

Upstart Thinking

The urgent need for innovation



As a Canadian, I have always been an admirer of America's entrepreneurial spirit and can-do attitude. Americans have a long history of inventiveness, improvisation and adaptation in the face of adversity. During Colonial times, New Englanders confronted with hardscrabble soil and a short growing season had to invent ways, other than agriculture, for economic success - which gave rise to the expression "Yankee Ingenuity." Today, there is an urgent need once again for the kind of radical, category-breaking innovation that has characterized American enterprise. However, the rise of the Internet, the state of the global economy, the growing creative capability of other nations, plus the sheer rate of both technological and societal change have altered the rules. So incremental change is not enough. Peter Drucker anticipated this years ago when he wrote, "every organization has to prepare for the abandonment of everything it does."

up-start (noun) - somebody who challenges the status quo or the norms.
up-start-ing (noun) - an energizing process that inspires innovation.

EXAMPLES OF UPSTART THINKING

CASE 1 The Architectural Model-Maker

Having lost its real estate developer clients, a once-busy architectural model-making firm in Vancouver has re-invented itself as a maker of precision scale models used for various purposes by the film and multimedia production industries. It has also founded an accredited "College of Model-Making" to teach new generations of artisans the intricacies and nuances of the profession.

CASE 2 The Resort Developer

This company is now focused not on developing resort real estate but rather on developing a number of renewable energy technologies including solar, wind, run-of-river and geothermal that have applications for the resort industry. When the demand for its vacation homes returns, the company will be positioned as a leader in truly sustainable resort development. The firm believes that the first wave of post-recession vacation homebuyers will seek out the greenest places under the sun. The company also expects other developers will also be interested in acquiring its environmental innovations for their own resort communities.

CASE 3 The State of New Hampshire

New Hampshire relies heavily on its Creative Economy. Embracing the fine arts, performing arts and applied arts, New Hampshire is using creativity to attract both year-round visitors (tourists) and permanent residents to the state. Known for its overall quality of life and its inspiring scenery, the Granite State intends to reference both to continue attracting writers, designers, film-makers, software producers and small-to-medium size creative firms from Boston, Hartford and New York as part of their "art that works" initiative.

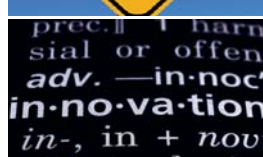
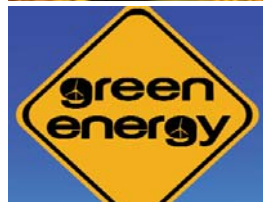
I refer to organizations that embrace ongoing innovation as "upstarts", a play on the new-business term "startups." Up is both a direction and a positive state of mind. Start infers both a fresh beginning and a delineation in time. Upstart is a description of the renegade mindset of small to medium-size enterprises that now dominate the Internet, biotechnology, working arts, alternative energy, wireless communication and experience sectors - Canada's own Cirque du Soleil being one example of the latter. Cirque du Soleil depicts itself as being a "high-wire act of smart risk-taking, innovating around the clock and staying uncomfortable." Upstarts with this state-of-mind are agile organizations capable of continuous innovation and often driven by a completely new business model, one that values the sheer joy of creative thinking almost as much as the bottom line.

The term upstart can also apply to established companies who are adept in finding opportunity in adversity; especially the longer the aftereffects of this recession wear on. They see opportunities being handed to them by competitors who have decided to sit the downturn out. For example, the upstarts are strengthening their teams with bright people who have been the victims of widespread corporate downsizing. The upstarts believe that by investing in innovation at this time, they will be in a stronger position to prosper in the New Economy, a reference to the globalization of business and the revolution in information technology.

The upstarts believe that simply doing the same things better is not the answer - in the future they will also need to do things differently. They recognize gradual change is not enough, not when their worthiest competitors are focusing on radical innovation that has a high payoff probability. They have committed to reaching out and serving their customers, their members or their citizens in fundamentally new ways. I say "citizens" because all levels of government must also commit to rethinking themselves. All upstarts want to be poised to leapfrog past their competitors as we emerge from this recession.

Because innovation is synonymous with change and because people instinctively fear change, until now many organizations have resisted it. They were able to do so because, for the past decade, the economy has been so strong and success has come so easily that prosperity has masked the need for innovation. Now, those days are gone. Organizations need to innovate just to stay even. And, if their intention is to become a category-leader, they must become something the marketplace has never seen before.

