may be covering up true creative potential. Old thinking has to be removed in order to make room for new thinking. Just as the gardener clears out old plants and weeds to make room for the sunlight to shine on the new plants, you must clear out old thinking in order to make room for new thinking. The **ability to unlearn and the ability to forget** some of what has been taught are fundamental skills for creative thinking. Some of the "rules" and "ways of doing things" will have to be unlearned in order to make way for new ideas.

3.8   Accepting Failure

Remember that creative thinking also involves failure. A person should not stop trying just because perfect results are not produced on the first attempt. The game of baseball is a good of example of this. Ty Cobb's batting average was .367, which means he hit a fair ball almost four out of every ten times he was at bat. **It also means he did not hit a fair ball six out of every ten times he was at bat**. Babe Ruth's batting average was .342.

Tom Kelley of the design firm IDEO says his company's approach to experimentation is summed up in its advice to **"fail often to succeed sooner."** Anyone in the oil exploration field can tell you that their chances of finding oil at the very first drill site are extremely low. Learning to be comfortable with a little failure in life is difficult given the social conditioning that encourages everyone to showcase achievement but certainly not the failure that might have occurred on the way to this success.

Interestingly, there was a civil engineering lab course at Penn State University that recognized and confronted the risks associated with creative behavior. The course, subtitled "Failure 101" required students to take risks and experiment in order to get a

better grade; in fact, the more they "failed," the greater their chance of receiving an "A" grade in the course.

3.9   Be Curious

The primary basis for creativity is a curious mind. GSD&M, a U.S.-based advertising agency, believes so strongly in the value of curiosity that it has engraved the word in the floor of its lobby. The agency believes that **curiosity (i.e., there must be a better way)** is paramount for developing creative insights and ideas.

Without curiosity, a person has great difficulty discovering new ideas. Being curious involves

A.   having an open mind,

B.   gaining a broader perspective, and

C.   asking probing questions

3.9.1   Do You Have an Open Mind?

There are many examples of people throughout history who found it difficult to have an open mind and break their existing thinking patterns.

- Christopher Columbus was surrounded by many such people: they believed that the earth was flat and that if he were to sail off into the distance, his convoy of ships would fall off the edge of the earth.

- Not too many years ago, people doubted the need for telephones. Now we have voice mail, call-waiting, call-forwarding, call-blocking, e-mail, conference calling, and mobile commerce (m-commerce).

- Ted Turner faced many skeptics when he introduced a twenty-four-hour news channel, CNN. Would people shift their viewing habits from the traditional six-o'clock news?

It is difficult to discover innovative solutions with a closed mind. When the mind holds onto or sets fast on one idea, it is no longer free to create. In effect, the creative mind starts to shut down. It tunes out and closes off the possibility of new discoveries.

3.9.2   Acknowledge that alternative ideas can exist

In order to see new ideas, we must first acknowledge that alternative ideas can exist. Why is it that we can acknowledge the presence of alternative products and services in the marketplace but block our own team's suggestions for such products and services? Why is it that we can acknowledge the appeal of new inventions in the marketplace but find it so

easy to criticize new ideas that are presented within our own organizations? We need to open our minds to new possibilities, to the field of dreams. All innovations started out as simple ideas. The light bulb lighting the room you are in, the chair you are sitting on, and the shoes you are wearing were once only ideas. It took a creative thinker to bring these ideas to the world.

Being open-minded means being willing to change perceptions or "mental models" when new information surfaces.

3.9.3   Make a List and Challenge Your Sacred Traditions

Often, progress is blocked by our sacred traditions: our opinions, assumptions, or rules of "the way it's done." While some sacred traditions may be valuable to maintain, others may be hindering the innovation process by preventing new ideas from surfacing.

What if Howard Schultz (of Starbucks) had never challenged the sacred tradition that people will only pay a dollar for a cup of coffee?

Figure 3.8

Sacred traditions may no longer be relevant for today's thinking or marketplace. "New opportunities rarely fit the way an industry has always approached the market, defined it or organized to serve it." Do not let the way things have been done in the past dictate, and therefore predetermine, the way things will be done in the future. Open your mind by challenging your sacred traditions.

Robert Kriegel first referred to this concept as "sacred cows" which he defines as outmoded beliefs, assumptions, practices, policies, systems, strategies that inhibit change and prevent responsiveness to new opportunities.

Industries are often disrupted by new players who see the potential in new business models where the traditional players do not. Here are some examples of ways in which creative thinkers challenged sacred traditions:

- Japanese car manufacturers made cars smaller when American car manufacturers believed they should be larger.

- Linux encouraged programmers to improve its free, open-source operating system while other software developers held on tightly to their proprietary systems.

- Southwest Airlines encourages "sit where you want" open seating, challenging the conventional idea of preassigned seating.

- Fast Company magazine challenged the traditional dull tone of business magazines by presenting business articles in a short, exciting, and visually appealing manner.

Many sacred traditions are activities that no one has ever stopped to question. Many of them may be non-value-added things that your team spends time doing time that could be reallocated to more productive activities! Here are sonic of the sacred traditions I have heard over the years:

- "Everyone needs a copy of everything."

- "We only fund new ideas once a year, at budget time."

- "We're a food company so we only look at opportunities inside the food industry."

- "If it doesn't work in the United States, it probably won't work elsewhere."

- "If we can't show a financial return in two years, we won't receive the funding."

- "We define the industry the same way everyone else does."

A good innovation leader creates an environment where these sacred traditions can be challenged and addressed. In order to challenge these sacred traditions, you must first be aware of them. Begin by making a list of the industry's sacred traditions. Decide which ones are helpful and which ones are blocking innovations. Then make a list of your own organization's sacred traditions. Challenge the fundamental thinking that drives your business.

3.9.4   Hold Your Criticism Until You Hear the Idea's Potential

It seems that the more a person perceives himself to be an expert in a certain field, the more resistant he is to listening to alternative ideas. Whatever the idea, if it does not fit with his preselected solution, it is discarded without consideration. Perhaps he perceives a loss of power if the current system is disrupted by the acceptance of the new idea.

Progress is impossible if you keep doing what you have always done. Show you have an open mind by slowing down long enough to hear the potential of the idea before you jump all over it.

3.9.5   Gain a Broader Perspective

Ideas and solutions are everywhere. How broad is the idea-gathering process in your organization? Are you actively scouting out different perspectives from a variety of sources, from people outside your company, from people in other industries or government agencies, from people from other countries? Are you casting the net wide enough?

3.9.6   Let Outsiders Bring in Ideas

Widen the search for ideas to the far corners of the organization where great ideas may be hidden.

•Why not ask the "experts" for their perspective?

- If the problem has to do with suitcases, ask the airline baggage handlers.

- If the problem has to do with food, ask restaurant chefs.

- If the problem has to do with education, ask teachers, students, and parents.

They have a lot of fresh insight that could help you quickly identify new ideas.

•Why not look at international companies?

- An organization that profited immensely by gaining a different perspective on its world is Loblaws Companies Limited, a leading supermarket chain in Canada. Faced with the challenge of improving its program, the Loblaws team embarked on a journey to discover the best products and marketing techniques from around the world. One of their first stops was England, where they analyzed Tesco, Sainsbury, and Marks & Spencer, who were already ahead of the game in selling upscale grocery products. They also visited many restaurants around the world and requested the great chefs to share their secret recipes.

- Upon their return to Canada, they developed what would become one of the strongest private-label programs in the world, branded under the President's Choice label.

- Gaining a different perspective by asking experts for their insights certainly did wonders for the Loblaws team.

•Why not ask people unrelated to the problem for their perspective?

Teams often suffer from "industry think," where everyone in the industry is following the same rules, looking at the market the same way, and, in general, thinking and acting along the same lines. Everyone is assuming the industry works a certain way, and they may,

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therefore, be blind to new opportunities. Individuals and groups alike can benefit from knowing and tapping into a rich diversity of thought. Creativity needs people of all shapes and sizes.

Conversations with diverse people spark creative thinking. Expand your contact to include zookeepers, architects, martial artists, pilots, auctioneers, teachers, and neighborhood children. Ask someone who does not know your challenges for fresh advice. Expand your bandwidth to receive ideas from wherever, whenever, they choose to appear! You never know if that random act of searching the Web or sitting beside someone on the airplane or standing in line at the bank will result in a conversation that leads to a great idea.

3.9.7   Dig a Little Deeper to Understand These Perspectives

Everyone views the same situation from his or her own perspective. How one sees things is determined by one's own unique personality, past experiences, and prejudices.

- The jury system relies on twelve jurors instead of only one so that the issue of guilt or innocence can be viewed from different perspectives.

- Most sports use more than one referee so that the odds of seeing the "full picture" increase. No one person can see the entire situation. There are always blind spots. Sometimes being too close to a situation or being tied to one solution can prevent new solutions from being seen.

There are often hundreds of ways to look at a problem. Sort through the range of facts, memories, emotions, observations, perceptions, and impressions. Turn the problem around and look at it from new angles.

For example, a marketing team was challenged to identify a revised brand-positioning and marketing strategy for a prominent pharmaceutical product. Using the broader-perspectives approach, they first made a list of the different customer groups for the brand and then determined what their respective needs were.

The needs of:

- the patients (reliability, comfort),

- their families (information),

- their pharmacists (information, ease of dispensing, and profit),

- their physicians (up-to-date information on both the drug itself and other products that might be reliable substitutes),

- the nurses and intensive care unit staff (information on dispensing and recommended patient care),

- and the payer, such as the insurance company or government agency (cost, comparative products, risk of complications from taking the particular drug)

were all considered. By taking a broader-perspective approach in determining the various customer-group needs, the team was able to identify different areas that could represent exciting new strategies and new programs that, in turn, could differentiate its business from the competition. This approach also helped the team assess what percentage of the marketing budget should be allocated to communicating with each customer group.

3.9.8   Build Your Observation Skills

When the noted Marathi writer, P.L.Deshpande was in London, he saw a crow sitting on the tree near the window. A common person would have only "seen" the crow and thought that there were crows even in London. However, P.L. observed "Oh! The crow here also does "Kav, Kaav" like in India. Whereas he should do "crow crow" because here English language is spoken!"

Seeing the world from different angles is like shining a flashlight beam on different areas in the room. The more one moves around, the more parts of the room one can see.

- Observing an aircraft-landing from a cockpit is a lot different from watching the landing from the ground.

- Observing a school of fish while scuba diving is a lot different from looking at the surface of the water from a boat.

- Seeing North America from an Asian perspective is a lot different from seeing it from an American perspective.

Too often, one falls in love with one's own view of the world. Innovators can benefit from seeing the world from beyond the usual boundaries—beyond departments, organizations, industries, and countries.

There is a difference between looking at something and actually seeing what is there! The mind automatically filters information. A person can look at something and not really see it. It is like driving down a country road on a dark night with the headlights on. People can see what is in their path in front of them, but they miss a lot of interesting scenery around them. In order to see more, people need to override the mind's filter and force themselves to be more observant.

- Sam Walton, the founder of Wal-Mart, made it a habit when visiting his competitor's stores to look at the details and find at least one idea or example to take back to his organization.

Developing a curious mind requires better observation skills. Practice trying to "see more." For example, when you are sitting in a restaurant, waiting in an airport lounge, or standing in line at the bank, observe more.

- How is the restaurant organized?

- How are the tables and chairs arranged?

- Where is the kitchen and where are the busing stations?

- Why did they organize the seating the way they did?

- How do the waiters serve other customers?

- How could the serving process be improved?

- At the airport, how are the check-in counters organized?

- How could the process of checking-in and boarding the airplane be improved?

- How could the process be more enjoyable and more exciting?

- At the bank, how could the deposit and withdrawal processes be improved?

Play with your observations and ideas.

Another way to gain a different perspective is to use a video camera to record, with permission of course, customers' actions with particular products or services. By "walking a mile in their shoes," an observer can find out how the product or service is perceived by the customer and where improvements might be needed. Record the team's actions on the factory floor or selling floor to find new ideas. Pay attention to the details. The more you observe, the more you see. The more you listen, the more you hear.

Write down new insights. There is a constant flow of insights and ideas in the brain. If you do not capture these thoughts, they might be lost forever somewhere in the cerebral cortex. Keep a small pad of paper in the car, in the bathroom, in the kitchen, beside the bed—or carry a Palm-Pilot. You never know when and where that brilliant insight will surface!

Focused observation can help build creative thinking skills. Try these observation exercises:

- List five things you noticed on your way to work today.

- Describe the floor plan of the entrance or lobby in your building.

- With your eyes closed, name three objects close to you that are blue.

- Next time you watch a commercial on television, wait two minutes and then try to recall the commercial and remember the name of the product being advertised in the commercial.

3.9.9   Ask Probing Questions

"Judge a man by his questions rather than his answers.":—VOLTAIRE

You cannot be a curious thinker if you are afraid to ask questions. Ask probing questions and do not to be afraid to ask again if the person avoided answering the original question. Some people have been taught not to ask questions, especially of their elders or of people in positions of power for fear of embarrassing them. This is a hurdle that needs to be overcome if the creative spirit is to flourish.

3.9.10   Enjoy Asking Questions

- "Why don't we have soft drink dispensers in our homes?"
- "When did human beings first wear watches?"
- "How does a Palm Pilot work? Who invented it?"
- "Where does my garbage go after the truck picks it up at my residence?"
- "Why don't psychics ever win lotteries?"
- "Why is the slowest time of the day for traffic called rush-hour?"
- "Why can't we file our income taxes every two years instead of every year?"

Columbo, the brilliant detective played on television by Peter Falk, would say in every episode, "Excuse me ma'am. Just one more question." The more questions he asked, the more information he had to solve the case.

Become a creative-thinking detective! Ask probing questions. There is no such thing as a wasted question. You will always learn something. Take the time to question the "facts" in any situation by asking more questions. Write down what is known about the problem, what information is available, and what information is not available. Ask tougher questions.

- Who could put us out of business?
- If we were on the executive team, what would we do in this situation?
- What would really shake up this industry?
- Why aren't we doing anything about this?

3.9.11   The Creative-Thinking Mantra: "Why? What If? What Else?"

The three curiosity questions that push individuals the farthest into new territory are the following simple questions: "Why? What if? What else?"

"Why?" is the best of these three questions. By asking "Why," you are exploring the rationale behind a given approach and opening up the possibility that there might be an alternative approach. Ask questions such as "Why?" "Why are we doing this?" "Why are we doing this like this?"

Figure 3.9   Figure 3.10

For example,

- "Why do we have sales contests?"

- "Why do we need to prepare this report if no one is reading it?"

- "Why do we need to spend so much on packaging materials?"

3.9.12   The YY (Double Why) Question

- As Socrates demonstrated over 2000 years ago, great insights come from asking good questions.

A good leader does not need to know all the answers. She needs to know the questions to ask. Creative thinking begins with great questions, not answers. Great creative thinkers stay with the question instead of rushing to find an immediate solution. **They ask more questions than the average person asks** and are comfortable in the often-uncomfortable situation of not immediately having the answer. This is the test of a **true creative thinker**.

Many breakthroughs have come after much contemplation and investigation. For example, Thomas Edison said, "I haven't failed. I've just come up with 1,000 ways not to make a light bulb." He constantly questioned his assumptions to look for deeper insights.

Barbara Walters, the famous journalist, rarely hits the jackpot on the first question. Her success stems from her aptitude for relentless questioning, repeating questions from various angles, digging deeper and deeper until magic insights reveal themselves.

Do not be satisfied with surface answers. Jumping to the solution too quickly results in mediocre ideas or ideas that do not fit the needs of the real problem. Keep asking the "Why?" questions and dig for more details. In order to unpeel the layers of packaging to get to the real heart of the matter, it is necessary to repeat the question. For example, ask "Why?" and then ask "Why?" repeatedly until you uncover new insights.

- "Why do we do it like this?" "Because we've always done it like this."

- "Why do we always do it like this?" "Because that's the way it's done in our industry."

- "Why do we want to do it like all our competition?" "Because, well, I don't know. You've got a good point!"

In another example, the problem may appear to be **poor sales revenue**.

- When asked why the revenue was so low, someone might answer that there is new competition or that the price is too high or that there aren't enough sales people.

- Choose one of these answers—the price is too high—and ask why the price is too high. The answer may be because the prices were raised by 12 percent each year.

- The next step would be to investigate the strategy behind the annual increase and to challenge the 12-percent increase.

- Why not 3 percent or 5 percent or 10 percent?

- Asking "Why?" questions helps everyone look at the problem from different angles and encourages a deeper dialogue as to what the **real issue** may be. If this investigation stage was missed, the team might have jumped to the conclusion that the problem was caused by lack of sales people and gone off looking for more resources to hire more people, instead of investigating the other angles of the issue.

You may prepare your own list of "Why? What If? What Else?" and the YY questions.

Of course, there are always two parts of asking any question: the asking and the listening. Make sure that you also hear the answers!

3.10   Activities for the students

Activity A:

While playing sports, let us say cricket or football, (specify your game if different)

Discuss how many times you failed. For example, out of 10 balls, how many could you hit on an average? After the failures, who were the people to support you?

_____

_____

Activity B:

Ask probing questions for solving the water pollution problem in case of rivers.

_____

_____

_____

_____

_____

3.11   Summary

- Every one of you is creative. Therefore, you can become innovative. Without creativity, there is no innovation. One of the fundamental principles of Innovation Management is **"Believe in Creativity."**

- Many people stop themselves from experiencing new things and only want to stay in their **comfort zones**. Many people stop themselves from being creative because they do not believe in their ability to be creative.

- The second principle is **"Be curious"**.

- The third principle of creative thinking is **"Discover new connections"**.

- We approach innovation and change with our own unique blend of the four Innovation Styles. These four Innovation Styles are Visioning, **Exploring, Experimenting, and Modifying**.

- We must eliminate following obstacles to Creative Thinking:

    ✓Hesitancy to Try New Things

    ✓So much time is spent attempting to recommend the "right" answer that there is no time left to find new and better ways.

    ✓"We never had to do that before."

    ✓"We've just finished writing the vision and mission statements. We don't want to have to change them."

✓"We know the old way will work."

✓We want control

- Noncreative thinkers are typically unwilling to let go of their opinions.

- Learn to Unlearn and Forget

- Accepting Failure

- Be curious

- Build your observation skills

- The three curiosity questions that push individuals the farthest into new territory are the following simple questions: "Why? What if? What else?"

3.12   Self-assessment questions

a. Explain: Everyone is naturally full of creativity but our "voice of judgment" takes over

b. Explain: Challenge Your Sacred Traditions

c. Describe the four Innovation Styles

3.13   Multiple choice questions

1. Traits of a creative thinker (Find out the wrong one)

a. Willing to challenge the status quo

b. Curious

c. Adventurous

d. Wealthy

2. One of the obstacles to Creative Thinking

a. Learn to Unlearn and Forget

b. Accepting Failure

c. Be curious

d. Hesitancy to Try New Things

3. "Judge a man by his questions rather than his answers.": Who said it?"

a. Montesquieu

b. Rousseau

c. Voltaire

d. Mirabo

4. Who challenged the sacred tradition that people will only pay a dollar for a cup of coffee?

a. Professor Howard Gardner

b. Tom Kelley

c. Peter Falk

d. Howard Schultz

5. Many organizations have found that ------------works best when a combination of diverse thinking styles exists.

a. Collaborative innovation

b. Individual innovation

c. Corporate innovation

d. Top management innovation

Transition from chapter 3 to 4

My dear students, the third chapter has convinced you that you are a creative and unique individual, and guided you how to travel further on the innovation path. Do you agree with me?

The next chapter has interesting content as follows:

Creative thinking is really about discovering new connections through the use of:

(1) The imagination,

(2) Diverse stimuli, and

(3) **Creative-Connections Power tools**

Read and study this chapter early in the morning when your mind is very fresh, calm and quiet. Read it twice. I assure you that you will understand this subject of creativity in innovation management almost fully just by mastering this chapter.

All the best! Begin your career as a creative masterblaster!

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Reference Material

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video1

Video2

Creative connections Power Tools

Objectives

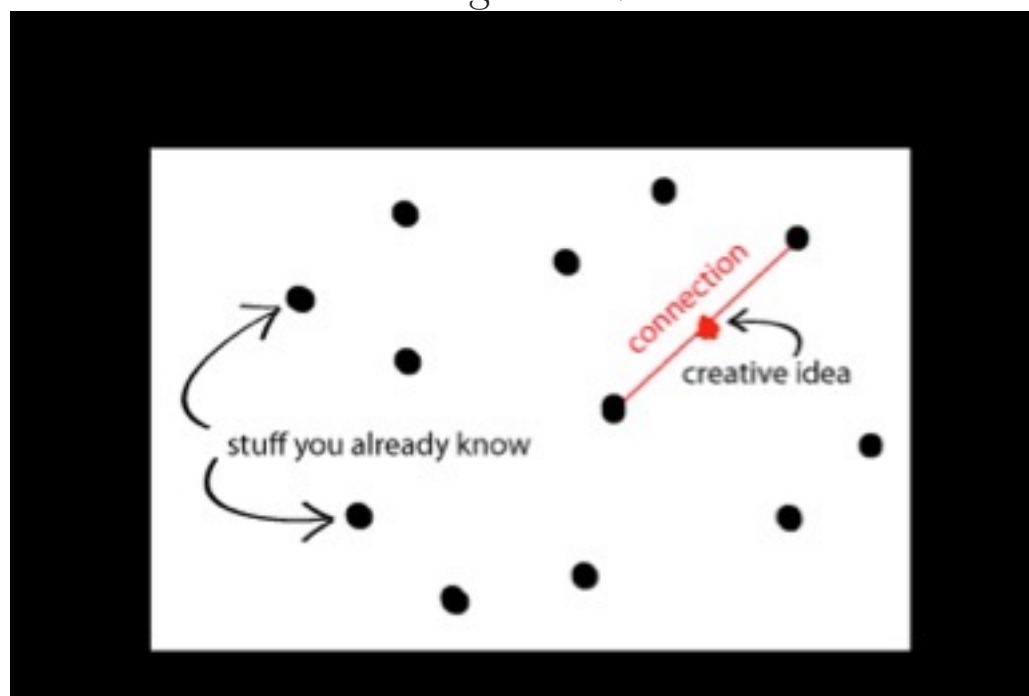After studying this chapter, you will be able to do creative connections.

Structure

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4.1   Multiple choice questions

Figure 4.2

Try this simple exercise. Take a piece of paper. For the next two minutes, write down the names of all the people you know. Start listing them. Now stop. Look at your list of names. Explain how your list flowed from the first name to the last name. See the jumps and connections your mind made as you thought of more and more names.

Here is my list: Mavin, Prakash, Raman, Venkat, Vijay, Amit, Nilesh, Arun Kumar, Shah Rukh Khan, Man Mohan Singh, and Jayalalithaa. How did my mind get from Mavin to Jayalalithaa? My mind hopped, jumped, and made new connections!

This exercise illustrates the technique used in many creative-thinking exercises: **Pursue a large quantity of ideas and make connections between these ideas**. The great connection could arrive at the second, eighth or thirtieth idea. One never knows when a great idea will arrive.

You need to force yourself past your first or second association to find more ideas.

• A football coach rarely asks his team to run the same play time after time. Instead, the coach finds new ways to connect the players on the field to outwit the opposing team. By combining and recombining different player movements, the coach is able to devise creative ways to out-maneuver their opponents.

• As Dhoni sends a first timer new bowler in the last over, when the opponent team has only one wicket in hand and needs just 3 runs to win, many people criticize. However, to their awe, this new bowler takes the wicket in the first ball itself! Here lies the special skill of the captain.

• Just as the photographer who takes many pictures before she finds the best one.

- Or the cartoonist who draws many cartoons until he sees the one he likes, creative thinkers need to identify many ideas and uncover as many connections as they can.

Creative thinkers tap into their imaginations by combining and recombining different ideas or concepts to make new connections.

Creative thinking is really about discovering new connections through the use of:

(1) The imagination,

(2) Diverse stimuli, and

(3) Creative-Connections Power tools

4.2   Using Your Imagination

Albert Einstein once said, 'Imagination is more important than knowledge." Imagination means "the creative faculty of the mind." Without imagination, there would not be airplanes, spaghetti, e-mail, The Lion King, or microwave ovens!

Figure 4.3

In today's world, it is no longer enough to do the same thing as the competition. As the boundaries between countries, industries, and market segments crumble, everyone is facing competition. In order to stand out from the crowd, you must be able to see something distinctly new and better than what others are seeing and then, of course, you must put this new insight into action.

Mental ruts can form over time. The same thought patterns get "wired" into the mind through repetition. When new information is introduced, it is either slotted into the existing pattern or massaged and twisted until it fits. Often, the new information is rejected outright because it does not seem to fit. Creative thinkers override these set patterns by burning new pathways in their brains.

Here are several ways to burn new pathways and strengthen your imagination:

• **Imagine <mark>more than one use</mark> for your product or service.**

Children are great at transforming objects into new ideas. Watch them transform a soft drink can into a microphone or pasta into a necklace. They play with ideas to see the possibilities that lie within.

★ A common warm-up exercise for strengthening creative-thinking skills is "Name five uses for a rubber band or a paperclip".
Why not try a more imaginative exercise such as naming ten alternative uses for your

• soup product or
• your delivery service or
• manufacturing waste

★ We can all take a page from the Starbucks manual and admire the number of alternative coffee drinks they can make from a shot of espresso!

★ The other day, when undergoing a training session for first aid, I was astonished the way the newspapers were used as cushion or packing material while giving first aid! Further, newspapers are ideal for wiping the class after cleaning by water.

★ Do you know that the Colgate toothpowder is very effective for cleaning and shining the silver utensils?

★ Here are some uses for a very famous soft drink:

1. Removes grease stains from clothing and fabric

2. Removes rust; methods include using fabric dipped in the soft drink, a sponge or even aluminum foil. Also loosens rusty bolts

3. Removes bloodstains from clothing and fabric.

4. Cleans oil stains from a garage floor; let the stain soak, hose off.

5. Kills slugs and snails; the acids kills them.

6. Cleans burnt pans; let the pan soak in it, then rinse.

7. Descales a kettle (same method as with burnt pans)

8. Cleans car battery terminals by pouring a small amount of it over each one.

9. Cleans your engine;

10. Cleans tile grout; pour onto kitchen floor, leave for a few minutes, wipe up.

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11. Dissolves a tooth; Use a sealed container…takes a while but it does work.

12. Removes gum from hair; dip into a small bowl of it, leave a few minutes. Gum will wipe off.

13. Removes stains from vitreous china.

14. Do you have a dirty pool? Adding two 2-liter bottles of soft drink clears up rust.

15. You can remove (or fade) dye from hair by pouring diet soft drink over it.

16. Remove marker stains from carpet. Applying the soft drink, scrubbing and then clean with soapy water will remove marker stains.

17. Cleans a toilet; pour around bowl, leave for a while, flush clean.

★ When we were kids, we used a toothbrush with a sieve, to spray watercolor onto our drawing paper. You can think of five more uses of a toothbrush.

★ The used water from bathroom, basins, sinks etc. can be collected and circulated for toilet flushes, gardening etc. You can imagine new innovative ideas about collecting the rainwater which flows all over and disappears.

- **Use your imagination to do the opposite of what is expected.**

    ★ Until 1968, most high jumpers used the scissor-kick or front-roll techniques for clearing the high-jump bar. Then along came Dick Fosbury, who cleared the bar the opposite way, using the back flop. His radical backward style, nicknamed the Fosbury Flop, won him the gold medal at the Olympics and redefined the sport of high jumping forever.

    ★ One more example: Why can we not make a kurta from the cloth used for jeans trousers, and a salwar from the usual cloth used for a kurta?

    ★ Generally, people sell a Maruti 800 car to buy an Xcent or a Corolla. Why don't they sell a car and buy a bicycle?

    ★ Generally, the doctor advises the patient about a surgical operation. However, when my son was admitted in a hospital, and the doctor advised to perform a surgical operation, my best friend –who is not a doctor-convinced the doctor how an operation is not necessary and some medicines can do the job.

- **Look to other industries or areas for inspiration.**
    Fosbury's idea of flipping backward in the air, was not new—it was just new to high jumping. Divers throw their bodies backward through the air, so why can't high jumpers? Connecting an idea from one sport to another sport can result in a breakthrough. Look beyond your particular company or industry to find new ideas.

• Imagine the wildest idea you can and then tame this wild idea.

If, for example, your challenge were to redesign a car so that people could eat fast food in it more comfortably, you might want to begin by stretching your imagination to find your wildest idea.

★ Your wildest idea might be to put a picnic table in the car. From here, you could tame this idea and identify several more useful ideas such as a fold down mini table or a small table or food caddy between the front two seats.

Some people have a hard time suspending judgment and playing with new ideas. "What's the purpose in playing? We don't have time to play" are the comments most often heard from uptight people. Learning how to "play" with ideas relaxes the mind long enough to allow new pathways to be built. Play is a critical component of strengthening the imagination for creative thinking.

★ My wife had an idea that a deep ditch should be dug all around a big hill, so that the rainwater from the hill will go into that ditch by gravity, the ditch being covered with a protective mesh, and this accumulated water can be supplied to areas having shortage of water during summer.

4.2.1   Encourage all team members to use their imaginations

Every other year in the fall, Honda of Japan holds a contest where employees use company money to develop ideas for new vehicles and transportation concepts. Practicality is not necessarily a criterion for success. Prizes awarded include the Mechanical Prize, the Dream Prize, the Nice Idea Prize, and the Unique Prize. The spectators also award the Golden Icon Prize for the most popular idea.

One last note on imagination: Imagination is not constrained by a lack of resources. People often use the lack of resources as an excuse for not having new ideas or taking action.

The movie Jai Santoshi Maa was a good example of imagination on a low budget. In an industry characterized by big budgets and Bollywood stars, this low budget film went on to gross over Rs.25 crores and was a blockbuster same as Deewar and Sholay. This example shows that imagination can go a long way in overcoming a lack of resources.

4.3 Use Diverse Stimuli (Something that encourages activity in people)

Stimuli are a key ingredient for making new connections. Many people try to come up with new ideas from a blank slate. They stare at a blank piece of paper or flipchart and hope that Eureka! a bolt of lightning will strike them, and a breakthrough idea will magically appear on the page.

While that might work for some people some of the time, most people need to jumpstart the process with the raw ingredient of creativity—other ideas. If 98 percent of ideas already exist in one form or another, the answers must already exist somewhere. All one needs to do is find them and then **combine and recombine them** in a unique way that makes them work in solving a new challenge. In the "cycle of ideas," all or at least most ideas are reincarnated from a previous life in some other company, agency, industry, or country.

4.3.1   Decide what type of stimuli (inspirations) you need—related or unrelated

Bring back fresh insights (accurate and deep understanding) that can be used as stimuli for growing new ideas. The type of stimuli needed depends on the particular problem and the team's unique approach to solving problems. For some problems or situations, the team might want to seek out related stimuli.

For example, if the team is looking for ideas to improve the school's fundraising efforts, they might want to look at other schools' fundraising efforts as well as at examples from other nonprofit organizations. The team might want to bring in examples of previous programs and advertisements from other fundraising campaigns as stimuli for fresh connections.

Alternatively, the team might want to seek out unrelated stimuli. For example, they might want to look at how banks attract new customers, how lotteries are conducted, or how the Army recruits new soldiers, in order to find new insights that could help them design a better fundraising program. The team can list the attributes of these programs and then use their imagination to connect these attributes with the specific challenges of their own fundraising program.

For some people, using related stimuli is preferable because it represents a direct approach to creative thinking and is perhaps more concrete. Such people are able to see the links between the stimuli and their particular challenge more easily and therefore can make easier connections to what they feel will be useful ideas.

However, for some, using related stimuli is too limiting. They want to stretch themselves into new territory and enjoy the creative-thinking exercise of linking unrelated stimuli to the challenge at hand. These people may have an easier time with abstract thinking and are therefore better able to see new connections easily. Others may not be able to make these connections with unrelated stimuli as easily and end up frustrated.

If you are working alone, chose the type of stimuli that works best for you. If you are working in a team, vary the mixture of creative-thinking exercises using related and unrelated stimuli so that you tap into everyone's unique preferences. Either way, experience has shown that all teams benefit from using some type of stimuli, whether related or unrelated, rather than using none.

