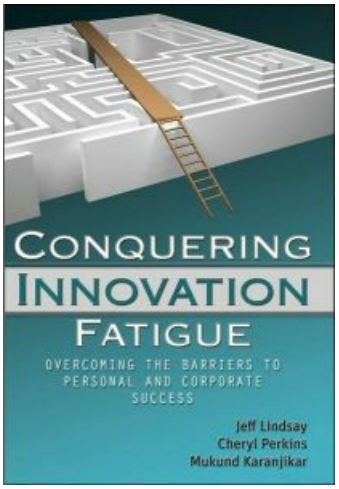

Book Conquering Innovation Fatigue

Overcoming the Barriers to Personal and Corporate Success

Jeff Lindsay, Cheryl Perkins and Mukund Karanjikar
Wiley, 2009
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Recommendation

Although countless books explain why innovation matters and how to benefit from it, few address the reasons that companies and individuals don't innovate successfully. That's where this volume comes in. Jeff Lindsay, Cheryl Perkins and Mukund Karanjikar provide many examples of corporate, political and structural barriers that block innovation, the forces that smother it, and the organizational and social factors that make it difficult. Their analytical book expertly blends research and firsthand perspectives. Though the authors are somewhat fond of jargon and coined terms, their guide is a welcome addition to the innovation canon. *BooksInShort* recommends it to innovators, human resources professionals and executives who want to inoculate their companies against the disease of innovation fatigue.

Take-Aways

- Innovators in a firm are like immigrants in a strange land: They aren't fluent in the internal lingo and they find it difficult to get new ideas accepted.
- "Innovation fatigue" prevents many would-be innovators from generating new ideas.
- Stress, impatience, theft, red tape, lack of recognition and a weak vision of the future can cause innovation fatigue inside your firm.
- Political factors that stifle innovation include flimsy patent protection and inconsistent intellectual property laws.
- Protect innovations by filing patents early, publishing on the topic and using trademarks to shield as many aspects of your innovation as possible.
- Do not let your organization stifle innovation. Provide incentives and rewards for creativity; inculcate trust and fellowship to encourage fresh ideas.
- View your strategies, processes and metrics holistically to stay on the cutting edge.
- Build a culture of trust that supports idea creation. Listen to your company's innovators, include them in decision making and support their creativity.
- Stay alert for any disruptive innovations that could throw your work off course.
- Provide leadership that fosters innovation with knowledge, wisdom and vision.

Summary

Innovation and "Innovation Fatigue"

Innovators in your organization are similar to immigrants in a strange land: They contribute fresh perspectives, but feel out of place. They don't quite speak the language or fit in smoothly, and they sense that the current inhabitants may resent them. When would-be cutting-edge contributors experience such resistance from a company's established culture, the result is "innovation fatigue" – a kind of exhaustion creative thinkers can suffer when they try to introduce new ideas into the language of the existing culture. Too often, fatigue wins. An innovator might produce one new concept and let another 100 ideas go unrealized because moving them forward is just too

hard. These ideas die unknown even though companies need innovation, which doesn't lead just to corporate profits, but to better lives as well.

> "Conquering innovation fatigue begins with understanding the journey of innovators at a personal level."

One common metaphor for incubating ideas is a "funnel." Many new concepts enter its broad cup, but only a few emerge from its narrow tube. From a market viewpoint, this narrowing-down process seems necessary to find the best products to sell. But the "funnel can be hostile" to people with ideas. In its place, consider a "Horn of Innovation," a metaphorical French horn in which ideas follow a curving path that is much more complex than the funnel's tube. It doesn't simply eliminate and concentrate ideas (like the competitive funnel). Instead, it offers continual feedback, since the concept changes and gets reshaped as it passes through the tubes. Going through the horn polishes ideas, resulting in richer, more nuanced conclusions than those filtered in the funnel.

Individual Factors that Contribute to Innovation Fatigue

The obvious, exhausting ways corporate life can thwart innovation include "theft and exploitation." Actual events underpin the 2008 movie *Flash of Genius*, the story of an inventor who sued carmakers for stealing his new design for windshield wipers. In reality, some inventors do heist other people's concepts, though instances are not common and, at times, the idea isn't stolen, but public credit for it is. Sometimes the thief is a fellow employee, even a boss, who assumes the praise for an invention. Other times no real theft occurs, but several people work on related ideas and only one wins recognition – not that most innovators receive enough recognition under the best of circumstances.

> "In the world of business, the brightest minds seeking innovation are sometimes like immigrants standing on a strange new shore, filled with visions of success but often facing harsh barriers."

