



INNOVATION INSIGHTS

5 FREQUENT PITFALLS

White Paper by D. Rieu/C. Gillet

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"If it took only 6 days to make the world.
Why is it so difficult to change it?"

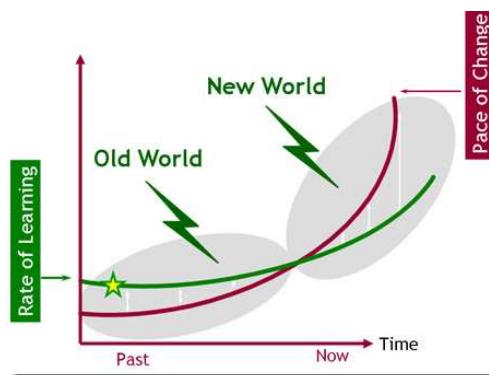
We live in a world which is changing quicker than our capability to learn.

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By the past, the change in our world was mainly made of disruptive, discrete and thus visible events that could be clearly identified and tackled individually. Today, the nature of change is different. Change became constant and made of permanent little alterations. That's why its nature is so difficult to be understood by all. Several well identified factors contribute to make this world change faster and faster: acceleration of information flows, globalisation (multiplication of accesses to a larger world), virtualisation (development of multiple 'touch-points' with the environment), hyper competition, etc ... When we ask managers to represent the **pace of change** in their business sphere, they usually draw a sort of exponential curve. But when asked if their **capability to learn** has evolved in the same exponential way, their answer is often a deep and significant silence. Give it a second thought: Did your capability to learn, in the last say 20 years, grew as quickly as the speed at which the world has changed? No? **Welcome to the New World™!**



In a world which changes quicker than our capability to learn, many good old learnings have not only become obsolete but may even represent a major risk. Just think about a few of them: best practice, case studies, uniformisation, domination strategies, hierarchical (pyramidal) organisations, ... all these concepts that were making a lot of sense in a stable world where the eldest was the most experienced and thus the most knowledgeable (and thus the most senior), do they still make such an obvious sense?

The rules of the game have fundamentally changed! What made success yesterday is not anymore what will make success tomorrow. Behaviours that were considered as inappropriate are now being promoted: *take risks!* *innovate!* *break your silos!* *be transparent!* etc. Companies are just at the beginning of their mutation to cope with this situation, transforming themselves into virtual organisations, promoting the concept of 'leadership' as a replacement to 'management', focusing on differentiation, developing strategies of innovation, etc ...

In a world where the best practice is often, and by definition, obsolete, what sort of approach to change can make the difference?

1. My "Experience" is downgrading my ability to manage change.

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How many sales (or marketing) people pretend to "know the customer" because they have 20 years of experience facing recurrent requests and situations. Does this experience really help dealing with changing and/or new expectations?

How many project managers have been, over the years, "formatted" to deal with certain situations in certain ways, and continue to do so, even if the full context has changed?

What about you? How many times did you realise that what you were considering as 'the truth' is now just a big question mark? Challenging questions aren't they?



The human brain works with patterns, ie: comparing actual situations with previous ones that you've already memorised. This is the basis of what is usually called the "experience": ie, you recognise something that you've seen before and then draw the following conclusion: "this is the same!".

If you face several times a given situation, your brain creates an even stronger pattern. Thus, the older and more experienced you are, the more strong patterns you've developed. Unfortunately, the world is changing pretty quickly and what you are really observing, most of the time is NOT what you think it is. It means that your capability of simply detecting change decreases with the time if you do not care (Without even talking about managing it!). Handling change starts with an individual and personal challenge to avoid assumptions, to keep your mind open to provoking stimuli. **Unlearning (especially in educated and experienced communities) is the first key to successful change ...**

2. Market surveys won't help

You have decided to be more "customer oriented". Splendid! You burnt a lot of money in market survey to identify new areas for innovation. However the result is disappointing.

Let me tell you a story about Akio Morita, the charismatic founder of Sony and originator of so many innovations (of which the walkman!)