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4.3.2   Look internally as well as externally for diverse stimuli

The largest source of fresh ideas is employees and other internal stakeholders. Pay attention to ==front-line staff and new employees==, whose fresh insights are extremely valuable. Listen to employees in other departments. Many people have a lot of information to share but do not share it because =="no one asked."== Try talking to other departments or business units or holding cross-functional innovation groups to see if they can offer a ==fresh perspective==. Also, review previous programs to find old ideas that can be reused in a new way. Ideas that might not have worked in the past due to underfunding, competitive conditions, or poor implementation might work now. Why not hold industry seminars once a month to update everyone on what is happening in the industry, what is working, and what is not working?

Creative thinkers also capture ideas from a variety of external sources. They know others may have faced similar challenges in some other company, in some other industry, in some other government agency, or in some other country. They know the ingredients for their solutions are out there somewhere.

So get out of the office! Visit interesting places. Try searching for insights at cross-industry conferences and tradeshows. The Internet also represents a deep and rich pool of ideas. **Table 4.1** is a list of alternative sources of diverse stimuli.

Sources of diverse stimuli   Table 4.1

Historical review	Television	The mail
Children	Old files	Paint Colors
List of trends	Travel	Other companies
Photos	Complaints	Ads
Opinions	Catalogs	Children's books
Intuition	Factory	Competition
Nursing homes	Construction site	Retail
Greeting cards	Atlas	International
News articles	On the bus	At the beach
Airport	Thesaurus	Flyers
Your desk	Trade shows	Toy store
Junk mail	Video Store	At the zoo
Magazines	Other departments	On campus
Grocery store	Videos	New people
Cookbook	Dictionary	bar drink guide
Internet	Flea market	Library

4.3.2 Start today to develop a more systemized approach to collecting and sharing diverse stimuli

Figure 4.4
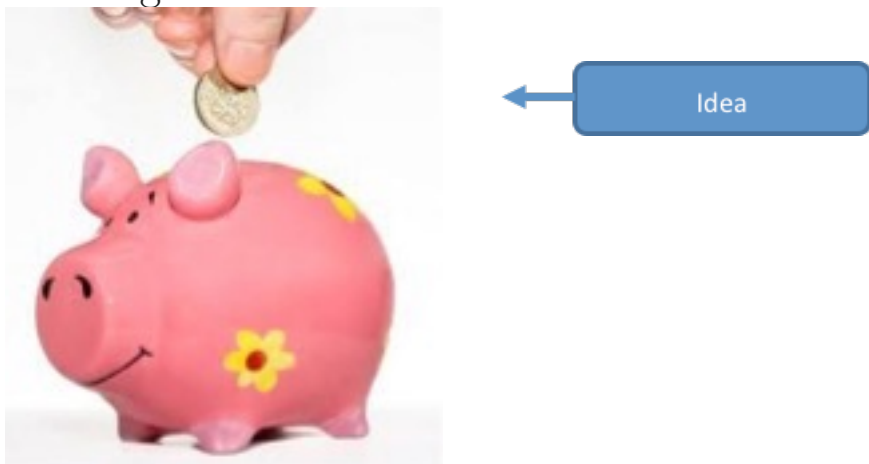
The simplest way to collect new ideas generated from stimuli is, obviously, **to write them down**. Carry a small idea notebook or use a Palm Pilot to capture these fleeting thoughts, or they might disappear forever. Many great ideas surface during meetings. Where do they go?

Make sure the team develops an idea-capture system such an **Innovation Bank** or **Idea Bank** so that these ideas can be referenced at a later date. Make it easy for people to access the rich data hidden in company files, including all those ideas generated in previous brainstorming sessions or findings from market research reports. Don't let ideas get lost simply because of employee turnover.

Figure 4.5

A significant challenge facing many organizations is the loss of institutional memory with turnovers, retirement, and yes, downsizing. Employees are leaving with rich data. In the North American public service sector, close to one in five employees will be retiring over the next few years. That incredible knowledge and experience base will soon be walking out the door. While organizations are often focused on creating new knowledge, they might be overlooking old knowledge that needs to be collected and shared.

Many companies excel at using their Intranet or informal channels to let others know who's who so that everyone knows how best to access information. It is still amazing, however, how fragmented many organizations continue to be—there are places where people do not know their fellow employees. All members of an organization have experience, knowledge, and unique perspectives that need to be brought together and leveraged for collective benefit. The largest source of new ideas might be the employees,

so the communication channels between departments should be opened. Cross-train employees in other departments so that they understand the organization from many angles and can help coworkers with additional insights.

Consider accessing electronic tools, such as e-mail, groupware idea-generation and decision-making programs, the organization's Intranet, the Internet and Extranet (a network designed to connect your broader enterprise, including suppliers and customers) as well as setting up a call center to process new ideas. Hallmark Cards is an example of a company that is using advanced groupware tools such as Communispace to foster collaboration with employees and customers.

To avoid "reinventing the wheel," identify common or repetitive aspects of your team's projects and develop **a process and idea bank** to help jumpstart these projects. For example, if your team is constantly looking for new ideas to promote your product or service, you might want to start collecting examples of promotions—contests, coupons, sampling methods, special events, etc.—to be used to jumpstart creative thinking for the new project.

A team might want to consider implementing a more formal approach to sharing and showcasing new ideas within the organization.

- Nortel Networks recently established a Share and Discover Day where, for twenty-four hours, it used its Web technology to share its latest programs and highlight guest speakers.

- Hewlett-Packard Printer Division recently put together a traveling trailer museum that highlighted the evolution of the inkjet technology. The museum was shipped to many places so that people could benefit from learning the history of, as well as the potential for, inkjet technology.

- Sodexho Marriott also conducted a traveling innovation forum in which it showcased innovation that was relevant to furthering its business strategy in addition to providing training in Innovation Management. The best ideas for customer retention, customer service, and human-resource development are highlighted at this forum.

4.4   Using the Ten Creative Connections Power tools

The mind is full of ideas from past experiences and from observations gained through television or conversations. Some people rely on their subconscious mind to access these ideas. However, unfortunately, they never know when these ideas might surface–it could be early in the morning; late at night, on a walk, or in the shower. Other people prefer to take a more structured approach to finding new ideas, using specific tools and techniques. Here are the Top Ten Creative-Connections Powertools.

4.4.1   Using the Ten Creative Connections Power tools

Figure 4.6

There are many great ideas simply sitting in the "attics of our minds" as well as in the "attics of our organizations". We have a tendency to trash the past and hold the perception that an idea from five years ago will be of little use in helping to solve our current challenge. However, elements of previous solutions or ideas can prove to be very valuable fuel for jumpstarting our idea engines. Look at ideas such as bell-bottom jeans, disco music, scooters, pogo sticks, and roller skates, all of which have resurfaced.

How to Implement This Creative-Connections Power tool. The first step is to discover what is in the attic. Find those old ideas and dust them off. Interview others who have previously worked on the same challenges, and learn from their experiences. Excavate old research reports, previous brainstorming-session reports, and old business plans. Unearth the rich reservoir of idea starters. Ask the knowledge-management folks to establish a link to the database of information relating to the challenge. Access the team's idea bank on the Intranet, if they have one. Uncover what is already there and reconnect it in a new way to your current problem or challenge. Attic ideas are also great idea starters for any meeting. Ask the participants to submit their top attic ideas before the meeting and then begin the meeting by distributing a list of these ideas.

4.4.2   Creative-Connections Power tool 9: Cultivating Obsession

The best way to find new ideas for a certain product, service, or process is to become obsessed with the challenge. At the beginning of all projects, the members of the design team take the time to understand the market, the client, the technology, and the perceived constraints of the problem. They observe real people in real-life situations to find out what makes them tick—what confuses them, what they like, what they hate, and where they have latent needs not addressed by current products and services.

For example, if they were faced with the challenge of inventing a better shopping cart, they would immerse themselves in the state of grocery shopping, shopping carts, and all

possible relevant technologies. They observe and understand how people shop and the challenges they face with shopping and shopping carts.

How to Implement This Creative-Connections Power tool. Being obsessed with the challenge requires one to "live and breathe the challenge." It means interviewing the "experts" and observing actual customer behavior. It means learning about the origins of the challenge and investigating it from all angles. Seek out all the information—all the facts, opinions, samples, and reviews you can find on the subject. For example, if you were faced with designing a new beer brand, you could obsess with the following:

- Understanding the current state of the market to discover which brands sell the most, in which regions, in which months, to which customer groups.

- Understanding the bigger picture of the global beer market by conducting an Internet search of all the beer Web sites in order to understand the appeal of unique segments and unique brands in other countries.

- Interviewing brew masters to understand the history of beer, beer recipes, and the source of beer ingredients.

- Interviewing other "beer experts," such as sales managers, bartenders, and customers to understand their needs and their desires for current and new beer brands.

- Reviewing consumer research studies and observing customers in bars and restaurants.

- Investigating other beverage categories to understand the trends in these categories,

- In addition, of course, personally sampling a wide variety of beer so that you have first-hand knowledge of the category!

In another example, if a team were faced with the challenge of buying new equipment for a production line, they should not limit themselves to reviewing one or two sales brochures. They should ask others for their opinions and search the Internet for other opinions. They might find that one of the suppliers is working on a new model that could lead the team to postpone its decision for a while until the new technology is introduced. Obsession will definitely lead to better insights.

4.4.3   Creative-Connections Power tool 8: Analyzing Frustrations

Figure 4.7

"Solving customer problems sparks innovation." One of the most fertile areas for identifying new ideas is discovering what frustrates others about the current product, service, or process. While it is always great to focus on what is wonderful, the team might want to take a quick look at what is not so wonderful. In the field of innovative thinking, sometimes these very deficiencies are the origin of a breakthrough idea.

- A great example of a company that benefited from understanding its customers' frustrations is Black & Decker. People were frustrated at needing to have a partner hold the flashlight or needing a prop on which to place the flashlight while they worked on a specific task. The frustration grew if the person or the flashlight moved so that the light no longer shone on the area where the customer was working. Black & Decker focused on this customer frustration and invented the Snake light, a flashlight that could be twisted around a ladder or another object to stay in position until the task was done.

- FedEx solved many of the frustrations customers had with courier services. Not only did it address the frustration of late packages with it's "absolutely positively has to get there overnight" service, it also addressed the frustration a customer felt when they did not know the location of their package. FedEx responded with its revolutionary online tacking system. Now all customers can track their package's journey so that both the sender and the recipient know the package's location at any time and its expected time of arrival.

- Here is a frustration that is yet to be solved: In any large city, there is an increasing incidence of road rage and red-light runners. A high percentage of accidents occur at intersections during the time when the traffic lights are changing. Why haven't car manufacturers discovered that their consumers need brake lights at the front as well as the back of their car? Front brake lights would help lower the number of accidents at intersections because a driver would no longer have to guess whether the oncoming car would stop or proceed into the intersection. This kind of frustration or complaint can be a rich source for creating breakthrough ideas for redesigning cars.

How to Implement This Creative-Connections Power tool. Have the courage to ask customers to share their frustrations. Ask them what frustrates them about your products, services, or processes as well as those of the competitors. Discover what features are missing. Discover what other products or services they need to combine with yours in order to get the job done. In essence, find out everything about their frustrations.

4.4.4   Creative-Connections Power tool 7: Identifying the Gold Standard

How to Implement This Creative-Connections Power tool. Identify organizations that have achieved excellence in your particular challenge area.

- For example, if you are looking for new ideas for "organizing customer flow," you might want to investigate what Disney has done to organize their customer flow so everything

runs smoothly at their theme parks or what McDonald's has done in order to serve their customers quickly.

- If you are looking for ideas for advertising, you might want to look at examples of recent award-winning advertisements.

- If you are looking for ideas for recruiting new employees, you might want to see how many of the top organizations recruit students or how NBA teams recruit star basketball players. A literature search and Internet key word search are very valuable resources, as are direct interviews.

Once you have identified the gold-standard organization, make a list of the elements of the process or program that made this organization into your gold standard. Relate these elements back to your particular situation and discuss which elements would be useful. Determine what action steps would be needed to implement these elements in your organization.

4.4.5   Creative-Connections Power tool 6: Adopting and Adapting

Great ideas already exist somewhere else in the universe. All you need to do is find them and adopt them as your own. Find out what others are doing well. Do not limit the stimuli to your own company and only "fast adapt" ideas from within the four walls of your own organization.

How to Implement This Creative-Connections Power tool. There are several sources for adopted ideas. First, ***look within your own organization***—in other departments, regions, or business units. Many companies spend so much time reinventing the wheel in separate parts of the organization when all they need to do is ask another department how they solved a similar challenge. What better place to find ideas to adopt than from your own relatives?

Second, ***study competitors' products or services*** or, in the case of a government agency, other agency services and programs. Keep an eye out for emerging competitors, those small but growing entities that are on the move.

- Companies like Coca-Cola and Pepsi can benefit from keeping their eyes on the new beverage players as valuable sources of new ideas.

- Organizations like the United States Forest Service can benefit from keeping their eyes on environmental lobbying groups and logging companies to better understand the upcoming challenges as well as potential new solutions.

Investigate your competitors' products in other countries that might soon be imported to your country. Check the trademark applications being submitted by the competitors. One

of the first indications of their plans to bring a new product or service into the market is a trademark application.

While adopting ideas from within the category might be beneficial, adopting ideas from **outside the category** and bringing these ideas to the category before others do, would definitely put you ahead of the game. It is best to venture outside the category, "do a little off-road thinking." Look to neighboring categories to adopt new ideas.

For example, for a challenge in the beer market, look at the neighboring categories of substitute products such as wine, liquor, and soft drinks. Find out what new ideas are working in these categories. Find out what it would take to switch consumers of these substitute products to your product or product category. Or better yet, develop a new category that bridges both your category and this neighboring category, such as wine/soft-drink combinations or beer/soft drink combinations.

Other ideas can be found in organizations that have faced similar challenges. These organizations do not have to be in the same category, in the same country, or even in the neighboring categories.

- A cafeteria manager for Sodexho Marriott developed an Easy Pass system where customers could easily deposit $5 in the jar to pay for their meals and bypass the cashier line. He got the idea while driving on the highway and realizing that cars with the E-Z Pass or the correct change could sail through the tollbooth, while others had to wait to get change from the cashier.

Here are some other examples of possible creative cross-industry learning ideas:

- Banks could adopt the numbering system many bakeries and government offices use to serve customers so that their banking customers could sit and relax while waiting their turn.

- Theater designers could adopt the Nike shoe air-pump technology in their seat design so customers could pump up their seats to make themselves more comfortable during a performance.

- Restaurants could adopt the technique used by Wait Disney World to fully integrate a theme into all elements of a chosen design, including menu items, decor, cutlery, pricing, staff uniforms, and advertising.

Most companies look head-to-head only with competitors in their own category. Innovators, however, look beyond the borders of their category to find new ideas to adopt and adapt.

4.4.6 Creative-Connections Power tool 5: Combining Ideas

Creative thinking is a bit like cooking: a little of this and a little of that. Creative thinkers are aware of the objects or ideas around them and look for new connections through combining diverse objects or ideas.

- Children playing house use whatever blankets, boxes, toys, cushions, newspapers, or other objects are around and combine them into a great playhouse.

- Creative executives at advertising agencies are good at this as well. They look for combinations and links using such things as current movies or fashion trends as the basis for new ad proposals.

- Artists use mixed media to create new works of wonder.

- Software programmers mix and match different technologies to find new ways to program our lives.

- McDonald's was one of the first fast-food restaurants to introduce value combos: a combination of sandwich, fries, and drink.

Figure 4.8

How to Implement This Creative-Connections Power tool. Practice combining objects in everyday life.

- How could a computer keyboard be combined with a printer?
- How could a doctor's office be combined with a school?
- How could the concept of a "book-of-the-month club" be combined with wine?

What else could be combined with your product, service, or program? Seemingly unrelated stimuli can be forced back into a combination with the product or service. Open your mind to the possibilities. Experiment.

- The other day, we visited Pizza Hut, where there was a new variety called Birizza, which we ordered. It was so delicious and we enjoyed the taste. It was a combination of pizza and vegetable biryani.

4.4.7   Creative-Connections Power tool 4: Finding Similarities

When you are faced with a creative challenge, a good technique is to think of other challenges that might be similar.

For example, find similarities in nature: How is the organization like a tree, or how is the process like a tornado?

- The Velcro hook and loop design was invented by someone who studied the way the burrs stuck to clothing.

- Another technique designed to uncover similarities is the excursion technique. This technique, designed by George Prince, the creator of the Synectics creative problem-solving process, relies heavily on analogies, metaphors, and mental excursions. Excursions take a person temporarily away from the problem so that she can change her perspective and then relate what she finds on her excursion back to her original problem or situation. According to Prince, the important steps of the excursion technique are as follows:

  1. Participants must put the problem out of their minds.

  2. The facilitators lead them in the use of some right-brain functions (imaging, connection making, and pattern recognition) that are apparently unconnected to the problem.

  3. Participants relate the seemingly irrelevant material back to the problem at hand. The excursions might be real (a visit to an airport, a grocery store, or a museum) or they might be imagined (playing on a beach, visiting the future, or starring in a movie). Excursions help the subconscious mind to work on the problem to find solutions grounded in seemingly unrelated events or locations.

How to Implement This Creative-Connections Power tool. Spend some time thinking about how the problem, product, process, or program is similar to other situations. Draw analogies to similar situations.

- For example, what similarities can you find between fast-food restaurants and your organization?

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- What similarities can you find between a baseball team and your team?

- What similarities can you find between your sales process and eBay's?

Relax your mind and try the excursion technique. You might discover a new connection through a much unrelated source!

4.4.8   Creative-Connections Power tool 3: Breaking Down the DNA

Sometimes the problem or situation is overwhelming in its complexity. A good technique in this case is to break the problem down bit by bit so that the focus is on the "bits" instead of on the whole problem all at once. It is then easier to understand what is driving the problem and identify unique ideas to solve part, if not all, of the problem. Pulling apart a product or service to find the underlying "DNA" elements is easy. Simply list the characteristics or attributes of the product or service and then ask questions or play with each of the elements.

Doing the DNA breakdown is similar to a technique called "reverse engineering." The process of working backward from the finished product to discover how the object was constructed is called "reverse engineering."

Many computer software companies use this technique. They purchase their competitor's product and then pull it apart to see how it was put together. This technique could be used in many other product and service categories as a means of discovering new ideas, or the elements of new ideas.

Pulling apart a process is a little more difficult. For this technique, the team needs to outline the process step by step. At Walt Disney World, for instance, they have done the DNA exercise for their customer service processes and have thought of everything. From the time a customer hears about Disney World, through requesting information, arriving and entering the parking lot, purchasing the tickets, reviewing the maps, lining up for the attractions, boarding the rides, disembarking from the rides, and so on, the staff at Walt Disney World have analyzed every step to ensure that the process flows smoothly.

How to Implement This Creative-Connections Power tool. First, outline all the component parts of the product or all the steps in the process. By looking at the DNA, the team can highlight where the issues and opportunities are and see how to the elements could be changed. For example, they might want to:

1. Rearrange steps in the process, such as putting the quality checks at the beginning of the process instead of at the end so that no faulty parts are used throughout the process. This creative idea would reduce downtime and waste.

2. Consider skipping a step.
   Michael Dell shipped computers right from the manufacturer to the customer. In

doing so, he simplified the process of purchasing a computer, which led to the meteoric rise of the Dell Computer Corporation.

3. Add a step.

    - For example, consumers used to just wash their hair. But then the shampoo manufacturers decided that consumers needed to not only wash their hair, but also condition it, as well as add styling gel and hairspray.

    - The same happened with the laundry industry when fabric softener was added.

Adding steps to the process might represent creative ways to market new products or services.

4.4.9   Creative-Connections Power tool 2: Listing and Twisting

Once the steps in the process or attributes of the product or service have been "listed," they can be "twisted" to find new ideas.

How to Implement This Creative-Connections Power tool. Use your imagination and the following chart as stimuli for "twisting" ideas:

The list and twist checklist.   Table 4.2

Add a step	Find other uses	Slow down
Eliminate a step	Find other customers	Add sound
Rearrange the steps	Improve the quality	Add motion
Outsource a step	Decrease the quality	Add texture
Add an ingredient	Make it easier	Change packaging
Eliminate an ingredient	Make it more complicated	Automate parts
Change an ingredient		De-automate parts
Combine ingredients	Align with another product	Standardize
Make it bigger	Align with another service	Accessorize
Make it smaller		Make it more extreme
Make it more expensive	License	Make it less extreme Separate
	Find new distribution	
Make it less expensive	Substitute materials	Make it self service
Change the shape	Combine other processes	Make it more reliable
Change the state		Bundle with others
Put some fun in it	Make it educational	Change color
Divide it	Speed up	Automate parts

4.4.10   Creative-Connections Power tool 1: Becoming a Visual thinker

• It is believed that Leonardo da Vinci created an early version of the storyboard technique. Walt Disney perfected this technique to organize his animation projects. By visually displaying the scenes involved in the plot, Disney was able to add, delete, or rearrange them to produce the most entertaining program.

- Michael Vance built on this technique of displayed thinking by encouraging people to work in color, not black and white, and to work in images, not lists.

- Advertising agencies use the storyboard technique to visually display the flow of their proposed television advertisements.

- Mind mapping, created by Tony Buzan, is another visual creative connections technique.

Figure 4.9
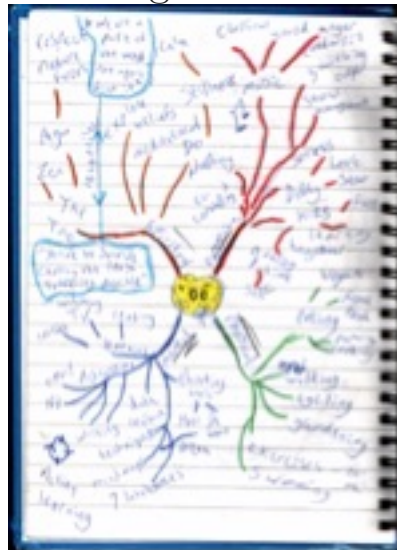
In brief, it is a visual depiction of the links and connections between thoughts. This particular non-linear technique helps to generate ideas in a way that, especially when presented in group settings, is less prone to produce biased reactions than are traditional "lists" of ideas. Mind mapping also makes transparent the relationships between ideas and concepts.

How to Implement This Creative-Connections Power tool.

Essentially, the mind mapping technique includes beginning with the key issue or challenge in the center of the page, then quickly creating large branches from the key issue that represent ideas pertaining to the issue. From there, more branches are created either from the main issue or from branches that already exist. It is important to branch out freely and quickly so that as many connections as possible are made as quickly as possible. Do not be afraid to be messy! Mind mapping is a valuable tool for showing relationships between elements, demonstrating multiple perspectives, and showing the breadth and depth of a complex issue.

There are also many creative-thinking and mind mapping software programs, such as IdeaFisher, Innovation Toolbox, Inspiration, Mind Manager, Personal Brain, The Brain, and Visual Mind. Information and, in some cases, demonstration versions of these programs, can be obtained on the Internet.

Figure 4.10

Other visual techniques include drawing relationship maps or interrelationship diagrams, which serve to show the relationships between various causes of the problem as well as enabling one to see the problem in its totality.

4.5   Evolving from Brainstorming to Innovation Groups

A chapter on discovering new connections would not be complete without a discussion of brainstorming. Outlined on the following pages is a brief discussion of brainstorming and a recommendation to try an Innovation Group as an alternative.

4.5.1   The Creation of Brainstorming

Advertising executive Alex Osborn created brainstorming in 1938 as a group method for idea generation. It has grown to be one of the most popular methods used by groups all over the world to tap into different participants' perspectives and experiences in order to generate many alternative ideas. Osborn was influential in the design of brainstorming as a process in that he recognized that creativity could be increased by banning evaluation during the idea-generation phase. If the participants were to offer their ideas rapidly, there would not be time to evaluate or debate the ideas. Accordingly, Osborn developed four guidelines for brainstorming: 1) defer judgment, 2) strive for quantity, 3) seek unusual ideas, and 4) combine or build on others' ideas.

4.5.2   The Creation of Brainstorming

Unfortunately, the application of the original concept and process of brainstorming has been modified over time, resulting in a loss of its effectiveness. The typical brainstorming session now involves a leader who shares some adaptation of the rules of brainstorming, reads the problem statement, asks participants for ideas, organizes the ideas, and then requests that the participants select the best one. The appeal of the original concept of brainstorming has been restrained by the addition of the selection step. The original

concept did not include this selection step as it focused strictly on divergent or exploratory thinking.

Although the participants start out with good intentions, there are numerous problems that are usually encountered, in some form or other, with brainstorming as it is now practiced:

1. **Lack of process**: Most people view brainstorming as an "event" that is not part of a larger innovation process. The event is often unstructured, no tools are provided, and participants are unsure of what will happen during and after the event. In most instances, the leader reads the problem statement, and then the participants proceed to drain the ideas from their minds. As the event is unplanned, many of the exercises do not relate to the specific challenge at hand. Often the flow of the event is disjointed as participants mix the discussion of the problem with action steps offered at random.

2. **Lack of a skilled facilitator:** The facilitator may not understand the overall process or that the facilitator's role should be focused on guiding the process rather than offering ideas. Some facilitators redirect the meeting to fit their personal agendas and sometimes acknowledge only certain ideas, screening out others. These actions have a demotivating effect on the participants and do not fulfill the intent of authentic brainstorming.

3. **Lack of skilled participants:** Brainstorming sessions can be disrupted by a few participants who dominate the meeting while the quieter participants withdraw. Some participants view brainstorming sessions as a chance to flaunt their technical knowledge. Other conflicts can surface when managers try to influence the flow of the meeting and subordinates try to offer only ideas they believe their manager wants to hear.

4. **Listing of rules**: Often the brainstorming session begins with the leader reading a list of rules of conduct. Unfortunately, reading a list of rules does not guarantee that the participants understand the philosophy behind the rules nor that they will follow them.

5. **No agreement on the problem**: Often the focus of the brainstorming session is on identifying solutions for a given problem, when what is really needed is a dialogue session to clarify and reach a common understanding of the problem or issue. Not enough time is spent on exploring and analyzing the Real Problem. The problem may also be too complex to be dealt with in one group meeting

6. **Lack of stimuli**: The most common approach to brainstorming is to gather a group of participants in a room and ask for ideas. The leader is usually positioned beside a blank sheet of flipchart paper, and the participants have blank pieces of paper in front of them. No external stimuli-- samples, examples, products, etc.—are available in the meeting room to stimulate idea generation.

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7. **Pressure to be creative on queue**: Not everyone is creative at the same time of day or in the same style. Not everyone can find creative ideas in an office setting. By scheduling a two-hour brainstorming meeting, the leader is expecting everyone to produce creative ideas within that specific two-hour period.

8. **Pressure to converge quickly**: Following the listing of new ideas, participants are asked to quickly choose their "best ideas." This step is difficult to do since the criteria for selection are often unknown or misunderstood. Participants are asked to select the best idea without having time to investigate and reflect on the ideas. Some participants want to avoid a conflictual situation, so they choose the most popular idea, or they revert back to the safest idea or the one closest to what has already been implemented. Others spend more time supporting their own idea and convincing others to accept it, so that the focus on solving the problem most effectively is lost. A major complaint with brainstorming is that ideas that are not immediately perfect are discarded.

9. **Lack of follow-up**: Teams can spend many hours and lots of money on brainstorming but they often find that the excitement for ideas generated during the session soon fizzles and the ideas are never implemented.

A common criticism of brainstorming is that, of twenty great ideas generated during a meeting, one might get accepted and nineteen are forgotten and never referenced again. Then the team holds another brainstorming meeting a few months later and repeats a similar process, resulting in another "new set" of ideas, of which one is used and the rest are discarded. The team, in effect, constantly reinvents the wheel, and potentially great ideas are lost in the process.

4.6   Innovation Groups

A preferred method for idea generation is holding an "Innovation Group," which, because of its comprehensive and rigorous design, goes beyond the more common brainstorming method. The Innovation Group method addresses the previous list of problems by recommending the following:

1. **A more complete process**. One must first determine if the goal of the Innovation Group is exploration (exploratory thinking) or the resolution of a specific problem (both exploratory and concentration thinking). If it is only exploratory, then one group meeting may suffice. If it is to solve a specific problem, then a series of group meetings spread over time may be warranted.

Consider the following process steps:

a) Pre-work to establish the goals of the process and ask participants to explore the subject area;

b) The first group meeting to explore and clarify the problem definition;

c) Time away to reflect on the chosen problem area and conduct more research;

d) A second group meeting to explore the subject area and generate ideas;

e) Time away to reflect on the ideas and add more ideas; and

f) A third group meeting to discuss the ideas and select the "best" ones.

This final step can include the group or be done solely by the leader. The tactical details are planned from here. The two- or three-stage group meeting approach helps address the issue of premature closure. Participants have time to reflect on the output and research the ideas that interest them. Individuals can contribute additional ideas they identified outside the limited time frame of the group meetings. Convergence is easier if participants have this time and the opportunity to discuss the selection criteria in the early stages of the process.

2. **Reducing the pressure to be creative in one meeting**: Using a two- or three-meeting process helps alleviate the pressure to be creative in one meeting and allows more time for research and reflection. Participants can generate ideas according to their personal style. Ideas generated outside the meetings can also be considered.

3. **Choosing a skilled leader**: The leader may be the person in charge of the project or he may be the person who is best at inspiring and focusing a team of participants. If the leader is also assuming the responsibility of being the facilitator, he must focus on leading the overall process and inspiring the team, and not on directing the content to his preconceived solutions. The role of the leader is to guide the process from start to finish, engage all participants, seek equal participation, challenge the Participants to dig deeper for more insights and ideas, and in general, bring a high level of enthusiasm to the project.

4. **Choosing the best participants**. Participants are responsible for researching the project area, developing insights and innovative ideas to contribute to the team, bringing a high level of enthusiasm to the project, being open-minded, and encouraging others to identify and accept innovative ideas. The leader may wish to add diversity to the group by inviting a few outsiders—suppliers, customers, and experts—to the group to add perspective.

5. **Providing guidelines**. The nine guidelines for an effective Innovation Croup are:

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- Make sure everyone contributes.
- Clarify the real problem.
- Focus on what is wanted.
- Accept partial ideas enthusiastically.
- Accept unique ideas enthusiastically.
- Seek connections using stimuli and other ideas.
- Be open to others' new ideas.
- Challenge others' ideas.
- Allow passion to rule.

6. **Clarifying the real problem**. It is important to spend time exploring the various aspects of the problems before selecting one particular problem to solve. The team should be focused on the problems that, if solved, can deliver the greatest impact to the customer and-to the organization.

7. **Introducing stimuli**. The more stimuli, the better. Stimuli should be included in the pre-work stages as well as during the meetings. Stimuli could include previously generated ideas, samples, examples, idea worksheets, and output from previous meetings.

8. **Using the Creative-Connections Power tools**. Use any or all of these tools to stimulate creative thinking.

9. **Ensuring follow-up**. The multi-step Innovation Group ensures that some follow-up will occur. Participants are more inspired to contribute to the process because they understand the process and have faith that their ideas will be heard and reviewed authentically. The capturing of all ideas in an "Idea Bank" for later consideration helps develop the innovation capacity of the group.

4.7 Activities for the students

Activity A:

Every day you commute from your house to the college/office, and come back home in the evening. Use Creative-Connections Power tool 3 and 2 to make the process more capable.

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Activity B:

The Velcro hook and loop design was invented by someone who studied the way the burrs stuck to clothing. Observe a Tulip flower and think what you can invent.

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4.8 Summary

- Pursue a large quantity of ideas and make connections between these ideas. The great connection could arrive at the second or eighth or thirtieth idea. One never knows when a great idea will arrive.

- Creative thinking is really about discovering new connections through the use of

  (1) the imagination,
  (2) diverse stimuli, and
  (3) Creative-Connections Power tools.

- Although the participants start out with good intentions, there are numerous problems that are usually encountered, in some form or other, with brainstorming.

- A preferred method for idea generation is holding an "Innovation Group," which, because of its comprehensive and rigorous design, goes beyond the more common brainstorming method. The Innovation Group method addresses the previous list of problems by recommending the following:

  o   A more complete process

  o   Addressing the pressure to be creative

  o   Choosing a skilled leader

  o   Choosing the best participants

  o   Providing guidelines

  o   Clarifying the real problem

  o   Introducing stimuli

  o   Using the Creative-Connections Power tools.

  o   Ensuring follow-up.

