

## Innovation is brains, toil, fun and sweat

*by Olivier Pujol*

For 20 years, I have practiced innovation in all sorts of organizations, from the smallest (2 people) to the largest (>100.000). I have seen failure and success, and sometimes, I have participated, to failure and to success.

I have studied in detail most of the standard theories and applied several: Blue Ocean, Open Innovation, TRIZ, Creative Design Thinking, CK, Jugaad, RID and many more... I have looked at success stories (from Apple and Google to Swatch and Favi, and so many others) and read tens of studies.

Don't expect me to criticize any of these: they all contribute to innovation. But expect me to criticize all: they lead us to believe that there is a winning formula. And none of these theories are winning formulas, just useful tools. Because there is no winning formula.

However, from what we do day after day in all sorts of organizations, I believe there is a winning approach, driven by a state of mind and a thorough understanding of the mechanics behind innovation. Formulas targeting only a sub-part of organization (R&D, Strategy, Product Design...) eventually fall short of initial expectations, and, with a few exceptions, only produce marginal and disappointing results.

### Introducing the winning approach

Many managers know the winning approach; many more practice it by instinct rather than by applying a theory. Few of them can explain what they do, but when they dare do it, it can be summarized in a few words: « listen, connect, dare, persist and implement »... There is no recipe (a process or organization common to all), as it always depends on the local situation (people, structure, field of activity, environment).

The winning approach consists in creating a situation where ideas will emerge, develop, die or prosper, just like new varieties of plants will appear in a botanist patch, some of them becoming graceful flowers, others promising medical plants, a few new sources of food, and many, barely new converters of CO2 into Oxygen... which is a good start though (and one or two, undetectable new poisons for solving your family problems like Borgia or Agrippina did...).

The winning approach is based on trust: trust in the capability of all individuals to contribute to innovation, and trust in the capability of some to harvest. Trust in collective intelligence, and dedication to making good use of it. This faith in collective intelligence is a prerequisite to build the much needed state of mind.

Trust is necessary but not sufficient. Growing ideas to maturity and harvesting takes particular skills, not only in the concerned field of business, but also in the way ideas turn into innovation. Otherwise, investing in innovation produces disappointing results for most organizations (see BCG surveys for more on this).

Written by Olivier Pujol, iCEO # 43685

**Contact us!**

Phone: [+44 203 137 2581](tel:+442031372581)

Email: [search@ceo-worldwide.com](mailto:search@ceo-worldwide.com)

Website: [www.ceo-worldwide.com](http://www.ceo-worldwide.com)

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## Losing formulas

“It’s not so much that innovation is difficult, but killing innovation is just too easy”. Here are some ways to kill innovation.

### Put R&D first

There is little correlation between R&D and innovation! Some companies with consistent investment in R&D fail to innovate (see Orange), and studies by BCG or Booz Allen have consistently demonstrated that. It’s a mistake to entrust R&D to produce innovation. 2 simple reasons for this:

- Innovation often contains technology, technology can trigger innovation sometimes, but in most cases, technology only represents a fraction of what customer consider in an innovation. R&D is clearly a key resource for innovation, but should not be considered as the source of innovation.
- When R&D is considered as the source for innovation, it deters the rest of the organization to contribute, either to generate ideas or simply to refine and adjust concepts.

### Bet on marketing/strategy alone

Marketing undoubtedly provides invaluable information on markets, customers and trends. Strategy undoubtedly can help identify new avenues for development. But in a field of activity, all competitors have access to the same information. And in addition, this information describes the current state of a market (statically and dynamically). Marketing/Strategy is a good way to match competition, but it is not sufficient to be ahead of it: the world is changing so rapidly that no analysis, no matter how smart it is, can give a lasting head start.

*Thomas Edison did not make a success with the light bulb by looking at the candle market.*

Customers and markets are a source of inspiration, but just like for the previous point, the main drawback is to ignore other sources of innovation.

### Bet on genius.

Of course, no one does it, we are not so naïve! However, we entertain a fascination with all the geniuses who have changed the world (and became rich). And there are so many papers on finding radical innovation inspired by the successes of these geniuses that it keeps our mind focused. So, let me hammer this point, it’s worth it...

