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**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

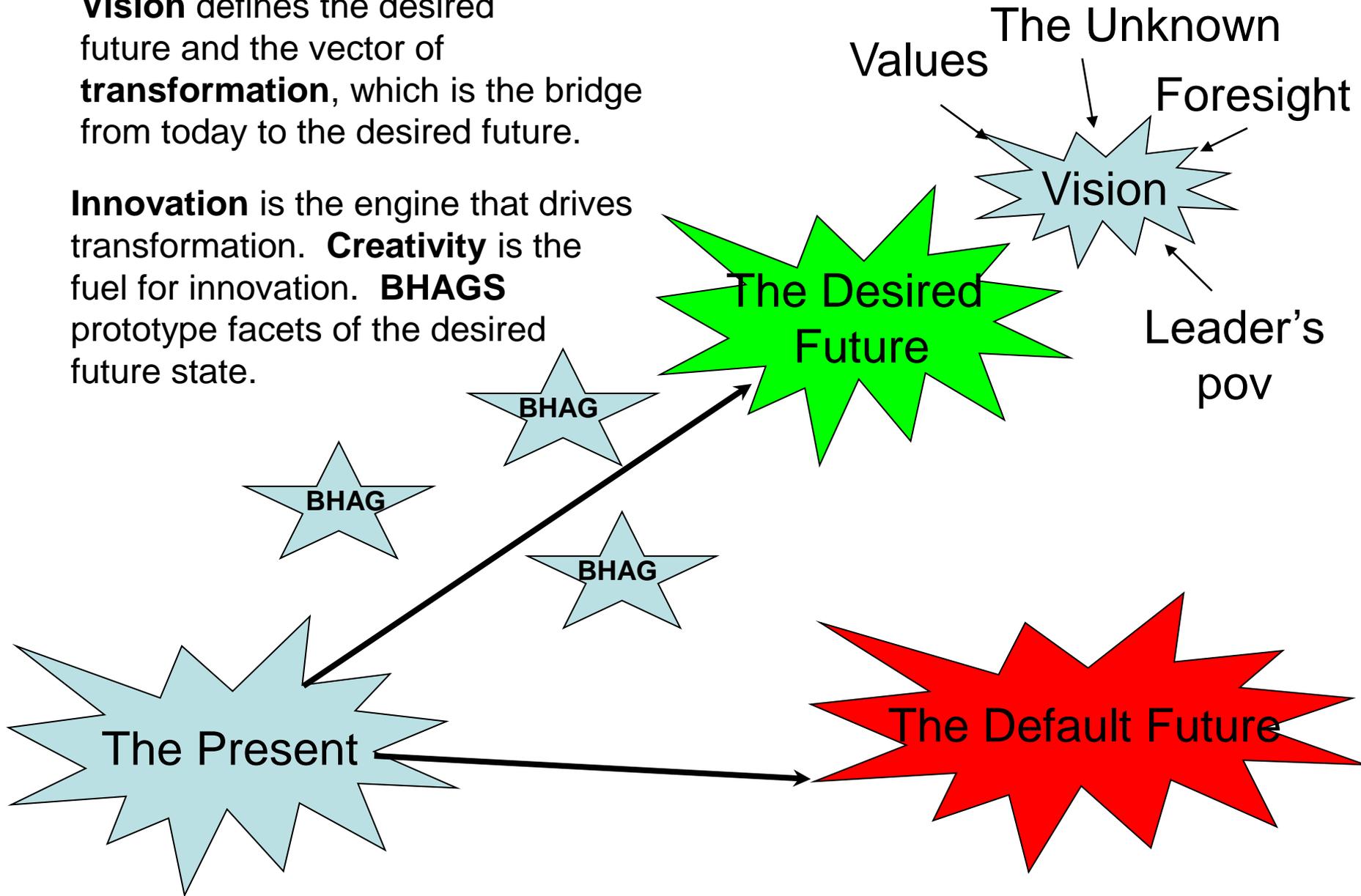
Change management

