

John Kao

**Innovation:
From Getting It to
Getting It Done**

OFT/IDA Conference
Introducing Innovation and
Risk-taking: Implications of
Transforming the Culture of
DoD

October 22

2003

Innovation

Strategy

Design

Knowledge

Creativity

Transformation

Capabilities

BHAG's

Ideas

Leadership

The unknown unknowns

Vision

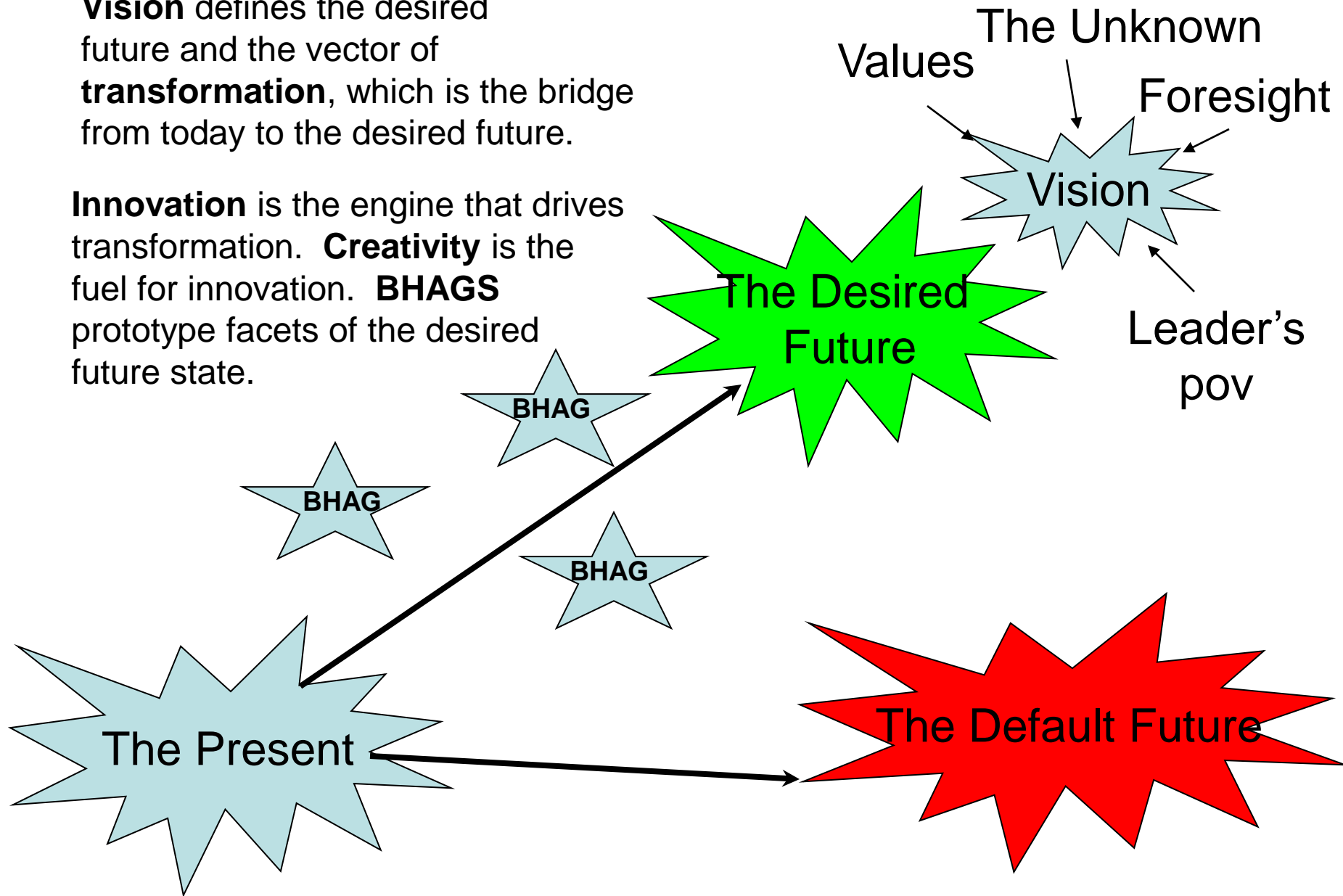
Change management

Desired future state

Corporate ventures

Vision defines the desired future and the vector of **transformation**, which is the bridge from today to the desired future.

