



[Get the Podcast](#)

How to Innovate and Create the Future

Jacob Morgan and Jeremy Gutsche • Jacob Morgan © 2020

Career / Future of Work

Innovation / Innovation Management

Take-Aways

- Chaos is an opportunity to innovate.
- Your success can leave you vulnerable to disruption.
- When you get good at something, you're more in danger of falling into a rut.
- Various techniques can help you escape your own "neurological traps," seek alternative perspectives and find new opportunities.
- Keep your eye on trends to get a glimpse of the disrupted future.

Recommendation

No business was fully prepared for the COVID-19 pandemic or lockdown. The disruption was sudden and global, and the threat isn't over yet. As most businesses scramble to find a new "business as usual," consider that now might actually be the most opportune moment to innovate. Jacob Morgan, host of *The Future of Work* podcast talks with Trendhunter.com CEO and author Jeremy Gutsche about the ways that innovation is born out of chaos. Gutsche offers practical advice for changing perspective to see opportunities. Some of the most successful companies in the United States started up during recessions, including Burger King, Disney and *Fortune* magazine. Now might be the turning point for smaller but daring companies to make their mark.

Summary

Chaos is an opportunity to innovate.

The COVID-19 pandemic has disrupted business as usual and forced companies to innovate. They're rethinking workplace practices, trying out new technologies and learning to manage remote teams. When disruption happens, in those first chaotic weeks, the first reaction is to do what's necessary to keep functioning. Then you start to figure out how people's needs have changed. This is when disruption accelerates, driven by those companies taking advantage of chaos to innovate change.

"Successful people get caught in a groove. Successful people are the ones that miss out and get disrupted because we get caught on a path of repeating past decisions. And chaos changes that."

Only 1% of companies that are at the top of their market dedicate themselves to staying in their spot. Companies like Amazon and Google build innovation into their DNA "because they're paranoid to stay number one." But about 80% of companies that consider themselves successful are most vulnerable to disruption. The remaining companies, the ones that are afraid they won't make it, will try new things that end up disrupting the status quo.

Disruption happens over three phases. First, when new companies try out new ideas and established companies don't worry much about it. In phase two, these ideas catch on and those companies expand their market share, but older, established companies don't worry, since it's just a sliver of the market. Phase three, though, is the "knockout punch" that no one sees coming – caused by a crisis, or a new injection of capital, or by a competitor that buys the upstart company and suddenly that little company becomes the new market leader.

Your success can leave you vulnerable to disruption.

Successful companies get stuck in a rut and become complacent. This complacency leads to blind spots which keep companies from seeing new opportunities.

“Success makes us repetitive, complacent and protective, and those three traps can block you from finding something new.”

Almost all CEOs will tell you they’re focused on innovation, but the truth is, they aren’t trained to navigate crisis or chaos. Now is the time to keep track of new trends and how your customer needs are changing.

When you’re forced into shutdown mode, with most workers at home, that may limit what you can do. If you’re an entrepreneur working from home, unless you’re selling disinfectant, your income will suffer. The best use of your time at home is to focus on maintaining customer relationships. Do research. Be careful with your cash flow. Beware the recession that’s almost sure to come but take advantage of this moment of uncertainty where you have leeway to fail and learn something; you can always blame the pandemic for less than stellar results and move on to the next idea. Some of the most successful companies in the United States started up during recessions, including Burger King, Disney and *Fortune*.

“Consumer needs change, but if you can spot those needs...you can adapt much faster and come up with products and services that will actually lead you to your entire future; your legacy could come out of this point in human history.”

The hunter’s mind-set serves here: be curious, insatiable and have a “willingness to destroy the old way.” When the rules governing the game change, find the new rules.

When you get good at something, you’re more in danger of falling into a rut.

It’s easy to respond to chaotic times with inaction, but that’s a trap. There’s also “path dependency,” a neurological trap that happens when you develop expertise. When you first learn to drive a car, you’re very careful. But after a while you just drive without thinking about it. When you get good at doing something, you create a myelinated neural pathway; it’s like a road that guides your neural impulses. The more you repeat an action, the more you establish that neural pathway. The more established it is, the more you tend to prefer that same pathway.

“When you get to your job, the problem is that myelin makes you better, faster, smoother, more consistent, it makes you really good at what you’re doing, but it also blocks you from seeing those other ideas, and so, you become stubborn, complacent, repetitive, and dismissive of new ideas.”

Ask adults to generate ideas about ways to use a paper clip, and they’ll come up with between 10 and 12 ideas that are completely predictable. But if you ask children, they will average 200 ideas. Adults are drawing from what they’ve seen paper clips can do, which comes from those deeply rutted myelinated pathways.

Various techniques can help you escape your own “neurological traps,” seek alternative perspectives and find new opportunities.

First, think how other brands might approach your market. What if Facebook decided to test your market? Or LinkedIn bought your competitor? Or what if Patagonia came into your market looking to make it more sustainable?

“The art is just making little simulations, where you’re trying to look at the same problem from how other people would look at it, and the act of doing that allows you to see where you’re strong, where you’re weak, and then also maybe just refresh your thinking...”

Embrace diversity. An old business adage that especially applies in fluid situations when you’re looking for ways to innovate is “if both of us agree, then one of us is redundant.” Having all-white, all-male boards can be a problem when your company’s customers come from all different backgrounds.

Keep your eye on trends to get a glimpse of the disrupted future.

Megatrends such as sustainability or the increasing buying power of women aren’t going to change; the whole world is part of those trends. But “trends” on Twitter, for instance, are so niche they don’t portend anything. What you want is to find clusters of things that indicate a trend: your customers all of a sudden asking for the same thing, or several people suggesting the same new service idea. Look for patterns.

Every splash creates “ripples of opportunity.” These kinds of patterns are predictable. For instance, “divergence” means that when a new idea succeeds, it creates demand for whatever is the opposite. Foster the ability to identify trends in your own business by creating a group to keep track of various trends. Go on a “trend safari” by looking at something outside your own business to find insights. See what others do in another industry that’s different and bring it back to your own business.

“You are best served when you get more people involved in co-creating the problem, not just in terms of the buy-in that you’ll get, but from having the broader sense of opinion.”

Use your insatiable curiosity. Think of ways to involve more of your team for different perspectives. Be willing to fail.

About the Podcast

Jacob Morgan hosts *The Future of Work* podcast. **Jeremy Gutsche** is CEO of Trendhunter.com and author of *Exploiting Chaos: 150 Ways to Spark Innovation During Times of Change* and *Create the Future: Tactics for Disruptive Thinking*.



Did you like this summary?
[Get the Podcast](#)
<http://getab.li/39637>