

Lighting the way
Illuminating new theories on marketing innovation
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IDEAS & LIES

Ty Francis, examines some of the received wisdom on innovation in business and believes it's time to face the truth with his 10 myths about innovation...

Innovation is the new brand religion. It moves markets, makes fortunes, changes the world... but hold on! Everyone's talking about innovation, but before we all end up with a mouthful of truth decay, shouldn't we stop for a moment and critically examine some of its fundamental commandments?

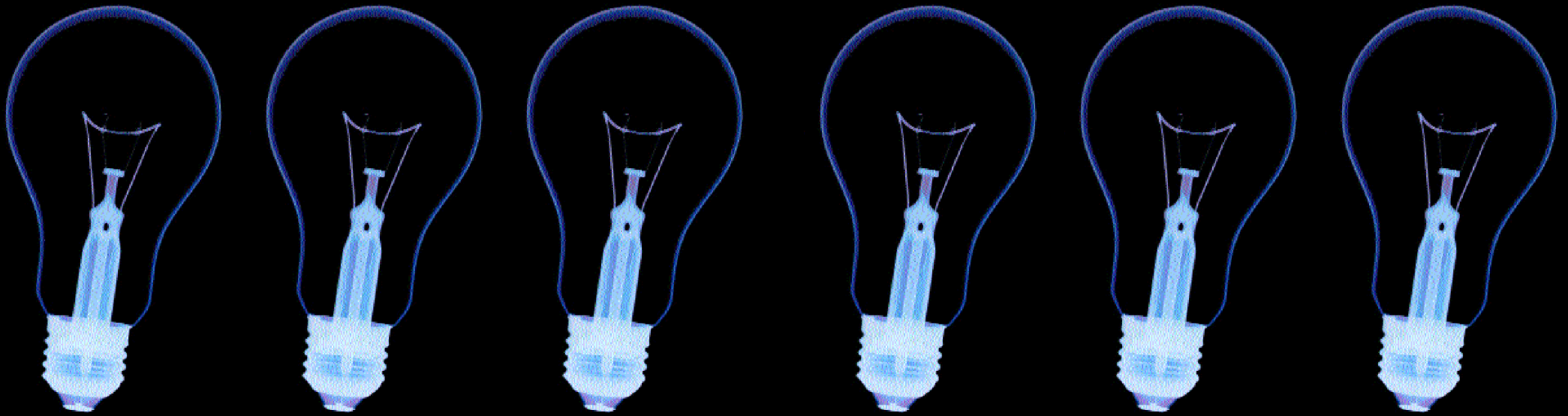
Myth 1 **Market research is the key to innovation**

When what you know already is what's holding you back, the last thing you need is more data! It's like trying to drive forward by looking in the rear-view mirror! Naturally, market research has an important place later in the innovation lifecycle - when a company is closer to launching a new product, for example. However, in the early, creative stages of the innovation curve, forecasting, benchmarking, lifestyle analysis and the rest only result in analysis

paralysis. If you don't first get creative insight, then strategic foresight won't make much difference to "Business As Usual." You simply can't extrapolate creativity from the drift of trends. Dream on!

Myth 2 **Innovation is a high-risk activity. Proceed with caution!**

What's that old saying, that you can't leap a chasm in two bounds? Too many companies try to nudge innovation forwards rather than take creative leaps into the unknown. In today's fast-changing,



competitive business environment, surely we've come to the end of steady-as-she-goes incrementalism? The need now is for step-change trailblazing, for beyond-the-box radical reinvention that changes the entire company, customer offer, purchasing experience and brand relationship. If innovation is to deliver more value more often to more people, companies need to prepare to take giant leaps. Fairy steps won't do. And yes, of course the process still has to be managed, but innovation needs to be nurtured in an environment that is "safe-fail" rather than fail-safe.

Myth 3
Innovation is best left to the marketing department

It might be heresy, but come on - you have got to be kidding! By and large, marketing people tend to focus on the existing

customer model and the prevailing product concept – the worst possible starting points for profound innovation. Why else do we get the steady stream of line extensions, repackaging and other cosmetic tweaks that frequently only cannibalise sales of original products? Inspiring profound innovation that wins new hearts and minds by changing entire industries requires an enterprise-wide approach. Marketers and other business people need to be freed – even temporarily - from their functional silos, and put together with customers and creative people in exciting combinations that challenge their prevailing mindsets. After all, if you do what you've always done you'll get the results you've always had. And that won't be enough to get you to the future first.