Innovation is the engine that drives transformation. **Creativity** is the fuel for innovation. **BHAGS** prototype facets of the desired future state.



Innovation War

Sobering Observations

- 1) Competitive advantage erodes faster than at any time in history.**
- 2) Agile competitors (entrepreneurs, terrorists) with nothing to lose and a burning desire to succeed are capable of innovation in extremely disruptive ways. Incumbency will always generate a response.**
- 3) Incumbents are at a disadvantage re: innovation. The military's has mastered high-intensity, mass on mass, nation-state sponsored warfare. The pursuit of such excellence can impede the innovation required to win in low-intensity, "swarm," information-dependent conflicts with super-empowered individuals and rogue players**

Decoding Elements of Innovation Cultures and Mindsets

(Or how our competencies can impede strategically relevant innovation)

Mainstream

Excellence

Chief Innovation Officer

Knowledge management

Effectiveness

Constructive progress

Improvement

Efficiency

Getting it right

Command and control

Make it happen

Speed of decision-making

Information management

Insurgency

Screwing up

Chief Destruction Officer

Ignorance management

Discontinuity

Creative destruction

Disruption

**Conflict, messiness
and inefficiency**

Continuous revolution

**Collaboration and control (as
in “out of”**

Sit back and think

Slowness (and completeness) of reflection

Wisdom

What we know

What we don't know

We know

Explicit, procedural
shared knowledge

Research - going
from the known to
the unknown

We don't know

Knowledge
management and
inventorying



	What we know	What we don't know
We know	Explicit, procedural shared knowledge	Research - going from the known to the unknown
We don't know	Knowledge management and inventorying	Expeditionary search Customer insight processes Strategic foresight, imagination, intuition

Each of these quadrants implies differences
in:

Values, behavioral rubrics, beliefs (culture)

Innovation practices

HR practices

Responsibilities of leadership

Fit with cognitive style

Getting the balance right is an extremely
difficult and ongoing challenge

From getting it to
getting it done

1. STORY (Marketing culture)

TIME

THE WAR THAT ENDED BEFORE IT BEGAN!

REMOTE CONTROL WARFARE!
FIRST UN-MANNED BATTLE GROUP DEPLOYMENT!