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

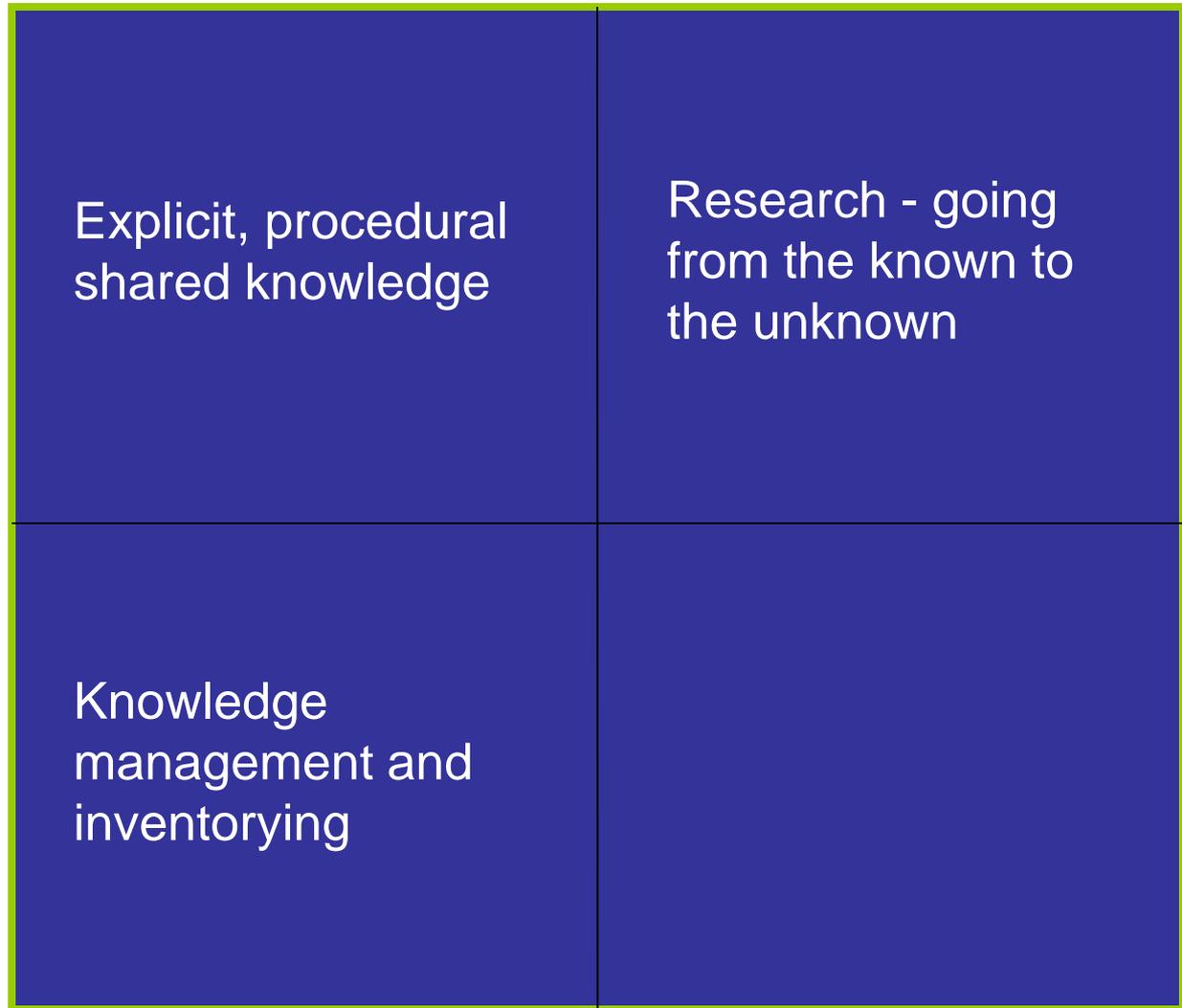
We know

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!



