

HSM
Inspiring ideas

WORLD INNOVATION FORUM

June 7-8, 2011 | Best Buy Theater | New York City

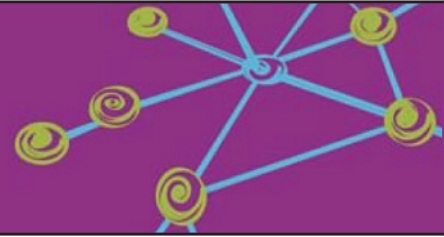


2011 World Innovation Forum
www.wifny.com



World Innovation Forum 2011

Introduction



To develop a process of innovation in an organization requires more than a few new ideas; it requires having a culture in place that is capable of nurturing those ideas and a clear articulation of the new vision that will permeate the normal communications of the organization.

Nearly 1,000 executives from organizations that span global industries and nonprofits convened in New York on June 7 and 8, 2010 grappled with how to get out of their personal and organizational comfort zones in order to disrupt their own tried and true business models. This highly interactive forum, regarded as one of the world's most significant innovation events of the year, highlighted presentations by innovation thought leaders and practitioners and provided meaningful insight on the alchemy, strategy, culture, leadership and risk-taking elements required to seize emerging opportunities profitably.

There are only two choices, the speakers agreed, to disrupt yourself or to be disrupted by your competitors. Technology already has redefined how businesses interact nearly hand-to-hand with customers and how those businesses cannot survive as static entities.

Instead, they must morph into highly flexible and highly responsive individuals who are capable of connecting to other individuals in an ecosystem of technology, products and customer needs where the message cannot be controlled and the outcomes must be encouraged, not demanded.

To innovate products and services, consider these key imperatives:

- You must deliberately build the culture that welcomes challenge to the status quo and innovation.
- To effect change, you must maneuver your ideas and acknowledge who will be most affected by change and who will be your ally.
- Use design and creative thinking as a way to approach problem solving, shifting the focus from quantitative data-driven analysis to evocative qualitative assessment.
- Create space in the organization for innovation either by removing routine tasks, creating separate work teams or blocks of time.
- As you succeed, it is also inevitable you will be disrupted. The question is will it be by your own team or by outside competition.
- Innovation and change require trust and confidence.

Innovation is often derived from a series of small lessons learned in the marketplace. Innovation can come from a series of small value additions that on their own may not have meant much but when viewed over a period of decades can be seen as transformative. For each delegate, the lesson was clear, first your job is to build a team who listens to the nuances as well as measuring the quantitative results, and then to formulate an innovation strategy and get it out the door, leaving behind something of real, differentiable value.

And then innovate it! ■

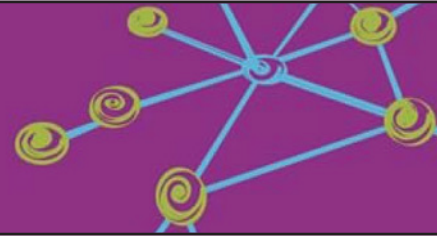
This Executive Summary was prepared by business analysts from [ExecuNet](http://www.execunet.com): a private membership organization for executives who drive career-long innovation from meaningful connections (www.execunet.com). Contributing were Lauryn Franzoni, executive director; Robyn Greenspan, editor-in-chief; Joseph Daniel McCool, senior contributing editor; and Will Flammé, online editor with contributions from Mark Anderson, Danielle Hawthorne, David Topus, Anthony Vlahos and Robert Weber.

Since 1988, [ExecuNet](http://www.execunet.com) has helped connect nearly one-half million chief and senior-level executives to the people, opportunities and expertise they need to be successful in their leadership roles and in their careers.