4.9 Self-assessment questions

Write short notes on:

a.   The Challenges with Brainstorming

b.   Creative-Connections Power tool 1

c.   Using your imagination to do the opposite of what is expected.

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4.10 Multiple choice questions

1. Something that encourages activity in people

a. Medicine
b. Drug
c. Achievement
d. Stimuli

2. Rummaging in the Attic

a. Creative-Connections Power tool 1
b. Creative-Connections Power tool 10
c. Creative-Connections Power tool 7
d. Creative-Connections Power tool 9

3. The problems with Brainstorming (Find the wrong one)

a. Lack of follow-up
b. Using the Creative-Connections Power tools
c. Pressure to converge quickly
d. Lack of stimuli

4. Historical review, Children, List of trends, Photos are sources of:

a. Affection
b. Confusion
c. Diverse stimuli
d. Travelling

5. The list and twist checklist. (Find the wrong one)

a. Add a step
b. Eliminate a step
c. Rearrange the steps
d. Climb the steps

Transition from chapter 4 to 5, 6, 7 and 8

My dear students, you have now understood fully how to use your imagination, diverse stimuli and above all, creative connections Power Tools. These are very important part of our subject, so master them. Form your innovation groups. Start innovative thinking in your day to day life. Internalize this subject as an inherent part of your career.

The next chapters from 5 to 8 are giving you insights about strategic thinking. The nine step innovation process will take you further on your journey of the innovation management.

The most interesting topics are:

1. The big picture criteria
2. Innovation goalposts
3. Trend watching and analysis
4. Extraordinary strategies

Go through the Extraordinary strategies at least 2 or 3 times when you are in a clam and quiet state of mind. We assure you that you will get the insight into the subject to the maximum extent.

Reference Material

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video1

Video2

Innovation Process

Objectives:

In this chapter, you will come to know the steps in the Innovation Process.

Structure:

5.1   Introduction

5.2   Process Flow Chart:

5.3   The Nine-Step Innovation Process in tabular form

5.4   Activities for the students

5.5   Summary

5.6   Self-assessment questions

5.7   Multiple choice questions

5.1   Introduction

The process approach is one of the eight quality management principles upon which the entire ISO 9000 series of quality management standards is based. This principle says a desired result is achieved more efficiently when activities and related resources are managed as a process.

The word "process" is defined in ISO 9000:2000 clause 3.4.1 as "a set of interrelated or interacting activities that transforms inputs into outputs." Inputs to a process are generally outputs of other processes. Processes in an organization are generally planned and carried out under controlled conditions to add value.
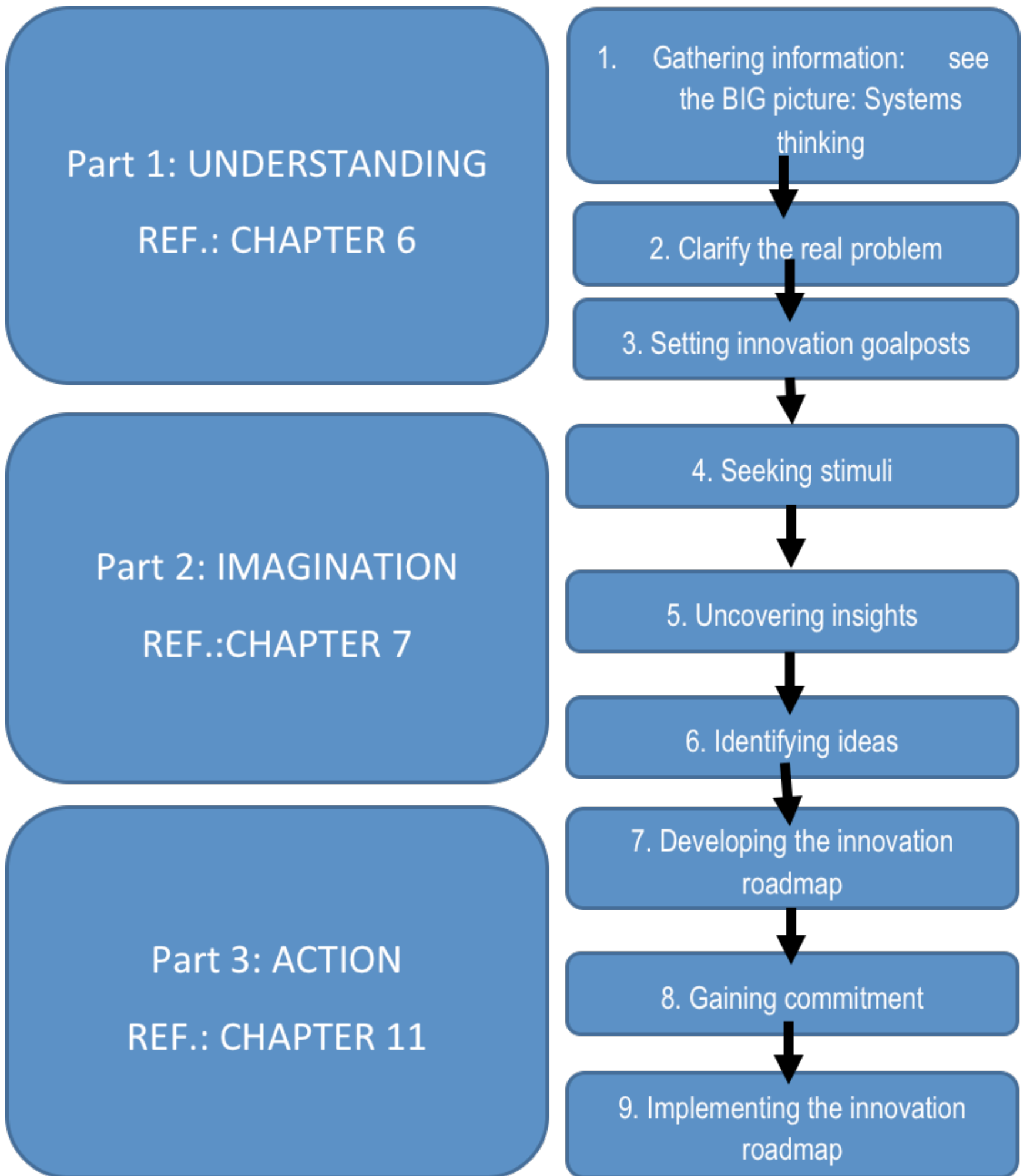
From the principle and process definition, you can see the process approach is a powerful way of organizing and managing how work activities create value. While a more traditional structure organizes and manages work activities vertically by function, with quality problems frequently occurring at the boundaries of the functional departments, the process approach organizes and manages work horizontally the way work activities create customer value.

The process approach directly links process inputs that come from suppliers to the outputs of the process that go to customers. This horizontal linkage between suppliers and customers is an excellent way to manage and continually improve both the effectiveness (the amount of value created for the customers) and the efficiency of the process.

We shall follow process approach in case of innovation management too. The Process approach essentially starts with making a:

5.2 Process Flow Chart

Figure 5.1

Part 1: UNDERSTANDING

REF.: CHAPTER 6

1. Gathering information: see the BIG picture: Systems thinking

2. Clarify the real problem

3. Setting innovation goalposts

4. Seeking stimuli

Part 2: IMAGINATION

REF.:CHAPTER 7

5. Uncovering insights

6. Identifying ideas

7. Developing the innovation roadmap

Part 3: ACTION

REF.: CHAPTER 11

8. Gaining commitment

9. Implementing the innovation roadmap

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5.3   The Nine-Step Innovation Process in tabular form

The Process Flow Chart is explained further as follows:

The Nine-Step Innovation Process		
Step	Exploration	Concentration
Part 1: Understanding (Explained in detail in Chapter 6)		
Step1	1-A	1-B
Gathering information	Choose the team that will address the problem. Gather facts, opinions, details. Apply "who, what, where, why, how, when" to the problem. Get information from external market.	Analyze the problem. Understand the problem better.
Step2	2-A	2-B
Clarify the real problem	Identify and list the likely causes of the problem. List "problem statements" or concerns. Do problem analysis.	Separate the concern.
Step3	3-A	3-B
Setting innovation goalposts	Explore the range of acceptability for options and solutions. Do decision analysis.	Set the innovation goalposts

Part 2: Imagination (Explained in detail in Chapter 7)		
Step4	4-A	4-B
Seeking stimuli	Explore the environment for signals and other information. Research past, present, and future. Explore multiple perspectives. Explore the marketplace.	Analyze and narrow down the stimuli.
Step5	5-A	5-B
Uncovering insights	Use your chosen stimuli and imagination to identify potential insights and discoveries. Suspend judgment while you are uncovering these insights. Use the creative connections power tools.	Choose the high priority insights for further reflection.
Step6	6-A	6-B
Identifying ideas	Explore these high priority insights for potential ideas to solve your real problem.	Compare and select the best ideas based on the previously discussed innovation goalposts. Build these ideas into fuller concepts.

Part 3: Action (Explained in detail in Chapter 11)		
Step7	7-A	7-B
Developing the innovation roadmap	Take these concepts and build them into fuller plans. Investigate resource needs, timing, and responsibilities. Identify alternative plans.	Choose the optimal plan based on the innovation goalposts and predetermined criteria. Consider the impact this plan will have on the rest of the organization.
Step8	8-A	8-B
Gaining commitment	Explore commitment to the optimal plan. Identify who will support the plan. Prepare the plan for presentation.	Present the plan. Readjust the plan. Test elements of the plan if desired. Readjust the plan. Finalize commitment to the final plan.
Step9	9-A	9-B
Implementing the innovation roadmap	Release the final plan into action. Adjust the plan when needed.	Review the entire process and results and share this learning.

5.4 Activities for the students

Activity A:

Select a problem. Choose the team that will address the problem. Gather facts, opinions, and details. Apply "who, what, where, why, how, when" to the problem. Get information from external market.

_____

_____

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_____

_____

5.5 Summary

The process approach directly links process inputs that come from suppliers to the outputs of the process that go to customers. This horizontal linkage between suppliers and customers is an excellent way to manage and continually improve both the effectiveness (the amount of value created for the customers) and the efficiency of the process.

We have followed process approach in case of innovation management too.

5.6 Self-assessment questions

1. What do you understand by innovation roadmap?

2. What do you understand by innovation goalposts?

5.7 Multiple choice questions

1. Gathering information

a. Step 1
b. Step 2
c. Step 3
d. Step 4

2. Gaining commitment

a. Step 5
b. Step 6
c. Step 7
d. Step 8

3. Setting innovation goalposts

a. Step 2
b. Step 3
c. Step 4
d. Step 5

Reference Material

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video

Strategic thinking

Objectives

After the creative thinking part, now you will get acquainted to strategic part of innovation management.

Structure

6.1   Introduction

Strategy is about connecting creativity with value.

Strategic decisions are based on:

- An understanding of customers' current and emerging needs
- An understanding of organization's current and emerging needs
    - o   Anticipated future core competencies-special skills and knowledge
    - o   Anticipated future resources and culture
- Future view of industry and marketplace

Creative mind is the foundation of innovation. It is always exciting to discover new ideas—as witnessed by the recent flood of dot-com enterprises. However, the dot-com experience also illustrates that creativity is only one piece of the puzzle. An idea can be creative, but it must also add value.

A strategic idea is the best or most valuable idea for solving the challenge at hand. While we might have many creative ideas, we must still decide which the best idea among the many options is. Should we go this way or that way? Should we allocate the entire budget to support one program or should we save some for a "rainy day"? Should we merge with the other organization or should we pass on the chance to collaborate? Some people find the task of choosing one option over another easier than others. Of course, the pressure to choose the "right" option increases as the implications of the choice intensify and as resources become tighter.

Strategic thinking is an important component of Innovation Management for several reasons:

- It can be used to strengthen the fundamentals of the business or organization. If the base concept of the program, product, service, or overall organization is weak, layering creative ideas on top of a weak foundation is pointless. This would be analogous to icing a stale cake or painting a car whose engine does not run.

- It can be used to deepen the understanding of what is really causing the problem at hand. Understanding the context in which the problem occurs and analyzing the possible causes of the problem are critical first steps in the innovation process.

- It can be used to strengthen communications with teams within the organization as well as with suppliers, partners, and customers. If the team can clearly articulate its strategic goals, the probability of identifying creative and useful ideas that fit these goals is enhanced.

As Sun Tzu so wisely stated, "a general who wins a battle makes many calculations in his temple before the battle is fought." However, who should be involved in strategic thinking—the general alone or the general plus his troops?

The old model of strategic thinking involved only the executive team and those people who were believed to possess superior planning skills. This approach elevated strategic thinking to the province of the elite and, in doing so, disregarded the contribution of all others in the organization. The new model involves everyone. Frontline employees are closer to the actual day-to-day challenges and have tremendous knowledge and insights regarding where the opportunities for improvement and redirection may lie. If all employees, suppliers, and partners can understand the overall goals of the organization and be on the lookout for new creative and strategic ideas, the power of the organization can be magnified.

All employees can participate in strategic thinking by

(a)seeing the BIG Picture,

(b)looking to the future, and

(c)doing the extraordinary!

6.2 See the BIG Picture

(Refer Nine Step Innovation Process: Part 1: Understanding)

Figure 6.1

One of the tools for seeing the BIG picture is the **Nine-Step Innovation Process** introduced in the Chapter 5. To begin this process, it is important to take some time to truly understand the challenge at hand. This includes gathering information about the challenge from as many different angles as possible. The creative thinking tools and techniques, such as building observation skills, asking probing questions, and seeking diverse stimuli, already introduced in previous chapters, will help in completing this **first step of the process: Gathering Information**.

It may also be helpful to gather information by looking beyond the specific task and seeing the bigger picture. Often we are so focused on our little tasks, on our piece of the world, that we forget about how our actions will ultimately affect others involved in the same project. We sometimes hear people saying, "I only work in the accounting

department. I don't have anything to do with the product." "Why can't the marketing department realize that this is a breakthrough invention?" or "I really don't know what the company is planning for next year." This lack of understanding of how the pieces of the puzzle all fit together results in growing frustrations as well as lost opportunities for innovation.

Seeing the BIG Picture enables you to see why your task is important to achieving the ==overall goals== of the organization, how the whole process flows from 'start to finish, how other organizations are doing extraordinary things, and above all, how the future marketplace is evolving in order to anticipate your own future challenges and opportunities.

In addition to understanding how everything is related, seeing the BIG picture also involves analyzing the many different angles of your problem. Instead of rushing off to solve what might not be the real problem, it is wise to take time to step back and gather as much information as you can about the various dimensions of the problem. Doing this will ensure that you are directing your innovation efforts towards solving the most important problem, or the root causes of the problem, versus wasting effort trying to solve superficial or less pertinent aspects of your problem.

Seeing the BIG Picture also involves setting Innovation Goalposts so that your innovation efforts are focused on finding the most strategic ideas to solve your problem. It also involves predetermining the criteria that will be used to 'select the best strategic idea among your many options.

Let us look at the various elements of seeing the BIG Picture.

Figure 6.2

6.3   Systems Thinking

- A mechanic could focus on one part of the engine, or he could focus on the interrelationship between all parts of the engine.

- A doctor could focus on one part of the body such as the heart, or she could look at the bigger picture of what is actually causing the weak heart.

- A politician could recommend lowering the federal tax rate, but he could also see the bigger picture of how a decrease in the amount of tax collected at the federal level could send rippling effects through all agencies and other jurisdictions.

These are examples of how things are interrelated and how a change in one area can affect the rest of the system.

All innovative thinkers should understand the concept of systems thinking. Systems' thinking has its roots in the natural world with many of its principles grounded in the fields of biology and ecology. In its simplest form, systems' thinking is about looking at the whole entity, not just the parts. Importantly, it is about looking at the relationship between the parts and the whole and understanding the effect that a change on one part will have on the other parts.

"A system is a set of components that work together for the overall objective of the whole. Systems' thinking is a new way to view and mentally frame what we see in the world, whereby we see the entity first as a whole with its fit and relationship to its environment as primary concerns; the parts secondary."

Unfortunately, most people have been taught to focus only on the parts of a project or organization that are relevant for the completion of a particular task and, consequently, they only see a small percentage of what is really going on. However, in breaking things down into these small parts, they often lose the ability to see how things fit together and cannot identify ideas that could benefit the whole organization.

Systems thinking is important to Innovation Management because it can help everyone:

- To see themselves as part of a larger enterprise with a common purpose. It is helpful to see how the parts of the whole organization (departments, functions, groups) can work together to set project priorities and allocate resources to achieve a common goal.

- To see how one change can affect many other parts of the system. Being a systems thinker means understanding how decisions are being made, how all decisions are interrelated and how, if an organization is to be successful, all decisions link with and support the organization's overall strategic direction.

- To see the world and its opportunities. The world is becoming more connected with the advent of the Internet, enterprise systems, and greater collaboration between suppliers, partners, and even competitors. The more connections one can see and experience through systems thinking, the higher the probability that one can find creative and useful ideas.

Systems thinking does not have to be complicated. Everyone has the capacity to strengthen their systems-thinking abilities. Here is how:

1. **Look at how your task is related to part of a bigger process**. For example, list who else is involved in your project from beginning to end, and identify what they are

contributing to the completion of the task. And what you are contributing. Understand what comes before your part and what comes after your part. This may help eliminate some of the challenges resulting from "just throwing the work over the wall to the next person in the process." Understanding the total process is useful for innovation planning, either to see where process steps can be eliminated or shortened, or to see how new ideas could affect "the way things are done around here."

2. **Look at how your work is related to the bigger organization in which you operate.** Take time to look at how your work relates to that of the rest of your department. Do you know what everyone else in your department does and what projects they are currently working on? Find out what your department's priorities are and how resources are being allocated to meet these priorities. This is an example of seeing the BIG Picture by looking "one level up" from where you are. Take time to also look at how your work and that of your department relates to the rest of the organization. Do you know people in other departments and are you familiar with their work? Find out what your organization's overall business strategy is and how resources are being allocated. Everyone, including research and development personnel, can benefit from understanding the BIG-Picture goals of the organization as well as the steps involved in commercializing a new idea.

3. **Look at how your work is related to the bigger marketplace**. How does your new idea fit with the existing structure of the marketplace? If your idea is for a new product, how will the introduction of the new product affect sales of other products in the company? How will other competitors react to the introduction of your new idea? Expand your viewpoint. See how your product is related to others in the same product category and in other product categories. See what your competitors are doing locally, nationally, and internationally. See who else could be your competitor on a local, national, and international level. If your idea is for a new government program, how will the new program fit with the existing programs in the marketplace? How will other agencies in other jurisdictions react to what you are proposing? Find new perspectives and new ideas by moving from the close-in view to the farther out, bigger-picture point of view.

4. **Look at how your work is related to the future view of the marketplace**. Look at the bigger picture and ask, "How does what I am working on, fit with where the marketplace is heading?"
Determine how your current projects or proposed new idea fits with current and emerging customer trends.

5. **Ask others for their perspective and ideas.** The world is interrelated, but often people try to solve their challenges by themselves instead of asking for assistance from others who may have faced the same challenge. Is there only one physician who is facing changes in the hospital workplace? Is there only one food manufacturer who is facing the issues of genetically modified foods? Is there only one public servant who is facing budget cutbacks? Although everyone likes to think their situation is unique to

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them, their team, their organization, or their industry, there are many others in the bigger world who have faced similar challenges. Step 1 of the Innovation Process is gathering information about the problem or task at hand. Use the concept of systems thinking to look more broadly at this problem or task. Gather information by asking more probing questions and exploring different perspectives.

6.4   Clarifying the Real Problem

"Sales are down 30 percent. We should implement a price discount."

"The competition just launched a cherry-flavored version of their product. How soon can we get a cherry-flavored version of our product out?"

A team may slash its prices when, in actuality, the product's price is not the real cause of the current slump in sales. A team may spend time developing a new cherry-flavored product when the category is already flooded with cherry-flavored products.

Facing pressure to "get a solution out the door," many teams gloss over the problem-clarification step, Step 2 of the Innovation Process, and move quickly into the idea-generation and implementation phases. Often teams spend their time solving insignificant problems that may not even be addressing the Real Problem and which, in fact, add little to the innovative capacity of the organization. The Real Problem may remain and may grow to cause even more problems in the future.

In the previous example, sales may have been down by 30 percent due not to pricing but to a multitude of factors. The problem might have been a low level of service, the poor quality of the product, inadequate distribution, or simply low sales in one particular region. Quickly taking a price discount may lead to a short jump in sales, but it may also just lead to lower profits. The Real Problem of poor service, poor quality, or inadequate distribution would still remain.

If the team believes the problem is pricing, it will work on pricing solutions. If the team believes the problem is service, it will work on service solutions. If the team believes the problem is poor quality of the product, it will work on improving the product. How a team defines a problem determines how it will spend its time solving the problem. A mistake in defining the problem will send the team down the wrong path.

The philosopher John Dewey once said, "A problem well defined is half solved." Spend significantly more time clarifying the Real Problem before you jump to generating ideas or solutions. Here are some down-to-earth tools to help you and your team develop a list of potential problem statements:

1. Rewrite the original problem statement in ten different ways. This will force the team to see more than one angle of the problem.

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2. Draw a diagram of the problem. Often the visual depiction of the problem can illustrate the various factors involved in it. For example, if the original problem, in the case of student registrations at a university, was a high incidence of late registrants, an illustration of the communications and registration process might highlight areas where the Real Problem is occurring.

3. List the various causes of the problem, not just the symptoms or characteristics of the problem.

4. Look at the problem from a systems-thinking point of view. Look at what might be influencing the problem (the activities before the problem occurs and after the problem has occurred).

5. Again look at the problem from a systems point of view and list all the elements of the problem from the minor details all the way up to the BIG-Picture perspective.

6. Ask others for their input in order to gain different perspectives. Have everyone on the team contribute their opinions as to the causes of the problem. You may find many divergent points of view or you may find many similar points of view.

7. Use the "YY" creative-thinking questioning technique discussed earlier to probe deeper into the problem. Keep asking why until you discover more interesting causes for the problem. One of the most important questions a strategic thinker can ask is the question "why?"

8. Change the assumptions associated with the problem. For example, if the problem is originally stated as "the sales representatives are too slow" or "the sales representatives have inadequate training," change the perspective and explore the problem from the other side, stating it as "the customers are too demanding" or "the customers are too confused." Redefining the problem in this way could lead to a different question, such as "How can the customers serve themselves?" or "How can we educate the customers so they know what to ask for?"

9. Clarify the problem by asking challenging questions, such as the following:

- Who is involved in this problem?

- Who should be involved in this problem?

- What is the level of interest in solving this problem? Why haven't we solved the problem before?

- What has been tried before?

- What were the results?

- What has not been tried?

- What barriers do we face?

- What do we want to change?

- What would be the ideal solution?

- What rules can be changed?

- Will this problem grow to be a larger problem in the future?

- What would happen if we ignored this problem?

Once you have had a chance to use these questions for listing alternative problem statements, take time with your team to discuss and choose the most significant ones—the ones that, if solved, would have the greatest impact on the immediate situation as well as on the long-term health of the organization.

Take the time to diagnose the problem before rushing off to find solutions.

6.5   Set Innovation Goalposts

Organizational life is full of wasted idea-generation effort. Many such efforts are too random, leading to too many obscure ideas that are not valuable for solving the problem at hand. This makes the challenge of selecting the best idea very difficult, and is one of the reasons why so many brainstorming efforts produce a lot of ideas that are never implemented. In today's fast-paced world where resources are often limited, most teams do not have time to waste on ineffective idea-generation and development processes. What is needed is a more focused and direct approach.

Step 3 of the Innovation Process is setting Innovation Goalposts.

Just as hockey players and soccer players need a target area in which to direct their effort, innovators also need a target area in which to direct their idea-generation and development activities. These goalposts effectively guide the development of new ideas by setting limits on the range of ideas that would satisfy the needs of the particular situation.

It is important to note that a goalpost is not one endpoint that players target; instead there are two goalposts between which there is a range of endpoints. How far should the Innovation Goalposts be from each other? The distance between them should not be so great as to confuse the participants by encouraging them to go in too many different directions. Likewise, the distance between the Innovation Goalposts should not be so narrow as to limit new ideas and approaches. There is a balance between being granted too much freedom, which may lead to too many random ideas, and too little freedom or over-direction, which could stifle innovative thinking. The goal of the Innovation Goalposts is focused creativity.

Innovation Goalposts can help the innovation process by:

- **Directing the innovation effort**. Goalposts give structure and focus to creative work.

- **Setting expectations**. Setting Innovation Goalposts helps participants understand the range of acceptable ideas so that they can direct their efforts toward higher-impact solutions. (This does not mean, of course, that any idea that does not fit within the range should be rejected. Participants should still present a strategic idea that might fall outside the goal-posts if it merits review.)

  The Innovation Goalposts are designed to help participants understand the strategic direction for the project, the availability of resources, the risk tolerance of their decision makers, and how willing the organization is to accept change. This discussion also helps set more realistic expectations.

- **Facilitating faster decision-making**. Just as one would narrow down the choice of vacation locations to one or two viable locations based on preselected vacation criteria, an innovator could narrow her list of solutions based on the preselected Innovation Goalposts.

6.5.1 How to Set Innovation Goalposts

Here is how to set the Innovation Goalposts:

1. Take time to understand the situation by gathering information about the various angles of the problem. Review background information and the context within which the problem is occurring. This may include a review of the business plan, the marketplace, partners' plans, customer needs, technology trends, resource availability, and other important facts.

2. Discuss the various angles of the problem and agree to the Real Problem statement to avoid heading off in too many different directions.

3. Discuss what the ideal solution would look like.

4. Discuss how radical an idea can be and still be acceptable. Discuss whether the team is looking for ideas for Efficiency, Evolutionary, or Revolutionary Innovation.

5. Predetermine the strategic criteria against which the ideas would be judged. This step helps to set expectations of the type of ideas that are wanted and also helps avoid the situation where each member of the team just chooses their "favorite" idea. The criteria will be determined based on the particular challenge, but could include the six BIG-Picture Criteria outlined in the following section. These criteria are, in essence,

the working principles for developing creative ideas into useful, strategically relevant, ideas.

6.6   The BIG-Picture Criteria

In order to turn a creative idea into a strategic one, the idea must solve the Real Problem, and the idea must fit between the Innovation Goalposts. In addition to these requirements, you will want to address the following six BIG Picture-criteria:

1.   The big idea must be simple.
2.   The idea must support the overall business strategy.
3.   The idea must be "distinctly new and better."
4.   The idea must be proven.
5.   The idea must be profitable.
6.   The idea must be quickly and easily implemented.

Instead of waiting to discuss these criteria at the end of your idea-generation and development process, why not use these six BIG-Picture criteria early on in the process to develop your creative ideas into strategic ones and to choose the best ideas among your many options?

6.6.1   The Big Idea Must Be Simple

We can all relate to the many television advertisements whose messages get lost in the clutter because there is no big idea or, if there is, it is overpowered by complicated humor or entertainment tricks.

Great ideas are simple and easy to understand. The more complicated you make the idea, the harder it is for others to understand its greatness.

Unfortunately, being simple is not always that simple. Many people have spent their whole careers complicating things, so moving back to the basics is difficult for them. Some people are even put off by simplicity. They feel that if an idea is simple, it is not worthwhile. This is not the case.

So simplify your idea. Ignore the details until the essence of the idea has been communicated and discussed. Try answering the following statement in one sentence:

My simple big idea is -----------------

If you cannot explain your idea in simple terms, how do you expect your manager or your customer to understand what you are offering?

6.6.2   The Idea Must Support the Overall Business Strategy

Determine how your idea fits the overall purpose and direction of your immediate project work or the work of your division, business unit, or organization. Show how the idea is compatible with the current and emerging needs of your customers in recognition of the potential trends in your industry. Explain how your idea helps to achieve the overall business strategy.

6.6.3   The Idea Must Be "Distinctly New and Better"

Innovation is about introducing something "distinctly new and better" to the marketplace or organization and succeeding in getting the customer to switch from what they are currently using to your new idea. Given the overload of products, services, and programs in the marketplace as well as within organizations, it is necessary to differentiate your offering from those of others. Many new products and services fail because they are not unique and are therefore not needed.

The customer has many options. Managers also have many choices. Why should the manager choose your idea? What is the one thing that makes your idea distinctly new and better than the other options that are available? If you cannot answer the last question, how can you expect your customers or managers to understand what makes your idea better?

Choose one selling point that is relevant and preferred by your target customer. Here are a few examples of organizations that offered distinctly new and better ideas:

- The Forum Shopping Mall in Singapore offers only children's stores and activities in order to differentiate it from the many other malls in Singapore.

- A tropical island provides the most interesting bicycle tours.

- A beer is unique because it is triple chilled during the brewing process.

If a unique and better element is difficult to identify in your base product or service, try these other approaches:

- The Body Shop markets its unique attitude toward the environment by highlighting its refillable bottles.

- In Mexico, Cemex, the world's third largest cement company promises to provide cement where you want it and when you want it on two hours' notice. Cemex sells promises--not just cement—and uses them as compelling marketplace differentiators.

- Cott Beverages offered retailers low-priced soft drinks and then added value through its consulting advice on how to run a private-label retail program.

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- Dell Computer Corporation identified a distinctly new and better process for purchasing personal computers instead of focusing solely on developing unique product features.

Some people believe their industry, category, or program is exempt from this concept. They are mistaken. Almost every decision is made by comparing the virtues or benefits of one option to another. Lack of differentiation is the root cause of most strategic challenges. This can lead to commoditization and price discounting. The sales team has to work harder. And it becomes more difficult for the advertising team to develop ads if no one has taken the time to determine what gives the product, service, program, process, agency, organization, or country special status.

Answer the following questions:

- What makes your idea distinctly new and better?

- What is your secret recipe for making your idea unique and able to stand out in the marketplace?

- What do you want your organization to be the expert in or be famous for?

List and then choose one feature or benefit that will differentiate your product, service, or program.

Some strategists suggest that you differentiate your product based on benefits.

- "Tide gives you the whitest clothes", instead of "Tide has added bleach".

- However, in today's crowded marketplace, it is best to choose the strongest selling point for the customer, whether that is a feature or a benefit. Choose something that is big enough to be important to the customer, not something insignificant like

  "Our product has blue packaging" or "our product is available in three sizes."

  Choose something that the customer will understand to be distinctly new and better.

  A recent television advertisement for Honda communicated the big idea that the car had a Honda engine, which leaves the viewer still wondering "So what? How is the Honda engine distinctly new and better than a Toyota or Nissan engine?"

There is no such thing as a sustainable competitive advantage in today's marketplace. You have to keep moving or you will get run over. Continually re-evaluate your choice of the distinctly new and better feature to ensure that it is still relevant as the marketplace changes.

6.6.4   The Idea Must Be Proven

Unfortunately, people tend not to believe in the potential of a new idea unless someone else, especially someone whom they admire, has already experienced it. Every manager wants to balance the risks associated with new ideas. So show them that your idea has proven potential in the marketplace.

Find another organization, either in your industry sector or in another sector that has succeeded with a similar idea. Alternatively, find examples where parts of your idea have been successful. Even if you feel your idea is new, it will have existed in some other form, in some other market, at some other time. Providing proof that your idea will work, and has worked, will lower the perception of risk. It is also important to be able to prove your new idea to your potential customers. Many ideas fail in the marketplace, not because they were not "distinctly new and better," but because the organizations failed to provide proof of their claims.

Answer the following:

- What is the most important benefit or feature of your simple big idea?

- Why is your simple big idea distinctly new and better than what is already available?

- Prove to me that your simple big idea is distinctly new and better than what is already available.

6.6.5   The Idea Must Be Profitable

Many inventors of new ideas fail to understand the BIG Picture in terms of the whole process of commercialization. They lack the knowledge of how the idea would actually be developed, launched, and maintained in the marketplace, and by doing so, put the acceptance of their ideas at risk.

Obviously, any organization has a range of ideas in which they can invest their scarce resources. The decision must be made as to which ideas will be the most profitable for the organization. In order to gain acceptance of your idea, you must be able to show that the investment required to launch and maintain the idea will result in greater returns to the organization than will an investment in another idea.

