

# THE COMPETITIVE EDGE

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## BETTER INNOVATION

All businesses are challenged to sustain effective innovation. It's not easy. Once a dominant design for a product or service is established, future innovations tend to be incremental—line extensions or minor variations on a primary theme.

We provide in this newsletter four initiatives to meet the innovation challenge:

1. Go for the best.
2. Explore other fields.
3. Organize for innovation.
4. Open up.

## GO FOR THE BEST

The typical way organizations pursue innovation is by assessing how to improve the current offering. Weaknesses of the offering are identified and prioritized. Then, effort is focused fixing the top-priority weaknesses. This approach usually yields improvements up to about 25 percent of the full improvement potential.

Try, instead, to go for the best. Envision what the best possible offering would look like here and now. You can envision anything legal and ethical that does not violate the laws of science. Next, identify the constraints that prevent creating this ideal offering. Prioritize the constraints in terms of importance and ease-of-removing. Focus effort to remove the top-priority constraints.

The Go for the Best approach can get you to 70-80% of the full potential.

**Progress from Fixing Weakness** →

Current Offering Best Possible Offering

**Progress Using Go for the Best** →

Current Offering Best Possible Offering

Black & Decker used the Go for the Best approach to design their incredibly successful DeWalt tool line. Steve Jobs used it to create the Macintosh and the iPhone. Look closely at how significant improvements were made in any offering. Chances are the Go for the Best approach was involved.

Russell Ackoff first recommended the Go for the Best approach several decades ago. He applied it to the design of an ideal phone in the 1950's that foresaw the iPhone. Dr. Ackoff was lesser known than some of his contemporaries, such as Peter Drucker. But his insights were just as potent, and remain relevant today, particularly for effective innovation.

### EXPLORE OTHER FIELDS

Consider the story of the Argentinian auto mechanic Jorge Odón. He watched the YouTube video on how to remove a cork from an empty bottle. The solution was to use a plastic bag. It occurred to him that the solution to that problem could be used to insure difficult child births were successful for mother and child. His idea became a reality, resulting in a procedure much safer for the baby than the conventional approaches using forceps and other implements. The cork-in-the-bottle video is still on YouTube. Check it out.

This story illustrates the second innovation concept. If you have a problem, identify other fields of endeavor where similar problems arise. Check whether and how they solved their problem. Assess how their approach might translate to your problem.

### ORGANIZE FOR INNOVATION

Many organizations shoot themselves in the foot on innovation. They are set up as bureaucratic silos that inhibit creativity. Shift to a structure that embeds entrepreneurial spirit at the lowest level. The amount of useful innovation will go up. Two good U.S. examples of this approach are ITW and Danaher. Both use processes and business-unit structures that encourage innovation. Also check out 7-eleven Japan's shifting of entrepreneurial decisions to the individual store level. A fourth example to study is the Chinese appliance maker Haier, with perhaps the most advanced structure of all for amplifying innovation. Haier, a \$35 billion company, has become a network of 4,000 highly innovative microenterprises. There's a good article on Haier in the Nov-Dec 2018 *Harvard Business Review* issue.

### OPEN UP

The fourth initiative for increased innovation: open up. Invite ideas from outside the organization. NASA found this a tough sell, but finally decided to give it a try. Result: much faster solutions to some tricky problems. NASA fully embraced the approach only after its engineers changed their perception of themselves from problem solvers to solution seekers.

The Internet is a powerful enabler for outside-in ideas. Check out sites like Innocentive to see how organizations are using this crowd-sourcing kind of approach to help solve difficult innovation challenges.

The approach is similar to the Explore Other Fields method.

### CREATIVE STEW

Take a look at how you innovate now. Explore ways to blend the four innovation initiatives into a creative stew that will work for your organization. In doing so, use the first idea: define your version of ideal innovation, then identify obstacles to remove to get closer to that ideal.

