I have met have in common is not a certain kind of personality but a commitment to the systematic practice of innovation.

Despite much discussion these days of the “entrepreneurial personality,” few of the entrepreneurs with whom I have worked during the past 30 years had such personalities. But I have known many people—salespeople, surgeons, journalists, scholars, even musicians—who did have them without being the least bit entrepreneurial. What all the successful entrepreneurs I have met have in common is not a certain kind of personality but a commitment to the systematic practice of innovation.

the effort to create purposeful, focused change in an enterprise’s economic or social potential.

No longer was the market segmented primarily by income groups; the new principle of segmentation was what we now call “lifestyles.” Ford’s response was the Mustang, a car that gave the company a distinct personality and reestablished it as an industry leader.

Unexpected successes and failures are such productive sources of innovation opportunities because most businesses dismiss them, disregard them, and even resent them.

that is, the areas where results fall short of expectations.

Thus genuinely entrepreneurial businesses have two “first pages”—a problem page and an opportunity page—and managers spend equal time on both.

Indeed, when market or industry structures change, traditional industry leaders again and again neglect the fastest growing market segments. New opportunities rarely fit the way the industry has always approached the market, defined it, or organized to serve it. Innovators therefore have a good chance of being left alone for a long time.

Much the same is true of Club Mediterranee’s success in the travel and resort business. By 1970, thoughtful observers could have seen the emergence of large numbers of affluent and educated young adults in Europe and the United States. Not comfortable with the kind of vacations their working-class parents had enjoyed—the summer weeks at Brighton or Atlantic City—these young people were ideal customers for a new and exotic version of the “hangout” of their teen years.

Managers have known for a long time that demographics matter, but they have always believed that population statistics change slowly. In this century, however, they don’t. I

Economics do not necessarily dictate such a change; in fact, they may be irrelevant. What determines whether people see a glass as half full or half empty is mood rather than fact, and a change in mood often defies quantification. But it is not exotic. It is concrete. It can be defined. It can be tested. And it can be exploited for innovation opportunity.

Then there is another long period before this new technology appears in the marketplace in products, processes, o r services. Overall, the lead time involved is something like 50 years, a figure that has not shortened appreciably throughout history.

The computer, to cite another example, required no fewer than six separate strands of knowledge:

* binary arithmetic;
* Charles Babbage’s conception of a calculating machine, in the first half of the nineteenth century;
* the punch card, invented by Herman Hollerith for the U.S. census of 1890;
* the audion tube, an electronic switch invented in 1906;
* symbolic logic, which was developed between 1910 and 1913 by Bertrand Russell and Alfred North Whitehead;
* and concepts of programming and feedback that came out of abortive attempts during World War I to develop effective antiaircraft guns.

Although all the necessary knowledge was available by 1918, the first operational digital computer did not appear until 1946.

Careful analysis of the needs—and, above all, the capabilities—of the intended user is also essential. It may seem paradoxical, but knowledge-based innovation is more market dependent than any other kind of innovation.

To be effective, an innovation has to be simple, and it has to be focused. It should do only one thing; otherwise it confuses people. Indeed, the greatest praise an innovation can receive is for people to say, “This is obvious! Why didn’t I think of it? It’s so simple!” Even the innovation that creates new users and new markets should be directed toward a specific, clear, and carefully designed application.

Above all, innovation is work rather than genius. It requires knowledge. It often requires ingenuity. And it requires focus. There are clearly people who are more talented innovators than others, but their talents lie in well-defined areas.

 coffee-forward approach to elevating the *third place*, building deeper customer relationships in digital and extending the *Starbucks Experience* to the on-the-go and at-home consumers.

Western company or brand is better positioned to evolve with the rapidly expanding Chinese middle clas

purpose-driven values that celebrates our incredible 47 years of coffee expertise in sourcing, roasting, blending and handcrafting some of the world’s finest coffees,

Starbucks has created a brand roadmap to deepen coffee knowledge and human connection – creating a *Starbucks Discovery Journey* that manifests itself into a unique store development process and respect for local heritage specific to China.

It will enable the company to unlock many new features, such as personalization, Mobile Order and Pay (MOP) and delivery service.

Building on the first augmented reality experience at the Shanghai Roastery, Starbucks tested this technology in its core stores this past February during Chinese New Year. The company sees great opportunities to enhance the partner and customer connection through this digital feature.

The importance of family values in Chinese culture is also embedded in the benefits eligible Starbucks China partners receive, as evidenced by the pioneering of critical illness coverage for more than 14,000 parents of Chinese partners. Collectively, these actions continue to yield results for the company with significantly lower partner turnover relative to industry benchmarks as well as increased labor productivity experienced over the past five years.

 “These initiatives reaffirm the strategic role of the China market and highlight Starbucks ongoing aspiration to elevate our partners, customers and communities to create an environment where everyone can thrive.”