"Show me the money!"

- Your idea may be a great idea, but can it make enough to cover the investment costs?

- How will the organization make money on your idea?

- What is the revenue model for your idea?

- How high could the revenue grow?

- How broad is the customer base? Remember that many large organizations need to attract a big customer base in order to pay for not only the costs of the new idea but also for the organization's overhead costs.

- Ask yourself how your idea could be expanded to attract more revenue (e.g., other new products, new customers, regional expansion)? Remember that many organizations make more revenue by selling "add-ons" or auxiliary products such as car dealers selling car-repair services in addition to cars, photocopier companies selling toner in addition to the copying machine, and razor companies, such as Gillette, selling replaceable blades in addition to the razor.

6.6.6   The Idea Must Be Quickly and Easily Implemented

Resources are tight. People are busy. As a result, despite requesting innovative ideas, they really want as little disruption to the existing system as possible. They want the adjustment to the new idea to be as easy and quick as possible.

Show how easy the implementation will be by highlighting the development and implementation teams, the steps involved, the timing of each of these steps and resource needs for each of the steps.

Show how the idea can fit with the organization's core competencies (knowledge and skills) and current processes.

Highlight what needs to be changed in order to implement the new idea.

6.7   Applying the Six BIG-Picture Criteria

What if, for example, a manager at Starbucks decided to introduce pizza as a menu item for a new source of revenue?

Hopefully, the manager would not just present the idea but would consider the six BIG-Picture criteria such as:

- The simple idea is selling pizza slices in addition to coffee.

- Selling pizza slices supports the overall business strategy because...

- Our pizza slices will be "distinctly new and better" in the marketplace because...

- Customers will believe we have better pizza slices because...

- Selling pizza slices will be profitable. Here are the revenue and cost projections...

• Here is how the idea can be quickly and easily implemented...

In this example, we may find that the manager of the Starbucks store will reconsider the value of her creative idea because

a) It does not fit the strategic direction of the organization,

b) There is no apparent advantage for the customer in buying their pizza slices at Starbucks versus other fast-food establishments such as Pizza Hut, and

c) The idea is not easily implemented given the space requirement for additional equipment and the additional labor involved.

This is an example of BIG-Picture strategic thinking in action!

6.8   Activities for the students

Activity A:

Now, let us say you are performing some important task. Looking at it, explain how your task is related to part of a bigger process.

_____

_____

_____

_____

_____

Activity B:

You have an innovative idea. Explain how your idea is "Distinctly New and Better".

_____

_____

_____

_____

_____

6.9   Summary

Creative mind is the foundation of innovation. It is always exciting to discover new ideas —as witnessed by the recent flood of dot-com enterprises. However, an idea can be creative, but it must also add value.

All employees can participate in strategic thinking by

(a) seeing the BIG Picture,

(b) looking to the future, and

(c) doing the extraordinary!

6.10   Self-assessment questions

Explain:

1.   Nine step innovation process part 1.

2.   Big picture criteria

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6.11   Multiple choice questions

1.   First step of the Nine-Step innovation process:

a.   Set innovation goalposts
b.   Brainstorming
c.   Clarifying the real problem
d.   Gathering Information

2.   One of the most important questions a strategic thinker can ask is:

a.   Where?
b.   Who?
c.   Which?
d.   Why?

3.   Step 3 of the Innovation Process is:

a.   Setting Innovation Goalposts
b.   Estimation of time
c.   Budget allocation
d.   Weekly follow up

4.   Six BIG Picture-criteria (Find out the wrong one)

a.   The big idea must be simple.
b.   The idea must support the overall business strategy.
c.   The idea must be "distinctly new and better."
d.   The idea must satisfy seniors.
e.   The idea must be profitable.
f.   The idea must be quickly and easily implemented.

5.   All innovative thinkers should understand the concept of ----------thinking.

a.   Systems
b.   Today's
c.   Crazy
d.   Past

Reference Material

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video

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Look to the future

Figure 7.1

Objectives

At the end of this chapter, you will come to know the details of the Innovation Process, and the next step of strategic thinking.

Structure

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7.1   Introduction

The phenomenon, which appears in many organizations, is:

While a few are looking up and planning for the future health of the organization, many are looking down, cutting costs and managing the day-to-day business. This short-term focus intensifies when people face what they perceive to be "tough times".

Now is the time to invest in building a stronger future, full of hope and exciting new ideas. Looking to the future and identifying strategic new ideas is particularly essential for those countries and organizations that are not blessed with rich resources or low cost structures.

Everyone can benefit from looking beyond what they are doing today to anticipate the future and to develop ideas that will bring stronger results. Some people, of course do not believe that the future can be anticipated. They feel the world is much too random for the making of accurate predictions about the future and that one cannot simply extrapolate the current situation to project an image of the future.

We should not ignore the signs on the radar screen that could indicate what the future might hold. For example,

- There are clear signs that the aging population will require more health care

- The fresh water resources are running low

- The mobile phone Internet (m-commerce) era is upon us,

- The global economy will flourish,

- There will be computer chips in everything,

- Organizations will employ more and more technology in the pursuit of efficiency and strength in the marketplace,

- There will be more diverse work styles in the future.

We should not ignore these signs. The general direction of the marketplace can be predicted based on what is happening today.

In order to master "looking to the future", one must develop strong imaginative skills. Imagination is indeed an important component of strategic thinking. When combined with a strong innovation-planning process like the Nine-Step Innovation Process, imagination can make the difference between mediocrity and success.

7.2 The Nine-Step Innovation Process: Part 2: Imagination

Unlike other innovation-planning processes that begin with an idea-generation phase, this process is different because it recognizes the need to fully understand the challenge early on in the process. As such, it begins by recommending a thorough understanding of the current situation or challenge, and a discussion of the Innovation Goalposts and BIG-Picture criteria before any idea generation takes place. These steps, which have been covered in previous chapters, comprise the first stage of the process, **Understanding**.

This chapter focuses on the second stage of the process. This stage, **Imagination**, involves gathering as many stimuli as possible, in order to maximize the probability of making new connections. With these stimuli and an active imagination, participants are able to uncover new insights. From these insights, new ideas can be identified. The three specific steps in this Imagination stage are:

4) **seeking stimuli,**

5) **uncovering insights and**

6) **identifying ideas.**

The third stage, Action, involves building the ideas into full business concepts and then into business plans. This stage is covered in Chapter 11.

7.2.1 Focusing on the Imagination Stage

Let us focus on the steps in the imagination stage: seeking stimuli, uncovering insights, and identifying ideas.

7.2.2 Seeking Stimuli

"Innovation can be systematically managed if one knows where and how to look" Innovators are those people who can zoom out to see a broader view of the world and see new ideas registering on their Innovation Radar Screens before others even know they exist. They stay aware of what is happening behind, in front of, and beside them, knowing that insights can come from any source. Their research antennae are at full mast, looking for signs in the global world of what may be useful in the future.

Relying on only one source of information is like going fishing in a large pond and sitting in only one spot all day, hoping the fish will come to you. What is needed is a bigger hook and movement around the pond. Fish in a larger area than you are accustomed to so that you can see emerging customer needs, technological developments, and trends in the marketplace that could represent new possibilities. Once you have had a look at the information that is available inside your organization, go farther out into the marketplace

to discover deeper insights, using techniques such as direct interviews with customers, observation, lead-user research, and benchmarking excellence in other organizations.

Consider the following sources for **"seeking stimuli to plan for future events":**

- **Analyzing the current state of your business**. In order to have a strong knowledge base on which to make future decisions, it is important to research the current state of your business. Consider looking at trended sales information:

    o   by geographic region to see which regions are strong or weak,

    o   by distribution channel to see which channel is most or least beneficial to the business,

    o   by month of the year to see when the business is strong or weak,

    o   by customer group to see which groups are most and least important, and

    o   by product line to see which line is strong or weak.

Compare this information with that of the overall market or industry to see   where your particular business is leading or following the market. Look at your revenue, cost, and profit numbers for the last few years to see what activities were or were not effective.

Once you have analyzed this information, you can decide whether to build on the business' strengths or allocate resources to address the weaknesses. This decision, of course, must be made in view of the overall trends in the marketplace and emerging customer needs.

- **Analyzing current customer needs using the focus-group research method**. A common approach to gaining insight into customer needs is the focus-group research method. Six to ten people are asked to participate in a round-table discussion in a specially designed room, which is outfitted with a two-way mirror.

    o   The client or those interested in hearing the customer feedback sit behind the two-way mirror in a separate room while the participants and moderators are in the main room.

    o   The focus-group session usually lasts for two hours, during which the moderator leads the participants through a series of preplanned questions that are designed to tap into their attitudes regarding the chosen subject, product, or service.

Many people use the focus-group research method because they have relied on its use for many years.

However, there are several flaws with this method:

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(a) the artificial setting,

(b) the presence of strangers,

(c) the lack of time to really probe in-depth attitudes,

(d) the lack of real stimuli (opinions are given without the benefit of stimuli such as competitive products and service examples),

(e) the assumption that the participants' comments reflect their actual behavior, and

(f) the lack of follow-up (any comments or insights the participants may have following the session are lost)

Be wary of some focus-group moderators who maintain that their groups are unique because they restrict the number of participants or include creative-thinking exercises. In my opinion, the only difference is that the invoice is higher; the flaws of this technique remain.

Because of these flaws, the focus-group research method should be restricted to gaining quick insight into what already exists in today's world. Also be aware that you are relying on a group of only six to ten participants to tell you whether your ideas are strong or weak!

- **Analyzing current and future customer needs using direct-observation methods.** Direct observation is a more powerful method of researching customer needs than are focus groups. By going to the source—observing customers--researchers can gain a deeper understanding of customers' true attitudes and behaviors. For example, by watching how customers complete their banking forms, how consumers wash their cars, or how people prepare home-cooked meals, researchers are able to truly see what works, what doesn't work, and what might work in the future.

  Direct observation is a powerful method of gaining insight that can then be used to design future products and services. Some organizations have encouraged their customers to join specific online chat rooms. Researchers then observe their conversations to watch for new insights. Other organizations choose to observe the old-fashioned way--by watching how consumers actually behave.

- **Analyzing current and future customer needs using in-depth interviews.**

  Consider interviewing your customers one-on-one to gain deeper insight. In order to research a customer's current and future needs, it is important to listen for what the customer says is a problem, hassle, or unmet need.

  In this regard, ask your customers to complete the following sentence: "I hate it when your product or service ………………..

Alternatively, ask them to complete this sentence: "I wish I had a product or service that could solve my need for---------------------.

How can you or your team use direct observation and in-depth interviewing to find new insights for the future?

- **Anticipating future customer needs using the lead-user research method**. The concept is a fairly simple one-gain insight into future needs and potential new products and services by ==learning from users== who have already solved the problem in a unique way. Often these lead users have already developed prototypes or working models of their ideas that could be beneficial in future development work.

   A simple example of a lead user involves a dog owner who designed a washable cover for the back seat of the car, using Velcro strips to hold it in place. Since no cover was commercially available, the dog owner created her unique solution to address this unmet need. If car manufacturers were able to see this lead user in action, they could design a removable pet cover as an extra feature in their next car or SUV model.

   Another example of a lead-user group is young computer programmers who have already created new video games, who can be of benefit to software development companies who are looking for ideas for the next wave of video games.

   Unfortunately, these lead users rarely show up in focus-group sessions. In order to locate such people, one must dedicate the energy and related resources to go out and find them.

   The lead-user concept has been applied successfully at 3M through its partnership with MIT. Other organizations have invited lead users who were experts in certain applications or who had knowledge of specific aspects of a project to assist them on development projects. Still other organizations have asked lead users to help them review their operations in anticipation of discovering new solutions that might have been missed. The cost of compensating lead users for their ideas is often small compared with the benefit of gaining quick access to unique ideas.

   In our fast-paced world, it is beneficial to get in front of the development line by tapping into the expertise of lead users instead of asking for insights from mainstream customers.

- **Researching existing solutions within your category**. Expanding your research net a little wider to look at similar categories of products or services will provide additional food for thought. Somewhere, the seeds of the future have already been planted and may be starting to sprout.

   Find ideas that have already been introduced in one country and bring them to another

country before anyone else thinks of doing so. A team of scientists and physicians might be doing research on a cure for a certain disease. while another team halfway around the world has already found the cure. A product that is enjoying great sales in South America might just be entering the Chinese market but have yet to be introduced to the Australian market. This approach is not "stealing" since the ideas are already in the marketplace and are no longer "company secrets." Be careful, of course, to respect other organizations' trademarks, copyrights, and patents.

The future may have already happened in another organization, in another location, in another industry sector, somewhere on the planet. Find out what is hot in your category around the world. Find out how your category is changing. Find out what the latest innovations have been and try to understand why they have been successful in other markets. A quick route to innovation is identifying solutions others have already found and then "reverse engineering" or dissecting them to use the parts that would be most helpful to your specific situation.

- **Researching existing solutions outside your category.** As more and more categories are merging or overlapping, the pressure to understand the dynamics of surrounding categories is mounting.

  For example, financial institutions can research customer needs for insurance, estate planning, and prepaid funeral services in order to identify new categories in which they might be able to offer new products and services.

  Food manufacturers can research the vitamin and herbal product categories to anticipate future needs and develop products that overlap these categories.

  Universities can research the training and development market to anticipate future needs in terms of adult education and online learning. Look at the future for the category next to yours. Do research to find out whether new market segments or new customer segments are emerging.

  Innovators have also succeeded by bringing ideas which were "on the fringe" into the mainstream. Blue jeans, athletic shoes, computers and yoga, are all examples of products that started out on the fringe and have been accepted or are in the process of being accepted into the mainstream market.

- **Researching and benchmarking excellence**. Some people disagree with the concept of benchmarking—looking to other organizations to learn from their successes or failures. In today's world, the ability to learn and the ability to quickly apply this learning are the staples for developing strong, competitive organizations.

  Why not learn from the experts, both inside and outside of an industry? For example,

- o   Why not learn about e-commerce from FedEx?

- o   Why not learn about customer service from Four Seasons Hotels and Resorts?

- o   Why not learn about retail systems from Circuit City or Future Group?

Identify the experts in the particular challenge you are facing and find out how they addressed their similar challenges.

Ensure that the learning is adapted to suit the needs of your particular challenge. You cannot put a car wheel on a bicycle. Different circumstances, different markets, and different times require unique solutions. Attempting to imitate another organization's solutions without careful consideration of the particulars of your own situation is unwise.

- **Watching technology.** Many people are unaware of emerging technology because they are too focused on completing their current project work and have neither the time nor the budget to pay attention to new developments. It is wise to institute a more formal technology watch to find out what technology is emerging, who is producing the technology, and what applications could be derived from this new technology. You will also want to take into consideration technology as it is applied to services, processes, and business models, not just new products.

  All innovation is not led directly by customer needs. Often, technology can lead the customer. Did customers ask for a fax 'machine? Most people did not even know the technology existed until the fax machine was introduced into their lives. Yes, the basic need to communicate was always present, but the desire to communicate in such a manner was driven by the availability of the new fax technology, not by explicit customer demands.

7.3   Trend Watching and Analysis

Trend watching can help you anticipate how the landscape will change and how you can prepare for these changes. Trend watching can help you anticipate what customers might want in the future. For example, car manufacturers could anticipate that as urban centers become more dense, customers might want cars that offer more safety and control. Accordingly, they could begin to design plastic cars that have airbags all around the interior, and of course, brake lights at the front of the car as well as at the back!

Health care providers and hospitals can also predict future demands based on trends. They are facing or will face tremendous changes brought on by new technologies, more demanding patients, budget constraints, the aging population, and regulatory changes. They can anticipate a higher demand for heart operations and artificial organs as the population ages. Education programs for physicians and nurses will need to attract an increasing number of applicants in order to keep up with the service demands as the

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population ages and consumers continue to demand quality service. Pharmaceutical companies can anticipate that their consumers, the patients, will become more and more demanding regarding access to information on their particular diseases and available treatment options.

Trend watching can also help an organization anticipate what employees might want in the future. For example, younger workers might demand more involvement in decision-making and might rebel against what they see as the bureaucratic nature of some organizations. These employees will be quite vocal with their concerns since they have been conditioned, in most cultures, to voice their opinions since they were young children. Other employees might want more entertainment and excitement in their jobs, expect to have access to the latest technology, and demand more flexible hours and benefits, including childcare.

Here are a few of those trends for you to consider:

Trends	Explanation
Health consciousness	There is an increased interest in the impact food has on health. Consumers want to know "What is in this?" They desire more information on toxins in their food, air, water, and homes. Patients are asking for new drugs, alternative natural cures, and artificial organs. There is also a growing anti-aging therapy movement.
Higher unemployment	Unemployment is increasing due to technology and dependence on the global market. Machines are replacing the need for employees in some job positions.
Immigration	There is a more global movement, leading to a wider mix of ethnicity and increasing diversity in most regions.
Powerful aging "boomer" population	"Boomers" will demand more products and services for their specialized use. The aging population will splinter into several groups ranging from the young seniors (age 50-65) to mid seniors (65-75) and older seniors (75-100) instead of being addressed as one cohesive "seniors" group.

Trends	Explanation
Rebellion	There is a loss of respect for traditional authority figures. There is a movement toward less formality, protocol, and respect for "the rules." There is more evidence of personal expressions of aggression (road rage, parking lot rage, air rage). There is a growing militant anti-globalization movement. Employees are also rebelling against traditional bureaucratic systems and demanding more participation in decision making at all levels of the organization.
Safety	Fear leads to greater demand for security-gated communities, car alarms, and martial arts instruction. People want more safety in their homes, offices, schools, malls, and airplanes.
Crisis of purpose	People are busy, but not happy. People are wealthy, but not happy. People are retired, but not happy. They feel empty and lack fulfillment. There is a desire for more fulfillment. This is especially acute for those people struggling with early retirement (age 55) and ways to be productive and fulfilled for the next 25 years of their lives.
Collaboration	There are more alliances and networks where teams from competing organizations collaborate for mutual benefit. The move toward collaboration is shifting the traditional organizational structure.
Speed	Everything must be built for speed. Everyone is impatient and wants immediate service. They demand real-time responses. Speed is not just a competitive advantage; it is a price of entry.
Technology	Computer technology is everywhere. There is growing interest in nanotechnology, the science of the small. Inventors look to put computer chips in everything. Cheap bandwidth leads to greater access and more and more instant information. Long-distance calls via the Internet are becoming more prevalent. The mobile Internet (m-commerce) era is evolving. Distance learning and remote surgery are evolving. The Internet, Intranet, Extranet rule!

In addition to looking at trends in the marketplace yourself, ask others what trends they believe are shaping your industry and why they think these trends are important.

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Analyzing ==trends== takes imagination—to see the threats as well as the opportunities that are emerging as a result of the ==trends==. When you see a trend, ask yourself the following five questions:

1. What is causing this trend?
2. How will this trend affect my team and my organization?
3. What problems will this trend cause?
4. What opportunities does this trend offer?
5. How can we turn this trend into a practical application?

7.4   Uncovering Insights

Noticing small changes early helps you adapt to the bigger changes that are to come. Failing to see the changing marketplace, can lead to serious challenges. Failing to see emerging competition and changing consumer habits can seriously impede the future success of any organization.

- Are universities ready for the new competition from corporate universities and online or distance education providers?

- Is Hallmark Cards ready for the proliferation of free electronic cards from Internet providers such as Blue Mountain.com?

- Are department stores ready to combat the increased competition from online retailers?

Translating new information into insights, is both an art and a science.

- The science part includes the ability to analyze market conditions, consumer needs, and internal circumstances, and then, through experience and judgment, convert this information into insights.

- The art part includes the ability to be more aware of the opportunities in the marketplace and, through imagination, mold this information into further insights.

The ability to see new opportunities—emerging customer needs, new products, services, segments, and markets—as well as the ability to see before others do where superior value can be offered, is critical to building an organization's innovation advantage.

Organize your information and then hold Innovation Groups to turn your ==stimuli into insights==. You will want to combine insights in four key areas: customer needs, emerging technology, the marketplace, and your organization's needs:

1. **Customer Needs.** Preselect the customer group you are interested in serving. You may wish to target the most profitable customers, or customers who may be underserved at the moment, or customers who are early adopters of breakthrough products and services.

Make a list of their top needs or problems and select those needs or problems you want to solve. Discuss what they are currently using to fill these needs and why they might want to switch to a new method, product, or service. Discuss what is and is not working with their current approach.

For example, IDEO, the design firm, is famous for identifying key customer needs and then directing its collective imagination toward creating new product designs to meet three or four top needs.

Note that these needs can be rational or emotional. As the world becomes more overloaded with products arid services, the customers' basic needs, such as low price, good quality, and fast service, will become the price of entry in any category. Any product or service that does not meet these basic needs will not even be considered. The arena of competition will shift to meeting customers' more advanced needs in a distinctly new and better way.

2. **Emerging Technology.** Next, identify the impact that existing and emerging technology could have on these customer needs. Discuss the various applications of this emerging technology, and then marry these technology insights with your list of customer needs.

3. **The Marketplace.** Then, discuss the dynamics of your industry sector or category. Identify how your category is changing. What is the size of the market? How fast and in what direction is it growing?

4. **Your Organizational Needs.** Finally, discuss at a BIG-Picture level what would be needed, from an organizational design point of view, to meet these customer needs with the emerging technology and the changing marketplace

Your insights will come from combining your perceptions of the outside world—your customers' needs, the changing marketplace, and emerging technology--with your inside world—your view of how your organization can change to meet the needs of the outside world.

7.5   Identifying Ideas

We have looked at two of the imagination steps in the Innovation Process:

- seeking stimuli and

- uncovering insights.

Now let us look at turning these insights into ideas that can bring value to the organization. In order to select the strategic ideas, an organization must first choose a vision or future destination upon which to focus its innovation efforts. Without an

understanding of where the organization wants to be in the future, it is very difficult to direct the innovation efforts of everyone in the organization. Once the vision or future destination has been determined, it is necessary to choose the optimal direction or path to reach this vision. If the members of an organization understand the future destination as well as the path they will take to reach this future destination, it is much easier for them to identify and select innovative ideas that fit.

7.6 Choose a Vision or Future Destination

In its simplest form, a vision is an image of the future you want to create.

- Microsoft's business vision has been to be the leading provider of software for personal computers.

- Lance Armstrong's vision is to be the first to cross the finish line in the Tour de France.

- Singapore has a vision of building a knowledge-based economy and becoming an important hub in the e-world.

- Your personal vision might be to reach the top of Mount Everest, live in your dream home, or retire to Tahiti.

By discussing and agreeing upon the answers to the simple questions such as

- "What do we want to do in the future?"

- "Who do we want to become?" and

- "What do we want to be famous for?"

a team is choosing its vision or future destination. This destination provides a goal upon which to focus the team's innovation efforts.

It is important to stretch the boundaries and overcome preconceived notions of what is possible and what is not. This often leads to new goals that enable the organization to reach far beyond where it is today. As Walt Disney observed, "If you can dream it, you can do it!"

1. Identify what your organization wants to be number one in, and what you want to be famous for. What will your unique core competencies (skills, knowledge, and talents) be?

2. Define the vision or future destination in words that have meaning. (Many vision statements are vague and, as such, are not inspiring.)

3. Share this vision widely so that all employees, partners, suppliers; and customers can understand this chosen direction.

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7.8   Ideas for Future Expansion

Once the team has chosen its destination and the most strategic path to reach this destination, it can look for ideas that support this future direction. Here is a list of twenty-four ideas that you and your team can consider for future expansion.

7.8.1   Expand the current portfolio of products and services by:

- **Reminding current customers** by advertising your products and services, or by advertising specific benefits or aspects of the product or services of which the customer may be unaware.

- **Selling more to your current customers** by offering promotions or volume discounts for a limited time, such as a "buy 2, get 1 free" offer.

- **Selling more often** to your current customers by promoting frequent purchases via a loyalty-card campaign. For example, Second Cup Coffee offers a free cup of coffee after ten purchases.

- **Finding other uses** for your product or service. Arm and Hammer encouraged consumers to place an open box of baking soda in their refrigerator to mask food odors. The use of Ziploc bags has expanded to include uses other than food storage. Absorbine, once only a remedy for sore muscles in animals, is now available in a less potent formula, Absorbine Junior, for relieving sore muscles in humans.

- **Finding a new distribution channel such as eBay**.

- **Creating a new occasion**. Hallmark Cards is famous for promoting new holidays in order to encourage higher sales. Cereal manufacturers encourage consumers to eat cereal as a snack in addition to having it for breakfast.

- **Decreasing the price** with special events such as back-to-school sales.

- **Offering various price points** as hotels do with standard and deluxe suites.

- **Adding a service** to the product such as offering free ski wax with the purchase of a new set of skis.

- **Bundling with other products** or services such as airfare, hotel, and car rental packages.

7.8.2 Expand to offer new products and services by:

- **Developing line extensions.** Disney is a master at expanding the use of its movie properties. The Lion King property, for example, included the original movie, video, soundtrack, clothing, books, toys, and even fast-food merchandise.

- **Introducing new levels of service** as American Express does with its card programs or as dry cleaning stores do with rush or regular service.

- **Expanding by offering new services**. Restaurants are expanding into the rental market where they are offering their premises for rent for cooking lessons, cooking parties, and even executive team training courses where team members can learn to break down their communications barriers by learning to cook together.

- **Developing new products within the same category**.

  o   Nike, in this regard, recognized the consumers' need for running shoes that were designed for everyday use rather than only for sports and, accordingly, created many fashionable new shoe products.

  o   Financial services managers introduce new products and services in order to attract a larger share of each customer's financial expenditures. They refer to this as expanding the "share of wallet."

  o   Food manufacturers introduce new products as a means of expanding the "share of stomach".

- **Developing new products in a new category.** For products and services operating in so-called "mature categories," it is wise to expand the definition of the category by combining one category with another or by creating a new category.

For example, a new category was created in the alcoholic beverage market with the introduction of wine coolers, a wine-and-fruit-based beverage. This category can be seen to bridge several other categories—wine, beer, fruit juice, and soft drinks--since the new product could be a substitute for any of these drinks and could draw sales away from any of these traditional categories.

7.8.3 Expand to offer new products and services by:

- **Finding new customers** for your current products or services. Find out what the barriers to using your product or service have been among potential new customers. Decide if these barriers warrant corrective action in order to attract these new customers.

- **Finding new customers** via a new distribution channel as Avon and Tupperware did successfully. Vending machines represent a viable distribution channel to target new

customers with many products. For example, vending machines in Japan sell candy, soda, computer software, pantyhose, whiskey, audio CD's, batteries, magazines, rice, and videocassettes, to name but a few items.

- **Finding new customers** in new geographic zones. Expand your distribution globally.

- **Redefining the target market.** Attract new customer groups, such as teens or families. Or do as Tilley, the Canadian hat manufacturer, did when it supplied hats for soldiers who were serving in the United States Army's Desert Storm mission.

- **Repositioning the product** from a niche product to a mainstream product to attract a larger customer base. Fish where the fish are. For example, yoga exercise classes have moved into the mainstream, as have products such as sushi and tofu.

- **Cross selling your products to new customers** who are already your customers! Financial institutions are learning to sell their loan services to those customers who are holding savings accounts at the same branch.

7.8.4   Expand beyond your current business by:

- **Selling your knowledge to others.** Second City, well known for SCTV and comedy shows, has expanded to offer their knowledge through improvisation training courses targeted to business people who want to improve their presentation and communication skills.

- **Identifying new business concepts**. Nokia began operations in 1865 as a wood pulp mill. Over time, it changed its focus to chemicals, rubber, and most recently, telecommunications.

- **Creating new categories and industries**. Go where no one has gone before.

7.9   Activities for the students

Activity 1:

In case of FMCG products, explain what are the future customer needs using direct-observation methods

_____

_____

_____

_____

Activity 2:

A simple example of a lead user involves a dog owner who designed a washable cover for the back seat of the car, using Velcro strips to hold it in place. Explain how you will use the Velcro strips to solve one of your car problems.

What are your future needs about your car?

_____

_____

_____

_____

_____

7.10   Summary

Everyone can benefit from looking beyond what they are doing today to anticipate the future and to develop ideas that will bring stronger results. We should not ignore the signs on the radar screen that could indicate what the future might hold.

This chapter focuses on the second stage of the process. This stage, Imagination, involves gathering as many stimuli as possible, in order to maximize the probability of making new connections. With these stimuli and an active imagination, participants are able to uncover new insights. From these insights, new ideas can be identified. The three specific steps in this Imagination stage are:

• Seeking stimuli,

• Uncovering insights and

• Identifying ideas.

7.11   Self-assessment questions

1. What is the meaning of stimuli: explain.
2. Refer 7.3 and list some trends, which you have observed.

7.12   Multiple choice questions

1.   Relying on only one source of information is like:

a.   Going to a Tamil movie
b.   Going to Delhi from Mumbai by a bullock cart
c.   Going to a fun fare
d.   Going fishing in a large pond and sitting in only one spot all day

2.   We should not ignore the signs on the radar screen that could indicate what the future might hold. For example,

a.   There are clear signs that the working population will require more bread and butter
b.   There are clear signs that the children will require more milk
c.   There are clear signs that the aging population will require more health care
d.   There are clear signs that the women will require more saris

3.   The -------------- concept has been applied successfully at 3M through its partnership with MIT.

a.   Strategic thinking
b.   Futuristic thinking
c.   Copper user
d.   Lead user

4.   The ----------population will splinter into several groups ranging from the young seniors to mid seniors and older seniors.

a.   Younger
b.   Aging
c.   Female
d.   Indian

5.   Analyzing current and future customer needs using in-depth interviews. Consider interviewing your customers one-on-one to gain deeper insight. In order to research a customer's current and future needs, it is important to listen for what the customer says is a problem, hassle, or unmet need. In this regard, ask your customers to complete the following sentence: "I hate it when your product or service………………….."

What is the probable answer?

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a. Works very well
b. Fails
c. Is costly
d. is looking bad

Reference Material

Click on the links below to view additional reference material for this chapter

[Summary](#)

[PPT](#)

[MCQ](#)

[Video](#)

Do the extraordinary

Objectives

At the end of this chapter, you get acquainted with extraordinary strategies.

Structure

8.1   Introduction

8.2   Extraordinary Strategy 1: Target the Most Profitable Customer

8.3   Extraordinary Strategy 2: Offer Something Distinctly New and Better

8.4   Extraordinary Strategy 3: Set Your Innovation Priorities

8.5   Extraordinary Strategy 4: Make Sure It's Easy

8.6   Extraordinary Strategy 5: Pick Up the Pace

8.7   Extraordinary Strategy 6: Systemize with Modules

8.8   Extraordinary Strategy 7: Profit from the Power of Branding

8.9   Extraordinary Strategy 8: Add Credibility

8.10 Extraordinary Strategy 9: Create Magnetworks

8.11 Activities for the students

8.12 Summary

8.13 Self-assessment questions

8.14 Multiple choice questions

8.1 Introduction

In today's world, with more demanding customers, citizens, and employees, "ordinary" is no longer good enough. Once consumers have tasted a better coffee, used a fancier toothbrush, or been served in less than a minute, it is difficult for them to accept what they perceive to be lower-quality products and services. Instead, they are looking for the extraordinary, which means "the exceptional, surprising, and unusually great".

In order to help you shift from the ordinary into the extraordinary, consider the following nine strategies used by many successful and innovative organizations. These strategies were intentionally developed to be generic so that they could be applied to organizations of all kinds and to workers at all levels—from new recruits to seasoned executives, from free agents to corporate veterans.

8.2 Extraordinary Strategy 1: Target the Most Profitable Customer

Should an organization offer products for sale and see which customer groups appear or, conversely, should it preselect a certain customer group and develop only those products that appeal to this group? Classic business strategy suggests that the best route is to target a customer group and develop products to suit the needs of this particular target group, as Gap Kids stores did in developing casual, trendy clothing for children. In reality though, most organizations go back and forth by adjusting their product offering and their target customer groups as the competitive set changes and customer needs and preferences evolve.

However, if you are going to choose one customer group upon which to focus, target the most profitable group. In terms of an existing business, target the top 30 percent most profitable customers, and develop innovative products, services, programs, and processes to suit the needs of this important group. Discuss how vulnerable your company is to losing your customers to your competitor's products or services, and determine the best strategy to continually keep these most profitable customers in your camp. Also, discuss why the other 70 percent of your customers are not as profitable. Are there specific activities your team could do to quickly increase the profitability of these other customers without jeopardizing your top 30 percent of customers?