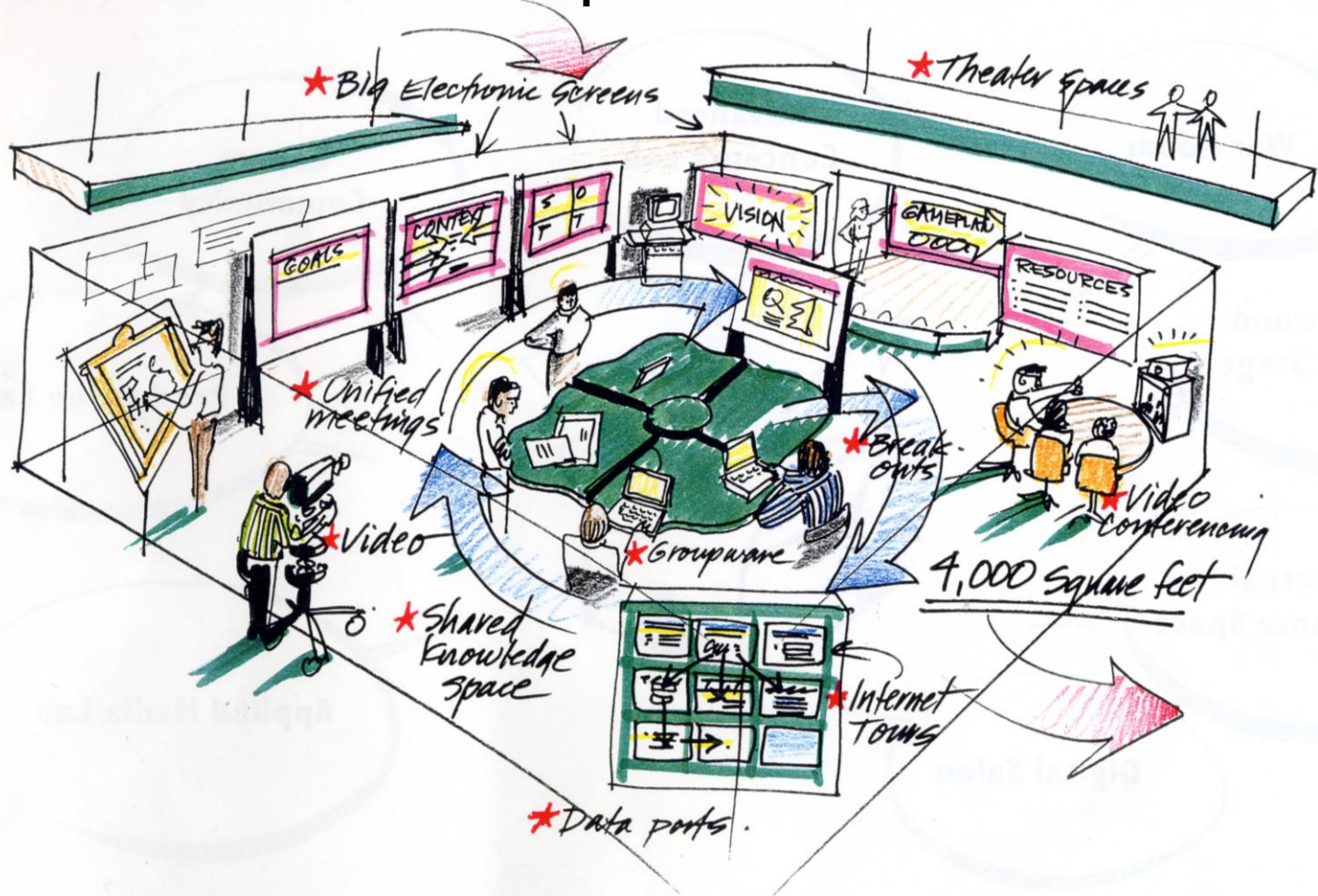
2. PLACE

(finding a platform (a “home”) for innovation)



Braque 4

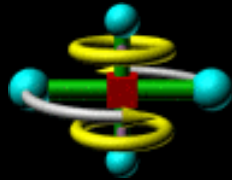
What is an innovation platform? Short answer: A “brain box” that links people, knowledge, media, furniture, and collaborative processes in new ways. A studio for staging ideas. A collection point for collaboration best practices.



3. DESIGN

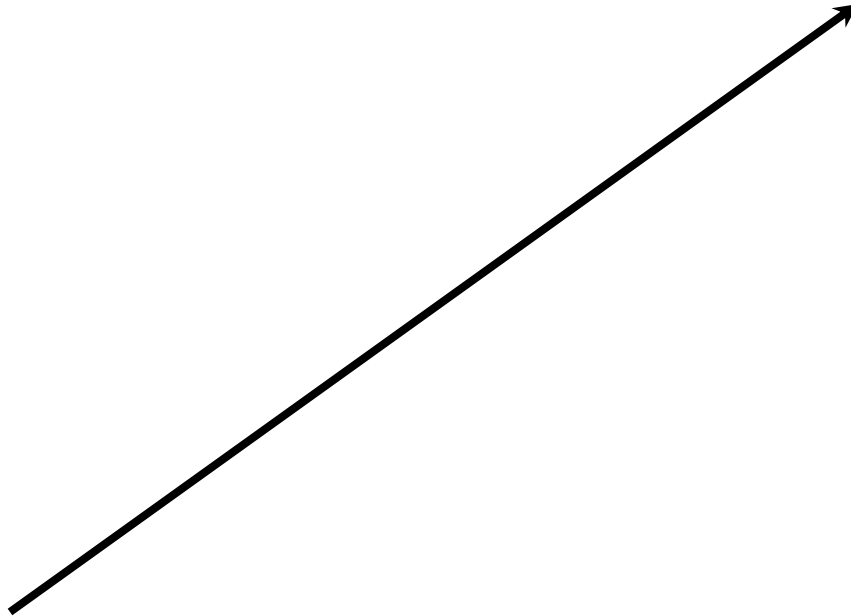
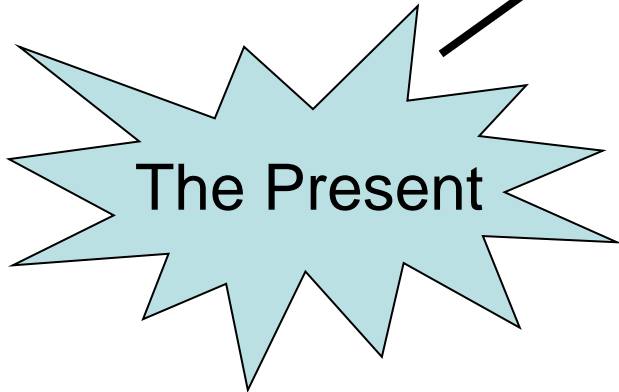
(the discipline of innovation)