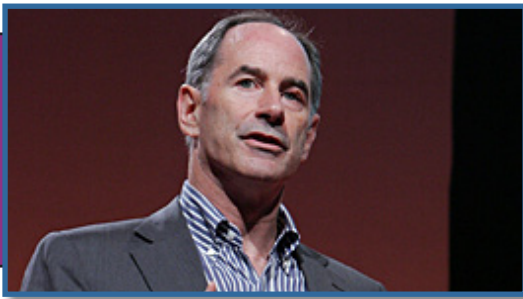


World Innovation Forum 2011

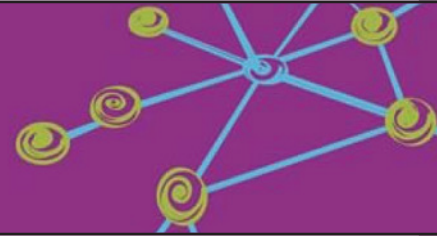
Table of Contents



Clayton M. Christensen Dominating Markets through Disruptive Innovation	4	Incentivizing Employee Motivation Private delegate discussion hosted by Spigit	17
Freedom to Innovate Private delegate discussion hosted by Avaya	5	M.S. Krishnan Innovation and Strategy: On Customers, Global Networks and Value	18
Brett Shockley Calling for a True Social Collaboration Experience	6	Make the Change Personal Private delegate discussion hosted by IDA Ireland	19
Tony Hsieh Innovating Purpose, Passion and Driving Profits	7	Larry Huston Opening Innovation, Creating Opportunity	20
Maximize Profits with Culture Private delegate discussion hosted by MIT Sloan Executive Education	8	Winning Clean Tech Innovation	22
Johan de Nysschen Crisis Happens	9	Jeanne Meister Innovation and the Workplace	24
Roger Martin Design for Innovative Thinking	10	Engaging the Social Customer Private delegate discussion hosted by the Rotman School of Management, University of Toronto	25
Innovation Isn't Proven in Advance Private delegate discussion hosted by <i>Bloomberg Businessweek</i>	11	Paddy Miller Innovation Architect	26
Paola Antonelli Scientists, Designers and their Role in Innovation	12	Innovation: Driving a Sustainable Energy Future Private delegate discussion hosted by Shell	28
Discoveries from the Front Edge of Management Innovation	13	The Other Inconvenient Truth: A Call to Innovate Gray Technologies	29
Greg Hall Innovating Against Unprecedented Risk	14	Sponsors	30
Daniel Pink Creativity and Motivation: What Fuels Talent Today	15	Bloggers Hub	31
An Active, Engaged Workforce Gets to the Core of Human Nature Private delegate discussion hosted by Globant	16		



Roger Martin Design for Innovative Thinking



Roger Martin, Dean of the Rotman School of Management at the University of Toronto, where he also teaches Strategic Management, surveyed the World Innovation Forum audience and uncovered by a show of hands that fewer than 20 percent were satisfied with the pace and level of innovation in their organization.

Why the dissatisfaction? It is not because companies don't spend the time and resources. The answer has to do with the way organizations think – specifically, the opposition between analytic thinking and intuitive thinking. Traditionally, companies have rewarded two types of logic: inductive (proving that something actually operates) and deductive (proving that something must be). They need more validity – creating the right and best outcomes through more exploration and less reliance on reliability.

Analytical thinking is 100 percent reliable and mostly comes from quantitative research. Companies use it because measuring objectively and quantitatively gets them reliability. The future has no legitimacy for analytical thinkers. What corporations analyze is the past. If the future is not exactly like the past, or there are things happening that are hard to measure scientifically, they get ignored.

“You will desire, but not have, innovation when you're an analytic-thinking organization that's busy crunching the past,” Martin said.

Reliability is the result of a process that produces a consistent and predictable result. To enhance the reliability of any process, you have to reduce the number of variables considered and use quantitative, bias-free measurement – IQ testing, for example. If you take the Stanford-Binet IQ test several times, you will score a nearly identical result each time. The test achieves reliability because it defines intelligence narrowly as the ability to solve little analytic puzzles. It evaluates intelligence with no room for bias in measurement or judgment. “Seventy percent of what you accomplish in life has no correlation with your IQ.”

The problem is corporations are pushing analytical thinking so far that it's become unproductive. When confronted with a mystery, most linear business types resort to what they know best: They crunch the numbers, analyze and



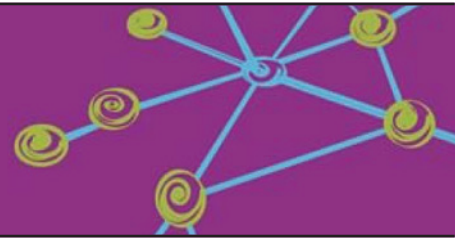
ultimately redefine the problem “so it isn't a mystery anymore; it's something they've done 1,000 times before.” But he pondered, “Do you actually value getting the same answer 1,000 times?” Analytical thinkers focus almost exclusively on generating reliability – the ability to produce a consistent, replicable outcome – while intuitive thinkers focus on validity – the production of a desired outcome, whether or not it is consistent or replicable.