Be on the lookout for new customer groups who could represent significant profit potential. These may be customers who currently use your competitor's products or services, or customers who could be new to the category. For example, mobile phone companies originally targeted affluent and progressive adults but soon expanded their marketing strategies to target a new and very profitable group—teenagers.

The challenge of identifying the most profitable target group for inventors of new products, especially technology products, is a little more difficult. Many inventors dismiss

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the need to understand the total business picture and prefer instead to just launch the new product and see what happens. This is not the wisest approach since the identification of this target customer group, the size of this group, and the rate of marketplace acceptance are all-important factors in determining the resources needed to launch and maintain the new product. Take the time to identify whom you are targeting.

Everett Rogers categorized the adoption of innovation into five main adopter categories (with the approximate percentage of users in each category):

• innovators (2.5 percent);
• early adopters (13.5 percent);
• early majority (34.0 percent);
• late majority (34.0 percent); and
• Laggards (16.0 percent).

It is interesting to note that Rogers's categorization includes only 16 percent of the population as innovators and early adopters. The remaining 84 percent of the population is waiting for the tried and true. This categorization is important for planning such elements as product design, pricing, distribution channel, and communications strategies to attract the right target group at the right time in the product life cycle.

To target your most profitable customers, ask yourself the following questions:

• Who are the most profitable customers?

• Who will be the most profitable customers in the future?

• What specific needs do they have now and will they have in the future?

8.3 Extraordinary Strategy 2: Offer Something Distinctly New and Better

Innovation is about introducing something "distinctly new and better" to the marketplace and succeeding in getting the customer to switch from what they are currently using to the new idea.

Remember the fundamental law of decision-making: Almost every decision is made by comparing the virtues or benefits of one option over another.

• For example, a person has a choice of over thirty Caribbean Islands to visit. What makes one island more appealing than another as a vacation spot? Conversely, what could the tourism agency for a specific island do to enhance the appeal of their island? What is this specific island famous for? Does the island offer award-winning scuba diving or special landmarks or specialty food or drinks not available elsewhere? What

profitable customer group does it want to attract, and how will it meet the needs of this particular group?

- For example, in the U.S., the tourism bureaus of Hollywood (home of the movie stars), New Orleans (home of Mardi Gras) and South Beach, Florida (home of Latin music) all understand the need to offer something distinctly new and better, so they market the unique aspects of these places.

- In another example, how could a hospital fund-raising committee attract more donors? What could they do to communicate that their hospital is the best choice among the many choices donors have?

Become extraordinary by offering something distinctly new and different. Ask yourself the following questions:

- How is this idea distinctly new and better for the customer?

- How does this idea stand out in the marketplace?

- How is this idea distinctly new and better for our organization?

8.4 Extraordinary Strategy 3: Set Your Innovation Priorities

Resources are stretched too thin. Everyone has too much to do. However, something is wrong when an organization lists number of priorities for the coming year. Select a few important priorities and focus everyone's efforts and resources toward the achievement of these important priorities.

Selecting priorities is a tough challenge. The team or organization needs to decide:

1. Which products and services to grow, hold or eliminate

2. Which customer groups to support, hold, or ignore

3. Which regions to grow, hold, or eliminate

4. Which projects to support, maintain, or discontinue

In order to do this, they need:

- To acquire information on each product, service, region, customer group, and project;

- To identify the current role that each of these elements plays in terms of its contribution to the competitive strength of the organization;

- To identify the current role that each element plays in terms of its contribution to the overall financial health of the organization;

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- To identify the current role that each element plays in terms of the achievement of the future vision.

Resources should then be allocated to support those activities that represent the fastest, most effective route to reaching the future vision.

Depending on how much risk your organization wants to undertake, you should have a mix of priorities, such as:

1. **A mix of customer groups.** Depending on the strategy for growth, extraordinary companies might target different customer groups with different products, services, and programs.

   Credit-card issuers profile their customers into different groups such as revolvers (customers who carry a balance each month and accordingly represent interest revenue for the card issuer) and convenience users (customers who pay their balances each month and accordingly represent little profit for the card issuer).

   Find out who your most profitable customers are and treat them well.

2. **A mix of high and low levels of service**. Many organizations offer different service levels and price these service levels accordingly.

   The U.S. Passport Office offers faster processing of passport renewals for an extra fee.

   Other organizations such as restaurants, investment advisors, and airlines offer higher levels of service to their frequent buying customers.

3. **A mix of current and new distribution channels.** Experiment with new distribution channels such as the Internet or a new alliance as a means to reach new customers or improve services to current customers.

4. **A Mix of short-term and long-term projects.** Everyone in the organization should be asked to manage their day-to-day projects alongside several long-term projects.

   Nokia categorizes its projects into three strategic time perspectives: short-term, medium-term, and long-term.

5. **A mix of efficiency, evolutionary, and revolutionary projects.** You do not want your team focused entirely on efficiency-based initiatives, ones that focus on improving the overall productivity of your current business practices.

   Make sure your team has a mixture of efficiency projects and projects that represent

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either evolutionary or revolutionary change in order to position the organization well for the future.

6. **A mix of duplicated projects.** Although this strategy might seem inefficient at first glance, extraordinary organizations like Procter & Gamble and Hewlett-Packard believe in funding seemingly duplicate projects with the belief that the strongest project will survive in the marketplace.

   "Rather than place its bet exclusively with ink-jet printers or with laser-jet printers, Hewlett-Packard created a completely autonomous organizational unit. It then let the two businesses compete against each other."

   As Gary Hamel advised, "Somewhere there is a competitor with a bullet with your name on it," so you might as well challenge your own business to find the most innovative way.

Also, identify any products or services that are currently seen as low potential but that could represent significant upside potential. Should these "sleepers" receive a little more attention within the strategic mix?

One of the toughest challenges in setting priorities is identifying the "losers" in the portfolio—products, services, or projects that no longer add significant value and are not needed in order to reach the strategic goals of the organization. Extraordinary organizations have the ability to discontinue these losing projects so that they can allocate resources to finding more open doors.

To become extraordinary by setting priorities, ask yourself the following questions:

• Have we identified our product, customer, region, and project-innovation priorities?

• Do we have a mix of priorities in our portfolio in order to manage risk?

• Have we identified a strong innovation pipeline of new product, service, and project ideas for the future?

• Have we identified and discontinued any losing products, services, or projects?

8.5 Extraordinary Strategy 4: Make Sure It's Easy

People ideally want life to be easy. Many people have profited from providing easy services that others do not like to do, such as a simple service like barbeque cleaning, super scoopers for cleaning up after dogs, an errand service, or a tele-tutor service for school-age children who need assistance with their homework.

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Here are several ways to make sure it is easy for your customers as well as your teammates:

1. **Make it easy to understand.** A focused message has more impact. As President John F. Kennedy so eloquently stated, "Ask not what your country can do for you, ask what you can do for your country." Citizens understood the message because it was simple. Make it easier for customers or managers to understand what you are offering.

   - Pharmaceutical companies still have a way to go in simplifying their message (brand names, packaging, and information) so that their ultimate customers, the patients, not just the physicians, can understand their messages.

   - Computer software manuals are still written for customers who have a strong understanding of technology and the jargon associated with it.

2. **Make it easy to buy.** Offer multiple access points. Offer customers access to the products or services via the Internet, SMS, phone, mail, fax, and in-person options. Simplify the selling or communications process so that the product or service can be easily accessed. Bundle your products and services. Learn from the fast-food industry, which simplified the menu selection by offering "combos" or combinations of menu items.

3. **Make it easy to use.**

   - In some subway cars in Japan, the direction the train is moving in and the name of the next station are highlighted on a map as the train is moving. This is helpful on crowded cars when the view out the window is blocked.

   - Immigration departments in some countries are offering easy-pass services to simplify the border crossing process for frequent travelers.

   - Some are even experimenting with eye-recognition technology to facilitate international travel.

   - Ericsson in Sweden and Nokia in Finland are offering wireless mobile phones that can provide the latest information about movies as well as allowing customers to easily make a wide variety of purchases. The mobile phone will eventually replace the need for a wallet as it can serve as a credit card and identification in addition to providing various communication services.

Try eliminating steps for the customer.

- AOL simplifies Internet access for new computer users by providing an easy-to-use program.

Become extraordinary by making it easy. Ask yourself the following questions:

- How is your idea (product, service, program, or process) easy to understand?

- How is your idea (product, service, program, or process) easy to buy?

- How is your idea (product, service, program, or process) easy to use?

8.6 Extraordinary Strategy 5: Pick Up the Pace

Speed is a competitive advantage.

- Domino's Pizza knows this, so it promises fast delivery—delivery in thirty minutes or the pizza is free.

- Software companies know this, so they offer technical support on Sundays rather than expecting customers to wait until Monday.

- The Saturn Corporation knows this, so it offers predetermined prices on its cars so the customers do not have to waste their valuable time negotiating with car salespeople.

"The early bird catches the worm." Unfortunately, for many organizations, the way they operate does not match the speed of the new, chaotic technological world. Much time is wasted waiting—waiting for parts, waiting for information, waiting for approvals, or waiting for others to complete their tasks.

Your process could represent your point of difference in the marketplace; it could be the "distinctly new and better" idea you are looking for. Here are some ideas:

1. **Eliminate unnecessary steps in your processes.**

    - Wal-Mart has been investigating the shipment of products directly from the manufacturer to their stores so they can bypass their costly warehouses.

    - Internet companies offer direct manufacturer-to-buyer purchasing for cars, appliances, computers, clothing, and much more.

    - Other organizations eliminate process steps by asking their customers to perform the steps themselves. Customers now access their own money at automatic teller machines, pour their own drinks at fast-food restaurants, and scan their own books at the checkout at the local library. To identify unnecessary steps in your process, first map the process by identifying the activities, information, and people involved at each step along the way. Look for a dysfunctional flow of products or information. Look at every process—upstream and downstream—to find innovative ways to eliminate unnecessary steps.

2. **Find the bottlenecks in your processes.**

- Norfolk General Hospital mapped the x-ray process and found bottlenecks and inefficiencies. The improved process reduced the time it takes for x-rays by 81 percent.

- Remember, improvements cannot be made in isolation. Even if an organization such as a pharmaceutical company improves its research and development process to save twelve months of development time, the time saved might be canceled out by not having their documentation ready for the government's drug-approval procedures later on in the process.

3. **Implement seamless processes,** How often do your customers hear, "We don't handle that in this department. You'll have to call this other number."

   Coordinate processes from department to department by letting "the one hand know what the other one is doing." Also, consider replacing sequential processes (where Step 2 cannot begin until Step 1 is completed) with parallel processes (where Steps 1 and 2 are done concurrently).

   While the efficiency of internal processes is important to innovation, the largest benefit can usually be derived from improving processes with customers, partners, suppliers, and other external stakeholder groups. Supply-chain management, e-procurement, lean logistics, enterprise-resource planning, and customer-relationship management are all areas of growing interest for managers who want to identify more innovative process designs.

4. **Simplify decision-making.** Redesign your processes so that information flows quickly and decisions can be made quickly. Streamline processes so that customers can deal with a person who can make an immediate decision for them. Improve the responsiveness of your organization by enabling more decisions to be made by junior staff members. Eliminate multi-layered approval processes for micro items. And remember, your organization is wasting time if your employees are afraid to discuss a new idea and ask questions early on in the idea-development process and are instead waiting until later when they have a fully developed idea.

5. **Have everyone identify the sacred traditions that no longer add value.** Cut out redundancy or wasted effort. Have everyone identify crazy things that waste time, money, and effort. Identify quick improvements or just eliminate the thing that is not adding value.

6. **Take advantage of technology.** Use technology to maximize the flexibility of your product or service. Most hotels and motels now use technology to provide up-to-date information on their room rates. You can also use technology to enhance communications and collaboration with other team members so that time is not wasted.

7. **Operate on customer hours.** With technology and the shift to global operations, many organizations are investigating ways in which they can offer their products and services anytime, anywhere. Brokerage services operate twenty-four hours a day so customers can place a stock trade in the middle of the night. Pizza delivery services and pharmacies are open twenty-four hours. Why dry-cleaners and car repair shops aren't also open twenty-four hours a day?

Become extraordinary by picking up the pace. Ask yourself the following questions:

- How can we eliminate unnecessary activities or "the crazy things we do" so that resources can be funneled toward more innovative activities?

- How can we simplify decision-making so those innovative ideas can make it through the system quickly?

- How can we take advantage of technology to quickly deliver something "distinctly new and better" to the customer?

8.7 Extraordinary Strategy 6: Systemize with Modules

Simply stated, a module is a standardized part. By moving to standardized parts, an organization can eliminate the wasted time and effort spent "reinventing the wheel" each time that part is needed. When an organization develops a standard operation or system that is repeated time after time, it can capitalize on the following benefits:

1. **Customers have a greater sense of power in the buying process.** Consumers can mix and match the component parts depending on their unique needs. Dell encourages its customers to build their own computers using an array of standardized parts.

2. **Greater efficiency in operations can be achieved**. Hewlett-Packard uses standardized component parts for its printers. Starbucks uses a standardized "shot of espresso" in numerous coffee-drink recipes.

3. **Credibility is increased.** By using module parts behind the scene, the ability to deliver a consistent product or service to a customer is strengthened. As a result, the customer believes that the organization "knows what it is doing."

4. **Expansion plans are also easier.** By having the core architecture in place, researchers are able to identify new products, applications, and improvements more easily.

   - 3M has the Post-it note architecture in place and now just needs to identify more new products that can take advantage of this format.

- In the automobile industry, where design costs and the need for new car models are high, manufacturers use components that can be incorporated in more than one car model. The time to develop new models can also be shortened if a series of products is considered and multi-year expansion plans are developed.

5. **Internal processes are easily coordinated.** For example, a sales team can use the same component parts to produce a standardized sales presentation or internal documents.

To become extraordinary by systemizing with modules, ask yourself the following questions:

- How can we use the concept of modules to simplify our customers' buying process?

- How can we modularize our internal processes?

- How can we use the concept of modules for our future plans?

8.8 Extraordinary Strategy 7: Profit from the Power of Branding

Club Med, Harlequin, CNN, AOL, Gap, Canada, the Cannes Filth Festival, British Airways, Singapore, Motorola, Intel, Marlboro, Tahiti, the Olympics, KFC, MasterCard —everywhere we turn, brands are being offered. Tom Peters even suggested that people brand themselves—with a distinct name, features, and positioning in the marketplace.

- A brand goes beyond the simple features of the product to create 'a distinct image. For example, a cup of black coffee is only a cup of coffee, but by placing the Folgers brand name on it, we have the perception that the cup of black coffee is of higher quality.

- Likewise, sport shoes with the brand name Nike and women's handbags with the brand name Coach command higher prices than similar products with less respected brand names.

- So do brands such as Calvin Klein clothes, Diesel jeans, Harley-Davidson motorcycles, and Heineken beer.

Why is branding important to innovators? Here are a few reasons:

1. **Branding helps break through the clutter**. Distinct branding helps a brand to stand out in a marketplace overwhelmed by many similar products, services, and programs.

2. **Branding helps simplify the message and makes the buying decision easier.** Branding can simplify the message for busy consumers. Most customers are busy and have a lot on their minds. Branding helps facilitate the speed of their buying decisions. They can rely on the most popular brand or continually purchase the

brand upon which they have come to rely. A brand name reserves a spot in the customer's memory bank.

3. **Branding delivers economies of scale**. Consistent branding simplifies the task of communicating the features and benefits of the product or service. Consumers know what-brand to ask for, simplifying the task even further. Similar branding can also be used across the global marketplace, leading to lower marketing costs.

4. **Branding delivers a guarantee of consistency if done right**. You know what Coca-Cola will taste like. You know how solid a Volvo car will be. You know that Four Seasons Hotels and Resorts will take special care of you. The customer knows what to expect from the brand, even from one Country to another.

Done well, branding can help not just a product or service, but also a new program.

- For example, a government agency can benefit from branding its programs so that constituents understand the differences between programs, know what program to request, and also realize the breadth of distinct programs offered through this specific agency.

Branding is not just the domain of the executive team or the marketing team. More and more human resources and operations managers are adopting the principles of branding in order to improve the communications of their programs, both within and outside of the organization. Among other things, organizations are turning to stronger branding programs so that they can position themselves in the best light when recruiting new talent.

Become extraordinary by profiting from the power of branding. Ask yourself the following questions:

- How can we use the power of branding to simplify our selling message?

- How can we use the power of branding to increase the consistency of our selling message?

- How can we use the power of branding to position our new programs to the employees in our organization?

8.9 Extraordinary Strategy 8: Add Credibility

If it is difficult to communicate how your innovative idea is "distinctly new and better," you may want to consider adding credibility or prestige from several of the following sources:

1. Investigate the potential of patenting the idea and, if the patent is granted, tell everyone.

2. Win a prestigious award. Films that win at the Cannes Film Festival have instant credibility.

3. Have a leading authority support your idea. Restaurants rely on restaurant critics to write wonderful reviews, writers covet Oprah Winfrey's endorsement, and toothpaste manufacturers pursue the endorsement of the Dental Association.

4. Profile testimonials from satisfied customers

5. Seek testimonials from celebrities (but only seek testimonials in fields in which the celebrities have expertise).

6. Reference experience in the field such as twenty-five years in business, president of this or that, or author of seventeen books.

7. Advertise that you are "number one" in something or that you are widely accepted by many customers, such as "top-rated movie," "number one in the category," or "have served over nine million customers."

8. Offer a money-back guarantee to lower the risk of trying your new product or service.

9. Offer a sample of the product or service. AOL encouraged people to sample their service with free CD's. Cable channels offer thirty-day trial periods with the hope that their customers will "get hooked" on the new channels. Food companies offer samples of their new food products.

10. Offer insight that no one else has. Highlight the ten secrets in your area of expertise.

11. Advertise that a large number of customers requested the new idea such as "by popular demand, the product is finally available in Canada."

Become extraordinary by adding credibility. Ask yourself the following questions:

• How can we add prestige by winning an award?

• How can we gain support from leading authorities in our field?

• How could we enable potential customers to test this product or service?

8.10   Extraordinary Strategy 9: Create Magnetworks

Here are some ideas on how you can network and involve others:

• **Network within your organization**. First and foremost, remember that opportunities for innovation lie within your organization. Break down your walls and inspire others to share their insights, ideas, resources, and learning in order to tap into

your organization's collective wisdom. Share your work. Make it easy on your team members by sharing your processes with them so they can understand what you do and offer assistance if needed.

- **Network to learn from others.** The Internet has enabled many to exchange insights and ideas through chat rooms and shared-interest Web sites. Others share best practices through industry associations or through direct experiences, as the Postal Service of Canada did in an exchange with its Indonesian counterpart. The fastest route to understanding is to network with an entity that has faced a challenge similar to yours.

- **Network to share the infrastructure burden with other competitors.** Packaged-goods companies, e.g., Coca-Cola and Kellogg's, are looking at using the same distribution resources to take advantage of shared economies of scale. The Star Alliance, a network of several airlines, shares both marketing power and infrastructure capacity.

- **Network to share research and development insights and responsibilities.**

  - Software companies such as Microsoft encourage users to test their new software programs before they are offered to the public at large.

  - Linux attracted a large number of programmers who contributed their ideas for the development of its new "open source" operating system.

  - Bluetooth, a development project investigating the feasibility of a radio-based link between different electronic devices, is another example of a network or "virtual community of program developers." Bluetooth represents a significant leap forward in technology. Partner organizations include 3Com, Ericsson, Intel, Lucent Technologies, IBM, Microsoft, Motorola, Nokia, Philips, Toshiba, and Texas Instruments. The network now has over 2,000 active members.

- **Network to outsource**. Outsource the parts of the process that are inefficient for your organization and then concentrate on developing your capacity in the areas that are important to your future vision.

  - Dell chose to outsource its manufacturing.

  - FedEx chose to outsource some of its ground transportation so that it could concentrate its efforts on building a brand as well as a strong technology infrastructure for e-commerce.

  - Some organizations outsource administrative tasks, such as payroll and sales functions. IKEA, the furniture manufacturer and retailer, even outsources to customers, who have the responsibility for assembling their own furniture products. Outsourcing enables an organization to take advantage of "best-in-breed" partnerships and quicker delivery times.

• Network to enhance buying or selling power.

Convenience stores network to benefit from strengthened buying power.

AARP negotiates price discounts and special offers for its members. Amazon.com and Toys R Us established a service network so they could both benefit by selling toys online.

• Network to create an organization of managed companies.

Four Seasons Hotels and Resorts and Fed Ex are two examples of organizations that oversee the operations of other organizations within their networks.

• Network to provide a hub or meeting place for others.
   Monster.com, an employment Web site, eBay, an Internet auction site, and the various stock exchanges around the world represent examples of networks established to provide a meeting place for buyers and sellers.

These are all examples of "magnetworks" ("magnet"+"network"), networks of competing and collaborating individuals or teams who innovate together for mutual benefit. The members of this network assist one another in achieving mutual innovation goals. Success breeds success. The stronger the success of the network, the more it attracts new innovation teams, which adds further momentum to the magnetwork. Become extraordinary by creating a magnetwork.

Ask yourself:

• How strong are our networks within our organization?

• How can we network with other organizations to identify and develop new ideas?

• How can we use technology to strengthen our magnetworks'?

8.11   Activities for the students

Activity 1:

People ideally want life to be easy. Many people have profited from providing easy services that others do not like to do, such as a simple service like barbeque cleaning, superscoopers for cleaning up after dogs, an errand service, or a 1-800 tele-tutor service for school-age children who need assistance with their homework.

Imagine what kind of easy service can be organized by you in your area.

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Activity 2:

Consumers can mix and match the component parts depending on their unique needs. Dell encourages its customers to build their own computers using an array of standardized parts.

What is your idea about mix and match in case of your motorbike?

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8.12   Summary

Once consumers have tasted a better coffee, used a fancier toothbrush, or been served in less than a minute, it is difficult for them to accept what they perceive to be lower-quality products and services. Instead, they are looking for the extraordinary.

8.13   Self-assessment questions

1.   Explain the Extraordinary Strategy 1: Target the Most Profitable Customer

2.   Explain the Extraordinary Strategy 9: Create Magnet works

8.14 Multiple choice questions

1. To target your most profitable customers, ask yourself the following questions: (Find out the wrong one)

a. Who are the most profitable customers?
b. Who will be the most profitable customers in the future?
c. What specific needs do they have now and will they have in the future?
d. Where is the customer's corporate office?

2. Become extraordinary by offering something distinctly new and different. Ask yourself the following questions: (Find out the wrong one)

a. How is this idea distinctly new and better for the customer?
b. How does this idea stand out in the marketplace?
c. What is the profit margin?
d. How is this idea distinctly new and better for our organization?

3. To become extraordinary by setting priorities, ask yourself the following questions: (Find out the wrong one)

a. Have we identified our product, customer, region, and project-innovation priorities?
b. Do we have a mix of priorities in our portfolio in order to manage customers?
c. Have we identified a strong innovation pipeline of new product, service, and project ideas for the future?
d. Have we identified and discontinued any losing products, services, or projects?

4. Become extraordinary by making it easy. Ask yourself the following questions: (Find out the wrong one)

a. How is your idea (product, service, program, or process) easy to understand?
b. How is your idea (product, service, program, or process) easy to buy?
c. How is your idea (product, service, program, or process) easy to use?
d. How is your idea (product, service, program, or process) easy to sell?

5. Become extraordinary by adding credibility. Ask yourself the following questions: (Find out the wrong one)

a. How can we add prestige by winning an award?
b. How can we gain support from leading authorities in our field?

c. How could we enable potential customers to test this product or service?

d. How can we gain support from politicians in our field?

Transition from chapter 8 to 9 and 10

My dear students, after the creative thinking and strategic thinking, now is the time to learn to ignite passion and to take action.

By now, there is a good foundation in your mind about the innovation as a subject, and so you are ready to travel further on this path. Before you begin, ensure that the earlier topics are fully understood by you. If not seek the clarification from the faculty. It is necessary before going further.

Innovation comes not only from the mind but also from heart and soul. Innovators need to tap into their own source of passion as well as unleash the innovative spirit among others.

The next important principle is "Take action". If ideas are not accepted and implemented, the value of having these ideas cannot be realized.

The topics are interesting. Master them.

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Reference Material

Click on the links below to view additional reference material for this chapter

[Summary](#)

[PPT](#)

[MCQ](#)

[Video](#)

Ignite Passion

Objectives

At the end of this chapter, you will know the importance of passion in Innovation Management.

Structure

9.1   Introduction

9.2   What Is Passion?

9.3   Why Have We Lost Our Passion?

9.4   Passion Killers

9.5   Passion Supporters

9.6   Passion at the Individual Level

9.7   Passion at the Team Level

9.8   A Passionate Physical Environment

9.9   Activities for the students

9.10 Summary

9.11 Self-assessment questions

9.12 Multiple choice questions

9.1 Introduction

We all know about or are familiar with people who have lost their passion--those individuals who appear to be detached from the world throughout their lives.

However, we also know people who are extremely passionate about their work and their lives, who radiate positive energy and excitement wherever they go. Not only the kind of work that these people are doing is exciting, but also it is their attitude toward their work.

Oprah Winfrey (talk-show host and philanthropist), Tiger Woods (world-class golfer), and Nelson Mandela (South African activist and former president) all put their hearts and souls into manifesting their human spirit and potential through their work. If we are open to it, their passion can be contagious.

Fig 10.2   Fig 10.2   Fig 10.3

Passion is also about linking creativity with a deeper purpose. Even when faced with tough situations, passionate people seem to find a deeper meaning to guide themselves.

If you have a chance to visit Seattle's Pike Street Fish Market and witness first-hand the workers, you will see passion. Not only will you have a chance to watch these workers toss large fish back and forth among their team, you will also enjoy their wonderful and very entertaining sense of humor. If these individuals can bring passion to selling fish day in and day out, surely bringing more passion to your work and workplace should not be as challenging.

9.2 What Is Passion?

What do we mean by the word "passion"?

"Strong emotion or strong enthusiasm".

To show your passion for something, therefore, requires you to display your enthusiasm from within. When you put your heart and soul into what you are doing, you are tapping into your strong emotional force or, in other words, your passionate self! The more you tap into this emotional force, the more you are filled with positive energy.

9.3 Why Have We Lost Our Passion?

Why have so many people lost their passion? Why are employees so alienated from their work? While the answers may be many, here are my reasons why people may be losing passion:

1. **Too much choice.** The more choices a person has (in fact, the more freedom they have to make these choices), the more overwhelmed they may feel. They feel too much pressure to make too many choices in their jobs without having the necessary support from others.

2. **Too many projects and not enough support.** Many people lose passion when they feel unsure of their ability to complete their projects on time and in the manner that they feel is best warranted. Many organizations have eliminated positions through downsizing but are still employing the same processes or expecting the same results with a reduced resource base. Loss of passion is worsened when priorities are not reestablished in accordance with the weaker resource base or with a change in direction. When employees cannot complete projects in the way they desire, they feel defeated.

3. **Weak decision-making processes.** Many employees complain that either they do not understand how decisions are made in their team and in their organization or that; the decision-making processes are too slow.

4. **Fear and anxiety.** The uncertainty surrounding one's ability to hold on to a certain position within an organization can lead to increased fear and anxiety, which, in turn, can lead to decreased job performance and the loss of creativity. If someone fears the loss of their job, they will be less likely to take risks and may attempt to hide any potential signs of weakness to avoid becoming the next candidate for downsizing. If this fear is not addressed, they may lose the passion for embracing anything new and innovative.

5. **Pursuit (attempt to achieve) of extrinsic rewards.** In an interview to fill a vacant marketing position, one of the candidates for the position was a woman who was working in another department in the same company. When asked why she was interested in working with the marketing team, she replied, "The job pays better than my current job does."

   There was no mention of any passion for the actual job or for learning more about how to market a product to a target consumer group. There was no mention of any interest in wanting to work with a team of energetic, passionate marketers!

   So many people are focusing so much on extrinsic rewards instead of pursuing a deeper attachment to the actual work.

6. **Cynical humor.** The drama occurs in many of our organizations, where employees and managers have lost their passion and have turned to cynical humor as a deflection for their serious lack of true meaning and passion in their work.

7. **Stifled (preventing from continuing).** Too often, people are encouraged to keep their passion under wraps.

   • "It's not acceptable to show emotion when you work for the government."

   They soon stop bringing their true selves to work and, instead, dull their senses throughout the day. New employees, who are naturally full of innovative ideas, are encouraged to mimic "how things are done around here." Too often, passionless managers spread the virus by teaching others to stifle passion for innovative thinking.

8. **No time.** Many people say that there is no time to be passionate about looking for and developing new ideas.

   • "I don't have time to think."

   • "I don't have any time to innovate."

People may have lost their passion for these reasons. They may also have heard too many Passion Killers. For example:

• "Bob, give me an idea of how we could increase our inventory levels"

• "We could look into scheduling three shifts instead of two."

• "We thought of that already. Don't you have any practical ideas?"

As Groucho Marx said, "Whatever it is, I'm against it."

Here is a list of Passion Killers. How many have you heard in your organization? How many have you said?

9.4   Passion Killers

We're not ready for that idea yet.	That's not your job.
We're too busy	It's too radical a change.
It's too hard to implement	It's against company policy
If it's such a great idea, why hasn't anyone thought of before?	The president will never go for it. The Head Office will never go for it.
It's all right in theory, but it would never work here	Let's give it some more thought. We won't get the budget for it.
If we let you do that, then everyone will want to do that.	It's never been tried before.
It's a bad idea	We tried that before and it didn't work
It's not a priority.	That breaks all the rules.
Let's put it on hold for now.	It will cost too much.
It's not a good time.	It's ahead of its time.
We've always done it this way.	We're not ready for that.
Don't rock the boat.	It's too big for us to handle.
Have you lost your mind?	Let's wait.
We don't have the resources.	That's a stupid idea.
It won't work in this organization.	It won't work.
It wasn't invented here.	Why would you want to do that?

What happens if we listen to all those criticisms? We end up back where we started. Hearing these Passion Killers—even the anticipation of hearing these Passion Killers—can stifle innovation.

My two favorite Passion Killers are:

• "We haven't done that before" and

• "We've done that before!"

It seems like these two Passion Killers are a Catch-22.

You have only so much energy. You can spend it being positive or you can spend it being negative. If you have 50,000 thoughts a day, what percentage of them are positive thoughts and what percentage of them are negative thoughts.

Ask yourself:

• Do you find it easier to criticize an idea than to support it? Why?

• How many of these Passion Killers do you find yourself saying each day?

• What is happening to all the good ideas in your organization?

9.5   Passion Supporters

Some seeds will fall on fertile soil, while others will fall on the pavement where they will find no nourishment and will be wasted. In order for innovation to flourish, new ideas must be supported. Surround yourself with passionate people who give your ideas the support they need. Support others' ideas and ask them to support yours. How many of these Idea Supporters are you using on a regular basis?

Passion Supporters

Terrific	You're the best
You outdid yourself again	Go for it
Keep up the great work	Right on
Wonderful	That's top rate
Now you're cooking	Let's do it
Well done	I'm behind you
Wow	I wish I'd thought of that
I knew you could do it	That's a great idea
I'm glad you're on my team	I think it will work
That's your best work ever	That will really shake up the industry
You're right on target	The president will love this idea

9.6   Passion at the Individual Level

As individuals, we all want the opportunity to free our entrepreneurial spirit. Look what happened in Silicon Valley during the early dot-corn days. Many individuals, including some hot teens, shook up the establishment with their passion and enthusiasm for finding and launching new business ideas. Most of them did it because they loved what they were doing. Wouldn't you like to be more like these passionate people who cannot sleep because of the excitement of their work instead of like those who cannot sleep because of the stress of their work?

Passion is the intensity we feel when we engage in an activity or project that deeply interests us. It is the life energy we receive and draw upon from doing what we love! In our chaotic world, it is important to know what makes or will make us more passionate about our work and about life in general. The more that you can align your personal values with your work, the more likely you are to find the deeper purpose in what you are doing, and the more passionate you will become.

