
INTRODUCTION

Most organizations, business and otherwise, have come to see that innovation is a necessity for creating a bright, healthy and competitive future. In this collection, you'll find important insights on innovation drawn from the pages of the award-winning publication *Leader to Leader*, written by some of the country's top thought leaders, including Clayton M. Christensen, Margaret J. Wheatley and Gary Hamel. They admirably make this often confusing, slippery subject come alive in new and surprising ways.

You have special, unique responsibilities and considerations as a leader, and the stakes are high for getting innovation right. With that in mind, each of the ten articles focuses on different aspects and approaches of innovation. But all contain practical knowledge and advice that can mean the difference in your own innovation efforts. Reading and applying what you read in these pages will increase your understanding, and demystify the many meanings of innovation. We respect the fact that innovation is not done for its own sake, but to accomplish great things for your customers, colleagues, communities and stakeholders.

Each article is concise and packed with information backed by research and real-world examples and success stories. As a whole, the collection provides novel outlooks on how innovation is accomplished, such as Rob Austin and Lee Devin's look at how companies can learn innovation from the arts, especially the world of the theater. Creativity is one obvious aspect of their model, but creativity figures strongly as well in the contributions of Margaret J. Wheatley, Frans Johansson, and Robert K. Price. Both Wheatley and Johansson also stress the importance of diversity and diverse viewpoints as a touchstone for in-

novation. And in particular you'll find a variety of ways that the concept of processes is so important within innovation, as presented by Jane Stevenson/ Bilal Kaafarani, Mark W. Johnson, Austin/Devin, Wheatley, Hamel, Christensen, and Tom Koulopoulos.

How should we think about and act in regard to innovation? Jane Stevenson and Bilal Kaafarani present a tough evaluation of what innovation really is, contending that we must re-imagine the concept. Specifically, true innovation should be unique, deliver real value to customers and be commercially viable. Something that does not meet the test of the market will not stand up to scrutiny. They also provide a welcome framework and model of innovation, divided into the four categories of transformational, category, marketplace, and operational.

Just as people cannot agree on a firm definition of innovation, the same holds for the term 'business model.' Mark W. Johnson (who cofounded the firm Innosight with Clayton M. Christensen) writes about business model innovation, describing what he terms the 'Four Box model,' which focuses on a company's customer value proposition (CVP), profit formula, key processes, and key resources. He states that "business model innovation needs to become a systematic, manageable process rather than one reliant (as it so often has been in the past) on luck, serendipity, and inspiration."

Curtis J. Bonk points out that there is no shortage of terminology to describe how the new world of work operates, with such shorthand terms as 'the world is...flat, spiky or curved.' In writing about learning and training, Bonk believes that the world is not any of the aforementioned terms, but actually *open*. That's because web technology gives us access to open course software, increased mobility and networking, as well as easier collaboration and creation of learning communities. He describes some of the best software available, and applauds companies like Pixar, IBM and Sun Microsystems who are innovating in this important new space.

To be truly innovative, companies must provide the right conditions for its people to thrive, according to Tom Koulopoulos. It means the creation of an innovation zone, which he describes as a "protected space

within an organization where ideas can be brought for evaluation and commercialization." Many top-tier companies have used variations of this concept, including Apple, 3M, Microsoft, Hewlett-Packard, IBM and Cisco. A detailed case study is provided of Boston-area Partners HealthCare, and its Research and Ventures Licensing group (RVL).

Frans Johansson says we must look for innovation opportunities at what he calls "the intersection." He describes this theoretical space as "where ideas from different fields, disciplines, and cultures meet and collide, ultimately igniting an explosion of extraordinary discoveries." He cites examples of companies who have profitably used this concept, such as Corning and Bain & Company, as well the nonprofit organization PlayPumps.

Clayton M. Christensen, famous for his concept of disruptive innovation, stresses that entire organizations, not just individuals, should possess the capabilities required to innovate. He presents a framework within three categories: resources, processes and values (RPV). If these are not present, innovation efforts are likely to be stymied. "The reasons why innovation often seems to be so difficult for established firms," he writes, "is that they employ highly capable people and then set them to work within processes and values that weren't designed to facilitate success with the task at hand."

Seemingly intractable problems can be solved much more easily by shifting from the old worldview of a mechanistic universe to a biologic one of living systems, in the view of Margaret J. Wheatley. She believes that organizational change is tied to creativity and diversity. "Where there is true diversity in an organization, innovative solutions are being created all the time, just because different people do things differently." If we are less quick to categorize people, and to search for their innate goodness, we are more likely to develop organizations full of innovators.

Robert M. Price's perspective on leadership was formed during a forty year career in the computer industry, culminating as chairman and CEO of Control Data Corporation. He points out that organizations can remain innovative if they display four particular at-

tributes: acute awareness, excellent skills, inspired motivation and supportive infrastructure. “Leaders understand,” he writes, “that the innovative organization is one inspired by a caring curiosity to solve tough problems and the dedication to make economic reality of the solutions to those problems.”

Businesses can learn a lot about innovation from the arts, according to Rob Austin and Lee Devin. This is especially true for the unforgiving world of the theater, with its live audiences and nightly deadlines. “Good theater companies,” they write, “routinely create value under pressure, plays that execute precisely again and again, incorporating innovations but finishing within 30 seconds of the same time every night after roughly two and a half hours—despite using none of the techniques a business would need to achieve such rigor.” In particular, they explain four characteristics of “artful” work: It’s an emergent yet reliable process; the process is iterative, rather than sequential; there is openness to uncertainty, and failure is regarded as a step on the way to innovation.

Gary Hamel and Peter Skarzynski contend that true innovation is not merely incremental improvement of current products and services, but new business models that create new wealth. Innovating companies succeed “...not because they responded to market need but because they created a need consumers had yet to sense themselves.” All companies, but especially established ones, must heed new realities of the inevitability of its products or services becoming commoditized, the false promise of trend forecasting and the fact that simply waiting for inspirational ideas is a recipe for trouble.

We hope that you will use this collection as a series of action plans for innovation. It is also likely to stimulate further reading, especially the important books the authors of these articles have written. Perhaps in the future you will look back on one of your own important innovations and say that you first got the idea while reading the *Leader to Leader* e-collection on innovation!

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