The future is a design problem

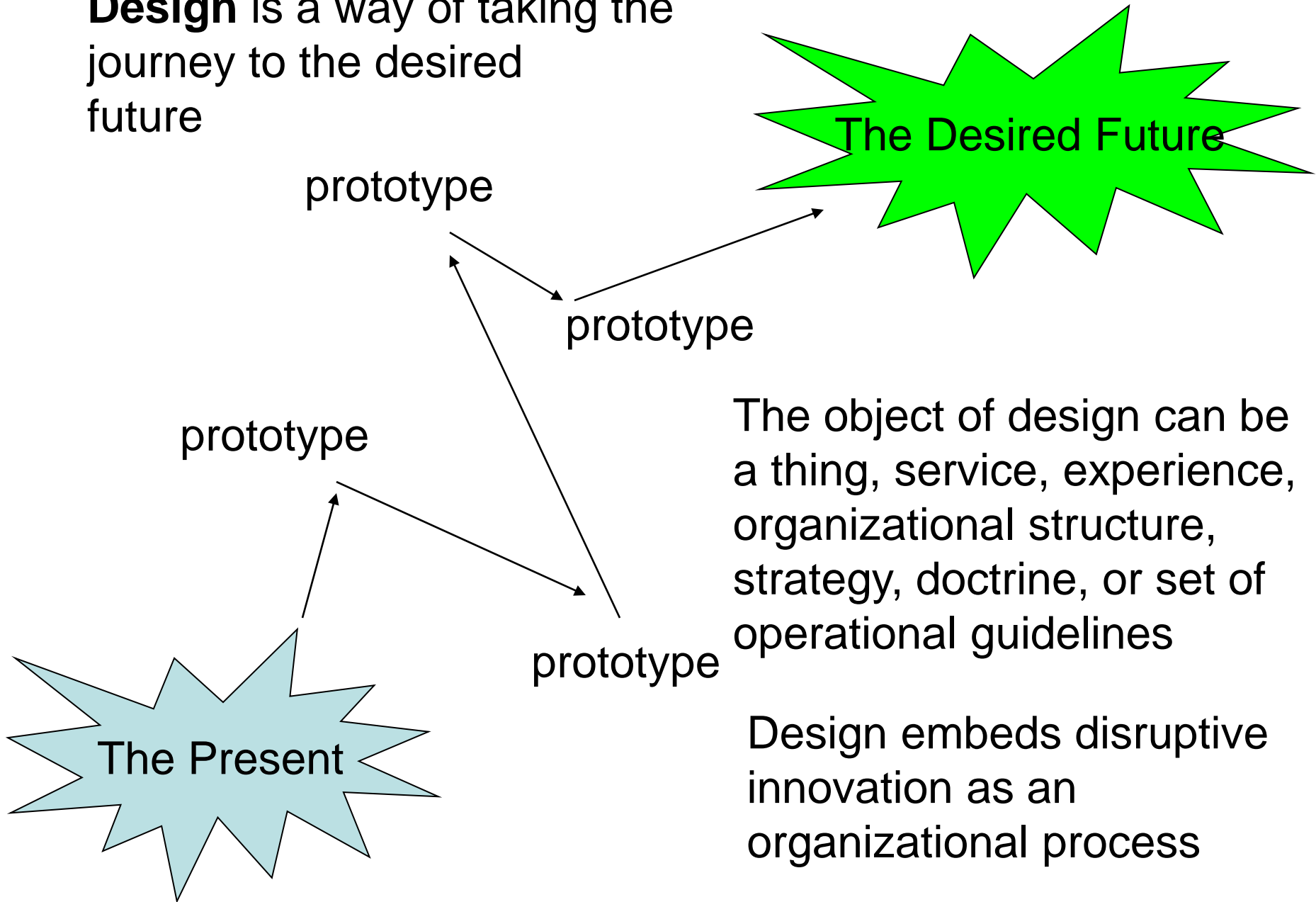


How do we find the future we prefer?

Design is the ability to move from the
existing to the preferred



Design is a way of taking the journey to the desired future



The object of design can be a thing, service, experience, organizational structure, strategy, doctrine, or set of operational guidelines

Design embeds disruptive innovation as an organizational process

Why is design different from engineering?

