



RECHARGE

7 WAYS TO IMPROVE INNOVATIVE THINKING

DEBRA KAYE



An overwhelming majority of more than 1500 CEOs from 60 countries and 33 industries recently told researchers at IBM that “innovative thinking” more than anything else was the key to keeping their businesses ahead of the curve. So why are many leaders still trying to institutionalize the innovative process using outmoded, ineffective methods like brainstorming sessions or trying to force an idea into a market rather than letting the market inform ideas?

If companies want to innovate the way successful bold newcomers have, they have to unplug from the constraints of “That’s the way we’ve always done it” and recharge, starting with the mantra, “Let’s just not do that anymore.” They need to be willing to take market risks that more traditional companies are often unwilling or unable to take. Consider that Apple doesn’t have a formal innovation “funnel” process with established procedures, nor do Amazon or Facebook.

In this volatile world the old model of process innovation needs a new framework. It isn’t in sync with the way our minds work, which brain research tells us is more serendipitous than linear. Innovation just doesn’t lend itself to being predictable and risk free. Innovation demands looking at the world differently, and finding connections between seemingly disconnected things. Corporate protocol, management hierarchies, and rigid assumptions about customer needs often create anxiety and stifle freedom of thought and exploration.

It’s surprising that we repeat things in business even when we don’t get the results we want, but we’re creatures of habit and old habits are hard to break. Changing a routine takes time and thought out of our busy work lives and there is a risk in trying something new. Even something that is simple and accessible and that has an obvious benefit doesn’t always go over right away. It took almost 200 years for the British Navy to give all its sailors citrus to prevent scurvy even though it had been demonstrated several times during those years that it was an effective cure.

Loosen the reins. Allow your best talent to challenge assumptions and unearth information in ways that may be outside the scope of the corporate culture without engendering fear of getting it wrong and getting fired. I call it anarcho-innovation because it entails tolerating some chaos. In politics, anarchy is considered the ideal; it's the absence of government and the absolute freedom of the individual, free of fear or reprisal. In business it means allowing people to formulate ideas, use trial and error to gain knowledge, and turn data on its head to create new experiments. And it's not just in your R&D department, but throughout the company. Innovation arises from serendipity, discovery, and mistakes. It's organic and messy, which is where anarchy comes into play.

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Endorse unexpected questions. Challenge existing assumptions. It's better in the long run to have a hunch that something might work and try it out than it is to declare "I know this will work" and invest in proving it. Make sure people are out in the field with customers seeing how they use things, seeing what fails, getting their hands dirty. The process is non-linear and, yes, chaotic.

Here is your opportunity to completely recharge innovative thinking within your company, while at the same time halting the vicious cycle of failure. These are 7 surprisingly simple things you can do right now to ignite your thinking, invigorate existing ideas, and boost productivity.

We have to stop:

- **Using the word "innovation"**
- **Brainstorming**
- **Looking only forward and not back**
- **Being seduced by trends**
- **Mounting segmentation studies**
- **Neglecting pictures as key communications**

And start observing culture much more.

1. Forget the Word “Innovation”

Innovation is a word that sounds big—too big. It signifies dramatic change, and that can feel overwhelming and out of reach. We shy away from innovation because of the implied risk of failure, especially true in a corporate setting where failure can be public and dangerous. Stop using the word, and start framing the concept differently—as curiosity seeking and questioning. Everyone likes to think they’re someone who can get to the bottom of a puzzle or tinker around a bit. Innovation seems accessible and doable when defined that way.

Let employees create new knowledge by looking at product and service development as a solution-centered endeavor, and allowing them to experiment with ideas, act on guesses and hunches, and then make and play with prototypes. As the brilliant educator and New York City Teacher of the Year John Taylor Gatto wrote, “good things happen to the human spirit when it is left alone.”

Give them more freedom to learn from each other outside the formal confines of top down meetings, and within decentralized, casual interactions via spontaneous conversations that sprout in the hallways, during coffee breaks, or at lunchtime. This is neither hierarchical nor planned per se, but you can encourage more serendipitous collaborations by making interesting questions, tinkering and solving problems an everyday goal that links work and talk naturally and organically, but without the anxiety that innovation exercises often provoke.

Allow time for reflection. Give people time to research ideas and to absorb and think about what they learn. Let them know there are no right or wrong answers, especially during the developmental stage. Employees should have the freedom and the opportunity to speak up if they believe a new concept is headed in the wrong direction. Not making room for candid disagreement can cost you millions later on, when it could have just cost thousands to pull back on something still in its nascent stages. Reward and encourage, don't condemn and contest. Technology has made trial and error very affordable.