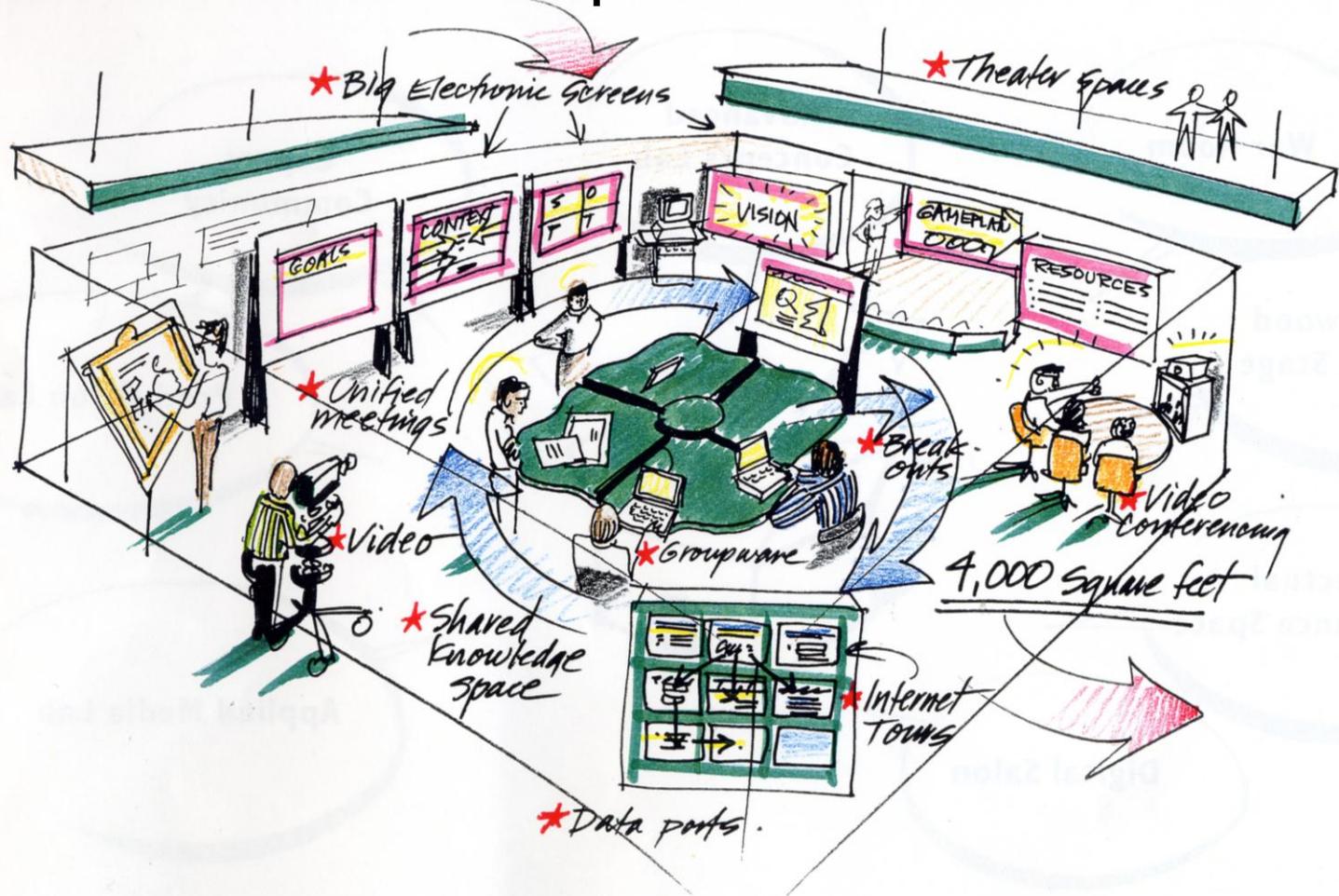
# 2. PLACE

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



Braque 4

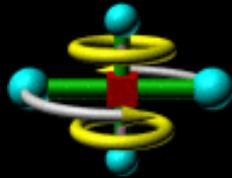
**What is an innovation platform? Short answer: A “brain box” that links people, knowledge, media, furniture, and collaborative processes in new ways. A studio for staging ideas. A collection point for collaboration best practices.**



