JEFF DEGRAFF

THE CREATIVE WORK THE COMPANY CAN'T

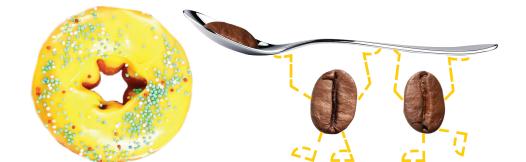
THE JEFF DEGRAFF INNOVATION LIBRARY

EVERY REVOLUTIONARY ENDS UP EITHER BY BECOMING AN OPPRESSOR OR A HERETIC. **#** - Albert Camus

Take a close look at your favorite multinational corporation, or research university, or government institute. You will find lots of diversity, intelligence, and generative energy – in the coffee shop right across the street. While focusing on Byzantine stage-gate development processes, micromanaging the number of key indicators that can dance on the head of your new product portfolio or tormenting designers with engineering methods employed in the Soviet Union in the 1950's, your most creative people walk out of your door every day unnoticed, uninspired, and untapped. What is it about the very organizations that we create to accelerate innovation that eventually drives it out? The answer lies in the function of the organization itself.

THE WAY OF THE CAFÉ

My late colleague C. K. Prahalad coined the term "dominant logic" to describe the mental maps a company creates through successful experiences and how these constructs and beliefs limit their ability to innovate. The primary aim of any mature organization is survival first and growth second. The duck-and-cover strategies of many once stalwart firms during the Great Recession make this point obvious. Implicit in most management tools and methods is the goal of maintaining the organization's equilibrium. The dominant logic that underlies these management practices is the elimination of variation in favor of quality, efficiency, and predictable earnings. This focuses leaders on alignment. However, innovation brings diversity and deviation. You can't be unique by doing the same things as everyone else. The problem is that the idiosyncrasies of operating against standards inevitability bring failure. Think about how cars with the coolest new components unavoidably have first time quality problems or how the latest miracle drug brings unforeseen risks. Certainty is the true cost of novelty.



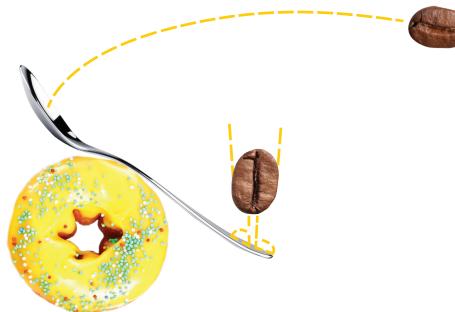
A case in point is Pixar. In the mid 1990's, while the motion picture industry was developing ever more sophisticated methods of conjoint marketing analysis and complex licensing schemes, tiny Pixar was developing and experimenting with new forms of computer animation technologies. Start-ups can't compete on scope or scale because they lack resources so innovation is essentially their only viable pathway to growth.

NECESSITY IS INDEED THE MOTHER OF INVENTION.

What made Pixar so remarkable was not so much the depth of talent but the range. Key innovators came from Disney, Boeing, DARPA, tech startups, art houses, and a wide range of universities. Surely the original Pixar cast learned its trade at these venerable and stalwart organizations. So why wasn't Pixar or something like it started inside any of them? Because the very people who operate with power within the system, no matter their best intentions or inflated rhetoric, are highly unlikely to disrupt it with something radically new. Pixar sugar daddy Steve Jobs understood from experience that upstart companies can do the kind of groundbreaking work that isn't possible in an incumbent firm protecting its rent. The coffee shop revolutionary is an old idea. In his book *The Invention of Air*, Steven Johnson points out that the polymaths of the American Enlightenment such as Joseph Priestley, Benjamin Franklin, and Thomas Jefferson routinely did their most innovative work in the coffee and ale houses of their day.

AFTER ALL, REVOLUTIONS REQUIRE **REVOLUTIONARIES**.

