Embracing Creativity and Innovation:
The Psychological, Cultural and Organizational Barriers

Soren Kaplan
Jennifer Mueller

The Innovator's Dilemma
When New Techno Cause Gr to
CLAYTON M. CH
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the new age of innovation
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A BLUEPRINT FOR TRANSFORMING THE WAY YOUR COMPANY INNOVATES
TO THE CORE
REVERSE
Vijay Govindarajan
Chris Trimble
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CREATE FAR FROM HOME, WIN EVERYWHERE
Foreword by
Indra K. Nooyi
BusinessWeek
THE WORLD'S MOST INNOVATIVE COMPANIES...
Business Model Innovation
Proven Strategies That Actually Work
Melvin D. Nelson
CLOSING THE INNOVATION GAP
"A passionate look at innovation by a proven innovator concerned about the level of short-sightedness surrounding us."
OPEN Services INNOVATION
RETHINKING YOUR BUSINESS TO GROW AND COMPETE IN A NEW ERA
Harvard Business Review on Innovation
STRATEGIC INNOVATION
EMBEDDING INNOVATION AS A CORE COMPETENCY IN YOUR ORGANIZATION
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THE TEN FACES OF INNOVATION
TOM KELLEY
with JONATHAN LITTMAN
INNOVATION
The Five Disciplines for Creating What Customers Want
CURTIS R. CARLSON & WILLIAM W. WILMOT
INNOVATION HAPPENS ELSEWHERE

Famous Innovations

Casualties of Disruptive Innovation

Innovation versus Invention

Existing / same products, services, & business model

Moderately different products, services & business model

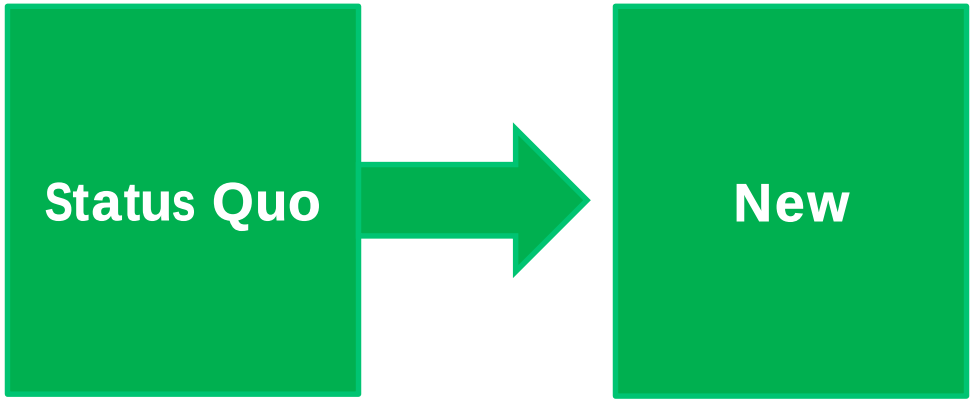
Radically different products, services, & business models

Table Discussions

	Process improvement	Product & process redesign	Disruptive innovation
What types of innovation are your leaders asking for?			
Which types of innovation do you do well, and why?			