Many years ago when I was Marketing Manager at Sony France, I received a phone call from a friend working at Fnac

-"did you know that Akio Morita is in France?" he asked me,

-"no, I have not heard about a visit.. If he was here I certainly would have been informed!",

-"well, there is an old, white hair, Japanese man in the Fnac shop of "Place de l'Etoile" talking and asking hundreds of questions to the sales guys and they are pretty sure he is Akio Morita"

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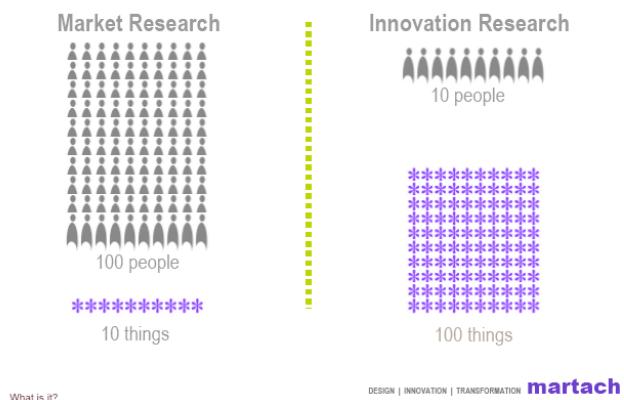
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After a check, I discovered that Akio Morita was indeed in France for a private visit and didn't had time to visit Sony France. Instead, he took one hour to talk with 2 or 3 salesmen of Fnac Etoile.

For him this was the best way to be innovative. No market survey could give him such information as a conversation with Fnac salesmen in terms of innovation. Why? Because Fnac salesmen -at this time- were so famous to be "marginal" and to have a very special love-hate relationship with consumer electronics firms (especially with Sony).



Most market surveys focus on groups and more generally marketing techniques are initially designed to identify 'common denominators', 'large needs' that will be fulfilled with minimum effort. These marketing techniques give you some very useful information to select the most profitable segments and focus your activity, but what about innovation?



You basically have two scenarios: either you ask few questions to large 'standard' populations (via 'panels') and keep the debate on the surface, or you spend a lot of time to deeply question a few representatives of a 'non main stream' population, especially the ones who hate you or refuse to buy from you. This is a design approach.

Innovation is all about talking with unorthodox people, developing a deep understanding of your obnoxious customers, spending time with 'the crazy guys' ... Who does that in your organisation?

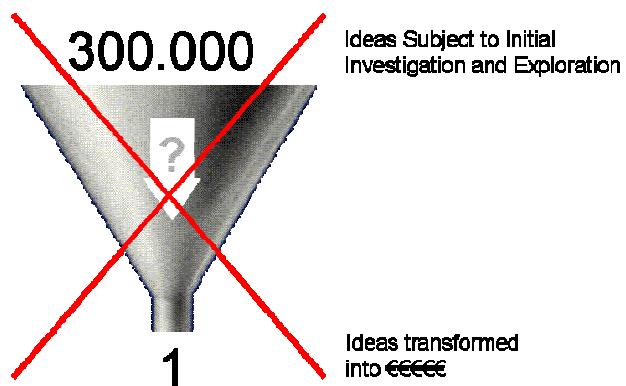
3. Innovation is not a funnel but a long survival game

Recent research shows that only 1 idea out of 300.000 results in delivering business benefits. We are not talking here about the sort of ideas we all exchange in front of the coffee machine, but business ideas, that have been reasonably investigated. How can this happen? How can it be that for the last 30 years, most consultants have been presenting innovation as a sort of funnel, developing the false idea that the more ideas you put at the top, the more chances you have to get one right at the bottom of the funnel? This simply doesn't reflect reality.

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The fact is that you have 1 chance out of 300.000 to get any innovation success if you follow the traditional innovation models. **Kissing frogs and making wishes could be of better return!** (See the 12.000 books on Amazon.com on the theme of 'Innovation'!).

Fortunately, innovation in our NewWorld™ follows some predictable patterns: bottlenecks and traps have been identified and located. We could say that in most cases, innovation is not anymore a matter of formulating **good ideas but of selecting just a few of them and growing and protecting them along a long and tough journey, full of pitfalls.** If you knew where they are? Would it help?

4. People create change, people constrain change

Imagine that you wake up one morning with a precise and very clear idea like, let's say "I know how to double our sales next year". How would you feel? Excited? You arrive at the office this same morning and call colleagues for a meeting. You explain your project (which makes a lot of sense since you are a great expert and a very rational animal!). What do you observe? An enthusiastic HR director proposing some resources? Your colleagues volunteering to support you? The financial guys proposing a budget? No? Really? You just experienced the very first of the rules of change, discovered by a certain Isaac Newton at the end of the 17th century and called "the third law" which basically says "Any action creates an opposite and equivalent reaction."