Design

Prototypes

Embrace constructive
failure

White space

Open-ended

Customers, the world

Anthropology

Intuition, values (and
analysis)

Inductive, holistic

Delight, amaze

Engineering

Specs

Debug - eliminate anomalies

Road map, campaign plan

Closure

Technical disciplines

Quantitative methods

Analysis

Reductive

Satisfy requirements

**These are differences that exist at multiple levels:
cognition, culture, and management practice**

Our customers'
tacit needs

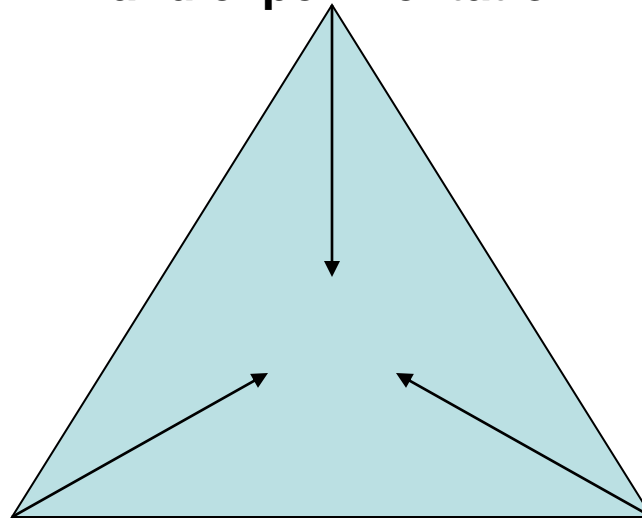
Those who are not
our customers

Our adversaries

(also “customers”)

New disciplines such as digital design, information design, community design, and knowledge architecture will inform how we pursue innovation, learn and collaborate

**Modeling and simulation:
prototyping, concept development
and experimentation**



**Learning systems
publishing networks,
digital memory**

**Virtual innovation
platform/dashboard and
collaboration environment**

4. LEADERSHIP

New Demands on Leadership: Innovation

Chief innovation officer

Originator of useful exceptions

Creator of constructive disquilibria

Advocate of dynamic balance

Patron of new exceptions

“The new leadership challenge is to sense
and actualize emerging opportunities”

(Jaworski and Scharmer)

Chief talent officer

Find, empower, provision

Enable meaningful experimentation

Maintain boundaries; provide air cover

Get out of the way

Chief communications officer

Keeper of the vision

Persuasive communicator

Architect of communications campaigns

So what?

Innovation Agendas

Innovation must be designed. There is no one size that fits all. This is long-term, essential work that requires substantial investment.

Complex organizations need an innovation audit, strategy, vision, credo, environment, culture, common tools and processes, and relevant communication platforms. Note: having an enabling culture is a necessary but far from sufficient condition for innovation.

Highly differentiated organizations need a range of tools that include empowered integrators (IBM fellows, defense entrepreneurs), bridges to external resources and perspective, and integration tools (marketspaces, robust prototyping methods, collaboration platforms).

Actively manage innovation portfolio. Differentiate urgent from important, disruptive from incremental, "we know we know" from "we don't know we don't know."

Find/create white space with the tools and norms to support genuine strategic conversation and exploration of "unknown unknowns."

Democratize experimentation, adopt a range of tools for strategic foresight and story-telling, create robust prototyping and virtual experimentation tools and blend where appropriate the agendas of experimentation, learning and operations.

Overcoming denial is fundamental to an ability to progress. We could fail.

Failure to heed the lessons of the innovator's dilemma may lead to strategic surprise, disaster, or irrelevance.

Disruptive innovation does not typically come from an organization's current competencies. How do you destroy what you are good at in order to make way for what you need to be good at in the future?

Establishing an appropriate culture and processes for corporate ventures and supporting a culture of insurgency are some of the central tasks of leadership.

These are ongoing, not one-time, challenges.

An innovation system is an integrated set of processes, policies, and tools that link corporate strategy to new sources of value (products, services, processes) in order to create sustainable competitive advantage

innovation system components

Key
elements

strategy
structure
leadership
systems
processes
values and culture
hr/rewards
enabling technology
physical environment
talent community
knowledge creation/learning
innovation studios

Managing in terms of paradox...

Operations

Centralized

Expertise

Hierarchy

Analysis

Bureaucracy

Continuity

Given

Avoiding risk

Familiar

Experimentation

Decentralized

Beginner's mind

Network

Intuition

Startups

Surprise

To be gotten

Assuming risk

Novel