Inventors often don't see their innovations' limits, or they think a technological breakthrough is sufficient and don't realize that it's only half the battle. The other half is succeeding in the market and protecting fledgling ideas. To defend against intellectual property theft, file your patents early in the process. Bolster your security by publishing on related topics and obtaining trademarks on as many aspects of your new offering as you can. Inventors often are not adept at protecting or marketing their ideas, and may overestimate the monetary potential of their work. They tend to think they've created the next Gatorade and thus soon will be able to coin money. In reality, patents may turn out to be worth far less than the originators expect.

Organizational Factors Contributing to Innovation Fatigue

Organizations can smother innovation. People working within strong corporate cultures may resist new ideas that originate from outside the firm. Others may play "devil's advocate," supposedly to test new ideas, but actually to kill them, whether consciously or subconsciously. Co-workers may cause innovation fatigue by inadvertently sharing proprietary information with outsiders who then (intentionally or not) take part in stealing the innovation. And innovators can stall their own ideas by acting uncooperatively. For instance, being unable or unwilling to build teams can delay progress. Teams can help compress the time it takes to move an idea from the lab to the market. Some people simply don't want any shift in how they operate, so they turn aside upgrades that demand change. To avoid letting your organization stifle innovation, make sure your culture maintains and nourishes the "will to share." Three factors can strengthen this resolve:

1. **Functional incentive programs** – To build a culture that values creativity, listen to your innovators and avoid exhausting them. Use incentives that blend financial compensation with the "intrinsic" payoffs of discovery. Reward the kind of action you want to produce.
2. **Trust among employees and management** – Create trust by developing a pattern of keeping promises, providing helpful and fair performance reviews, and setting up and following evenhanded, consistent rules.
3. **Inclusion in the company's fellowship** – Let people use their talents, give them a voice in decision making and provide easy access to information. Employees from other places or cultures can contribute useful, diverse insights, but they may need special help getting management attention for their fresh ideas. Senior innovators who fear being "laid off" also may need encouragement to keep generating useful new products.

> "The innovation funnel can be hostile territory for prospective innovators as much of their creative effort is lost in the massive waste stream disappearing from the funnel or trapped in endless vortices of indecision."

Forcing too many goals into tight timelines can drain innovators' energy. Strict deadlines defeat the free-ranging inquiry that defines basic research. Companies also undermine change by letting their strengths become weaknesses. Focusing too fiercely on core strengths can convert those strengths to "rigidities" and can block any deviation from habitual activity. Lack of vision adds to innovation fatigue. Leaders who don't have vision are indecisive and tend to focus on changes that don't really accomplish anything. Leaders also block innovation by listening to the wrong people. Stockholders, for example, want only steady returns and thus may urge a firm to keep doing what it is now doing and nothing more. This devalues the firms' investments in long-term innovation and gives stockholders too much weight, since most of them hold a stock for less than a year anyway. Leaders who sway with the vagaries of the market may hear only the "foolishness of the crowd." When Apple debuted the iPod, responses were mostly negative, largely because folks didn't understand all that it offered or comprehend how profound an advance it represented. Thus, they missed its possibilities.

> "From a market perspective, the tendency of corporations to quickly reject foreign innovations, almost as if antibodies were present, is an irrational act."

Applying the wrong tools to evaluate an innovation also can cripple the creative process. Too often, using "discounted cash flow and net present value" as metrics causes companies to miss the potential value of innovations. Another version of this problem is focusing only on an invention's cost and missing the way a specific expense fits in the "ecosystem" of innovation.

> "Innovation is surprisingly easy to stifle in an organization."

Contemporary thinkers argue that "open innovation," the process of seeking modernizing ideas from outside your company, is crucial to maintaining competitiveness. Procter & Gamble avoids this form of innovation fatigue by seeking ideas from external sources and by providing clear guidelines on its policies and processes for dealing with outsiders. It encourages employees to be open to outside input. However, organizations and creative workers can suffer "open innovation fatigue." Some companies have been burned in lawsuits filed by outside inventors and now turn away completely from outside ideas. Others fear legal action so much that they are

unfriendly to outsiders. Several even claim all rights to any ideas that anyone mentions to their staffers. Many firms nurture internal cultures that devalue external ideas, even when the firm solicits them to solve a genuine problem. The British Navy's reluctance to accept the wild idea that eating citrus fruit could avert scurvy was so extreme that many seamen died – even hundreds of years after the cure became common knowledge.

> "When property rights are protected, people are motivated to invest time and effort in developing that property, whether it is land, a business or an invention."