Work should not just be about tasks and projects that need to be completed. Rather it should be a manifestation of our individuality and have a deeper sense of meaning in our lives. Whatever challenge you are facing, whatever your job responsibilities may be, it is always beneficial to try to rise up above the task or project and see both the bigger picture and the deeper meaning of what you are trying to achieve.

Ask yourself:

• Are you engaged in activities that deeply interest you?

• Are you fulfilling your potential?

• Are you blocking out cynics and other negative influences?

• Are you being the change you want to see in the world?

• Are you giving yourself enough time to be innovative?

9.7   Passion at the Team Level

It is important to understand the difference between the stated culture and the real culture. Many teams post a list of the principles and practices that comprise their stated culture on their boardroom wall but then do nothing to correct behavior that deviates from this stated culture. Real culture relies more on the personalities and behaviors of the team members than on a list of desired attributes.

There are at least four key Passion Drivers at work:

• Doing challenging work

- Having a sense of ownership in the ability to identify and implement

- Being recognized and rewarded for one's innovative work

- Having the opportunity to work with other passionate people in a passionate environment

The employees at Walt Disney World, or cast members, as they are often called, share their passion to create a wonderful experience for their customers or guests. When you visit the Disney theme parks, you can feel that their employees are excited about what they do and what their organization does for the entertainment world.

Figure 10.4
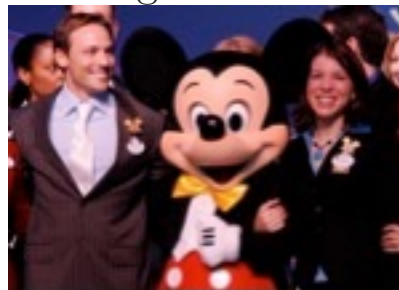
The employees at Southwest Airlines are encouraged to be creative and make improvements on their own initiative. Co-founder Herb Kelleher knew that, in order to truly create an environment for innovation, he had to be willing to grant his employees the freedom to make decisions "on the spot," decisions that they felt were in the best interest of the organization. By pushing decision-making down to the levels where it was most productive, he signaled to the organization that Southwest Airlines truly values it employees. Employees' passion for their jobs rubs off on the customers. If you fly with Southwest Airlines, you can see and feel the passion in the air!

Figure 10.5

Many people feel more passion when they feel a sense of ownership in an idea. If a person is granted the opportunity to continue to work on an idea once it has been approved, they will feel a stronger sense of ownership and pride in seeing the idea realize-the potential they had originally promised.

It is important to recognize the originators of ideas as well as those who implemented them. It is often the case that a person, who joined the team in the last minute, as a new idea was being launched into the marketplace, received all the glory while the development team, who spent the previous year shaping and reshaping the idea, receives

little or no recognition. How does your organization recognize innovators and their contributions?

Ask your team:

- Do we have a passion for pleasing our customers? Do we feel free to make decisions?

- Do we feel a sense of ownership for our ideas?

- Do we formally recognize our team members' ideas?

- Do we all know each other or are we just viewing each other as people completing projects and tasks?

9.8   A Passionate Physical Environment

Imagine two reception areas:

- The first exudes excitement. The sun shines brightly through the many skylights and rests gently on the marble floor. On one wall is a vivid display of the company's product line while on the other wall is a display of letters from satisfied customers. On the coffee table are copies of the company's latest promotional materials and a jar of jellybeans that just happen to match the corporate colors. The receptionist smiles kindly and asks if the directions to the building were easy to follow.

- The other reception area screams depression. Three tattered old office chairs surround one old coffee table. The remains of this morning's newspaper (the business section is missing) lie beside two copies of Newsweek dated a few months ago. A lonely plant leaning slightly to the right stands limply beside the reception counter. On the reception counter is a small sign: Please ring bell.

Which environment shouts, "We're excited you're here. We want to work with you"? Which environment communicates the company's passion? Which company seems more innovative? With which company would you rather work?

Passionate environments truly vibrate at a higher level. You can just feel the energy when you walk into the building.

- First, one of the factors influencing new employees' choice of employer is the environment in which they will be spending the majority of their working hours.

- Second, space is a symbol of the excitement and pride that employees have for the business. If employees have the opportunity to work in an environment that supports this excitement and pride, they will potentially be more passionate about their work, which could lead to higher productivity.

- Third, if employees have the opportunity to work in a passionate environment that also celebrates their individuality, they might feel more open to sharing their "crazy, innovative" ideas instead of feeling pressure to conform to the "way it has always been around here." (Of course, other factors such as innovation-process networks and cultural and financial support for new ideas also play a key role in determining the level of innovation produced by a team or organization.)

- The advertising agency GSD&M believes that there is a relationship between physical environment, an energetic culture, and creative output. Their building in Texas is designed to stimulate interaction among employees and therefore has more than fifty rooms of various sizes where coworkers can meet and share ideas.

- Some organizations are investigating or have built separate "creativity centers" within their existing office spaces. These centers typically represent a cross between a resource center with access to magazines, videos, and other materials, and a community center, with comfortable chairs, strobe lights, toys, squirt guns, and even karaoke machines!

Figure 10.6

A better and clearly more comprehensive approach is to incorporate passion and innovation into the design throughout the building. Begin with an inviting lobby that signals innovation. Then you might want to add a Hall of Fame to profile your top innovators. Think about your own offices and conference rooms--not all offices and conference rooms need to look the same. Add excitement through different aesthetic treatments. Create innovative names for your conference rooms.

Ask yourself the following questions:

- Is our environment inviting?

- Does our environment communicate who we are, what we do, and what we are most proud of?

- Do we use color, lighting, art, greenery, sound, and other aesthetically pleasing techniques to convey excitement and energy?

- Do we have a good mixture of group meeting spaces to fit the needs of our team to meet formally or informally?

• Does our environment change or evolve as our work evolves?

• Does our environment communicate that we are an innovative organization?

Remember though, designing a passionate physical space does not guarantee that the team will magically become more innovative! You must also consider the psychological environments (climate, rewards, and recognition) as well as the processes, resources, and skills development that are needed to support innovation within your organization.

9.9 Activities for the students

Activity 1:

Analyze the following points and make a write up:

• Are you engaged in activities that deeply interest you?
• Are you fulfilling your potential?
• Are you blocking out cynics and other negative influences?
• Are you being the change you want to see in the world?
• Are you giving yourself enough time to be innovative?

_____

_____

_____

_____

Activity 2:

Refer 10.4 and make a list of passion killers that you have experienced.

_____

_____

_____

_____

_____

9.10   Summary

Passion is also about linking creativity with a deeper purpose. Even when faced with tough situations, passionate people seem to find a deeper meaning to guide themselves. To show your passion for something, therefore, requires you to display your enthusiasm from within. When you put your heart and soul into what you are doing, you are tapping into your strong emotional force or, in other words, your passionate self! The more you tap into this emotional force, the more you are filled with positive energy.

9.11   Self-assessment questions

1.   List the main passion supporters.

2.   What do you understand by cynical humor?

9.12   Multiple choice questions

1. What do we mean by the word "passion"? The Concise Oxford Dictionary defines passion as:

a. Strong emotion or strong enthusiasm
b. Strong physique
c. Strong Love and affection
d. Latest Fashion

2. "We thought of that already. Don't you have any practical ideas?" This is an example of:

a. Passion supporters
b. Passion killers
c. Motivation
d. Continuous improvement

3. "Whatever it is, I'm against it." Who said it?

a. Groucho Marx
b. Karl Marx
c. Einstein
d. Mark Twain

4. There are at least four key Passion Drivers at work (Find the wrong one)

a. Doing challenging work
b. Having a sense of ownership in the ability to identify and implement
c. Being recognized and rewarded for one's innovative work
d. Having the opportunity not to work with other passionate people in a passionate environment

5. The employees at Walt Disney World are often called as:

a. Cast members
b. Team Disney
c. Beatles
d. Disney associates

Reference Material

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video

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Take action

Objectives

At the end of this chapter, you will come to know about the third Stage of the Nine-Step Innovation Process: Action

Structure

we school

10.1   Introduction

Example of five frogs

"Five frogs are sitting on a log. Four decide to jump off. How many are left?" You might think this is a simple riddle. "Why, one frog, of course," you respond, "That was an easy and straightforward question." It is not until someone else in the crowd answers "five frogs" that you stop and examine the riddle again. You see, even though four frogs decided to jump off, there is nothing in the riddle to indicate that they actually jumped.

One of the lessons provided by this simple riddle is that there is a big difference between deciding to do something and actually doing it! Indeed, the Nike slogan "Just Do It" is often much easier said than done. However, innovation, by definition, requires that a creative idea be **implemented** or acted upon in order to add value.

Simply put, great ideas are not "innovative" unless they are successfully implemented. The critical factor is not the number of ideas that you or your team may have, but the successful implementation of the ideas. There are many examples of organizations that were on the right track but failed to take action, took too little action, or moved too slowly with their ideas.

• Digital Research had access to the technology of the revolutionary 16-bit operating system (DOS) but failed to capitalize on this idea, thereby leaving the door open for Bill Gates to network with IBM and lay the groundwork for what would become the Microsoft Corporation.

• Atari, Commodore, and Kaypro are other examples of organizations that were once "king of the hill" or industry leaders but failed to understand the need for a sense of urgency when it came to finding and implementing new ideas.

Many people have been conditioned to believe that once a certain level of "success" has been achieved, they can sit back and reap the benefits-

• "Once I get my MBA degree. . . ,"

• "Once our business has the largest share of the market . . ."

• "Once our government agency wins an award for performance excellence . . .

• "If only that were the case!

Although we should, of course, celebrate and enjoy our successes, we should also always be aware that the world is constantly evolving and that we therefore need to be constantly innovating. In today's world, there is no such thing as a "sustainable competitive advantage." Every organization is vulnerable to competition, even those at the top of their field or industry.

Take, for example, McDonald's restaurants, generally recognized as leading the way into fast-food heaven. Now, McDonald's needs to innovate in order to deal with the very serious threat of mad cow disease and the dire impact that perceptions about this disease could have on its hamburger business.

Another example is Bausch & Lomb, well known for leading the way with contact lens solutions. Now Bausch & Lomb needs to innovate in order to deal with the trend toward disposable lenses and laser eye surgery.

As Stephen Covey so wisely said in his groundbreaking book "The 7 Habits of Highly Effective People",

Habit #1 is Be Proactive.

So many great organizations and the people aligned with them fail to reach their full potential due to lack of action. We all know that words on a page by themselves will not transform an organization. Action will.

10.2   The Third Stage of the Nine-Step Innovation Process: Action

The final stage of the Nine-Step Innovation Process involves building
the strategic ideas into full business concepts and plans. These plans are reviewed in accordance with the strategic Innovation Goalposts, which were discussed earlier, making acceptance more realistic and more plausible. From here, the ideas are implemented and reviewed for shared learning.

The specific steps in the Action stage are

(1) Developing the Innovation Roadmap,

(2) Gaining commitment, and

(3) Implementing the Innovation Roadmap

Let us take a look at each of these three steps.

10.3   Developing the Innovation Roadmap

Categorize your business ideas or concepts into different groups, such as:

(a) Ideas on hold—relevant but not applicable for the next few years;

(b) Ideas to investigate further before a decision can be made;

(c) Fast-track ideas for presentation, development, and implementation; and

(d) Fast-track, high-potential ideas for immediate presentation, development, and implementation

You may want to apply different criteria to different types of projects.

- For example, projects that represent products or services to be introduced to the marketplace in the next two years might be subject to different criteria than projects or services that will be introduced later.

In order to build these concepts into full business plans, revisit the six BIG-Picture criteria. (Ref. Chapter 6)These criteria will help you develop a strategic idea into a full business concept and will help you prepare your idea for presentation.

1. **The big idea must be simple.** What is your BIG idea? Good ideas should be simple and easy to explain. A weak seed cannot grow into a healthy plant, no matter how rich the soil! If an idea starts out as a weak idea, everyone will have to spend extra time to fix it along the way.

2. **The idea must support the overall business strategy.** How does this idea fit with the Innovation Goalposts discussed at the beginning of the project? How does this idea support the overall strategic vision and path the organization has chosen to pursue? How does this idea fit with the organization's other products, services, and programs? How does this idea fit with the organization's core competencies?

3. **The idea must be "distinctly new and better"** What problem are you seeking to solve or eliminate? Why do we need this idea? Why do current or future customers need this idea? What new value does this idea bring? How will this idea change the organization or the marketplace?

4. **The idea must be proven**. Even if you feel your idea is new to the marketplace, find examples of other ideas that are relatively similar to your idea and share those with your team. Most people want to minimize risk. Unfortunately, people tend not to believe in the potential of new ideas unless someone else, especially someone whom they admire, has already done it. Every manager wants to balance the risks associated with new ideas. How can you link your idea with another idea that others already know or have had experience with? Have other organizations succeeded with a similar idea or with parts of your idea? Finding examples of how similar ideas or idea attributes have generated positive results for other organizations will lower the perception of risk for your new idea. Also, summarize any market research results you have on the idea.

5. **The idea must be profitable**. Show them the money! What will be the revenue gained from your idea, and how high can the revenue go? Show how the idea can be expanded to attract even more revenue in the future. Demonstrate how the idea will deliver social benefits. What kinds of investments are needed to support the idea? Will

it deliver good value for the funding required? Determine how the idea will be funded.

6. **The idea must be quickly and easily implemented.** Determine how easy the implementation will be by highlighting the steps involved, the timing, the resource needs, and the implementation team. List the changes that will be needed in order to implement this new idea in terms of team members' roles, core competencies, and any necessary process changes.

10.4 Writing the Innovation Roadmap

Once you have thought through your new business concept, you may wish to prepare a written Innovation Roadmap. Instead of preparing a thirty-page plan or a five-inch thick stack of PowerPoint slides, write a simple yet focused six-page Innovation Roadmap.

Here is a template that can be used for all Innovation Roadmaps—at the corporate, business-unit, category, and specific product, service, or program level. The six-page Innovation Roadmap template includes:

• **Page 1**: Learning (key lessons learned from your review of the current state of your business, your customers, your competition, and other elements of the marketplace)

• **Page 2**: Future (your predictions for the future re: customers, the marketplace, competition, technology, and other challenges)

• **Page 3:** Vision (your vision or future destination, the direction or path to reach this vision, and your BIG idea)

• **Page 4**: Requirements (core competencies and resources needed to achieve the vision, path, and BIG idea)

• **Page 5**: Action Plans (a summary of key action plans with timing and responsibility)

• **Page 6**: Financials (financial resources and forecasts)

Challenge yourself to include only key pieces of information. Use bullets or point form and charts to summarize the information.

10.5 Gaining Commitment

We have all had experiences where our ideas have been rejected by managers who obviously lacked vision or "just didn't get it." Looking back on some of these experiences, we may come to realize that perhaps we could have done a few things differently in order to package our ideas so others could see the light. There might have been things we could

have done to reduce the amount of uncertainty surrounding our new idea. Spending the time to prepare and package ideas is, therefore, a critical step in the innovation process, especially for creative people who are facing the challenge of having to prove the merits of their new ideas to a very linear, logic-based audience.

10.6   Understanding Your Audience

An important step in preparing and packaging your idea is to focus on who is "buying" it. Who is the appropriate audience for your idea? Is this audience ready to discuss a new idea?

Not everyone is the same, and not everyone will focus on the same aspects of your idea. In my experience, there are four types of people in the world:

• those who want to see the numbers,

• those who want to focus on tasks,

• those who want to focus on people, and

• those who want to focus on BIG-Picture strategy

Take time to determine who is in your audience.

• What type of ideas do they usually support?

• What type of questions do they usually ask?

• Do they want to know the numbers?

• Do they want to know the details of the tasks needed to implement the plan?

• Do they want to know the impact the plan will have on the people in the organization or on the customer?

• Do they want to know how the plan fits with the organization's overall strategy?

It is rare that an idea is accepted at its initial presentation. Recognize that your audience may be at different stages of the innovation-decision process. Each buyer, whether they are buying an idea or a product, goes through several stages before taking action. These stages include knowledge, persuasion, decision, implementation, and confirmation. It is therefore prudent to gauge what stage your audience is at in the buying cycle and to be realistic about how quickly you can move them to making a decision!

10.7   Preparing a Prototype

Many ideas are rejected because they are misunderstood. In this regard, you may want to consider developing a prototype of your idea so that others can gain a better understanding of its various elements. A prototype is simply an illustration or sample that represents the essence of your idea in its preliminary stages of development. The design firm IDEO is famous for developing numerous prototypes and doing so very rapidly. You can use a prototype to make your idea come alive for your audience.

As veteran IDEO studio head Dennis Boyle often says, "Never go to a meeting without a prototype." If your idea is difficult to prototype or if a prototype of your idea is not available, find another object or several objects that illustrate your idea. This helps the audience visualize the potential.

10.8   Presenting Your Idea or Innovation Roadmap

Often people get so lost in the details of their idea or Innovation Roadmap that their audience loses its focus on the Simple Big Idea. Here is the simple Six-Step Selling Process that you can use to present your ideas. The process will help focus your audience, and yourself, on the important aspects of your idea. Your entire team may wish to follow the same Six-Step Selling Process when presenting their ideas so that it becomes second nature.

Six-Step Selling Process   Table 10.1

	Topic	Explanation
1	Groundwork	Describe the situation. Highlight the problem. Explain the implications if the problem intensifies or if the problem is not addressed immediately. Set the stage for the introduction of your simple big Idea.
2	The Simple Big Idea	Present the simple big idea.
3	Brief Explanation	Give a brief explanation of how the simple big idea works.
4	The Benefits	Explain the benefits of adopting your simple big idea. Refer the Six BIG-Picture criteria: (1) Simple big idea, (2) Supports the overall business strategy, (3) is distinctly new and better, (4) is proven, (5) is profitable, and (6) can be quickly and easily implemented.
5	Implementation Plan	Give the major highlights of your implementation plan.
6	Asking for Action	Ask the decision-maker for a decision. Tell them what you want them to do now that they have heard your presentation.

Go into the presentation with the assumption that your audience might not understand your new idea and that you therefore need to simplify your communications and walk them through your thought process step-by-step. If your idea is too difficult to understand, you already have a barrier between you as the seller and your audience as the buyer.

Keep your presentations simple and only offer facts or examples that support your big idea. Do not overload your audience with unnecessary details. Give them surface details and if they have specific questions, this is the time to "drill down" to give them more detailed explanations. Limit your use of jargon so that the audience can concentrate on your message.

Create the demand for your idea as a solution to the problem or situation. When presenting, spend at least 25 percent of your time selling the problem and all its implications. The members of the audience must understand the context in which they are being asked to make a decision.

More than likely, your audience will support you if they believe in the power of the idea —that there is indeed a real problem and that you have a good solution for that problem. Your audience must believe your solution will work and will add value. People will fight you if they do not believe in the severity of the problem, if they do not think your idea will work, or if you present the idea in such a way as to totally confuse and irritate them.

10.9   Receiving an Idea

Just as the presenter has the responsibility to offer well-thought-out ideas, the audience has the responsibility to receive new ideas in an encouraging and motivating way. Besides reviewing the idea to determine whether it fits with the decision-making criteria, consider the larger implications of your comments as a receiver of the new idea.

• If you are rejecting the idea, are you doing so because you are resisting change?

• Why are you really stopping this idea?

• Are you unwilling to change what has made you successful in the past?

• Are you asking for too much rigorous evaluation, or are you setting the hurdles so high that very few ideas can ever make it through your review?

• Is the report or committee work you are asking for really necessary?

• Are you hiding behind complicated rules, policies, or bureaucracy so you do not have to risk making a decision?

• Are you evading your decision-making responsibility by using Passion Killers such as "the board or president will never go for this idea"?

• How are your comments affecting the presenter? Are you balancing your negative comments with positive ones? Are you motivating or inspiring the presenter to continue the search for new ideas?

• How can you link the presenter with others who can help develop the idea?

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• Are you creating a sense of urgency for innovation?

If managers will not let good ideas through, the organization suffers from an obvious lack of progress in advancing its innovation objective.

It is a two-way street. Every organization needs a dual strategy for both presenting ideas and accepting new ideas. Many organizations, such as Singapore Airlines, are starting to offer training in how to accept as well as present ideas.

10.10 Overcoming Resistance to Your Idea or Innovation Roadmap

You may hear objections such as the Passion Killers discussed in Chapter 10.

• "We don't have any time."
• "We don't have any money."
• "It's too risky."
• "It will ruin our image."
• "We won't get the board's approval."

Recognize that it is a hundred times easier for a person to say "no" than to say "yes." Moreover, the bigger the change required, the bigger the roadblocks in its path. If people do not have to change, or if they are not aware of the need for change, they will usually not make the effort.

Be aware that most people focus on what they have to give up with the current method rather than what they might gain from adopting the new idea. Understand how attached your audience is to the current approach or idea. Obviously, if people are happy with the current approach, a change in approach may not be viewed as necessary. Use discussion to get your audience to agree that the current approach is not optimal. A fundamental law of change is that if you want people to try something new and different, they have to be dissatisfied in some way with the current choice.

You might be able to overcome resistance to change by offering the opportunity for a trial implementation in order to help everyone manage the risk of accepting a new idea. By offering a trial, you will be able to show some progress toward your goal. As your managers start to see the benefits of your idea materialize, more support may be forthcoming. This concept is similar to the promotional tactic used by many marketers. In other words, provide a sample of your product. If the consumer likes your sample, he might buy the larger size. In essence, you are recommending base hits instead of expecting a home run right away.

10.11   Implementing the Innovation Roadmap

The last step in the Nine-Step Innovation Process is implementing the Innovation Roadmap.

• Release your roadmap or plan into action.

• Remember to apply enough pressure until the plan is implemented to ensure that people do not slip back into their old way of doing things or find other priorities to work on. Even though someone might have said they were committed to your plan, they may still be unsure about certain elements of the plan. Take the time to ensure that when someone says they are committed, this phrase means the same to you as it does to them.

• Keep an eye out for any roadblocks. There are always some.

• Implement and have your team follow a good project-management process that clearly outlines who will be involved at what stage, the tasks involved, and the expected completion dates of each of the tasks.

• As discussed earlier, find ways to expedite the implementation of your idea through parallel processing or by shortening the lead times for each task.

Make sure you and your team have reviewed the number of projects on your plate so that you can match the number of projects with the team's ability to develop and implement them. Is there really room for one more project? More projects do not always mean more results. Often more activity is counterproductive since the organizational resources are not being focused in the most productive manner. After all, three projects with great results are better than five projects with mediocre results. Perhaps the discussion of your new idea can spark a strategic discussion of where your own and your team's energies should be directed for the good of the overall organization. Perhaps your team can eliminate one or two other less valuable projects in order to have the time to focus on your new, more valuable project.

Adjust the implementation plan where needed and remember to review the experience so that learning—what worked, what didn't work, what should we do differently in the future—can be shared with all team members.

10.12   Implementation in the Marketplace

The strategies for selling a new idea in the marketplace are similar to those previously discussed for selling an idea internally within an organization. In order to persuade customers to change, they must be convinced that their current approach is not optimal and that switching to the new idea will be easy and profitable.

For example, take the recent flood of television advertisements for long-distance telephone services. So many of the ads focused on the price of the service, comparing one company's plans to others' plans. What was missing in these ads was the switching plan to make it easy for the customer:

- How do I switch from what I am using now to this new service?
- Do I need to change my phone number?
- How does it work with my local phone company?

The focus of the communication should have been on the simple switching plan versus the small cost difference between telephone rates. In my opinion, this was the problem that needed to be solved for the customer, who already understood that alternative, lower-priced telephone services were available. The lack of information on how to switch may have prevented many consumers from buying the cheaper service.

Another example is Procter & Gamble's Dryel product.

Zip it.

Add 1-4 garments to the Dryel Fabric Protection Bag. Bag should not be more than half-full to allow garments to tumble freely. Unfold Dryel cleaning cloth and add to bag. Zip the bag and then place in the dryer.

Steam it.

Tumble in dryer on medium heat for 30 minutes to activate the steam-cleaning environment, removing odors and protecting against shrinking, stretching & fading.

Wear it.

Clothes should be slightly damp when removing them from the bag. Promptly hang or wear clean and fresh garments to help wrinkles fall out. Throw away cleaning cloths after use, but save the Dryel Bag for next time. It is designed to last up to 25 loads.

The concept behind this product is to encourage consumers to forgo the existing method and simply use their clothes dryers instead. All they have to do is place their clothes in a Dryel bag with a Dryel sheet and then place this bag in the dryer.

The big challenge facing Procter & Gamble is how to convince consumers to switch to this product when they have been conditioned all their lives not to put certain clothes in the dryer.

Do you have a solid plan to convince your customers to switch to your new idea?

10.13   Passion, Patience, and Perseverance

"Today's mighty oak is just yesterday's nut that held its ground."   —
ANONYMOUS

Remember, if you want others to believe in your idea, you need to be passionate about it yourself. Innovation is about challenging the status quo to find a distinctly new and better way. It is about the courage to stand alone for a while until others catch up. For this, you need passion and patience!

How did Alexander Graham Bell feel when he invented the telephone and people criticized his idea? People in his day thought he was crazy when he explained the ability to hear voices through a wire. If only his doubters could see the world today: How the telephone has progressed from the rotary dial phone to call waiting, call forwarding, call blocking, voice mail, conference calls, and e-mail!

10.14   Timing Is Important

Is your industry ready for your new idea? Take solace from the fact that many others who have gone before you have faced challenges in having their great ideas rejected.

- The inventors of battery-operated cars and electric cars are still waiting for the automobile and oil industry to accept alternative methods of transportation.

- Purveyors of homeopathic and naturopathic medicine are challenging the medical and pharmaceutical industries to accept alternative forms of health care.

- The Spice Girls and the Beatles, two famous pop music groups, were turned down many times before they found success.

Are consumers ready for your new idea? Will they resist switching from their current solutions?

- It took Kellogg's over a decade to convince consumers to switch from eating hot cereal to eating cold cereal.

- It took a long time for the Internet to make it into the mainstream. It was used by the military and by universities long before consumer-friendly Web browsers and programs made it more attractive to the general public.

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10.15   Find Supporters

Find supporters who can help your cause. The key supporter for your idea might be your immediate supervisor, someone in another department, or someone on the executive team. At the early stages of idea development, go to where the energy behind the idea seems to be focused so that your idea receives the support it needs. Build a team of supporters who will help to push your idea through the various organization systems. Also, try to identify the group of supporters who will pull your idea through the system, who, in other words, will be helpful for advancing your cause.

- Find people to help you.
- Work underground as long as you can.
- Honor your sponsors.

Also, consider garnering support from the outside.

Only a few key people are needed to support your idea. By identifying those people who are good connectors (those who know many people and can connect you with the right people to help your cause), as well as by linking up with people who are great salespeople (those who can educate others about your cause), the job of selling your idea will become easier.

10.16   Repeat the Presentation of Your Idea

It is our natural tendency to forget some or all of what we have just heard as we move on to new tasks. Human beings tend to forget quickly and to require information to be repeated in bits. Advertisers address this problem by showing their advertisements frequently in hopes that the message will register with consumers.

Recognize that you may need to repeat your message on different occasions before you can gain commitment.

10.17   Repackage Your Idea

You may also wish to find more than one audience for your idea, or you may wish to find more than one application for the idea if the selling process is not going as smoothly as you would like. As with football, the direct route to the goal line is not always possible. You might have to try a different way to go around your opposition. You might need to make several small attempts instead of trying to score with one play. Sometimes what is needed is to take the spirit of your idea and repackage it in a different way so that the probability of acceptance is higher.

When General Mills first introduced the Betty Crocker cake-mix product, consumers resisted using the cake mix because they felt that they should still be baking the old-fashioned way and that they were cheating if they used the cake mix!

General Mills thought through this problem for a while and then came up with a brilliant idea: Why not reinvent the cake-mix product so that a consumer needed to add an egg? This way the consumers would feel as if they were actually baking. The revamped product soon gained great acceptance.

10.18   Activities for the students

Activity 1:

The example of Bausch & Lomb, well known for leading the way with contact lens solutions was cited earlier in this chapter. Now Bausch & Lomb needs to innovate in order to deal with the trend toward disposable lenses and laser eye surgery.

What innovative idea will you suggest to the company for their future?

_____

_____

_____

_____

Activity 2:

McDonald's needs to innovate in order to deal with the very serious threat of mad cow disease and the dire impact that perceptions about this disease could have on its hamburger business.

What innovative idea will you suggest to the company for their future?

_____

_____

_____

_____

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10.19   Summary

There is a big difference between deciding to do something and actually doing it! However, innovation, by definition, requires that a creative idea be implemented or acted upon in order to add value.

Great ideas are not "innovative" unless they are successfully implemented. The critical factor is not the number of ideas that you or your team may have, but the successful implementation of the ideas. There are many examples of organizations that were on the right track but failed to take action, took too little action, or moved too slowly with their ideas.

The final stage of the Nine-Step Innovation Process involves building the strategic ideas into full business concepts and plans. These plans are reviewed in accordance with the strategic Innovation Goalposts, which were discussed earlier, making acceptance more realistic and more plausible. From here, the ideas are implemented and reviewed for shared learning.

The specific steps in the Action stage are

(1) developing the Innovation Roadmap,

(2) gaining commitment, and

(3) implementing the Innovation Roadmap.

10.20   Self-assessment questions

• Explain the six-page Innovation Roadmap template

• Explain the attitudes of four types of people in the world who are in the audience for your presentation.

10.21   Multiple choice questions

1.   Nike slogan

a.   Life is good

b.   Because you are worth it

c.   Just Do It

d.   Invented for life

2.   Page 1 of six-page Innovation Roadmap template:

a.   Learning (key lessons learned from your review of the current state of your business, your customers, your competition, and other elements of the marketplace)

b.   Learning (key lessons learned from your review of the past state of your business, your customers, your competition, and other elements of the marketplace)

c.   Learning (key lessons learned from your review of the future state of your business, your customers, your competition, and other elements of the marketplace)

d.   Learning (key lessons learned from your review of the fund flow of your business, your customers, your competition, and other elements of the marketplace)

3.   Create the demand for your idea as a solution to the problem or situation. When presenting, spend at least ---- percent of your time selling the problem and all its implications.

a.   20

b.   25

c.   30

d.   50

4.   "Today's mighty oak is just yesterday's --------- that held its ground."----ANONYMOUS

a.   Nut

b.   Bolt

c. Kid

d. Spanner

5. It is -------------- that an idea is accepted at its initial presentation.

a. Ideal

b. Possible

c. Rare

d. Sure

Transition from chapter 10 to 13

My dear students,

By now, you have come to know the most of the content of this subject of Innovation Management.

The creative connections power tools, nine step innovation process and the extraordinary strategies have already enriched your knowledge about the subject.

Now the next chapter will give you entirely new thought about **Different thinking** with lots of examples.

This upcoming chapter is indeed the highlight of this subject, which you should never ever miss, because it will put you on top of this subject and you will be a serious innovator.

In the next chapter, we have made an appeal to you to keep the subject of innovation alive, because it is in your hands. We have given you some more thoughts about the subject in this chapter.

The last chapter will inspire you fully, because in this chapter, we have cited many examples of **top innovative companies** all over the world. Go through the examples, and create your own innovative organization.

We are sure that you will cherish this journey for whole of your life.

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Reference Material

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video1

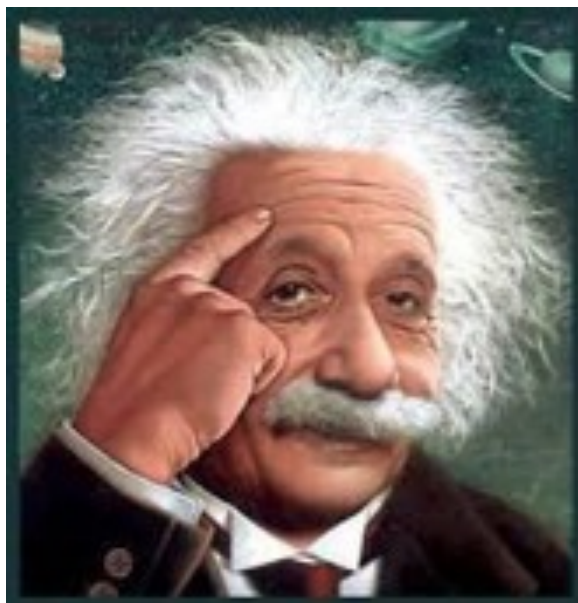# Video2

Different Thinking

Objectives

The importance of "Out of the box" thinking is reiterated in this chapter for you to become really effective and efficient innovators.

