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The Magic Bullet - Strategic Innovation

Jack Zimmanck, www.stratuspartners.com

Business as usual is a thing of the past. The marketplace for goods and services as we know it, along with familiar business models and delivery systems is under increasing pressure to evolve at a more rapid pace than ever before.

On the demand side, energy usage and environmental consequences play an increasingly important role in consumer decisions and are changing the way people live, what products they buy and how they will pay for them. On the supply side, price and availability of materials, energy and accounting for the economic value of the environment are changing how goods and services are produced and delivered.

The Magic Bullet

The ability to craft innovative solutions to stay ahead of these accelerating changes is one of our most powerful business capabilities. With high velocity change now the norm, strategic innovation has become the Magic Bullet helping business anticipate and respond to external change and is a principal component of most competitive strategies.

Innovation in All Things

Many tend to think of innovation in terms of high-technology, but innovation extends to every area of business including delivery systems, marketing, selling, product planning, financing, governance, communication, organizational design and how the enterprise relates to the larger community. Innovation is at the core of all human advancement. Without constant innovation the few living humans would be huddled naked, in a dark cave, scavenging roots and small creatures to eat

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Sources of Innovation

Innovation can be viewed similarly to the world-shaping forces of nature, but exists entirely within the human realm. Like seeds falling on rocky ground, innovation can lay dormant if not nurtured. Often, a small change in circumstance is all that is necessary for innovation to spring to life. Any of these circumstances can stimulate innovation

- **Vision** - Vision of an alternative future, product or desired outcome often drives innovation.
- **Competition** - Individuals, business, nations; all have a stake in winning against competitors and challenging circumstances. Innovation is a key component in any winning strategy.
- **Survival** - It is said that nothing clarifies the mind like confronting one's eminent demise. Survival circumstances can quickly set aside barriers to new ideas and bring forth a fountain of innovation.
- **Natural Curiosity** - "Imagination" said Albert Einstein, "is more important than knowledge" The desire to understand leads to new ways of looking at problems and opportunities.
- **External change** - Some innovation is driven by the need to change due to events beyond one's ability to control.
- **Rising to the Challenge** - A surprising degree of innovation comes when a seemingly impossible challenge is presented that raises the competitive spirit.
- **Change for Change Sake** - While resistance to change is endemic, people also have a tendency to become bored with the familiar and seek new and different challenges and experiences.
- **Need to Excel** - The human need to do it, better, faster, bigger, higher, cheaper constantly drives innovators to improve the breed in every field of human endeavor.
- **Thirst for Understanding** - The curious youngster dismantling a working radio has killed a lot of radios but have also lead to advanced electronics, medical breakthroughs and lit the path for a host of innovative scientist, engineers and business leaders.

Practicing Innovation

Innovation can be practiced individually or by teams and groups, the feed-back of groups helps prioritize, refine and apply innovative ideas to solve real problems and seize hidden opportunities. As with anything, the more one practices, the better one gets. The most important thing is to embrace new ideas in all areas of business and carefully take small but regular steps. There are many simple ways to kick-start innovation.

- **What If ?** - “What If?” are two of the most powerful words in any language. These two words immediately set aside the limitations of what currently exists and shifts the dialog to the limitless realm of what can be. The power of “what if?” continues to be a boundless source of human advancement.
- **The Dumb Question** - Go ahead and ask what may seem to be the obviously dumb question. Innovative solutions are often found hiding in plain sight.
- **Challenge the Expert** - Experts gain their reputation on the basis of the empirical knowledge and historical information in a given field. Much can be gained from focused curiosity about the basic assumptions behind conventional wisdom.
- **Establish a Challenge / Reward Innovation** - Setting a clear challenge that rewards innovative thinking is almost a guarantee to release creative energy and stimulate new ideas.
- **Embrace Failure** - Failure is an absolutely necessary step along the innovation path. Trying lots of things and accepting a great many failures to achieve a few important successes is Nature’s business model...Perhaps one worth emulating.
- **Just Do It** - There is no substitute for action. Start Now. Take small steps. Set and achieve milestones. Pursue new ideas relentlessly.
- **The Happy Accident** - Encourage an accepting environment where the “happy accident” can take place.
- **Messiness** - Don’t be too quick to trim up the loose edges or discard the weird idea. Working with a bit of messiness in the early stages allows powerful synergies to develop.

Innovation Killers

Finding weakness in new ideas is usually easy and a necessary step in moving forward. Exploring for value and possibilities is more difficult and...where much of the value lies. Establishing the balance between exploring and discarding new idea may be the most difficult step in the innovation process. In the early stages, new ideas are fragile and at constant risk of still birth or early termination. Awareness of innovation killers is key to successful innovation. Watch for these dangers.

Inertia - The most common innovation killer is inertia. The idea that something works well enough is a staple of human existence. While not necessarily a bad thing, inertia needs to be challenged regularly.

Fear of the unknown - One of the greatest fears is the unknown. The process of innovation can be both the source of that fear and the process by which the fears are dispelled and frightening consequences disarmed.

Nay-Sayers - Doubting new ideas requires no special talent and is much easier than creating a new idea. The supply of nay-sayers is boundless while their contribution is not.

Don't Fix it if It Ain't Broke - A widely stated and often counterproductive axiom that revels in mediocrity and mocks the drive to improve what is now working...regardless of how poorly.

The Expert - Experts come in a variety of types, disciplines and capabilities and possess a substantial body of knowledge in a limited field. Even the most knowledgeable expert is likely to be challenged when attempting to apply their knowledge to issues outside their field.

Desire to be Right - By simply saying "That won't work" anyone will be right most of the time with no knowledge or effort on their part. Most new ideas don't work the first time but are essential steps along the way to the one that does.

Desire to See Others Fail - Perhaps the saddest innovation killers are those who want to kill new ideas because the idea may succeed and they had no part in it.

If it is Such a Good Idea Why Hasn't It Been Done Already? - This response is a hybrid of the "desire to see others fail, desire to be right" and "not invented here".

Lack of Funds - Innovation itself is not driven by funding but implementation is. The lack of funds can slow or hamper refinement but innovation often adapts to available funding and moves on.

Dangers of Innovation

No discussion of innovation would be complete without discussing the dark side. All change has unintended consequences and even change for the better can be extraordinarily disruptive. For innovation to play its most constructive role in business or society, innovation must be encouraged and nurtured but also viewed as a capability whose consequence must be understood and monitored and its application carefully managed. In today's hyper-competitive business environment, not innovating is the only sure way to fall behind.

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