# 3. DESIGN

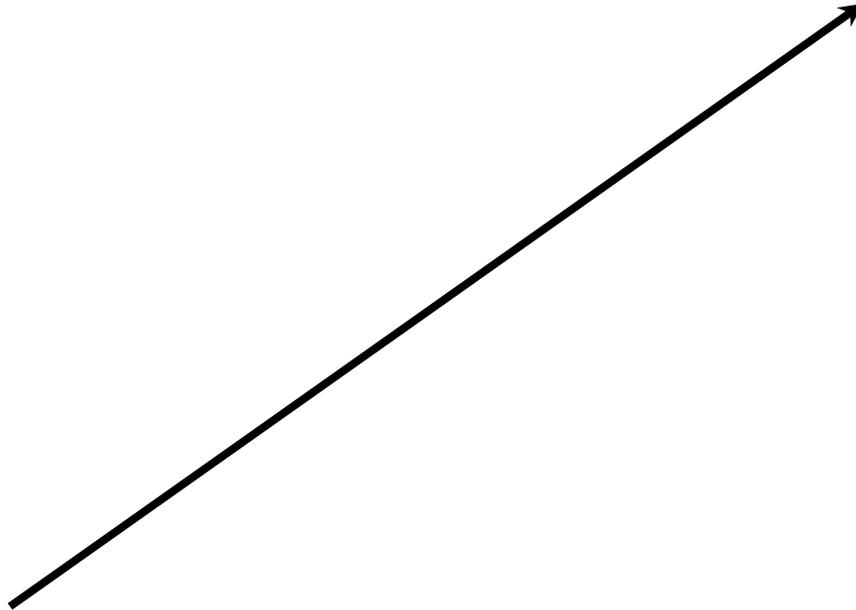
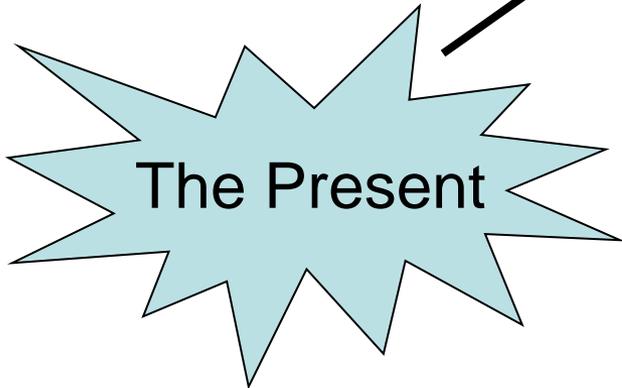
(the discipline of innovation)