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2. Stop Brainstorming

Brainstorming doesn't unlock creativity; instead, it stifles it. Numerous studies reveal that brainstorming groups think of fewer ideas than people working alone, and group performance gets worse as size increases. Moreover, the ideas brainstorming groups do come up with are often predictable and unoriginal—humdrum word association writ large.

Part of what we know about neuroscience explains why formal brainstorming fails. The brain can't make the necessary connections needed for brilliant insight in a rigid environment. There's too much pressure and too much influence. People instinctively mimic others' opinions, leading to suggestions and thoughts that are "safe"... and stale.

The moratorium on any criticism ("There's no such thing as a dumb question!" "No answer is wrong!") may be the model's biggest flaw. Like giving every kid in the 3rd grade a trophy whether he or she deserves one or not, accepting everyone's ideas and contributions as completely equal doesn't challenge people to work harder, think bigger, and look more deeply at the problem at hand.

Debate and criticism help generate the flow of ideas—not hinder them—because they force us to consider other perspectives and question our own assumptions. If you're not creating an atmosphere where differing perspectives clash in unpredictable ways and draw from (seemingly) unrelated connections you simply can't get out of that box you desperately want to escape. Example: Apple structures its departments to work together as a unit so that all the groups—from design to manufacturing to sales—interact continuously, sharing and generating ideas in what's called concurrent or parallel production.

3. Mine the Past

So many leaders believe that “forward thinking” is the only way to look. Conventional wisdom even holds that innovation is about the future, but it is actually about what’s already present. That’s too bad: thinking you are starting with a blank slate or reinventing the wheel is time-consuming and costly.

There is much to learn from what has gone before, not to mention loads of ideas that may have been ahead of their time, discarded by narrow-minded marketers or simply forgotten as people move on to new jobs or interests. The past provides a deep and provocative well of information, ideas, and insights. Take a fresh look at what’s gone before, and rework or tweak it to meet a new need to gain a remarkable advantage in the market.

Perhaps the story of the printing press—which changed the world forever—will inspire the skeptic in you. In 1436, Johannes Gutenberg invented the movable type printing press, and by 1440 he had completed the mechanism that would enable written communication to be reproduced more easily. The press wasn’t so much a breakthrough as it was an ingenious combination of mature technologies, some of them borrowed from other industries, and put together to solve a different problem. It was based on ancient Chinese moveable type, the wine press from the vintners in Rhineland and Gutenberg’s own metallurgy experience.

As most “original” ideas aren’t completely original, you should always reexamine your current and past assets, as well as the assets of other industries, and question how they can be used in different ways—or look at how other industries might find a use for them. This is a very tough job, but very good for people who are unfamiliar with the research and won’t bring preconceived notions to the work. Fresh eyes equal fresh observations.

A deep dive can even help you see uses for things that look as if they have no value at all. The New Zealand-based Fonterra Dairy Company had underleveraged a technology, a clear and tasteless isolated whey protein that seemed to have no commercial application. When the worldwide dairy business started to decline, Fonterra found a use for the whey by branding it as ClearProtein for the commercial food market and made it available to the U.S. food manufacturing industry. The low-lactose, low-fat product allows manufacturers to deliver products that consumers would never believe contain protein and can be incorporated into many products, including functional beverages and sports drinks, for added nutrition. The product nearly sold out in its first year on the commercial market. Fonterra leveraged surplus material that had been going to waste and had previously been considered useless. In this case, one man’s trash became the same man’s treasure.

4. Avoid the Trend Trap

Trends rarely become deeply ingrained in consumer culture, as they tend to be superficial and ephemeral. Companies that develop products based on current trends often fail, mainly because there is nothing new or better about their copycat item. Once a trend is known, everyone who can jump on the bandwagon effectively often already has, so it's not easy to differentiate such a product after the fact.

Trends are important to know and can be instructive (especially in hindsight), but they are not insightful, nor are they engines that feed innovation. They are informative because history tends to repeat itself. Analyzing current trends within a much broader framework, showing where they came from, what they mean, and where they could potentially end up is useful information to have as part of your overall research because you can discover the subcultures that fostered trends and the communities that created backlashes, and these may become broader social movements or the next or better ideology. Trend originators (who often don't realize that they've started a trend) can have staying power because they are change makers, offering uniqueness, new benefits, and delight—they “set” the trend. If you are lucky enough to do this (and this is rare), then the brand that first hooks on will own it and get the lead.