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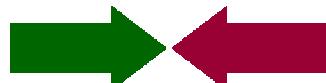
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This is Scientific!

"For every action, there is an equal and opposite reaction ..."

Isaac NEWTON
3rd law





This should not surprise you! There is a very good reason to it: we are all reluctant to change! This is in our genes: **we are creatures made of emotions and used to consider any change to our environment, even the simplest one, as a major threat** (think about last time, when the facility manager asked you to move your office to another place). Now consider this: **did you ever succeed fighting emotions with logic?** Think again! No? So why do you present innovative projects to your customers, your staff or your colleagues, using tons of - valid and legitimate - intellectual arguments ... subsequently and desperately observing their lack of buy-in? It maybe the right time to seriously consider soft and emotional factors in your project management approach ...

Here we are: Resistance is a de-facto part of the game! Forget what made you successful as a manager in the old world: rationality, planning, processes, ... and for a while, focus on what will make you a complete leader in the NewWorld™: handling emotions (yours and theirs), adapt behaviours, identify stakeholders, engage & influence people, ...

5. A project is not anymore just a project Bill!

Have you ever seen these huge project planning documents produced by giant printers and full of little boxes and arrows linking them together, like a sort of modern art master piece? And did you ever hear these strange people called 'project managers' exchanging views on the compared benefits of "Prince2", "Rational", or "MS Project"? That's very interesting because when you ask them, under certain circumstances, to tell you honestly "How long does it take before these planning documents become obsolete", the most common answer I've got is "They become obsolete before the ink is dry".

Now let's think about it from another angle: does creating a plan really help when the objectives of your project are changing ... or even unknown?

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I was one day given a project, as a transition marketing director, which sounded like "Let's put our company on the internet" (It was a mid-size international trading company absolutely anchored in the "OldWorld"). My first reaction, after a period of excitement was to try to understand a bit more about it. Was it about "eCommerce". "eSourcing" "121 marketing", "CRM", "VoIP"? silence! The feedback I got, which was the closest to an answer was "We don't know even what Internet is, but we have to do something our main competitors do that!". Objective: Unknown!

I then tried another question: "Does someone in the company know how to do this? Did somebody do it already in a previous job? and guess what? Means: Unknown!"

Do you think that my experience as a project leader (a project planner actually) helped me a lot in this context?

In reality, in our New World™, it is often admitted that only 20% of all projects have clear objectives (the What) and means (the How). Most projects today are featuring a lack of "What", or "How", or even lacking both "What and How". **In other words, there are different typologies of projects. Unfortunately, very few experts have been studying ways of dealing with such projects types in which planning just plays a secondary role, after many other tasks have been completed.**

By the way, where do you think that innovation projects stand? Where do you think that the most beneficial projects stand? Clear "What" and "How"? Certainly not! So, why would you tackle innovation projects the same way you've been doing it with all other projects for the last 20 years?

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Like it or not, this is the world in which we live now! And what we have been learning for years (our pretended 'expertise') is of less and less help when it comes to thriving in a changing environment. Still in doubt? Read this one: according to Harvard Business School and the Financial Times: '**there is no discernible statistical relationship between R&D spending level and nearly all measures of business success ...**'.

The good news is that you're not alone and that solutions exist, but not in the domains traditionally referred to as 'management'. Think about what sociology, psychology, design, music, ethnology can bring to you. Isn't it the right time to start learning what other managers do not know yet?



About the author

MBA in financial management

Previously Marketing Manager of Sony France (more than 300 m€) ; Entrepreneur in the field of consumer electronics
Country manager of a Nasdaq listed B-to-C company

Marketing organization and virtual mediation consultant.

Booming launching of the first micro camcorder the famous Sony TR-55 with one of the most successfull marketing campaign ever in France: "J'en ai rêvé, Sony l'a fait"

Launch in Europe of the first alcaline rechargeable batteries, new invention of the famous Professor KORDESCH of Vienna University, the highly respected electrochemist who invented the alcaline primary batteries in the 50'.

Denis Rieu has throughout its career fought against many forms of resistance to change and innovated permanently. He has always worked to support innovation and communication in multinational and multicultural environments.

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