Yes, creative genius produces innovation: Edison, Ford and many others have demonstrated it. But the first bad news is that there are not enough geniuses in the world, and like soccer players, they are way too expensive for you... Betting on genius may put you ahead of the pack, but the cost is too high and the probabilities that you have found the best genius are too low to make it a valid innovation strategy.

Second bad news: even a genius is not sufficient today. A genius can invent something great, but to make an invention useful (ie turn it into an innovation), it takes a whole bunch of expertise and work. And it is very difficult to adapt or modify an idea coming from a genius. Many promising start-ups

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have failed because of this.

The good news is that innovation (even radical) rarely results from a stroke of genius! Specialists of Kaizen know it: innovation, even radical, comes from a massive amount of ideas producing sometimes minor changes in an internal process, sometimes nothing, and sometimes something great.

Some companies do extremely well when they manage to mix intelligently R&D, marketing, strategy and a touch of genius. It is called “transverse approach” and it is a good approach. Others push the approach to the limit, and bet on collective intelligence...

## Collective intelligence breeds innovation

A manager who, by instinct, collects information and ideas in the field, not just in his management team or in marketing studies, or in one single department, does nothing else than mobilizing collective intelligence. This approach has been widely developed in many management theories (see Kaizen), and is increasingly popular under the name “participative innovation” (from suggestion boxes, to innovation challenges).

A manager, who puts a team to collaborate in order to find new ideas or actions, rather than rely on his own intelligence, does it too: he mobilizes collective intelligence. This is also very popular in many theories around innovation and creativity these days.

But even in organizations where one of these two trends develops, I see disappointment: people in the field rarely produce an idea worth implementing as such, and teams working on creativity rarely come up with an idea worth implementing. If proponents of one or the other end up with deception, I believe it is due to a misunderstanding: collective intelligence produces improvement in operations but it is not magic, it does not produce instantaneously innovation, it only breeds innovation. But it takes time, sweat and toil.

### Toil (and brains, but not just genius)

Collective intelligence uses all the brains available. They all work similarly, but each brain has its own strength and weaknesses. Some of them are good at gathering information, some of them connect information, some of them possess knowledge, some of them can solve problems, some of them build a vision, and a few invent new solutions... The difficulty is to use all the strength available and get round the weaknesses. This takes hard work, to gather information, connect information, identify opportunities, build a vision and a solution to implement it, solve all the problems until it is finally fully implemented.

### Sweat (and guts, and humility)

Even when everybody contributes, with brains and work, no evidence appears like magic, no obvious idea flashes like the polar star. The first solution is never the good one, the first obvious idea is rarely the hidden golden egg. Most successful start-ups have gone through rough seas at one point or another: they have rolled-up sleeves, and gone back to the workbench again and again. The path

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from an idea to an innovation goes through trial and errors, and a lot of sweat. And it takes humility and persistence: humility to admit mistakes, persistence to correct them.

*So please, mister CFO, don't shoot 'em dead to quickly because they say "I don't know yet", or "I was wrong"...*

## Time

"He's gone tell us that it takes time to find something". Yes indeed, and no. Collective intelligence immediately produces significant improvement: "continuous innovation" for products, services and processes, with a clear improvement in operations efficiency. Because people start solving their own problems, and stop doing stupid things. Collective intelligence also produces quickly a fair amount of "incremental innovation". Because people are eager to do better, and usually have held back a fair quantity of "not so bad ideas".

But radical innovation takes time, and so does "rupture". Because it starts with a small, odd, eccentric observation or idea, which will remain overlooked, underestimated, ill-rated, until other work, one day, will give it some sense and make it shine. And this is why I say that there is a winning approach: the one that will give time for the best ideas to grow, and go through the standard four phases of any innovation.

*It may suit you or not, but it is so: it takes 9 months to make a child, and 22 months to make an elephant calf.*

## The four phases

History demonstrates that innovation goes through four phases: perception, maturation, resolution and propagation. Be it a service or a product, the "working prototype" appears to the public in the third phase (when all problems are solved), and gathers all our attention. The "working prototype" has one or a few fathers, who look like geniuses. As a consequence, the other three phases remain underestimated and ill-organized in most organizations. And these are the phases where collective intelligence makes the difference.