The enticement of trends to innovation-starved companies as input to new product development is understandable. The latest and greatest looks like an easy sell; a no-fail winner with an already proven success story rather than a more superficial passing fad can be explained by work done by psychologist Larry Jacoby in his article “Becoming Famous Overnight,” in which he wrote, “The experience of familiarity has a simple but powerful quality of ‘pastness’ that seems to indicate that it is a direct reflection of prior experience.”

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Given the generally large amount of press coverage dedicated to new trends or predictions by trend watchers, it is quite likely that this familiarity gives a sensation of “it’s always been so” and an illusion of consumer experience that will continue rather than something more ephemeral.

By the time you get on board of the current hot trend will you may find yourself trying to compete on price, as the single distinguishing feature that might appeal to consumers. The danger is that there is always someone who can undercut you on cost, so a sales strategy based on price alone is a futile effort.

If you have the technological ability to get products on and off the market quickly, along with the clout to get them on the shelf, then riding the wave of a trend may be doable. For instance, the slow cooker craze comes and goes about every 20 years or so. ConAgra capitalized on one phase of slow-cooker popularity when it introduced its line of Banquet Crock Pot Classics in 2004. These frozen multi-serving meals could be popped in the slow cooker in the morning, and then served for dinner when the family returned in the evening. The company had strong revenues the first few years, but eventually it discontinued the line and focused on other products. Was it worth it to ConAgra from a profit and resource point of view? Very likely yes, because volume was so high and they had the infrastructure to get in and out of the market with speed and precision.

Your so-called trendy product could also be instantly forgettable or irrelevant. That was the case with Kraft's 2004 Carb Wells line of low carbs foods. By the time they had introduced what was a very extensive line of packaged foods, the low-carb fad was beginning to wane. Too much, too late: Most of the products were off the shelf very quickly.

5. Kill Segmentation Studies

Marketing offices around the world are littered with thick segmentation reports that are more useful as doorstops than as guides for innovation decisions. The Journal of Marketing Management concluded that after 70 years segmentation is still done badly. And a recent Harvard Business Review article claimed that in the US, 85% of 30,000 new product launches failed because of poor market segmentation. I argue that there should be a ban on the whole practice.

Segmentation studies use statistical techniques called factor analysis and cluster analysis to combine attitudinal and demographic data to develop segments that are easier to target. By dividing the market into relatively homogenous subgroups or target markets, the theory goes, both strategy formulation and tactical decision-making can be more effective.

Segmentation efforts fall short because their very nature forces marketers to portion the market in one way or another. Segmentation research is based on predetermined questions and parameters that force research subjects into narrow channels of response. Segmentation is about talking to someone about a single moment in time and there are so many moments in time. We are situational animals, and use products differently depending on our mood and the circumstances we find ourselves in. From this perspective, it is almost impossible to uncover what may really be driving consumer behavior.

Further, the greater use of smart phones has hit on an archetypal American cultural value, our belief in the possibility and potential of limitless personal invention and reinvention—the protean sense of self. Mobile devices also open people up to the unexpected, felicitous event or experience at any moment in time. Both of these phenomena make segmentation even more difficult—no one is ever the same person from one day to the next. How can you possibly segment groups that are constantly re-aligning themselves? You can't.

One top of all this, segmentation studies are incredibly expensive, often costing more than \$500 thousand. That money can be better spent on many quick, real-world tests of new, rapid-fire ideas that can truly bring revenue to the company. In today's market I would prefer to spend money on testing rather than on a doorstep.

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6. Think in Pictures

We are fast becoming a small screen culture. The Millennial generation, for example, has grown up in this visual culture and can manipulate images and even videos with ease. When you deliver information verbally, people only remember 10% of it. If you add a picture, retention is 65%. Visual language conveys information more directly than the written word. It is also more immediate and universal and, as a result, more powerful at conveying messages and values. Acknowledge this by communicating as much as possible in pictures to both consumers and employees.

The more immediately someone understands a product they see on the shelf, the more chance you have of selling it to them. Consumers spend about three seconds looking at the average store shelf before they make a decision. In a time when shelves are crowded with products vying for attention, which one do you suppose a consumer will choose? The one that requires reading and thought or the one that clearly and simply communicates what it does and why it's better than what is around it?

Symbols and iconography also offer innovators many advantages over text when you are trying to speak to an international market—important if you hope to see your products sold globally without having to redesign an entire package each time you enter a new market.

