

# Innovation and Creativity in Your Organization

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# Chazin the Dream® Handbook



## Innovation & Creativity



**"The success of corporate R&D is on every C-suite agenda.**

Yet wide disparities persist in how well innovation investments actually pay off. As a consequence, R&D is often seen as a black box, where large sums of money go in and innovative products and services only sometimes come out."

## Global Innovation 1000



Innovation is the lifeblood to any organization's continued success. It helps overcome the many challenges we face. Here's why:

Organizations face challenges EVERYWHERE, from global competition to rapid changes in technology, changing demographics, an aging population, etc. Too big to fail is no longer a realistic survival reality. Huge organizations are becoming extinct at a faster rate of attrition than ever before. Here's the proof. In 1958, the average life span of an S&P 500 company was 58 years. Today **it's less than 18 years.**

We need to infuse our organizations with a creative spirit to achieve innovation.

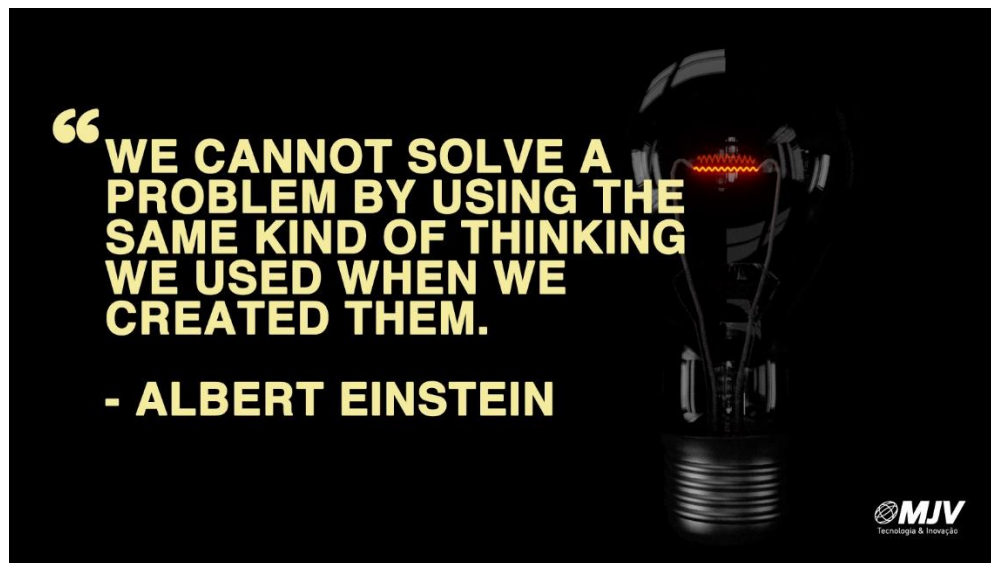
**So...What is "Creativity" anyway? Why bother pursuing it for your organization?**

Creativity means looking at the same information as everyone else, and seeing something different.

**Okay, but what is 'Innovation' and why is THAT a mission-critical imperative for your future success?**

Innovation entails turning creative ideas into action. It's all about what's NEW, BETTER, NEXT.

**Got it. So, why is innovation so critical to your organization's very survival?**



Challenges are everywhere, from global competition, rapid change in pace of technology, changing demographics/population composition, aging population, etc. The PERVASIVENESS of software means technology around us demands constantly assessing how we can be more innovative.

China's rise as THE global innovation powerhouse is forcing other nations to adapt and respond QUICKLY. Too big to fail is no longer a valid protection. As a gauge for the rapid change of transformation driving our need for innovation, in 1958, the average life span of an S&P 500 company was 58 years. Today, it is less than 18 years.

**Following are actionable steps that you can take NOW, to foster a culture of innovation in your organization:**

Have a mission that truly matters, that inspires others by making emotional connections with them.

You need to plan...and PLAN TO FAIL. Innovative organizations don't just happen. You need to plan for it. It is crucial that you understand that innovation entails trial and error. Therefore, you need to not only to be willing to FAIL, but to see failure as exploration and success, NOT as failure. This is often difficult to accomplish when your organization invests significant time, effort, and resources you would normally invest in current operations, products, and services.



Thus the critical imperative of seeing continual innovation as an ongoing pursuit and not a destination to reach.

Create an IDEAS program for your organization and include everyone. Set aside a cross-functional team to meet on a recurring regular basis to review all ideas that you actively solicit from all of your people, and decide which ideas will be funded/pursued based on their ability to help you achieve your short and long-term business objectives.

You **MUST** have passion!

The positive is that **MANY** organizations have already embraced innovation, and have set the lead for other organizations to serve as proof of what it takes to be **GREAT** at it.



1. Google's culture of Creativity entitled "**8 Pillars of Innovation**" actively promotes/embraces **BLUE SKY** thinking. Google allows employees to dedicate **20%** of their time on innovation, by giving them **INNOVATION TIME OFF**.

Would your organization consider doing that? If YES...great, you have a culture of innovation. If NOT...you need to be the Agent of Change to convince senior

management to consider implementing this and other best practices to build an Innovation culture.

2. Adobe offers a KICKBOX campaign in which it gives its employees a box filled with creativity tools including a \$1,000 prepaid credit card to spend on any new innovative pursuits.

3. An Amazon key principle is "Invent and Simplify." They embrace this principle and actively promote it throughout the company.