But, in order for there to be innovation, the organization must possess a culture of change - one that embraces ideas and, with no reservations, throws its support behind transformation. CEO's and Presidents must initiate innovation, first by igniting and then by inflaming the latent creative, risk-taking and entrepreneurial skills within their own leadership team. Innovation is the responsibility of everyone on the team, not just the VP of Marketing or the R&D department. And, seldom can true innovation be outsourced to an advertising agency, a branding firm or a management consultant, although these advisors should be key participants in the upstarting process. That's because an organization will only fully support innovation when it comes from the inside out rather than the outside in.



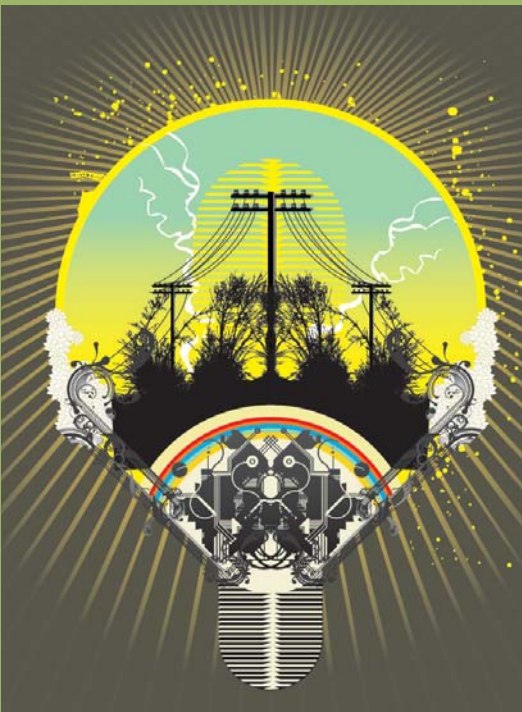
Being creative is only one aspect of innovation. I like to refer to innovation as "giving an idea useful life." Creativity = ideas. Ideas strategically applied = Innovation. Today, innovation is also about being resourceful; making the most of whatever an organization has at its disposal at this moment, including time, talent and money. There must also be a willingness to drive innovation through the organization and into the marketplace where it can become an actual competitive advantage. Flawed implementation is the main reason brilliant ideas often get orphaned.

Upstarting is a pledge to non-linear, non-obvious and ongoing innovation. Upstarting is a two-day process that typically gets repeated once every two or three years but, in this climate of uncertainty, mini-sessions may have to occur more frequently to finely align innovation with changing market conditions. The first day of the process is spent in idea generation (creativity) - finding many ideas, versus just one, then narrowing the collection of ideas down to those most appropriate to the need. Day two is dedicated to implementation - how to drive the worthiest innovations through the organization.



Generally speaking, the following are the requirements for a successful upstarting session:

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- a) The participation of everyone in the firm with responsibility for bringing innovation to life
 - b) A handful of outsiders whose demonstrated ability to innovate you admire. They should be creative thinkers rather than critical thinkers
 - c) An inspiring venue away from your normal place of business. The reasons for b) and c) are explained in the Breakout Thinking sidebar
 - d) A briefing document that includes a brief "current state" story of your organization and the desired "future state" story. The gap between the two stories will suggest what level of innovation is required to move from the present into the future
 - e) Also, as part of the briefing document, a clear set of objectives for the session
 - f) A talented writer, with strong listening skills, to capture the innovation (the idea plus the implementation strategy) in clear, purposeful language
 - g) A skilful facilitator to manage the egos in the room and to remind the participants that when it comes to innovation everyone in the room is an equal



NOTHING HELD BACK!

CREATIVITY

Risk & Reward

BREAKOUT THINKING

In staging an upstarting session, there are good reasons for placing participants in inspiring settings, for putting them in the company of highly creative people from outside their own professional discipline, for jarring them out of their complacency, and for creating a very different if not unusual experience for them. For example, a Civil War battleground became the site for one of our most successful sessions. A fascinating article by Gregory Berns, entitled "Neuroscience Sheds New Light on Creativity", which appeared in the September 17, 2007 issue of Fast Company, explains why it's necessary to remove people from their corporate comfort zones.