That's because iconography is the perfect reduction of information to a single, unmistakable idea that can be quickly communicated to many different kinds of consumers.

The designers for the Olympics were able to achieve a coherent graphic representation of myriad sporting events (hockey, swimming) as well as service locations (food, restrooms) that everyone from Japanese tourists to Spanish wrestlers could comprehend with immediacy and ease. The true simplicity and implied language of iconography came into its full form with the creation of a complete system of pictograms at the 1972 Munich games. The German designer Otl Aicher refined sporting images into a concise, clearly identifiable system that is still considered symbolic of the games today. (Aicher also designed other signage, posters, programs, uniforms, as well as the first Olympic mascot, Waldi, a delightful rainbow-striped dachshund.)

7. Observe Culture

People need to go out into the “field”—and you should too. Go to where the people who you want to buy your product spend their time and observe them in action. “Culture,” of course, is the mass system of values and beliefs of a group of people. It is the everyday habits and rituals we engage in and usually don't notice or question. But that's exactly what you need to do to think innovatively and to problem solve.

This fieldwork into your market reaps huge insights into what is happening in the culture and clues you in to real shifts that represent something much greater than an ephemeral trend. Once you know what consumers are doing and why, you can play into these existing behaviors through innovation.

When Febreze passed the billion-dollar sales mark in March 2011, American Public Radio's Marketplace, which airs on NPR, asked me what made this brand so big in the air freshener market. In fact, there were important cultural reasons. The product is not for the air at all, but for fabrics in the home, which is an underserved market. Fabrics are the finishing touches in a room that are normally tended to after the major cleaning is completed: smoothing the bedspread, fluffing pillows, shaking out and refolding the throw, and so on. Having a product that improved the finishing touches signaled the successful and pleasant end to a cleaning ritual. Febreze is easy to use, and it assures the user that their home is truly fresh and clean. This is quite different from an air freshener that only masks bad odors. Consumers weren't using air fresheners as part of their cleaning routine anyway—Febreze success was based on its positive reinforcement, not the odor-elimination qualities that it shared with other products. Febreze became part of the cleaning habit because it addressed a cultural aspect of cleaning, the symbolic "fluffing of the pillows"

Apple saw that what people wanted out of a music player was the music, not the experience of using a gadget. So instead of designing a better-looking music player, or one with lots of mechanical options, they gave consumers fewer buttons. Apple eliminated barriers and connected consumers to buying and sharing music in a single step. Now Apple owns the delivery of digital music via iTunes. Another quirky example of this is appliance maker Haier's observation that people in rural China used its washing machine to also clean veggies—so instead of scolding customers for mistreating its machines, it modified the machines to accommodate what was going on in the culture, and improved its sales in the process.

Conclusion: Don't Fear Fraying Your Brand at the Edge

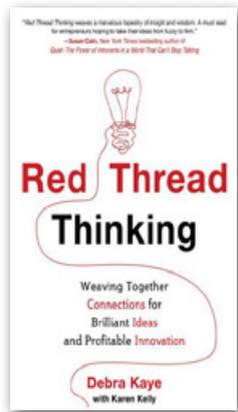
As you bring products and services to market, keep in mind that The World Has Completely Changed. You can no longer communicate with customers using conventional top down messaging. When technology was limited to radio, television, print, and the nascent beginnings of the computer it was very easy to market. The controlled environment allowed vendors to demonstrate products and talk about their benefits without interruption or disruption.

We now carry the history of the world with us in our back pockets; our access to information and our ability to manipulate it endlessly is both portable and highly personal. In other words, you have to loosen the reins on your brand because your consumers already have.

You no longer control the conversation about your brand or how people receive and interpret the information about it. Social media makes us individually addressable, regardless of where we are. Marketers need to learn how to get personal again and enter into the consumer's consciousness as part of their daily information flow, and not as an interruption to it (like old fashioned TV commercials do).

The serendipity of our protean lives is what is so thrilling to people. Leave old assumptions behind, let some creative anarchy rise up within your organization, and enable energy and boldness to permeate its culture. 📌

Info



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ABOUT THE AUTHOR | Debra Kaye is an international innovation consultant specializing in brand and culture strategy for consumer businesses. Her clients have included Apple, Mars, Colgate, McDonald's, American Express, Kimberly-Clark and many more. A frequent commentator on American Public Radio's "Marketplace" and contributor to Fast Company, Kaye is a partner at the innovation consultancy Lucule and former CEO of TBWA\Italy.

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