Analytical thinkers tend to see designers as potentially useful, but they don't understand how they think. Intuitive thinkers tend to see businesspeople as closed to new and potentially powerful ways of looking at things. As a consequence, they are more inclined to fight with or detach from one another – not utilize one another's unique capabilities.

The way to bridge the gap between analytical and intuitive thinking is with design thinking. *Design thinking is where analytical and intuitive thinking can work together to reach high levels of innovation.* It balances analytical thinking and intuitive thinking, enabling an organization to both exploit existing knowledge and create new knowledge.

For intuitive thinkers to better survive in a corporation:

- Take “design unfriendliness” as a design challenge.
- Empathize with the designer-unfriendly elements.
- Speak the language of reliability (not validity).
- Use analogies and stories “to help them see how what you're saying makes sense.”
- Bite off as small a piece as possible to generate proof.



Innovation Isn't Proven in Advance

Private delegate discussion hosted by *Bloomberg Businessweek*

When the Dean of the Rotman School of Management at the University of Toronto explores the topic of innovation, ears perk up. That's because Roger Martin, who is also the author of several books, including *The Opposable Mind*, *The Design of Business*, and *FIXING THE GAME: Bubbles, Crashes, and What Capitalism Can Learn from the NFL*, demonstrates a valuable grasp of the elements of creativity as well as a unique capacity to stretch people's thinking about personal and organizational change.

During a special luncheon sponsored by *Bloomberg Businessweek*, Martin shared his perspectives on questions raised during a highly interactive conversation and ranging across a variety of inventive concepts:

ON THE KEY TO INNOVATION IN PERSONAL LIFE

"The enemy of innovation is the phrase 'prove it.'" If you say "prove it," it won't happen.

New ideas are not proven in advance. "No idea in the world has been proved in advance with inductive or deductive reasoning." So how do they come about? Through abductive logic – a logical leap of the mind. "It's the logic of what might be." In personal life, you have to go beyond the logic we're taught in formal education. You'll naturally be more intuitive over time if you ban the words "prove it" from your vocabulary.

ON QUANTITATIVE VS. QUALITATIVE RESEARCH (OR RELIABILITY VS. VALIDITY)

To increase the validity of any process, one must consider a wide array of relevant variables. Daniel Goleman's EQ, for

instance, builds on more qualitative considerations and judgment to produce what he argues has higher validity. The downside: it's less reliable. Of course, we would like a process that has both high validity and reliability. Reliability and validity seem to conflict.

ON MASTERY VS. ORIGINALITY

There are these two opposing forces: *Mastery*, which is doing the same thing over and over (say, 10,000 times over), and *Originality*, which is doing something new and different than before. "If you spent 10,000 hours doing different things, you could become masterful at innovation."

ON HOW TO STAY COMPETITIVE AND THE MBA

Value lies in breadth – an education that includes the liberal arts. "My critique of business education is that it trains technocrats rather than managers. MBAs become trapped by their models." Education is not about learning a model and applying that model. It's about understanding the model, how it's constructed so you're operating on a deep level and figuring out how to reconcile conflicting models.

"We're telling students that the big bucks are made by getting better and better at doing essentially the same thing." But the real challenge lies in getting better and better at a *different* thing: devising clever solutions to difficult problems.

For those who are worried that we're trying to compete by being like other countries, not different from them, the way to compete is with new models of thinking and organization. ■

How analytical thinkers can bring design into an organization:

- Take inattention to reliability as a management challenge.
- Empathize with the reliability-unfriendly elements.
- Share data and reasoning, not conclusions.
- Bite off as large a piece as possible to give innovation a chance.

"You will eliminate innovation if you require proof of an idea in advance of trying it." It will be proven over time. You need to give it a chance. ■