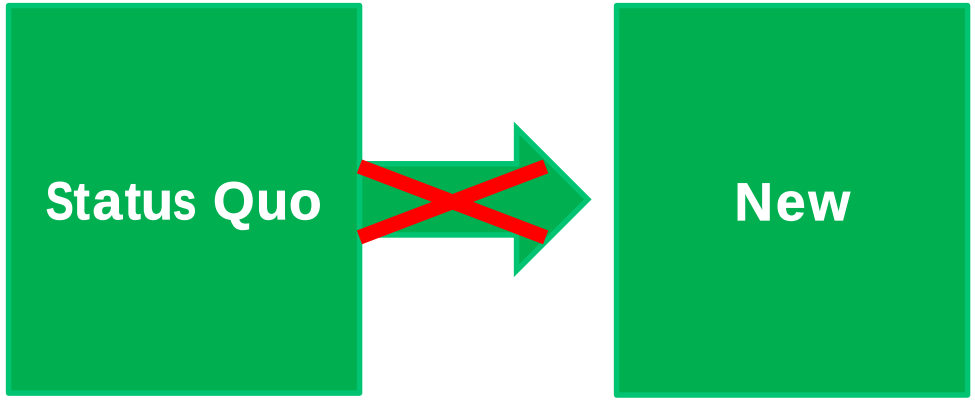
Redesign / Disruptive Ideas

Change that disrupts status quo thinking



Incremental Ideas

Change that maintains status quo thinking



Incremental vs. Disruptive Idea

Typical Keith Jared piano concert

The Köln Concert

Best selling solo jazz album of all time

Decision-Makers desire but reject disruptive ideas

- **Science**
  - **Medicine** (Siler, Lee, & Bero, 2015)
  - **Government Grants** (Boudreau, Guinan, Lakhani, & Riedl, 2016)
- **Business**
  - **Consulting** (Mueller, Loewenstein & Deal, 2014)
  - **Patent Officers** (Ferguson and Carnabuci, 2017)
  - **R&D** (Criscuolo et al., 2017)
  - **Crowdsourcing** (Piezunka and Dahlander, 2015)
  - **Consumer Products** (Mueller et al, 2018)

Former Blockbuster CEO John Antioco

Rejected

NETFLIX

Two Ways of Defining Disruptive Innovation

(Loewenstein & Mueller, 2016)

Employees

Breakthrough

Paradigm Shift

Think Different

Artistic

Potential

Surprise

Repurposing

Wide Use
Investor Endorsement
Facebook Likes
Fashionable
Name Brand
Mass Market
Feasible to Make
Proven Track Record

Decision-Makers

Wide Use
Investor Endorsement
Facebook Likes
Fashionable
Name Brand
Mass Market
Feasible to Make
Proven Track Record

(Mueller, Melwani, Loewenstein & Deal, 2018)