The first phase is a phase of "perception", starting with a massive amount of information: a bit of knowledge, some observations, an unsatisfied need, a dream, an event, a smell, a piece of statistical data, a personal feeling, an emotion (anger, frustration, pleasure...). And in the end, some of this indistinct information aggregates around one topic...

The second phase is a phase of "maturation". Bits of information connect. It comes through questions: why did we see that, what is behind the data, what triggered this comment, why doesn't this work well, why, why, why...? (Socrates says: 5 "why" minimum). There is often no obvious answer, but after a while, evidence surfaces. Not evidence of a solution, but evidence of an opportunity that smells good enough. An opportunity that brings together a concept, answering a need, with a first sign of a solution that may be viable (I can hear people whispering "profitable", but wait, it will come in due time).

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The third phase is resolution. First meaning of resolution: decision to go further. It smells good enough to explore further and start investing a bit. Second meaning of resolution: solve implementation problems. That is where R&D is needed most! “R” for “research”, and “D” for... “design”. If it’s innovative, it means that we don’t know yet how to do it! So we need to find out a way to implement, to satisfy a customer potential need. That’s where numbers will appear (cost first...).

The fourth phase is propagation. It’s the poor relation of innovation... too often overlooked. This is when non profitable innovations must be killed. But before they are killed, they must be given a chance to be profitable. R&D is needed again, but this time, “D” stands for development of a viable industrial implementation on a large scale. And Finance becomes king, as “cash is king” and innovation without cash in the end is really an efficient way to go bankrupt (my experience). Propagation is the phase where the innovation must be adjusted to reach a large audience and generate profit. Propagation is where the problem is not anymore the solution designed in the third phase, but the way it will reach all its intended audience, profitably.

## What about Sales and Marketing?

It is either always there in all 4 phases, or completely absent! When innovation is for the end-customer, marketing must be on board as of day 1. But innovation is not meant to be for the end customer, just for any customer, be it internal or external. But even when innovation serves an internal client, the methods of sales & marketing should prevail, to help reach the final goal of an innovation: make profit.

## What comes next?

The right approach is not sufficient. Each of the four phases needs structuring. There are tools, skills and people, that needs either to be identified and selected, or grown and developed: for collection of information, for treatment, for opportunity identification, for maturation, for problem solving, for final design and “sale” of the nascent innovation, for large scale development.

These skills, tools and people are specific to innovation as they need to develop capabilities which are contrary to standard operations: autonomy, flexibility, risk, right to fail, collaborative work, imagination... (Standard operations favor control, rules and processes, planning, standards, “zero risk” and individual excellence).

For what we see in organizations, there is a specific formula for each group, no “one fits all” solution. But all formulas have one thing in common for sure: a specific state of mind. What kills innovation is fear: fear of judgment, of failure, of poor individual performance. Fear kills this little spark that all people contributing to innovation have in their eyes. Fear freezes brains. I know one thing that can defeat fear: fun. Sharing and growing ideas, giving birth to an innovation take sweat and toil, but it is a pleasure. Whatever approach you choose, if the consequence is that people enjoy 10% of their working time dedicated to doing things differently, then, the result will show on the bottom line.

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## About the author:



**Olivier Pujol** has worked over 23 years in many countries, positions, and companies. He has conducted business in 12 European countries, in Africa, North America, South America, and Asia, for companies like Schlumberger or Honeywell, as well as SMEs and start-ups. He has been in the position of CEO, COO, field manager, strategy and M&A special list, business developer, and consultant. He worked on offshore platforms, in the jungle, but also in board rooms and electronic labs.

Over the years, Olivier has specialized in two fields:

- Management of organizations (with the hindsight of many sectors, company policies, and a long practice of management)
- International development of innovative products and solutions (after experimenting himself the challenge of selling innovation)

Olivier holds an MSc of l'Ecole Centrale de Paris, and an MBA from Insead. He can speak 5 languages (French, English, Spanish, Portuguese and German).

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