The future is a design problem

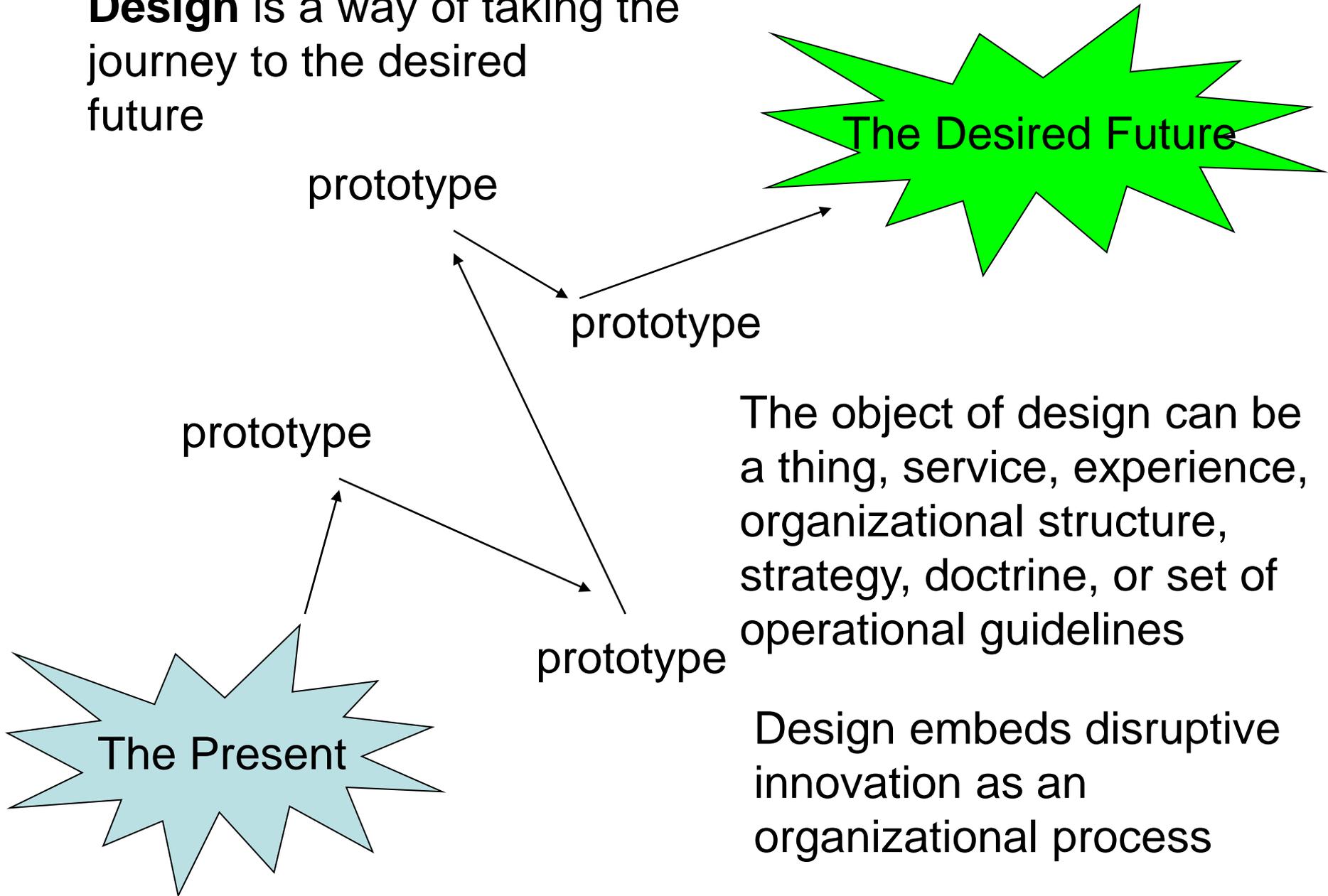


How do we find the future we prefer?

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 Desired Future**

prototype

prototype

prototype

prototype

**The Present**

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

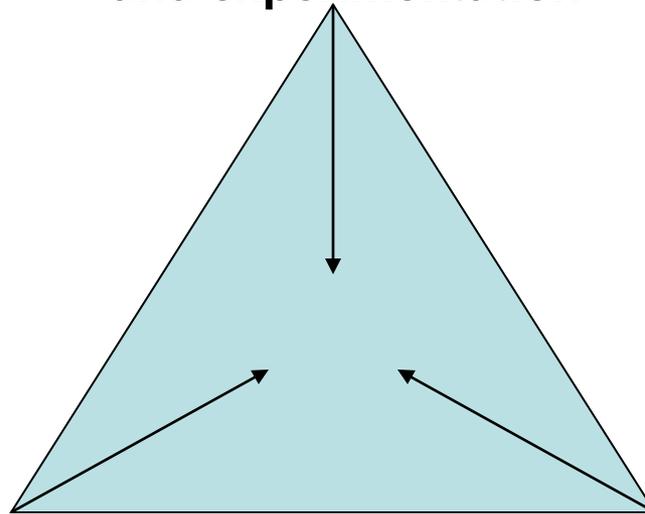
Those who are not  
our customers

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 disequilibria

- 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