There is little sedition in the board room. You talk treason with the other frustrated activists over a pint or a grande mochaccino.



THE POINT ____

Organizations are designed to maintain their equilibrium and put the kibosh on the radical variation breakthrough innovation brings.

Understand that there are things that your organization can't do for its people such as get them to be creative on demand or take purposeful action on their most compelling ideas. That has to be something they do for themselves. This means no more "for the good of the team" speeches in the locker room. Instead, encourage people to go across the street and imbibe in the last legal narcotic when the spirit moves them. Try buying some coffee gift cards in bulk. Better yet, buy some "get out of jail" Monopoly cards for when these folks need to be sprung from some bureaucratic incarceration because of their intoxicating ingenuity.

Become a regular. Drink the brew. Be part of the conversation. Learn which folks are just talk and which ones can really make things happen. Leave your better judgment at the office. Say "yes" to wiggy-cool projects and "no" to incremental fine tuners. Don't spend too much money or time. Coffee shop revolutionaries try a wide variety of things to quickly learn what works and what doesn't.

With a little luck, your clever klatch will begin to develop some new capabilities and a sense of destiny. Now you have a line of sight to the best people and ideas. You get to be an innovation emissary to the organization because you can translate Caffeinese into corporate speak.



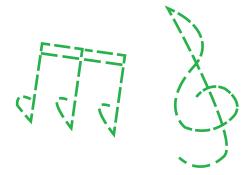
THE RISE OF THE CREATIVIZER

PART 2

In most dynastic organizations there is a special role for the highly practiced innovation master who apprentices the novitiate through a "see one, do one, teach one" process of development. Consider Nobel laureates, or famous chefs, or a rock star physician, and the explicit mentoring of unique talent becomes apparent. While most companies focus on the innovation process, creative juggernauts like Apple, Hallmark, Google, Gore, and 3M all have placed the selection and well-being of these franchise players at the heart of their game plan.

Nowhere is this penchant for unique talent more apparent than at the Juilliard School, which enjoys an unrivaled reputation for perpetually producing the greatest virtuosos and artists. Sure there is a process, but it's designed to seek out the variability that comes with talent; not to bend it to the middle of the bell curve where normative standards bring homogeneous uniformity.

Like it or not, the creative world of Mozart and Michael Jordan is decidedly undemocratic. The pedestrian mistake is to put process above these people, for it is precisely their peculiarity and insistence on doing things in an unusual way that makes their work so valuable. The act that you take as a challenge to your authority—they see as demonstration of their esprit de corps and an affirmation of their will to succeed. Let's call these people *creativizers* because they add creativity to ordinary activities to make them extraordinary. They can be found at all levels of the organization and don't necessarily have a traditional pedigree of college or class. To find your *creativizers* look for those people who already know how to get things done by navigating the defenses of your organization's bureaucracy.



THEY OPERATE JUST OUTSIDE THE BARRIERS OF **YOUR SANCTUM SANCTORUM** WHERE INTELLECTUAL PROPERTY LAWYERS AND COMPTROLLERS STAND GUARD.

Instead of enlisting these positive deviants who demonstrate a unique combination of skill and will, typical management practices leave little room for them in their institutions, which creates an absolute windfall for the entrepreneurs who move their best ideas to the coffee shop or garage. Consider the case of Google founders Larry Page and Sergey Brin. Both were doctoral students in the Computer Science Department at Stanford University. While most faculty advisors would encourage their young protégés to stay the course and complete their studies, Professor Terry Winograd performed an extraordinary action when he encouraged them to leave the academy and helped them develop their own company. Google may have started in the garage, but the founders were anything but gifted amateurs. They were deep domain experts. Look closely at big pharma, or aerospace behemoths, or top research universities, and you will witness the massive mutiny of highly practiced experts.