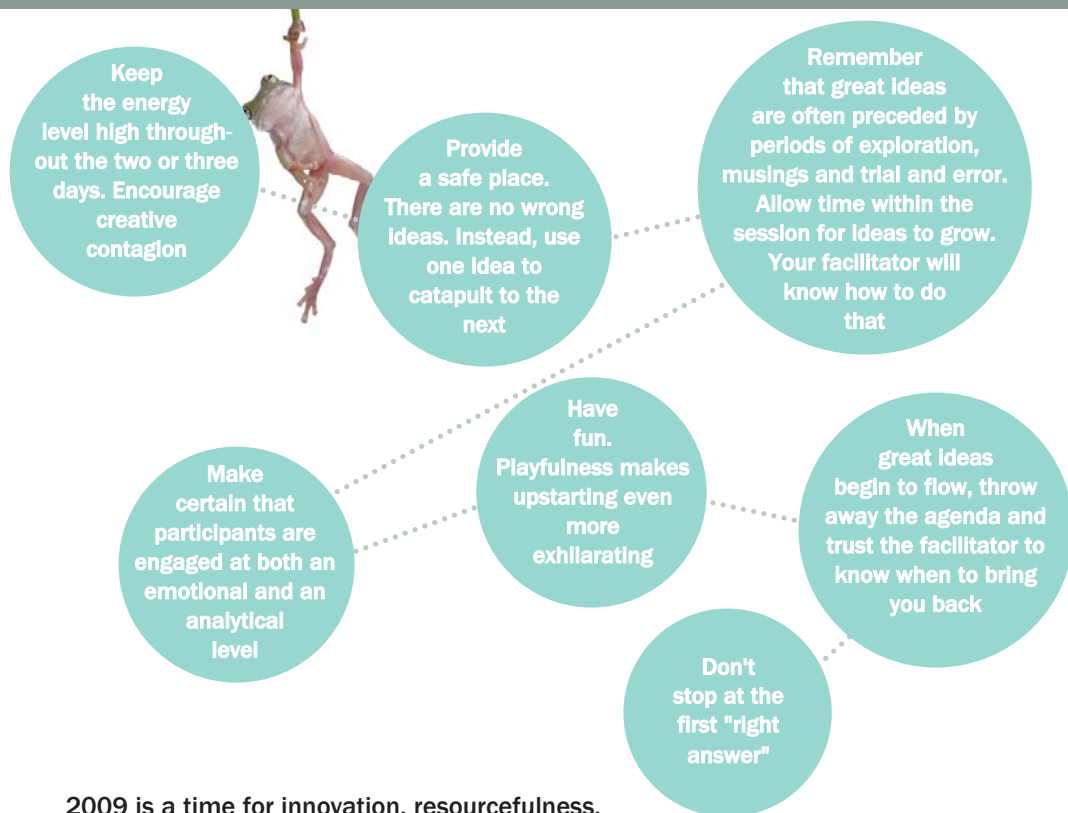
"In order to think creatively, you must develop new neural pathways and break out of the cycle of experience-dependent categorization. As Mark Twain said, 'Education consists mainly in what we have unlearned.' For most people, this does not come naturally. Often, the harder you try to think differently, the more rigid the categories become.

Most corporate off-sites, for example, are ineffective idea generators, because they're scheduled rather than organic; the brain has time to predict the future, which means the potential novelty will be diminished. Transplanting the same mix of people to a different location, even an exotic one, then dropping them into a conference room much like the one back home doesn't create an environment that leads to new insights. Instead, new insights come from new people and new environments – any circumstance in which the brain has a hard time predicting what will happen next."

It is the facilitator's role to guide and watch over the upstarting process. Dissent can go underground during the two-day process but later emerge in the form of cynicism or criticism that aggressively undermines the day-to-day application of the innovation. The facilitator must defuse that negativity during the session and, in so doing, change skepticism into wholehearted support. It is also the facilitator's role to encourage the participants to select, expand and then refine ideas. Another of the facilitator's tasks is to ensure that the session ends with there being absolute clarity and consensus among the team members, especially the change agents, opinion leaders and innovation champions within the organization.

Creativity is the ability to generate new ideas by combining or altering existing ideas, a process that behaviorists refer to as remixing. Some are astonishing, big "Holy Cow" ideas - others are straightforward but still significant ideas that somehow have escaped everyone in the organization until now. The best ideas are "rich" ideas - ideas that have breadth, depth, versatility and the potential for a long life. Having someone say of an idea, "that's so simple I could have thought of it myself" is the highest compliment an idea can receive.

What can you do to stimulate the level of upstart thinking in your session?



2009 is a time for innovation, resourcefulness, hard work and strength of character because only they can turn business around. Things can and will get better. It will be the innovators, the upstarts leading the way, who will recognize it first.

Paul Smith is a writer, director, multimedia producer and the founder of Vancouver-based Envisioning + Storytelling. Today he works with a small number of companies who value the importance of story. paul@storysmithing.com

Christopher Ross is a pragmatic visionary who works with Paul to help clients bring innovation to life.