4. Intuit has a CEO Leadership award that is gives out to executives who help to create start-ups inside the company.

**How can you and your employees become truly innovative in everything you do?**

It helps to know that there are no silver bullets or magic lists to follow. Only environments where innovation is MORE likely to occur. So by developing a culture that fosters creativity and innovation, you will be more likely to BE innovative. Sound simple...? It will help you to always talk to and observe your customers, with a singular focus on solving their problems:

Dan Buchner who was the head of Proctor & Gamble's product development team had his team spend time in customer homes watching them, which led to the development of the Swiffer product line.

Record all of your ideas and thoughts about problems. You need to be diligent in tracking all of your inspirations and committing them to writing.

**Don't think "REPRODUCTIVELY".**

Most people settle on the most promising approach based on our past experiences and we tend to exclude other options as we work within a clearly defined direction towards the solution. **BREAK THIS PATTERN OF BEHAVIOR!** (From an interview with Michael Michalko.) You and your Team can cultivate your collective creativity by implementing the following 2 approaches:



(a) Constantly try to improve your idea, product, service. This is important because your early ideas are usually not true (your best) ideas as they are only partially formed "baked"; and

(b) Challenge your assumptions - To test an assumption, reverse it and try to make the reverse work.

1. Sketch your ideas: 99U talk from Twitter creator Jack Dorsey.
2. Use "lateral thinking skills" as Paul Sloane, visionary creativity problem-solver notes this entails looking at things in an entirely NEW way.
3. Employ "wrong thinking."
4. Mix different ideas together to see what new and interesting combinations arise as outcomes.
5. Follow *Einstein's EIGHT-step SCAMPER* process to improve a system, process, product, or idea:

You can and should re-frame the challenge you face, by looking at it in another way. Here's how:

1. Ask powerful questions.
2. Challenge your assumptions.
3. Foster multiple perspectives.

### **Change the parameters you are faced with:**

Think of a parameter in your market as being different than it currently is today. Next, imagine the products/services that would best serve that different reality. This gets you thinking down a different path. Some examples how to change your parameters to change your reality:

(a) Ex. A vehicle currently requires a driver to navigate it. Imagine removing that requirement altogether, and you are left with a vehicle that DRIVES ITSELF. (Hello, Google!)

(b) Ex. How might you design a store IF...you were able to identify exactly who each visitor/patron was and all of their past purchase behavior as soon as they entered?

- Solve a PARADOX: Ex. Apple set out to get a bigger screen for its iPhone by reducing the size of the device.
- Find CONNECTIONS: Orville and Wilbur Wright watched birds in flight, in order to better understand and ultimately solve manned flight.
- Elevate "ASKING QUESTIONS" to an art form.

**"Just as energy is the basis of life itself, and ideas the source of innovation, so is innovation the vital spark of all human change, improvement and progress."**

**Ted Levitt**

Experiment: Gain invaluable experience by watching, and/or making something yourself. This entails "tinkering." Follow your natural curiosity as far as you possibly can.

- Instead of taking a PROBLEM -SOLUTION approach, use a SOLUTION-PROBLEM approach. This means you find a solution first, then go in search of problems the new solution addresses.
- Use the following five step process:
  - (a) Define your problem clearly.
  - (b) Throw out any constraints.
  - (c) Ensure that those people working with you to solve a problem are passionate.
  - (d) Ideate in small teams. "Design thinking process." Jeff Bezos at Amazon feels it should only take 2 pizzas to feed a team. Keep the team SMALL to maximize the likelihood of a successful team working experience.

(e) Have competitions and give prizes for the best innovation.

1. Measure your learning and NOT outcomes. Ex. You want to keep track of the number of customers that you interviewed, NOT your results.

**Ask powerfully enlightening questions such as:**

(i) What did you/we learn?

(ii) What don't we still know?

(iii) What are the limits to the metrics that we are using?

**You get what you measure!**

Follow the **THREE HORIZONS Model** outlined in: "The Alchemy of Growth" by Mehrdad Baghai, Stephen Coley ([www.movestheneedle.com/whatis-innovation](http://www.movestheneedle.com/whatis-innovation)):

**Horizon 1:** Sustaining innovation entails investing in established products and services to maximize sales and revenue streams from your existing business. Examples include adding new products to your menu, rolling out new product features, additional service offerings, store expansions, etc.

**Horizon 2:** Adjacent innovation: Ex. Mercedes develops electric fuel vehicles. The market is experiencing rapid growth, and Mercedes does NOT want to get "left behind." and;

**Horizon 3:** Disruptive innovation: Mercedes Benz invests in **Car2Go**, allowing customers to "rent" a Mercedes Benz where ever they are to travel very short distances, ideal for major metropolitan areas for target segments with extremely high disposable income.

**4. Resources for you to evaluate/consider and perhaps use in your own Innovation & Creativity pursuits:**

1. [www.innovationinpractice.com](http://www.innovationinpractice.com)

2. Clay Christensen, "The innovator's dilemma." DISRUPTIVE innovation versus sustaining innovation.

3. Stephen Johnson, "Where good ideas come from."

4. Scott Anthony, "The little black book of innovation."
5. Michael Michalko, "Thinker toys: A handbook of business creativity."
6. Linda Hill, "Collective genius: the art and practice of leading innovation."
7. The PWC Global Innovation 1000 Research Study

*Contact **The Chazin Group** today to learn how we can help you to unleash your people's untapped creativity and innovation potential!*

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