So why not send your most talented folks as ambassadors to Coffeedom? Because what counts for talent within your organization is substantively different than the capabilities needed to prosper across the street. Tesla was a lousy project manager, but a coffee shop prodigy. While it's generally true that highly collaborative groups have a greater chance of achieving a key goal of innovation, such as a patent, than less collaborative elitist teams, there is mounting evidence that these accomplishments are typically more incremental in their magnitude. In other words, in an effort to get along the highly collaborative group tends to pull toward the middle, mean and mode, and produce non-offensive vanilla flavored innovation.

STUPENDOUS TALENT MOVES AS FREELS INSIDE-OUT AS IT DOES OUTSIDE-IN.



THE POINT

Highly practiced and self-authorizing *creativizers* who move innovation through the organization are seen as operating outside of the law and are thwarted by institutional gate keepers

WHAT TO DO _

First you have to find these folks. They are difficult to spot because they have mastered the art of skulking in the neutral zone between authority and freedom. Remember the coffee shop is their safe house. They are constantly on the move. Their friends resemble the cast of a Fellini movie or the freak show at the carnie. Look for a subject that unites this unlikely collection of compatriots and ignites their passions: poetry slams, glider aircraft, obscure role playing games, conspiracy theories, maker faires, and the like. They have common enemies, real and imagined, that inspire irreverence for authority. An antagonistic inclination is not a predictor of talent or success. Neither is intelligence. Harvard Business School Professor Chris Argyris points out that brilliant people typically haven't had opportunities to consider alternatives that failure affords, and therefore have a tendency to fall into reactive blame behavior. So reasonably intelligent will do. Additionally look for those unique individuals who are ambidextrous. That is, they have the range needed to move between the white spaces in project phases, departments, and locations, including coffee shops.

The key is observe who is already innovating and to look for evidence of progress and accomplishment. These leaders get things done because they have an existential sense of ownership for their work that drives them. They are free and responsible. You don't have to motivate them because they are self-authorizing. Listen carefully for a personal sense of destiny that includes the greater good of their cohort. The good news is that they get momentum. The bad news is that they don't respond well to the rah-rah corporate babble or the carrot-and-stick routine. Your mother was right. Just be yourself.

YOUR ABILITY TO ENROLL THESE LEADERS WILL LARGELY BE DEPENDENT ON TWO FACTORS: **YOUR TRUSTWORTHINESS** AND WHAT YOU HAVE TO OFFER THEM.

They see you as an authority figure, and they live to question authority. Start small and build up your street credibility. Learn what ideas they are working on now. Seek out a few limited ways to support them. Give some resources, knock down some barriers, or provide political air cover for one of their pet experiments. Show a genuine interest in their point of view. Break down the game film with them to learn what works and doesn't, and why. Don't bail when things get rough. Be a mensch.





HOW YOU INNOVATE IS WHAT YOU INNOVATE

PART

66 ONE CANNOT ALTER A CONDITION WITH THE SAME MINDSET THAT CREATED IT IN THE FIRST PLACE.
- Albert Einstein

Innovation poses two enormous problems for most leaders given the way they are trained to think. First, it's a time based form of value. It goes sour like milk. This year's "must-have" gadget will end up in a landfill next Christmas or at least be overwritten by Version 2.0. Second, innovation only pays in the future for which you presently have no data unless you are psychic.

As the philosopher Kierkegaard put it, "Life can only be understood backwards; but it must be lived forwards." So you can't answer the two questions that will determine the value of your clever initiative: How much? How fast? The speed and magnitude of an innovation is highly situational. If you don't time the market right, anticipate the new breakthrough tech, or sell it in the wrong color, you're out. And there is that other little challenge of your competitors, known and otherwise, conspiring to cut you off at the pass. A sure sign of a leader in denial is that they collect excessive data, a passive aggressive form of resistance, instead of launching a wide array of experiments that will accelerate the failure cycle and provide real information.