Innovators who work alone, outside of any corporate umbrella, may be reluctant to approach big companies and might not understand the factors involved in working within a large organization. Their suspicions about hierarchies evoke negative feelings toward corporations. They feel they must overcome bureaucratic blockades to find the right people to listen to their ideas and move them forward. Networking is the best way for solo practitioners to find connections inside large firms that might be able to market their inventions.

External Factors Contributing to Innovation Fatigue

"Patent pain," anything that constitutes an impediment to intellectual property protection, is an external source of innovation fatigue, at least in the U.S., where court rulings and changes in the law since 2007 have made getting a patent more difficult. Congress has shifted funds away from "patent prosecution," so patents take longer to obtain and protect less. The World Trade Organization provides "compulsory licenses" so that poorer countries can "force the owners" of medical patents to give a local company the right to produce certain drugs. Combined with black-market drug sales, this weakens companies' incentives to conduct research on new drugs. Working with nations that don't respect intellectual property rights also presents problems. In Taiwan, for example, more than 40% of movies and video games are pirated, "costing the U.S. $300 billion annually." On the positive side, as China begins to see the value in protecting its intellectual property, it is slowly becoming more willing to acknowledge patents.

> "To conquer external fatigue factors, innovators should prepare with vision, always anticipating stricter standards and demand for higher quality in the future."

Some attempts to protect intellectual property have backfired. Patents long have covered "tangible objects and the methods of making them," but applying them to intangibles, like software, took some time. When management thinkers started trying to patent "business methods," the result was complicated, even confused. Clearly, some management and strategy methods were original. Yet because such methods had never been patented, officials had no library of techniques to compare with the new breakthroughs. Thus, some patent attempts overreached. Such complexity resulted, also, when people or organizations tried to patent goods that weren't new, but had no prior legal standing.

> "That's what innovation is all about: believable solutions to real problems that make life better for real people."

Other legal restrictions also limit innovation. Some, like safety rulings to protect consumers, may spring from good intentions, but systemic misunderstanding of the nature of risk can have a chilling effect. For example, "no drug is completely safe," though medications should be harmless. As the public call for safety grew early in this century, the number of new drugs offered for sale shrank; in 2007, the U.S. approved only 19 new drugs, the lowest number in 24 years. To defeat such external sources of innovation fatigue, creative thinkers need a sustaining vision of what they're doing, the tenacity to push past difficulties, and the willingness and money to get specialized help, such as skilled lawyers. During the creative process, they should keep detailed records so they can show how they developed their ideas.

> "Expecting innovation in an innovation-hostile climate is like expecting rich bounties from a garden you never visit except at harvest time."

Well-intentioned changes in the relationship between industry and academia also have gone awry. From 1940 on, U.S. universities contracted for government research to fuel "wartime needs," and operated on the basis of "no-loss and no-gain." The 1980 Bayh-Dole Act amending the patent law was supposed to make it easier for colleges and industry to cooperate. But because of a shift in the larger culture and because of this bill, which lets universities profit from some patents, cooperation is now more difficult. When colleges and professors seek profits, they raise barriers to industry. This compounds a misalignment in incentives (should professors seek publication for tenure, patents for profit or both?) and support systems (university researchers generally lack the manufacturing and marketing networks to develop their ideas).

Dealing with Innovation Fatigue and Moving Forward

To stay on the cutting edge over the long term, build a culture that supports innovation. Recruit "multidisciplinary innovators" and help them develop additional skills and talents, so they are flexible and ready for any challenges. Use history as a foundation. For instance, the paper industry has a hall of fame to celebrate its achievements. Its vision emphasizes the need for this mature industry to keep up with technology. Research organizations like the Institute of Paper Chemistry support this goal. Your vision should work within existing legal and social structures, encompass a global scope and assume a diverse workforce. Be alert for potential disruptive innovations or inventions that might derail your products or that you could use to beat your competitors by creating new markets. Set up "communities of practice" in your organization to do new things and to evaluate innovations.

> "Multidisciplinary innovators are needed more than ever. It's time not for more Edisons or Einsteins in the boardroom or laboratory but for Da Vincis."

Track innovations throughout your entire process using flexible pathways like the "Circuit of Innovation." Use tools designed for assessment, such as the "Innovation Spectrum," which directs attention to specific areas, such as tangible versus intangible innovations. Evaluate relatively new metrics, like "profit per employee," which work better than traditional measurements when tracking intangibles, and so may be optimal for knowledge-work organizations. And if you detect innovation fatigue, seek its source and make the necessary changes to open the way to new ideas.

About the Authors

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