Structure

11.1   Introduction

11.2   Rule 1 of different thinking
The 360^0 view: get inspiration from other industries.

11.3   Rule 2 of different thinking
Dead center: get out of those middle-of-the-market segments —fast!

11.4   Rule 3 of different thinking
Travel light: Cut the weight

11.5   Rule 4 of different thinking
Out of the box: create completely new markets.

11.6   Rule 5 of different thinking
Maxi size and mini size: place no geographical limits on your success.

11.7   Rule 6 of different thinking
Mix it! Conquer new markets with innovative combinations.

11.8   Rule 7 of different thinking
Be the champion; create a temporary monopoly in your market.

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Figure 11.1

11.1   Introduction

Stories of different thinkers:

You are a different thinker, as you are the one challenging the status quo. The message that is conveyed to you in many different guises is that incremental improvements are infinitely preferable to genuine innovation — although in fact the opposite is more often the case.

As a different thinker, you will have to overcome many **obstacles**. Moreover, it is obvious that your rivals are going to try to shoot you down, when you dare to break with established rules. The best way to deal with all these skeptics is to question the overall strategy and to advocate a completely new philosophy. A comprehensive approach is far more difficult to find fault with than gradual changes, for example in a company's price, product or marketing models. So, let us immerse ourselves in the world of unconventional thinking and begin with a controversial topic.

Ted Turner's announcement of his new idea for a 24-hour news channel: CNN

When the different thinkers break into such an environment with their fresh ideas, interestingly enough, such sources are often- dismissed as insignificant. Just remember how the established television networks in the United States reacted to Ted Turner's announcement of his new idea for a 24-hour news channel: CNN was ridiculed as the 'Chicken Noodle Network' and Ted Turner was seen as a crackpot and not as a serious innovator.

Many of the giants on the market barricade themselves behind a 'maintenance of the status quo' mindset. The problem is that they become weighed down by the burden of their own past: the burden of a seemingly reassuring maintenance of the status quo at all costs, and an aversion to taking the risks inevitably involved in any form of innovation.

The coffee shop chain Starbucks is a world-wide success story. In the United States, Starbucks is so successful that it has more loyal customers than any other retailer in the country. On average, a Starbucks customer visits a Starbucks 18 times per month.

Where was Nestle, the producer of Nescafe, the world's best-selling coffee, when Starbucks got going? Why didn't Nescafe come up with a concept for a world-wide network of trendy coffee bars? It knows the coffee market better than anyone else, after all. What were the people at Nestle thinking about while the Starbucks chain was being established? Presumably, they were debating the color of their packaging or the shape of the jars to be placed on the supermarket shelves, or wondering how they could finally outpace their competitors at Procter & Gamble.

Why wasn't it existing companies that introduced these innovations? The answer is simple: they did not even see the opportunity staring them in the face. Then, when outsider Howard Schultz launched Starbucks with a few coffee shops in Seattle, they did not even realize that a new competitor was born.

Let us now see the various rules for different thinking, like what these great people did.

11.2 Rule 1 of different thinking

The 360° view: get inspiration from other industries.

Conventional thinking:
Look for good and innovative ideas among your competitors and within your own industry.

Different thinking:
Deliberately look for ideas and inspiration for new products and services in totally different industries.

Example No. 1.1:

Figure 11.2

German customs were looking for new ways to dispose-off many articles impounded or confiscated by them. In their search, they looked beyond the confines of their own

sector to a completely different field: **online auctions**. Almost 200 government agencies now auction off everything that is confiscated in the name of the state: cars, carpets, computers, electronic devices of all kinds, watches and clocks, even coffee and spirits.

What can this example teach us? Nowadays, companies-and this applies equally to government agencies-are increasingly forced to tread unconventional paths in order to reach their customers. Second, when you break with convention, whole new avenues open up: you have a temporary monopoly, you can establish your brand on a new market and set up a learning infrastructure which gives you the edge in the development of products and services for a new generation.

As Akio Morita, the founder of Sony summed up his management philosophy, 'I do not serve markets. I create them.'

Another factor distinguishes these companies:

• The courage of their managers, who are prepared to tread new ground and are willing to take risks and to redefine the rules of their industry

Figure 11.3
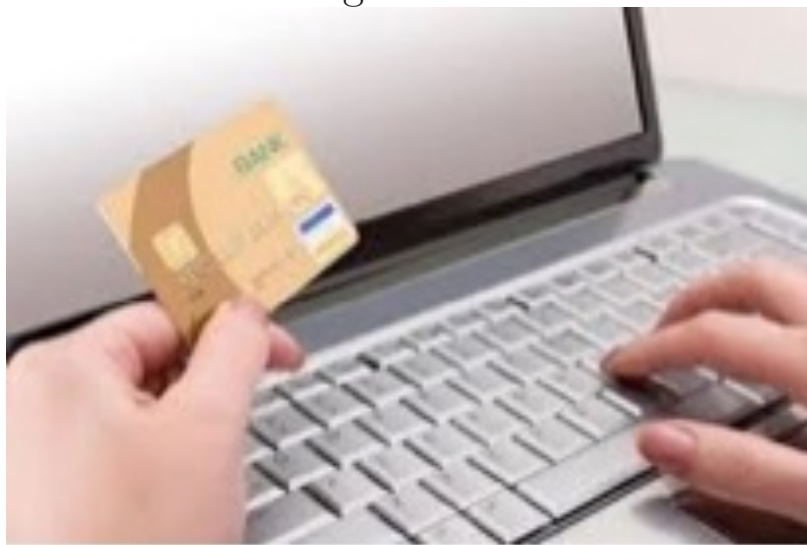
Example No. 1.2:

Earlier, traditionally customers did not change banks. Today the situation is different. Direct banking, which is increasingly opening up the market for foreign institutions, and of course online banking, have had a lasting effect on customer behavior.

If customers cannot clearly see what makes your product unique and innovative, you are heading for serious problems. The reason is that customers have higher and higher expectations. They want more, they want it faster, better and cheaper- and they want it on their conditions and according to their time schedules.

The Umpqua Bank in Oregon, deliberately designed its branches in such a way that customers are tempted to stay there for longer than it takes to just withdraw some money or pay their bills.

Figure 11.4

The revamped Umpqua branches look more like citizen's centers than financial institutions. Firstly, Umpqua realized that one of its customers' most important goals was to improve their quality of life, and that they were interested in seeing how far their bank could support them in this. And so Umpqua does all it can to invite its customers to spend more time in their bank, in an atmosphere more like that of a **coffee bar** than a traditional bank. Customers can drink coffee at their leisure. There are workstations with **internet access**. There is a postal service center and a **library** with books, newspapers and magazines on financial topics. Moreover, of course, it offers extended opening hours on workdays, including Saturdays.

11.3   Rule 2 of different thinking

Dead center: get out of those middle-of-the-market segments —fast!

Conventional thinking:

The target group for your products or services should be is wide as possible. Your range needs to be not too expensive, not too cheap and of interest to as many people as possible.

Different thinking

Get out of the dead center of the market. Define yourself and your products, and assume a clear position outside the middle of the market (premium range or discount), where there is still money to be made.

The consumer goods market is a prime example of increasing polarization. The discount and luxury goods sectors are seeing above-average growth rates, while the middle of the market is losing ground fast. This trend is particularly evident in many consumer goods sectors. Moreover, the winners are not always those who focus on 'cheaper is better'.

The air is getting increasingly rare in the middle of the market. You must act now. It is the courage to take up a clear stance instead of trying to offer 'Something for everyone':

Example No. 2.1:

Figure 11.5

Would you like to be to be either a self-service bakery with fresh bread at discount prices or a premium bakery offering top-of-the-range goods at correspondingly higher prices? The **average bakery** offering average products to anyone out there will at most be able to keep its head above water and only with tremendous effort.

The necessity to take up a clear stance can be seen in many industries. It is more and more difficult for middle-of-the-road companies to create excitement with customers. Just take a look around you. The hairdressing chains offering inexpensive haircuts are increasingly popular, while the more **upmarket hairstylists** have also carved out a niche ('**because you're worth it**').

Figure 11.6

Example No.2.2:

No matter how the economy is doing: there is always a market for luxury

Figure 11.7

Let us stay with the example of the **airlines** for a moment. There is increasing number of low-price airlines. However, there is another interesting development. Companies offering **luxury services** such as private aircraft for managers are enjoying increasing popularity, despite the continuing atmosphere of economic gloom.

The Teal Group, a team of US consultants, even sees the **upswing** in the private air travel sector as the beginning of a lasting boom — far above the current upswing in the global economy. Experts predict much higher sale of business jets over the next decade. On the contrary, what is going on in the **middle of the market? Airlines such as Alitalia and others are fighting for survival.**

11.4   Rule 3 of different thinking

Travel light: Cut the weight.

Conventional thinking:

Try to carry out as many profit-making activities as possible under your own steam.

Different thinking

Focus on the activities where you are really world-class and leave the rest to suppliers, partners - or your own customers!

You must ask yourself: are we really world-class here? If not, it would be better to outsource it to others who can do it better.

Figure 11.8

In the automobile industry, only 35 per cent of a new car on average is produced by the carmakers themselves. The rest is manufactured by suppliers. Moreover, this figure is likely to fall as far as 23 per cent over the next 10 years. The parts manufactured by suppliers are above all the car body, sheet metal parts, paintwork, chassis and modules, but outsourcing of the manufacture of other parts is also increasing.

Example No. 3.2:

Figure 11.9

Take Puma. This sports equipment manufacturer and lifestyle company concentrates on its core competencies, which are innovation, design and marketing. The business is run from modest headquarters with few hierarchy levels. Production and almost the entire logistics operations are carried out by partner companies. Distribution has been delegated to subsidiaries of the company.

Customers, producers, distributors and franchisees are 'linked' via information and communications technology, thus creating a network of independent units, which are perceived from the outside as one entity producing its own branded goods.

And by the way, Adidas, Nike, Reebok and Benetton have a similar structure. They have all cut their ballast in order to 'travel light', as we called it at the beginning of this section. In a sector where competition is keen, they remain light-footed and extremely flexible. All excess baggage has been cast overboard, leaving these companies free to concentrate on what they are really good at.

11.5   Rule 4 of different thinking

Out of the box: create completely new markets.

Conventional thinking:

Focus on your existing customers and strive for continual optimization of the products and services you already offer them. This has always worked in the past, so it cannot be wrong.

Different thinking

Escape the typical head-on competition by creating completely new markets. To do so, either develop products and services new to your industry or target completely new customer segments. One thing needs to be clear from the outset. It takes courage to create new markets, the courage to think unconventional and unorthodox thoughts and the courage to take the risk of losing old customers who are not prepared to follow you on your new path.

Example No. 4.1

US company, Arm & Hammer concentrated for many years on the production of baking soda for making bread, cakes and pastries. It was a lucrative business when the firm was founded in 1846. However, baking soda quickly became a standard product with extremely low profit margins. Arm & Hammer took a close look at the properties of its main product. Apart from baking, what can you use baking soda for? The company discovered three highly interesting facts:

- Baking soda is a natural cleaning agent.

- Baking soda kills odors.

- Baking soda is skin-friendly.

Baking soda is an odor absorber and can therefore be used to neutralize unpleasant smells in refrigerators, laundry baskets and waste bins. It can also be used as a mild cleaning agent for worktops and sinks, and you can even brush your teeth with it. As it is easily digestible and skin-friendly, it can be taken as an antacid or used to treat skin irritations and to refresh tired feet.

Having established this, Arm & Hammer branched out into a completely new field and won over a completely new customer group with innovative cleaning agents and skincare products based on the ingredients of baking soda.

Figure 11.10

Today, it is one of the market leaders in the United States for toothpaste, odor absorbers, deodorants and cleaning and skincare products. All its products are manufactured based on baking soda, its original product. Moreover, in its new market, Arm & Hammer was able to successfully differentiate itself from the rest of the field because its products are made using natural ingredients. Of course, it could have set up a subsidiary company to produce the new product lines, but its established name as a producer of baking soda only served to enhance its credibility in the new business area.

Example No. 4.2

The company in question is Danish toy manufacturer LEGO, Europe's largest producer of toys and the world leader in construction toys. Founded in 1932, the company originally made wooden toys. In 1958, it achieved its real breakthrough when it patented the LEGO brick and the corresponding construction system with interlocking plastic building bricks. Each type of LEGO brick is produced in an independent product program that targets a specific age group.

How did LEGO's strategy work? The company reacted quickly to attacks by rivals such as Fisher Price and Playmobil, and started continually updating its products. For example, it introduced the `Mind storm Robotics Invention' system where children can build their own robots. In 1997 LEGO computer games were launched, produced under license. Simultaneously the company strove to win not only the children, but the entire family as customers. This is what the varifocal strategy is about: focusing not only on the immediate target group -children in this case — but looking at wider customer groups — families — in order to create new markets. In 1968, LEGO established its first family fun park, LEGOLAND, one of the biggest tourist attractions in Denmark.

Figure 11.11

More recently LEGO branched out again, with the opening up of an entirely new market: LEGO for managers. It works! There are special LEGO sets for executives. Playing with them, the managers learn to identify problems in the company and find new solutions for them.

The name of the concept is LEGO Serious Play. Managers play — sorry, work — in groups under the leadership of a specially trained and LEGO-certified trainer. They build metaphors of their organizational experiences with the LEGO bricks. Many well-known companies have sent their executives to play with LEGO, among them Nokia, Tetra Pak, Varta, Alcatel, Orange and IT systems integrator Comparex.

This example shows how a company can open up completely new markets with clever strategic action, and how a product as mundane as a toy for kids can become a strategic instrument for managers. The bottom line is: If a company can turn children's building blocks into a strategy tool for managers, what has to stop you achieving as much?

11.6   Rule 5 of different thinking

Maxi size and mini size: place no geographical limits on your success.

Conventional thinking:

You respect the geographical borders of your industry. For example, if your industry centers exclusively on a regional alignment, you tailor your products and services to the requirements of local customers.

Different thinking: You deliberately set out to swim against the geographical alignment of your industry and create your own economic boost.

Example 5.1

While undertakers usually operate regionally, Service Corporation International (SCI) is a stock-exchange listed, vertically integrated global player. It ignored the predominantly regional alignment of the industry and became a globally operating service company. SCI has almost 2,500 business locations worldwide, including 451 cemeteries and 189 crematoria.

Example 5.2

Figure 11.12

The success of Starbucks shows that you can change the landscape of your industry, even if you start from modest beginnings. The story began with a chain of four shops in Seattle, selling coffee, tea and spices. The founder of Starbucks had discovered a market niche, but not exploited its full potential. Business was only moderately successful until Howard Schulz took over the chain, which by now comprised several shops. He focused on the coffee experience, setting Starbucks on the road to unparalleled expansion. Today, the company has more than 8,500 branches all over the world, with more coffee bars being added each day. There is no sign of an end to its global expansion, and the company's declared target of 20,000 branches can only be achieved through a dominant presence on every continent. This means that in future, there will be a new word for 'coffee' in Asia, Europe, Africa, Australia and South America, too.

The other day, I was in Gurgaon, where I saw a Starbucks outlet.

Going against the established culture: Cafe Sacher versus Starbucks

To attract as many customers as possible, Starbucks deliberately looks for locations on busy street corners and on the ground floors of large office complexes. Schultz will open a new Starbucks store **in the direct vicinity of or even opposite an existing one**. This means customers do not have to wait in peak trading hours, and leaves less room for Starbucks' competitors to move into the area. Starbucks can design, fit out and open a new store in just a few weeks. In Vienna, Starbucks has even ventured to open a store right opposite the famous Café Sacher.

11.7   Rule 6 of different thinking

Mix it! Conquer new markets with innovative combinations.

Conventional thinking:

Expand your existing range by simply adding products and services that are already familiar and standard for your industry.

Different thinking:

Combine products and services from two different industries to offer a completely new mix. This simple but effective approach consists in linking products and services in a new way. Moreover, the crazier the mix, the more unique the combination will be!

Example 6.1

A law office in a coffee shop:

This business model is a real innovation offered by lawyer Jeffrey J Hughes in Los Angeles. The days when clients had to come to his office to get legal advice are long gone. Today, clients can consult their lawyer in the relaxed atmosphere of a coffee shop — and for an unbeatably low fee into the bargain. A simple consultation, which lasts between 15 and 30 minutes depending on the case, costs just US$25 — and the coffee is included in the price.

Figure 11.13

Just like at McDonald's, there is a list on the wall showing the charge for different services: change of name US$200, entry on the trade register US$500, and so on. There are now around 30 lawyers working according to this system. There are experts on family law, labor law and tenancy law, on immigration, taxation, accidents, suing for damages and insolvency. 'It's something completely different. You meet in pleasant surroundings where people are much more relaxed than they would be in an office. "And I find new clients there," says Keith J Simpson, a specialist in family law who offers his services at 'Coffee & Counsel' for two hours twice a week.

All the lawyers participating in the scheme are serious representatives of their profession. The café functions as a place of initial contact with a relaxed atmosphere that helps people overcome their hesitation to take legal advice, particularly as the fee for the first consultation is so low.

Example 6.2

Babette's is a bookstore in Vienna that specializes in cookery books and is located near the famous Naschmarkt food market. It also sells exotic spices. Nothing special, you might think. However, Babette's is a typical mix-and-match combination. The store stocks more than a thousand cookery books and offers something to eat. It is a bookshop, spice store and demonstration kitchen all rolled into one, and offers its guest a different menu every day. Cookery courses and culinary events are also held on the premises.

Figure 11.14

The people behind Babette's — to be found both behind the counter and in front of the stove — are two business women, who also are cooks, artists and bibliophiles. Above all, they are two women who enjoy good food. The idea for Babette's arose out of their love of cooking, of books, of spices and of good food as an expression of the enjoyment of life. In addition, out of their conviction that Vienna, with its many hobby chefs and Naschmarkt fans, had long deserved a store like it.

11.8   Rule 7 of different thinking

Be the champion; create a temporary monopoly in your market.

Conventional thinking:

Following the principle of spreading risks, you create a wide portfolio of products and services hoping to counterbalance a weak performance in one area through good performance in others.

Different thinking

Be bold, find a niche or carve one out for yourself. Create your own temporary monopoly.

The days of huge, widely diversified business groups are numbered. In the age of surplus, companies need clear-cut profiles. Therefore, it is vital not to aim for size at all costs, but to focus on those areas of business where you have a competitive edge over your competitors.

Example 7.1:

Swedish company Bergman & Beving, with a staff of only 85, holds a comfortable global market share of 50 per cent with a product most of us will have had in our mouths at some time or another: the saliva remover used by dentists.

Example 7.2

Rational AG, based in Landsberg am Lech in Bavaria, has just one product in its portfolio and has been global market leader for years with it: a steam cooking system for hotel, restaurant and canteen kitchens.

11.9   Rule 8 of different thinking

Question existing product concepts.

Conventional thinking:

You accept existing product concepts and strive to optimize your range of products and services within these limits.

Different thinking

You question established product concepts and gain new scope for innovative and cool products and services.

Example 8.1

Take James Dyson as an example. He is the man who reinvented the vacuum cleaner. If Dyson had simply accepted preconceived ideas, beliefs and seemingly 'unshakeable' conceptions of what a vacuum cleaner should look like and how it should work, he would probably never have tackled this monumental task. Dyson found it unacceptable for consumers that the suction power of conventional vacuum cleaners drops off sharply shortly after you have put in a new dust bag. In other words, for years the industry had been selling products that did not function effectively.

Once he had discovered that changing the dust bag on the vacuum cleaner only improved the suction power for a short time, he cut the bag open to find out why. It did not take him long to find the cause of the problem: the bag has fine pores intended to keep the dust in while allowing the sucked-in air to circulate. The problem was that the dust clogs

the pores so that the air can no longer circulate freely. And if the airflow is restricted, the suction power of the vacuum cleaner decreases sharply.

What does this teach us? Just because the manufacturers of vacuum cleaners have been selling cleaners equipped with dust bags for more than a century, it does not necessarily mean that this was the right approach.

In the very apt words of Kurt Tucholsky, '**Never trust an expert who tells you he's been doing things that way for 20 years, It could be he's been doing it wrong for 20 years!**'

The VIP model vacuum cleaner

Figure 11.15

Dyson was motivated to develop a vacuum cleaner that functions far better than all the rest — and without a dust bag. He replaced the traditional bag with two cyclone chambers that cannot become clogged up. The outer cyclone spins out larger dust and dirt particles, while the inner cyclone accelerates the airflow in order to remove even the smallest particles.

This unique new technology quickly made Dyson's vacuum cleaner market leader in Great Britain, and - this is the good news for Mr Dyson - he makes a turnover of millions with his innovative products. His customers include such famous names as Sarah Jessica Parker, Sharon Osbourne, Elton John, Kylie Minogue, Tony Blair and the Queen! – (although we have it on authority that the last two in the list are hardly likely to be pushing the cleaners around themselves).

Example 8.2

Toilets are mainly standardized products serving just one purpose. Innovations are rare here. In fact, it was a minor sensation when some restaurants installed toilets with self-cleaning seats.

You only have to visit Japan to see that it is possible to reinvent the toilet. The Japanese love toilets, and in particular, luxury toilets. They are so obsessed with toilets that you can even buy special street maps with names like 'Tokyo's paradise for your posterior', which show you which hotels, shops and restaurants offer the best toilets.

Figure 11.16

When you enter a bathroom, you receive a friendly greeting and are confronted with an instrument panel that looks like something taken from the cockpit of a Boeing 747. Nevertheless, Japan's high-tech loos represent a huge innovation. While most other manufacturers limit themselves to such half-hearted changes as a new design or offering the toilet in beige, light blue or mint green instead of only in white, Toto and Intax, Japan's biggest producers of toilets, are racing each other to launch the next innovations. Together, they hold over 90 per cent of the market, and the winning features of their products include **seats with adjustable heating,** toilets that **neutralize odors automatically by means of air purifiers and filters** and actually give the visitor's bottom **a shower** - which can be adjusted to the desired strength and temperature. In addition, if that is not enough to make you happy, there are toilets that can **carry out body fat or urine analyses**. Toto has just developed a model for diabetics that measures blood sugar levels. There are long-term plans to incorporate a whole battery of medical tests into Toto toilets. Data protectionists are even warning that the police could install toilets that carry out automatic drug tests in public buildings. What a potential market!

11.10   Rule 9 of different thinking

Design as a competitive factor.

Conventional thinking:

You focus on your products and their function -- design is the least important step and serves solely to make products more aesthetically pleasing.

Different thinking:

You take advantage of unusual design to differentiate your products and make them successful. The design of products, packaging and sales outlets will thus become an integral component of your corporate strategy!

Example 9.1

Sony:

Figure 11.17

Former president and CEO Norio Ohga says, 'At Sony, we assume that all products of our competitors have basically the same technology, price, performance and features. Design is the only thing that differentiates one product from another in the marketplace.'

Example 9.2

Kartell

Figure 11.18

Its hard plastic furniture with its superior design has become a best-seller, enabling the company to achieve positive growth rates in a sliding market. Kartell embodies the latest trends, aided by top designers.

Example 9.3

The carmakers are rediscovering the factor design. After years of monotony, years in which all the cars we saw on the streets had the same practical but unimaginative design, the big groups are now opting for more extravagant forms — not least because of the keen competition. 'There are no really bad cars today,' says head of the International Design Centre in Berlin. 'That's why design is becoming a crucial differentiating factor more and more.' In addition, the carmakers are putting this maxim into practice:

Figure 11.19

Renault, for example, woos consumers with models with very unusual design and which thus stand out very clearly from the rest of the field.

11.11   Rule 10 of different thinking

Create an experience, trigger emotions.

Conventional thinking:

You rely on rational argument and the persuasive power of your products (functionality, performance, quality etc.) to win customers.

Different thinking

Do something new. Be creative. Add something more to the rational arguments, an element hardly ever talked about in the business environment: emotions and experiences. Use your services as a stage and your products as tools to help you win the hearts of your customers.

Example 10.1

The manufacturers of dolls focus on selling their products and accessories, while the actual 'experience' of playing with the dolls takes place predominantly at home.

Figure 11.20

However, at American Girl Place, customers enjoy the experience of play in the store itself. American Girl has two large establishments, the original branch in Chicago and another in New York. These are anything but typical toyshops. They offer the consumer a world of experience. The sale of products —American Girl dolls — is secondary here. Instead, customers old and young can enjoy a whole range of attractions — musical shows, cafés, restaurants, even a hairdressing salon for the dolls. **Visitors can spend hundreds of dollars without buying a single doll.** The special achievement of American Girl Place is that it has transferred the activity of playing from the nursery back into the store. And the concept is successful: with total sales of approximately 8 million dolls, American Girl ranks second after Barbie.

Example 10.2

Figure 11.21

Another example is the **ice hotel** in north Sweden. Every winter, the hotel is rebuilt from ice. The beds are made of ice, with coverings of reindeer skin and sleeping bags. The furniture, the crockery, the glasses — everything is made of ice. Moreover, although the average temperature is below zero, guests from all over the world come and pay a fortune a night to stay there.

Really cool: the ice hotel

What is the product this hotel is selling? Is it the tact that you sleep on reindeer skins? Or that you can enjoy a drink in a bar made of ice? The breathtaking view over the snow-covered landscape of north Sweden? Or is it everything together, the whole package? The product is all these things — and much more. A night spent at the ice hotel may soon be over, but the experience is unforgettable, the memory of each little detail and the special atmosphere in this most short-lived of hotel stays. It is an experience far beyond a mere journey, a good night's sleep and good food.

Following the Swedish example, a new `icebar' has now opened in Milan.

Figure 11.22

Figure 11.23

The "Absolut" ice bar in the center of the Italian metropolis is made entirely of ice — walls, bar and tables, even the glasses. The temperature inside the bar is five degrees below zero, so guests are handed moon boots and thermal coats at the entrance.

The bar needs complete reconstruction every six months. The 60 tons of ice required every month to maintain the bar, which has an area of 120 square meters, are flown in directly from Sweden. Moreover, the bar serves only vodka — to be drunk on the rocks, of course.

11.12   Rule 11 of different thinking

Offer clarity, cut out the extra features to make your product irresistible.

Conventional thinking:

You keep on expanding the range of products and services you offer and introducing even more price models. Your aim is to ensure that the customers have an ever-increasing range and variety of products and services to choose from.
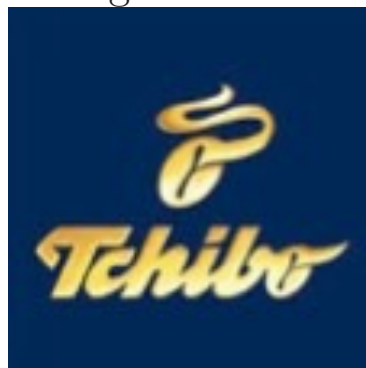
Different thinking:

You cut out the frills, simplify, focus on the essentials. Offer clarity and simplicity that your customers will not be able to resist!

Example 11.1:

More than coffee: the Tchibo system

Figure 11.24

'A new world every week'

is Tchibo's motto, and it applies this motto 52 times a year. Every week it presents a miniature product, which exists for just seven days and comprises up to 40 articles under the company's own brand name TCM.

The range is tailored so precisely to the requirements of consumers that they often wonder how Tchibo knows them so well. Tchibo always seems to have just the things that you were thinking of replacing — a new soap dispenser for the bathroom, wellington boots for gardening or a new barbecue for the patio. Moreover, each product is available in just one design, so there is no problem making up your mind.

Example 11.2:

Fewer products mean better sales. The giants among the consumer goods producers have now woken up to the trend. They have made radical cuts in their portfolios.

Dutch-British conglomerate Unilever (which has brands such as Iglo, Knorr, Sunil, Coral) has banished 75 per cent of its products from the portfolio over the last four years.

11.13   Rule 12 of different thinking

Question the established price models.

Conventional thinking:

You take the established price model for your industry as a given and strive for optimization within these limits.

Different thinking:

Instead of wasting your energy trying to optimize the established price model for your industry or to be just that little bit cheaper than your competitors do, you create your own price model.

Example:

New sources of income through mixed financing

Figure 11.25

You want to put an ad in the newspaper, for example to sell your old kitchen. Then you will pay a fixed price calculated on the basis of the length of the ad, the circulation of the paper and whether it is a local, regional or national paper. If you want to put a classified ad in the paper, you bear the costs — that is the way it is!

Nevertheless, there is an alternative! Websites like Quikr, OLX and Papers like Bazar, Sperrmull and Zweite Hand have challenged this established price model. Private individuals can place ads free of charge, and the websites and paper is financed partly through the trade advertisements it carries, premium ads etc.

11.14   Activities for the students

Activity 1:

How will you use Rule 9 of different thinking (Design matters: design as a competitive factor) in your career?

_____

_____

_____

_____

Activity 2:

How will you use Rule 6 of different thinking (Mix it! Conquer new markets with innovative combinations) in your career?

_____

_____

_____

_____

11.16   Self-assessment questions

1.   Explain the Rule 6 of different thinking

2.   Explain the Rule 8 of different thinking

11.17   Multiple choice questions

1.   New idea for a 24-hour news channel: CNN was brought forward by:

a.   Ted Turner

b.   Unilever

c.   Umpqa

d.   Othmar Wickenheiser

2.   -------------------- were looking for new ways to dispose-off many articles impounded or confiscated by them. In their search, they looked beyond the confines of their own sector to a completely different field: online auctions.

a.   Deutsche Bank

b.   U.S.Army

c.   Unilever

d.   German customs

3.   US company, ------------- concentrated for many years on the production of baking soda for making bread, cakes and pastries.

a.   American Express

b.   Amway

c.   Arm & Hammer

d.   3M

4.   The founder of Sony, ---------------------, summed up his management philosophy, 'I do not serve markets. I create them.'

a.   Akio Morita

b.   Kawasaki

c.   Ishikawa

d.   Deming

5.   "Because you are worth it" is the slogan of:

a.   Amway

b.   3M

c.   Arm and Hammer

d.   L'oreal

Reference Material

Click on the links below to view additional reference material for this chapter

[Summary](#)

[PPT](#)

[MCQ](#)

[Video1](#)

[Video2](#)

[Video3](#)

It is in your hands!

Objectives

We would like to conclude by saying that the things about innovation management are totally in your hands.

Structure

12.1 Introduction

Friends,

We would like to conclude this subject by giving you some more thoughts on this subject of Innovation Management.

The future of any organization rests solely on its ability to co-manage two dynamic and necessary processes:

- Improving quality, profits and levels of customer service in the short run

- Developing the **breakthrough innovations** that are going to form the foundation for the organization in the longer-term

These two processes are the only way any organization can stay competitive today and in the future. In fact, even though the two processes call for entirely different skill sets, there is a vast amount of dynamic additional energy that is liberated by the head-to-head battle between the two processes.

Organizations that recognize, learn from and harness the power of that interaction have the opportunity to leapfrog their competition and achieve world-class status -- meaning they perform better than any other comparative organization.

It requires a willingness on the part of the leader, to accept the challenge to create an organization in which people can excel while simultaneously managing the present and creating their own futures.

The key to achieving that has more to do with people and their relationships with each other and less to do with products and technologies than most people will realize at first glance.

An organization must actively invent its own future by:

- Working out ways to make its present operations better and more effective

- Committing resources to the development of future innovations that represent innovative ways to rethink their line of business

- Creating ways to learn from both initiatives simultaneously

12.2   Change Management

Dealing with inevitable change in an organization typically involves transitioning to a new way of working. Sometimes this occurs during a business transformation that realigns people, processes and technology seamlessly to new strategic objectives. At times, changes can be intimidating and stressful, frequently because of the uncertainty often associated with new situations.

Managing change can be difficult, because most people become accustomed to one way of doing things, and change can cause stress for individuals.

You can use some proven techniques to manage change in an organization and help to diminish the stress and potentially damaging effects on the organization and its members, employees and customers. Some of them are:

• Watch Competitors
• Plan Flexibly
• Seek Information
• Focus on training
• Better communication

Vibrant and robust organizations are always open, and even eager, to embrace change. They do that by:

• Continuously finding ways to improve the group culture
• Incorporating appropriate humor into the organization
• Building the self-esteem of all employees
• Listening to employees intensely
• Giving people recognition for what they are doing well.
• Encouraging ongoing personal improvement

To prosper in the current competitive business environment, an organization must simultaneously focus on improving current operations while creating entirely new competitive arenas.