REAL SENSEMAKING ONLY OCCURS IN HIGHLY AMBIGUOUS SITUATIONS WHERE UNCERTAINTY NOT ONLY ELICITS NEW IDEAS BUT PROVOKES NEW WAYS OF THINKING.

Artists call this sensation defamiliarization, meaning, seeing common things in uncommon ways. It's easy to talk about the dominant logic of the firm. You see it clearly because we live within it. The organizational culture, competencies, and practices it embraces will largely determine the vision, values, goals, and even processes it pursues. Sure your team did that assessment of personality types at your last leadership-away day but when push comes to shove, everyone needs to do things the right way – your way – your bosses' way – your client's way. Forget the hybrid breakthroughs that come from the positive tension of diverse approaches. It's time to get with the program. You don't have time, money, or patience for this constructive conflict nonsense.

Making room for new ideas requires that leaders expand their boundaries and reconsider where the organization begins and ends. Consider how the improbable case of Albert Einstein is as much a story of the curious and broad mind of eminent University of Berlin Professor of Physics Max Planck as it is of the man synonymous with creative genius. At a time when Einstein couldn't secure a high school teaching position and worked as a patent clerk in provincial Switzerland, Plank recognized the brilliance of his Special Theory of Relativity paper and published it in the most prestigious physics journal of the day, Annalen der Physik. Without Planck, it's highly doubtful that we would have ever heard of Einstein. Contrary to our romantic notions of the lone genius or misunderstood maverick, Einstein was highly educated and capable, but offbeat in his innovative approach to both his life and the community of scholars. It took the vision and courage of the older and more established man to make way for a completely new approach to an intractable problem. In more than one case, Einstein's solutions usurped those established by Plank.

WOULD YOU BE WILLING TO PROMOTE THE VERY IDEAS THAT WOULD UNSEAT YOU?

In a real sense, Einstein did the creative work that the entirety of the academic community couldn't because he was not fully indoctrinated in their dominant logic. He never drank the Kool-Aid. The same could be said for the off-beat innovators of our time like Walt Disney or Steve Jobs who were successful because they didn't follow convention. The more you try to accommodate these people inside your organization, the more likely they will succumb to corporate think. This is why incubators are referred to in the trade as incinerators. They burn up money, ideas, and creative people. While we might not be a creative genius, we can change our thinking to accommodate their own. It is improbable that this will happen within the confines of your organization. To be truly better or new, you have to go across the street and drink some coffee.



THE POINT

Although we wish to create substantive innovation, our institutional mindset and the commensurate practices we use inadvertently eliminate the deviation required to make it happen.

WHAT TO DO _

Our ability to "Think Different" may be as much a result of what we stop doing as what we start. Learning to do anything new requires sufficient time to acquire the capability. Learn to play an instrument or speak a foreign language, and the point becomes clear. All learning is developmental regardless of age. The point is that real innovation requires that we get to a destination we have never been to before and by a new route. We make it up as we go along. Otherwise it's just another lap around the planning circuit. We learn by accelerating the failure cycle; not by avoiding it. As the great American philosopher John Dewey put it, "The self is not something ready-made, but something in continuous formation through choice of action." This requires that we launch our own innovation experiments with the aim of gaining meaningful experiences. We need to open ourselves up to new things. But our creativity does not happen on cue or in the calmness of our calendar. It seldom happens on demand. Instead we find our ingenuity, imagination, and growth in the muddle and maelstrom of our circumstances.

Remember, innovation is a game of attrition. Every venture capitalist knows that you take multiple shots on goal because you never know what's going to score and what isn't until you take the shot. So hedge first, and optimize later. Find existing projects with lawyers, guns, and money, and hide your coffee shop revolutionaries inside these Trojan Horses. They already have political capital and the means for propulsion. Use them to keep moving forward. Work out of sight until you have something to show, but don't tell. Everyone comes together to admire the shiny new success especially when they think it's their own.



Word has it that there is an open seat in the café across the way where you can do the creative work your company can't.

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