Myth 4
Innovation is about thinking deep thoughts

Sorry, but no... as far as innovation is concerned, intellectualising just doesn't get you far enough. If you're aiming for innovation that develops the whole organisation, your innovation team will need a "whole person" development approach – emotionally, physically, socially... Of course you shouldn't disengage your brain – in today's knowledge economy, organisations have rightly invested in their intellectual capital, and you will need to push the old cerebellum to its limits from time to time in the innovation process. But but but – the fundamental question for businesses that are serious about innovation is not about intellectual capital, it's about creative capital. At one level this is about developing core innovation competencies – a

capacity for divergent thinking, playfulness, tolerance of ambiguity, dynamic openness to new experiences and others. At a deeper level, cultivating creative capital has to do with stimulating a culture change based on inspiration as much as perspiration. Easier said than done...

Myth 5
New product development is the heart of Innovation

Not so. For one thing, innovation can be as much about substituting a cheaper material, or discovering a better distribution channel, or developing unique product or service support as it is about NPD. And for another thing, products and services are on the bottom rungs of the innovation ladder. They might ultimately create wealth, but they are only outputs of a more radical innovation practice. Most estab-

lished companies don't actually know how to innovate at the level of product or service. Fewer know how to innovate at the level of business strategy. Fewer still know how to innovate at the level of the business concept, which is where the real competition and the big prizes are. This level of innovation is the hardest to achieve, but it's where you'll get exponential (rather than incremental) growth – the sort that gets you moving the decimal point in your financial projections from £4 million to £40 million, for instance...

Myth 6

Innovation is all about the future

If you believe this, you're already dead in the water! Ask yourself when the future begins in YourCo. The answer is - Now. Here. Miss this point and you've missed the boat. You can't afford to play catch-up with the competition which is what will happen if you don't realise that we are living in a random and chaotic, decidedly non-linear world that won't wait for you. Organisations that want to achieve sustainable innovation need to build capacity to live the future now, not talk about it or plan endlessly for it. This requires a clear and compelling vision, some creative leadership and a strategic rethink. For example, too many strategies are based on a problem-solving mindset rather than a "create the future" mindset. Innovation doesn't solve yesterday's problems and it doesn't happen tomorrow.

Myth 7

Innovation comes from desperation

Wrong again. It's no longer enough for companies to innovate when their backs

are against the wall. For one thing, it's probably too late anyway. For another, changing strategies under duress might well result in short-term product and service improvements, but real breakthrough usually demands a fundamental rethink of your entire business approach. The sort of restructuring that is a knee-jerk response to desperate times often doesn't fan the flames of innovation, as much as put the fire out altogether.

Myth 8

There are tools & techniques to get innovation breakthroughs

This is a bit like drilling for oil with a toothpick. So you've gone on a lateral thinking course, or tried mind-mapping, or whatever. It might have changed some of your personal approaches to your creativity, but tricks of the trade often don't enable you to go deep enough into your uniqueness to get commercially-viable innovation breakthroughs. It's too easy to put money into task forces and kit them out with the latest faddish techniques. What's the usual result? Same company, different kitbag... It's a bit like climbing the signpost instead of following the road.

Myth 9

Innovation is a business process

Actually, developing your company's Innovation Quotient is a practice rather than a process. It shouldn't be bolted on as an optional extra, but must become a way of being, a core brand value, permeating everything you do, revitalising the parts of your organisation other practices don't reach... Businesses invariably manage their processes (like recruitment, quality

management, strategy, media planning and so on) in a prescriptive, mechanistic way, because of the important efficiencies gained. But innovation requires a counter-intuitive approach - trying to get it right first time misses the point that "mistakes" form an essential innovation ingredient, and have to be encouraged, built on, played with, rather than processed out of existence. Through away that rule-book! In a very real sense, innovation is better approached as an art form rather than a science.

Myth 10

Innovation extends the life of your brands

Forget brand protectionism! Forget that sexy product portfolio! Move on, and quickly! Don't try to get more life out of your products, try to get more innovation out of your company! In an economy where original products and processes can be copied instantly by any number of competitors, commercial advantage can be short-lived – unless your company is in the business of constantly reinventing itself, its products, its services. How does your brand inspire constant innovation? It's a paradox, but strong brands can actually stifle innovation. The challenge for fast companies today is to link innovation to a compelling, inspiring vision of where they're going. Building innovation in to the corporate DNA like this is the only way to achieve significant and sustainable competitive advantage.

10 Questions to inspire innovation

1. How can your market research activities help you innovate more profoundly?
2. How can you achieve incremental and exponential innovation?
3. How can you maximise the innovation potential in the space between Marketing & other Departments?
4. How can you convert some of your intellectual capital into creative capital?
5. Is your NPD process helping you to transform your organisation or your markets?
6. When does the future start?
7. What are you curious about?
8. How can you make innovation a deep practice, not a process?
9. What would the art-form of innovation look like in your company?
10. How does your brand help you to innovate?