There is a need to strike a balance between continuity and innovation.

Innovation is known to fuel organizational growth, to drive future success, and is the engine that allows businesses to sustain their viability in a global economy.

Both managers and researchers must regard innovation as a 'life-and-death matter for a firm', in which the constant need of fighting for survival and the threat of competition encourage firms to innovate.

Some important points:

- Innovation cannot be external to the organization.

- For companies to succeed by innovation, it is not enough to come up with great ideas that can change your market.

- The organization as a whole must be ready to absorb innovation.

- Innovative companies are built into shared innovation mindset.

- Teams are working together on new solutions that were not tested before (that means more hard work and less replication).

- Managers involve the entire staff (down to the admin assistant), where you see a collective interest and care for the project.

- Lesson learning on successful projects must be shared across departments and regions, side by side with insights on the projects that failed.

- Innovation can be effectively implemented across the organization once actual innovation projects are supported by Innovation methodologies.

- Shared perceptions regarding innovation, human efforts engaged in innovation processes, tools and platform utilized, and structured innovation intervention processes should be presented.

- Those should be used to examine organizational innovation readiness.

- Human efforts should be invested in innovation

- Leadership commitment Vision:

    - Well communicated, clear strategic vision and goals

    - Innovation dedicated leaders:

    - innovation personas setting motivations and inspirations

- Engaged employees that care to promote innovation processes which results in cross organization employee involvement (cross departments and roles)

Beware that innovative ideas are surely essential but most of them tend to fail. A good selection criteria and ongoing managerial support are vital to ensure execution. Optimal organizational innovation requires translating the business strategy into an overall organizational strategy, with proper mechanisms to ensure successful innovation performance when introducing new commercialized products to the market.

we school

12.3 There are three types of executives in the world

- There are those who can get short-term results and do not have a clue where they are going to take the company in the future.

- Conversely, there are those who have a great ten-year plan but are going to be out of business in ten months

- In addition, there are those who can get short-term results in conjunction with a vision for the future. **These are the good ones.** However, they are in unbelievably short supply.

Today's leaders must be willing to invest in something that will someday come to replace all that they worked so hard to achieve.

Good leaders are very flexible. They separate the results from the pain of the changes. They are prepared to deviate from their preconceptions to allow people within the organization to grow and adapt. In this situation, leaders see their role as supporters rather than dictators.

As globalization tears down the geographic boundaries and market barriers that once kept businesses from achieving their potential, a company's ability to innovate—to tap the fresh value-creating ideas of its employees and those of its partners, customers, suppliers, and other parties beyond its own boundaries—is a must.

- In fact, innovation has become a core driver of growth, performance, and valuation

- Transformational leadership has significant and positive relations with both empowerment and an innovation-supporting organizational climate

- Leading strategic thinkers are moving beyond a focus on traditional product and service categories to pioneer innovations in business processes, distribution, value chains, business models, and even the functions of management.

Recent academic research finds that differences in individual creativity and intelligence matter far less for innovation than connections and networks. Social-network analysis can help leaders to diagnose existing networks in order to ascertain their characteristics, such as the frequency of collaboration and the degree of cross-functional interactions among members, and to identify people who exchange information and knowledge.

Respondents to a survey of 600 executives and managers indicated that **trust and engagement** were the mind-sets most closely correlated with a strong performance on innovation.

Nothing stops an organization faster than people who believe that the way they worked yesterday is the best way to work tomorrow. To succeed, not only do your people have to change the way they act, they have to change the way they think about the past.

Good organizations do not simply react to their customers – they anticipate what customers will need in the future, given the pace of technical and marketplace innovation occurring all around them. There are two techniques organizations can use to develop a vision for how the future may unfold:

• Scenario planning
• Intuitive thinking

12.4   What-if Analysis

It lets business leaders assess potential business changes before they happen. Using past business data, users can see how different changes would affect various aspects of their business. Enlisted in the next few slides are a few notable benefits of the What-if analysis report. Benefits of the What-if analysis report:

• Decreases Risk
• Reduces decision time
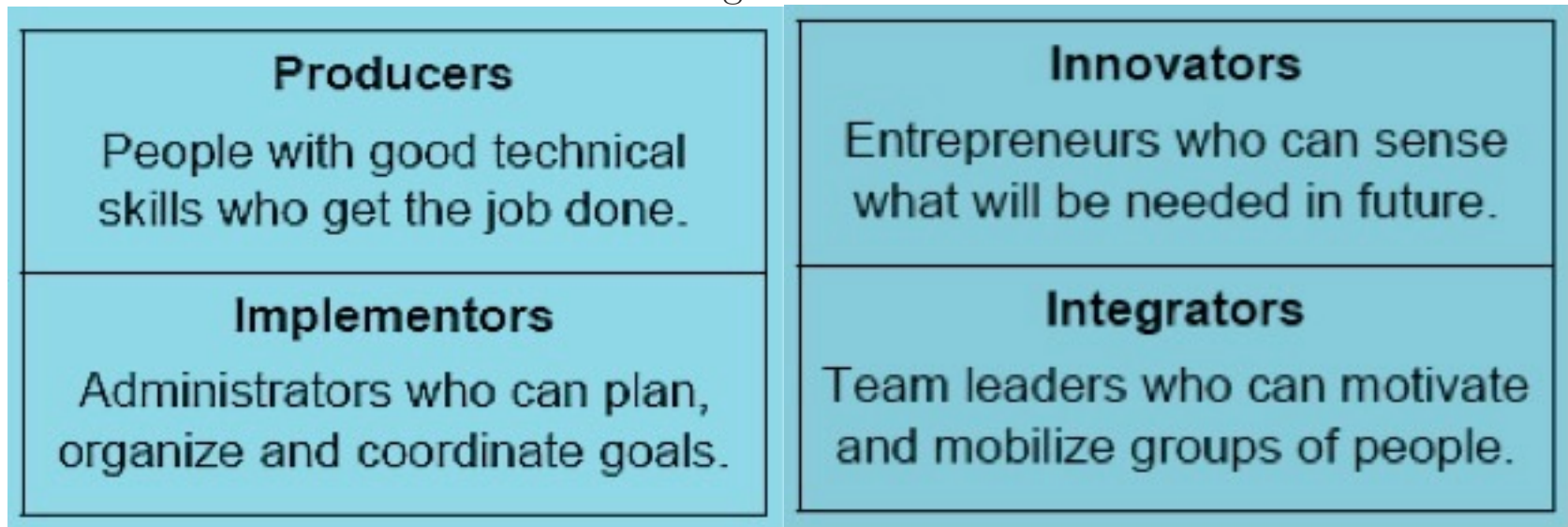• Improves decision-making

12.5   Intuition

Where you allow your subconscious mind to process all the facts and send you signals in the form of your "sixth sense". This allows non-rational factors to be brought into the mix, which is sometimes the only way forward. Intuition is valuable as long as you can later come up with a factual analysis of why you came to your conclusion.

Intuition is a genuine phenomenon that involves understandings and processes that are non-hierarchical, not based on formal education or years of experience, non-analytic, unpredictable, is quick and easy, and is made without extended conscious deliberation. Emotional Intelligence is the basis of intuition. It allows executives to make the right decision quickly, even without all the facts, but using the full power of their mind.

12.6   Roles to be present in balanced amounts

If the organization aspires to maintaining world-class status over the longer term, all four of following roles must be present in balanced amounts.
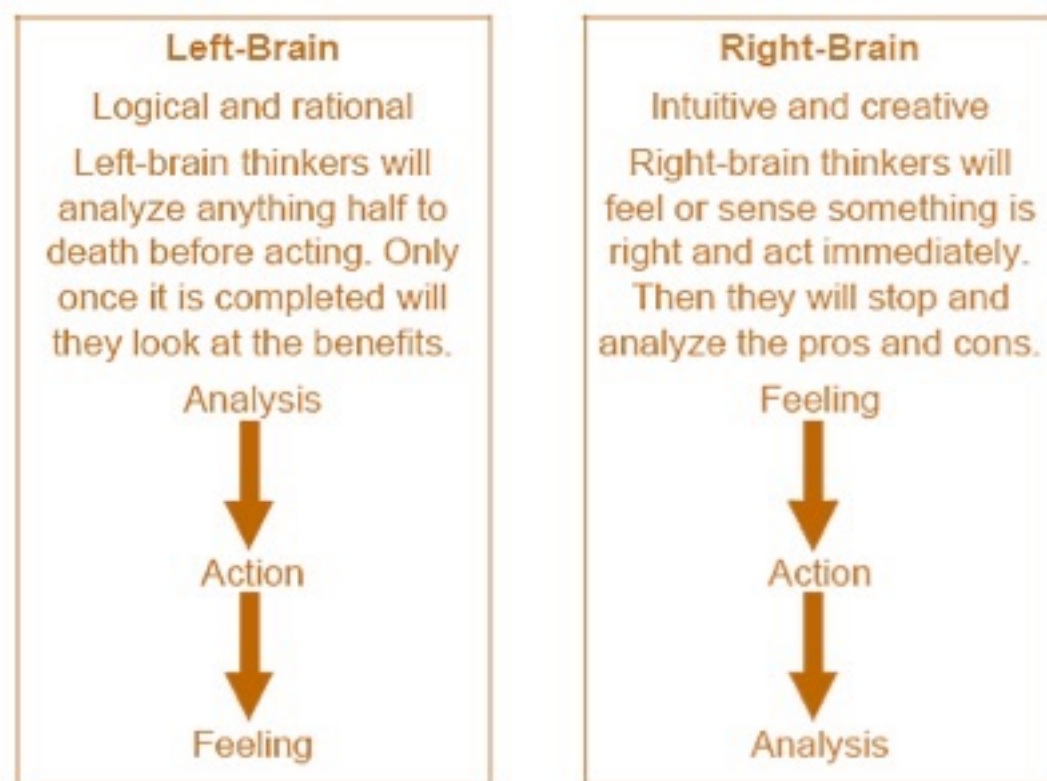
Figure 12.1

Producers	Innovators
People with good technical skills who get the job done.	Entrepreneurs who can sense what will be needed in future.
Implementors	Integrators
Administrators who can plan, organize and coordinate goals.	Team leaders who can motivate and mobilize groups of people.

12.7   Left Brain/Right Brain Distinctions

The central challenge for any aspiring great organization is to take into account the left-brain / right-brain strengths of people and their natural functional preferences to ensure the right people are placed in the right areas of responsibility within the organization.

Figure 12.2

Left-Brain	Right-Brain
Logical and rational	Intuitive and creative
Left-brain thinkers will analyze anything half to death before acting. Only once it is completed will they look at the benefits.	Right-brain thinkers will feel or sense something is right and act immediately. Then they will stop and analyze the pros and cons.
Analysis	Feeling
↓	↓
Action	Action
↓	↓
Feeling	Analysis

In the final analysis, great organizations focus on their people, because only they can change and improve the organization's present while at the same time designing its future.

‣we school

12.8   Story of a sage

Figure 12.3

Once upon a time, there was a sage, who was very knowledgeable and was able to answer any questions posed by the people. A person could ask two questions to him at a time. He was well known for giving correct answers to the questions. People used to ask him questions like "When will my son get a job?" or "When will my daughter get married?" etc. and the sage used to satisfy the people by giving suitable answers.

One day, a naughty boy decided to ask him two questions and he was sure that the sage would not be able to give correct answer to at least one of his questions.

He carried a live bird in his hand and held it at his back so that the sage could not see the bird.

The plan of the boy to prove the sage wrong was as follows:

The first question: "Sir, what is there in my hand?" Probably the sage would say, "It is a bird".

The second question: "Is the bird alive or dead?" If the sage says, "dead", it would be automatically a wrong answer. If the sage says, "alive" then the boy would kill the bird on the spot. Then the answer would still be wrong.

He went to him and greeted him. He asked the first question. "Sir, what is there in my hand?" The sage replied: "It is a bird".

The boy then asked the second question: "Is the bird alive or dead?"

The sage replied: "That is in your hands!"

So I conclude by saying that it is in your hands whether you keep the

Innovation culture alive or not!

12.9 Activities for the students

Activity 1:

There are three types of executives in the world:

- There are those who can get short-term results and do not have a clue where they are going to take the company in the future.

- Conversely, there are those who have a great ten-year plan but are going to be out of business in ten months

- In addition, there are those who can get short-term results in conjunction with a vision for the future. These are the good ones. However, they are in unbelievably short supply.

Make a write up as to which category you would like to fall in. Give examples of your way of working.

_____

_____

_____

_____

_____

Activity 2:

Give an example of intuitive thinking which you have experienced in your family or in your friends' circle.

_____

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12.10 Summary

The future of any organization rests solely on its ability to co-manage two dynamic and necessary processes:

- Improving quality, profits and levels of customer service in the short run

- Developing the breakthrough innovations that are going to form the foundation for the organization in the longer-term

These two processes are the only way any organization can stay competitive today and in the future. In fact, even though the two processes call for entirely different skill sets, there is a vast amount of dynamic additional energy that is liberated by the head-to-head battle between the two processes.

An organization must actively invent its own future by:

- Working out ways to make its present operations better and more effective

- Committing resources to the development of future innovations that represent innovative ways to rethink their line of business

- Creating ways to learn from both initiatives simultaneously

12.11 Self-assessment questions

1. Explain "what if" analysis.

2. Explain "change management".

12.12   Multiple choice questions

1.   You can use some proven techniques to manage change in an organization and help to diminish the stress and potentially damaging effects on the organization and its members, employees and customers. One of them is:

a.   Watch employees
b.   Watch customers
c.   Watch Competitors
d.   Watch suppliers

2.   There are two techniques, which organizations can use to develop a vision for how the future may unfold. One of them is:

a.   Organization Development
b.   Design of experiments
c.   Advance planning
d.   Scenario planning

3.   Good leaders are very ----------.

a.   Strict
b.   Flexible
c.   Smart
d.   Sincere

4.   There is a need to strike a balance between --------------------and innovation.

a.   Invention
b.   Investigation
c.   Continuity
d.   Complacency

5.   Benefits of the What-if analysis report: (Find out the wrong one)

a.   Decreases Risk
b.   Reduces decision time
c.   Improves decision-making
d.   Increases cost

Reference Material

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video

Top Innovative companies

Objectives

At the end of this chapter, you will come to know about the top innovative companies and you will get inspired by them tremendously.

Structure

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13.1   Part 1: Top Innovative Companies in India

- **UNIQUE IDENTIFICATION AUTHORITY**

Figure 13.1

For amassing a trove of biometric identification to activate benefits for millions of Indians

The government office is using multimodal biometrics--fingerprints, iris scans, and photographs--to build the world's most ambitious identity database. A mammoth ecosystem of agencies deploys its open, scalable model, and the robust system can enroll the identities of a million people a day with 99.99% accuracy. It authenticates people over a mobile phone network using a one-time password or their fingerprints (in spite of illiteracy being a problem). In the process, it enables instant, paperless provisioning of banking services and welfare benefits to millions of Indians who lacked any identification until now. At last count, 450 million Indians had received their new IDs and used them to make 40 million cash transfers.

- **ZIPDIAL : For dialing into the very Indian "missed call" money-saving tactic**

Figure 13.2

ZipDial's marketing and analytics platform is fashioned out of the ingenious practice of escaping a charge by calling and hanging up to convey a predecided message. Its unique business model works by providing a number for brands to publish on their marketing campaigns.

Here is how it works - ZipDial gives brands a toll-free number that they can publicize for consumers to dial into. On the consumer dialing the toll-free number, the call rings once and disconnects and then the consumer receives an SMS with more information on the marketing campaign.

So far, ZipDial has targeted 416 million callers for clients like Disney, Dove, and Coca-Cola, which can now text customers about new deals and product launches.

India's largest political parties, the Congress and the BJP, have recently signed up, which means ZipDial is now headed for the mainstream. The service just launched in Sri Lanka and Bangladesh, and will soon be in Indonesia and the Philippines.

- **INNOZ**

Figure 13.3

For bringing the Internet to India's vast under-connected masses.

Innoz's SMSGyan allows feature-phone users to access the Internet anytime and from anywhere by facilitating their web searches via text messages. The purpose of this platform is to develop an innovative SMS-based application that will give access to internet through SMS.

Innoz technology is known for their flagship product called, 55444, which is an offline search engine, one can send a query via SMS and get the answers on SMS. The service has processed 1.3 billion queries so far and has more than 120 million active users, mostly in India. Further, the service is also growing in Africa, the Middle East, and other parts of Asia. Innoz was launched by a group of engineering college dropouts who came upon the idea when they were not able to search for "How to woo girls" on their very basic phones.

- **GOONJ**

Figure 13.4

GOONJ.. a voice, an effort

For galvanizing a behavior shift in urban India to care for those in need. Goonj channels excess resources from urban households to impoverished, rural, and disaster-struck areas. In exchange for clothes, furniture, household goods, and medical supplies, village and slum communities self-organize and build schools, roads, and toilet facilities. The company has thus turned used clothes and other second-hand material into currency, successfully leading more than 1,500 such projects in the past three years alone. It recently delivered thousands of tons of material to the floodstruck in the Himalayas, to cyclone victims in eastern Orissa, and to victims of communal violence in central Muzaffarnagar, through a network of schools and nonprofits. In a large country, Goonj is a game-changer, teaching urban Indians when, what, and how to give.

- ## ERAM SCIENTIFIC SOLUTIONS

Figure 13.5

For improving the country's mess of a public-toilet network. Not long ago, Bill Gates let the world know that he was serious about building a better toilet. Eram Scientific Solutions, which makes the Gates Foundation–backed Delight public toilet system, is just proof that the man delivers on his promises. The company's toilet flushes automatically--when people enter, after they leave, and every two hours--to keep tidy, but it also saves energy with motion-sensor lights and fans. Four hundred of them have been installed across the country so far, with a reported 6,000 in the pipeline.

- ## MITRA BIOTECH

Figure 13.6

For rethinking conventional cancer drug therapies by applying data analytics.

Though it saves lives, chemotherapy--in which enough toxins are pumped into the patient's body to kill malignant cells but spare the host--is still a risky process. Founded by Harvard and MIT researchers, Mitra Biotech's CANScript technology re-creates an artificial environment for a patient's tumor sample and tests various drugs on it directly, allowing the company to arrive at a personalized treatment in less than a week. Mitra has formed partnerships with several Indian hospitals and is eyeing a U.S. entry.

- ## INTERVIEWSTREET

Figure 13.7

For leveling the playing ground for coders all over the world

Interviewstreet's disruptive platform helps screen and hire programmers through online coding tests and contests, thus matching best performers from around the globe to business titans. Interviewstreet counts Facebook, Amazon, Morgan Stanley, Zynga, and Walmart among its customers, and it recently placed 40 Indian computer-science students in some of the hottest jobs in the Valley just as they were finishing up their degrees.

• **MYDENTIST**

Figure 13.8

For putting smiles on thousands of faces with a Starbucks-inspired chain of dental offices. MyDentist is a two-year-old dental chain based in Mumbai and Pune that has brought dimensions of the retail business to dental treatment. With 75 locations throughout the country, which will grow to 150 this year, MyDentist offers efficient care at standard, transparent rates. It's affordable to the underprivileged crowd, such as cab drivers and domestic workers, who live in slum areas: Root canal treatments cost just 2,500 rupees ($40), and 21,000-rupee braces can be paid in 1,500-rupee ($24) installments. The chain treats a whopping 15,000 patients each month.

• **OLACABS**

Figure 13.9

For smoothing the journey of India's growing but scrappy car rental market. Within a year of its launch, Olacabs has grown to become India's largest car rental brand. Its success lies in the myriad tech solutions it uses to navigate the chaos of India's urban commuter system: Its mobile app lets a user summon a cab with a single click and allows real-time tracking of the cab as it nears. Meanwhile, Olacabs' predictive algorithm helps anticipate demand at different locations and times, monitors traffic and weather conditions, and, after a customer books, accurately predicts the time of arrival. Olacabs currently aggregates 7,500 cars in India's four largest cities and achieves an explosive 25% month-over-month growth rate.

- **CLOUDNINE**

Figure 13.10

For delivering world-class services and health care to expectant mothers. Despite the ongoing efforts of India's government, the country still lags behind much of the world in infant and maternal mortality rates. Cloudnine, however, has managed to sustain a 0% maternal mortality rate and a 99.72% survival rate across 16,000 deliveries at its five Bangalore-based health-care facilities. The company, which recently scored $16 million in a funding round led by Sequoia Capital, credits its all-hands approach for its success: Its hospitals contain standard pregnancy and neonatal care but also feature specialized units for fetal medicine and workshops for first-time parents.

- **Mahindra Reva e2o**

Figure 13.11

It is electric, automatic and can run on clean energy. It is very convenient to drive and is always connected to its user.

Above all, it is clever and cost-effective.

The electric technology that is used in the e2o makes sure it runs on clean energy, which in turn makes emissions obsolete. The Mahindra e2o experience is a liberating one.

With the Intelligent Energy Management System and 10 on-board computers, the Mahindra e2o gives real-time drive information for an exciting and safe journey. Its self-diagnostics sends alerts in case of any fault. The versatile Infotainment system offers a host of media options to choose from and helps plan daily trips.

13.2   Part 2: Top Innovative Companies outside India

• GOOGLE: FOR ADDING FIBER TO OUR INTERNET DIET

Figure 13.12
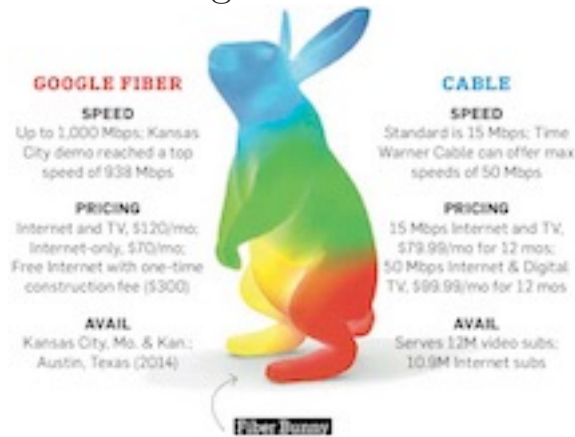
The revolution happened at lunchtime on a Tuesday last November, and almost no one was there to see it. A polo-shirt-clad technician arrived at a small bungalow in Kansas City, Kansas, and plugged fiber-optic cable from the street into a white wall jack. A small, blue light on a black network box flickered on. "Connected!" homeowner Matthew Marcus shouted, pumping his fist. "I'm so excited, my hands are visibly shaking."

The first Google Fiber hookup--an ultrahigh-speed gigabit Internet service and TV network that runs 100 times faster than garden-variety broadband--would have been cause for ballyhoo from almost any other company. However, Google hid its excitement, shooing away most national media and insisting, again, that its investment to make the Kansas Cities (Kansas and Missouri) the first fiber-wired zone in the country represented nothing more than an experiment rather than a massive business opportunity to build the future of connectivity. Only months later did executive chairman Eric Schmidt intimate that there would be an expansion.

Everyone should have seen that coming: Keeping a low profile has become a hallmark of how Google innovates. Ever since the protracted struggle over Larry Page's bold plan to digitize every book in the world, Google's CEO has become a master at initiating pet projects and keeping them relatively under the radar--until they are significant parts of Google's operations. Android debuted as an open-source operating system for smartphone developers. Chrome was supposedly an in-house experiment to test a more streamlined web browser. Today, those two products are the most widely adopted mobile platform and browser in the world.

The most successful Internet Company of our time turns 16 this year. Much like a teenager trying on various identities, it's determined to be more than a search engine, although Google is best known for that deceptively simple function, and more than an advertising platform, although the vast majority of its revenue comes from ads.

As the cost per click--the rate advertisers pay for an online ad--continues declining, Google is pursuing projects that could reinvent the company--and society. For its breadth, ambition, and relentless spirit to keep creating the future, Google tops our list of the

Most Innovative Companies in business. This is the second time that Google has earned the No. 1 spot. The last time was in 2008.

Many of its current projects or milestones are life-changing, or aim to be:

<u>Calico</u>, a spin-off company, working to extend the human lifespan

<u>Google's autonomous vehicles</u>, which reached the 500,000 driver-free mile benchmark--incident-free.

<u>Google Fiber</u>, which is bringing gigabit Internet service to Austin, Texas, and Provo, Utah, inspiring Los Angeles and Louisville, Kentucky, to follow

And much of Google's work changes our daily lives through shear convenience:

<u>Glass</u>, which is making wearables the next computing trend

<u>Shopping Express</u>, an experiment in same-day delivery with national and local retailers

<u>Google Now</u>, which reminds users when their favorite band or author has a new release and when the last train is leaving--before it is too late

- **NIKE: FOR A PAIR OF REVOLUTIONARY NEW PRODUCTS AND A CULTURE OF TRUE BELIEVERS.**

Figure 13.13

For a pair of revolutionary new products and a culture of true believers: In 2012, Nike's experimentation yielded two breakout hits. The first is the **FuelBand**, a $150 electronic bracelet that measures your movements throughout the day, whether you play tennis, jog, or just walk to work. The device won raves for its elegant design and a clean interface that lets users track activity with simple color cues (red for inactive; green if you have achieved your daily goal). Press its one button for a scrolling stock ticker of how many calories you have burned, the number of steps you have taken, and your total NikeFuel points, a proprietary metric of activity that Nike encourages you to share online. The FuelBand is the clearest sign that Nike has transformed itself into a digital force. "Nike has broken out of apparel and into tech, data, and services, which is so hard for any company to do," says Forrester Research analyst Sarah Rotman Epps.

The other innovation is the Flyknit Racer, featherlight shoes that feel more like a sock atop a sole. Created from knit threading rather than multiple layers of fabric, it required a complete rethink of Nike's manufacturing process. The result is a shoe that is more

environmentally friendly and could reduce long-term production costs. "Flyknit could turn the [shoe] industry on its head," says Nike sustainability VP Hannah Jones.

• **AMAZON: FOR SPEEDING UP THE DELIVERY OF CHANGE.**

Figure 13.14

Amazon introduced same-day shipping in seven major U.S. markets more than three years ago, but the e-commerce giant's significant 2012 expansion of its next-day and same-day delivery services was a jolt: The entire retail industry seemed to realize its power. Late last year, as Amazon's ambitions came into focus, rivals such as Google, eBay, and Walmart could only attempt to catch up, launching modest pilot programs and making investments. Even shipping services UPS, FedEx, and USPS upped their game.

• **SQUARE: FOR SPREADING THE MOBILE PAYMENTS REVOLUTION.**

Figure 13.15

Square had a simple idea--enable credit card transactions on mobile devices--that drew a lot of competition from PayPal Here, Intuit, Groupon, and others. However, Square has only extended its lead. The key is channeling small-biz charm. "You'd go to your local pharmacy and say, 'Put this on Keith'; they would have an account for you," says COO Keith Rabois.

He wooed local shops with a flat-rate subscription of just $275 per month, and landed the right to process payments for all 7,000 U.S. Starbucks locations. Now, it processes more than $10 billion worth of transactions annually.

• **APPLE: FOR DELIGHTING RETINAS WITH ITS RETINA DISPLAY**

Figure 13.16

Apple's Retina display--now trademarked, mind you--expanded from the iPad to the MacBook last year, and a visual revolution has followed. App makers and websites had to

adjust to the new pixel-packed screen (which is so good that a user with 20/20 vision cannot see individual pixels from a normal viewing distance) or else products would look like an actor without makeup on an HDTV. However, the best sign of Apple's influence comes from the feverish attempts by rivals to hype their own tablet displays. Google's Nexus 10 paraded 300 pixels per inch, to iPad's 264; Microsoft contorted itself into arguing that the Surface RT made up for its 148 pixels with a magical "subpixel rendering"; and Amazon CEO Jeff Bezos boasted that his new Kindle Fire HD's 254 pixels came with an "Advanced True Wide polarizing filter." Alas, competitors cannot make invisible pixels even more invisible.

- **STARBUCKS**

Figure 13.17

Whether you are a Starbucks fan or not, there is no refuting the impact this company has made on the coffee culture in the US and around the world. Today, Starbucks is the largest coffee house chain in the world. As of March 2007, the chain includes 8500 company owned stores and 6500 licensed stores in 42 countries, for a total of over 15,000 stores globally. The fashionable retailer has clearly transformed the consumer preferences and coffee drinking habits of an entire market over the last thirty years. Because the company has achieved such stellar success, the Starbucks business model is included for study in many business school curriculums.

Understanding the modern coffee industry simply would not be complete without including a discussion of Starbucks history. In 1981, Howard Schultz, a sales representative for Hammerplast, a Swedish company supplying Starbucks, could not help notice how many plastic brewing thermoses Starbucks was buying. Schultz became very intrigued with the Starbucks operation and in 1982; Baldwin hired Schultz as the head of marketing.

Soon after coming on board, Howard Schultz attended an international housewares show in Milan, Italy. He was fascinated with the passionate coffee culture he found in Italy, and as the story goes, he sampled his first café latte in Verona, Italy. Apparently, he was even more impressed with the cafe culture he encountered with customers sipping espresso for hours in fashionable coffee house surroundings. This first encounter in Italy was a moment of inspiration for Howard Schultz.

The epiphany for Howard Schultz, and in retrospect, an absolutely brilliant marketing idea, was to model a retail cafe business in the fashion and style of the great "old world"

coffee houses of Italy, and bring the same community and coffee culture to the American market.

Schultz brought the idea to Baldwin. Baldwin was not particularly interested in selling espresso by the cup and rejected a business shift that would distract Starbucks' from their original focus of selling whole coffee beans. Nonetheless, Baldwin did let Schultz test a modest espresso bar in a corner of one of the stores.

Howard Schultz, convinced that his idea was a big winner, eventually left Starbucks in 1985 to start his own business. He called his new venture Il Giornale, named after the largest daily newspaper in Italy. Il Giornale enjoyed immediate success selling espresso drinks.

In 1987, Schultz raised enough capital with local investors and purchased Starbucks from Jerry Baldwin and Gordon Bowker for 3.7 million. Did you know one of those local investors was Bill Gates Sr. (father of Microsoft's Bill Gates).

Schultz combined the Starbucks and Il Giornale operations and re-branded everything back to Starbucks with a goal to open up 125 more stores over the next five years.

Expansion continued for the successful coffee retailer and the company went public in 1992. The meteoric business growth that followed was nothing short of phenomenal. By 1997, in only five short years, Starbucks had grown tenfold.

Today, Starbucks is a household brand name in over 40 countries around the world. Even though pundits continue to predict the demise of Starbucks as they relentlessly push the commercial envelope to keep up with shareholder expectations, let's be willing to acknowledge the fact that Starbucks raised the bar and transformed the coffee industry.

13.3 Activities for the students

Activity 1:

Explain your views about Unique Identification Authority.

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Activity 2:

Make a pen picture of Howard Schultz.

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13.4 Summary

In this chapter, you are given information about top innovative companies in India as well as outside India, so that you can plan your future by getting inspired from these companies and become top innovators of future India.

13.5 Self-assessment questions

1. Explain the work of Starbucks.

2. Explain the work of Apple.

13.6 Self-assessment questions

1. The government office which is using multimodal biometrics--fingerprints, iris scans, and photographs--to build the world's most ambitious identity database.

a. Collector office
b. Post office
c. Police stations
d. UIDAI

2. ------------ had a simple idea--enable credit card transactions on mobile devices.

a. Circle
b. Square
c. Rectangle
d. Ellipse

3. Apple's --------- display--now trademarked, mind you--expanded from the iPad to the MacBook last year, and a visual revolution has followed.

a. occular
b. retina
c. karina
d. katrina

4. In 2012, Nike's experimentation yielded two breakout hits. The first is the ---------------------a $150 electronic bracelet that measures your movements throughout the day, whether you play tennis, jog, or just walk to work.

a. FuelBand,
b. Broadband
c. Multiwave
d. BraceBand

5. The electric technology that is used in the -------- makes sure it runs on clean energy, which in turn makes emissions obsolete. The ----------------- experience is a liberating one. This is the description of which car?

a. Nano
b. Xcent
c. Reva
d. I20

Reference Material

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video

‣we school