Why Open Innovation/Crowdsourcing Initiatives Fail

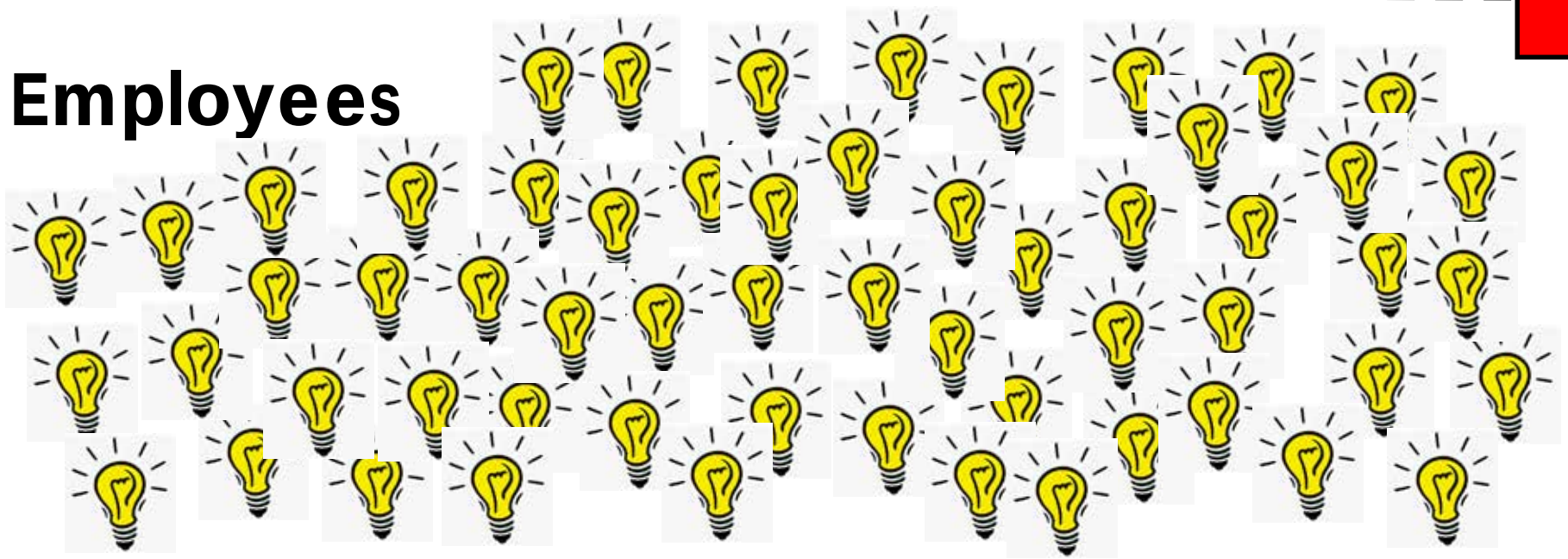
Decision-Makers

Rejection of Disruptive Ideas

Acceptance of Incremental Ideas Framed as Disruptive

Poor Organizational Performance

Employees



(Gong, Zhou & Chang, 2013)

During Brainstorming Meeting

After Brainstorming Meeting

Actual Quotes After Brainstorming Session

“After 2 hours of brainstorming, they decided to make small wording changes.”

“Great ideas went nowhere.”

“I wasted my time.”

Solutions

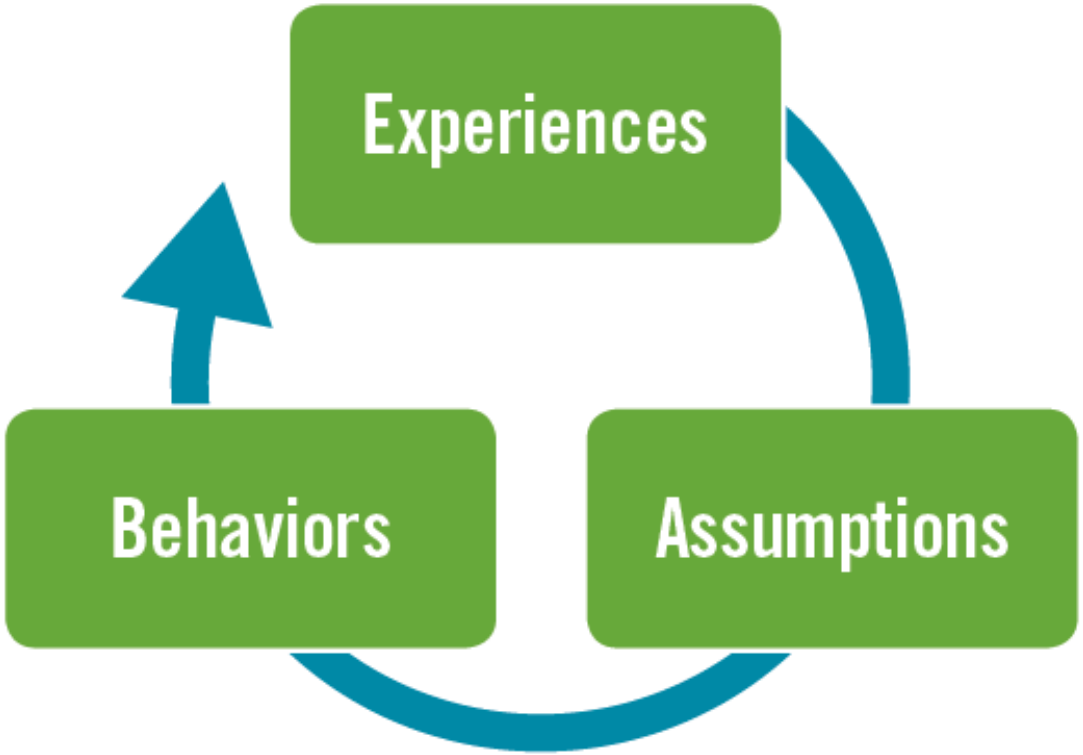
- **2-step idea evaluation process**
  - **Step 1: Crowdsource rating of idea "creativity" and "quality"**
  - **Step 2: Mandate Decision-Makers choose some ideas the crowd views as "creative"**

- **Re-design decision-maker role:**
  - **From making "correct" decisions to finding "potential"**
  - **From mere evaluation to champion**

What is Culture?

What is Culture?

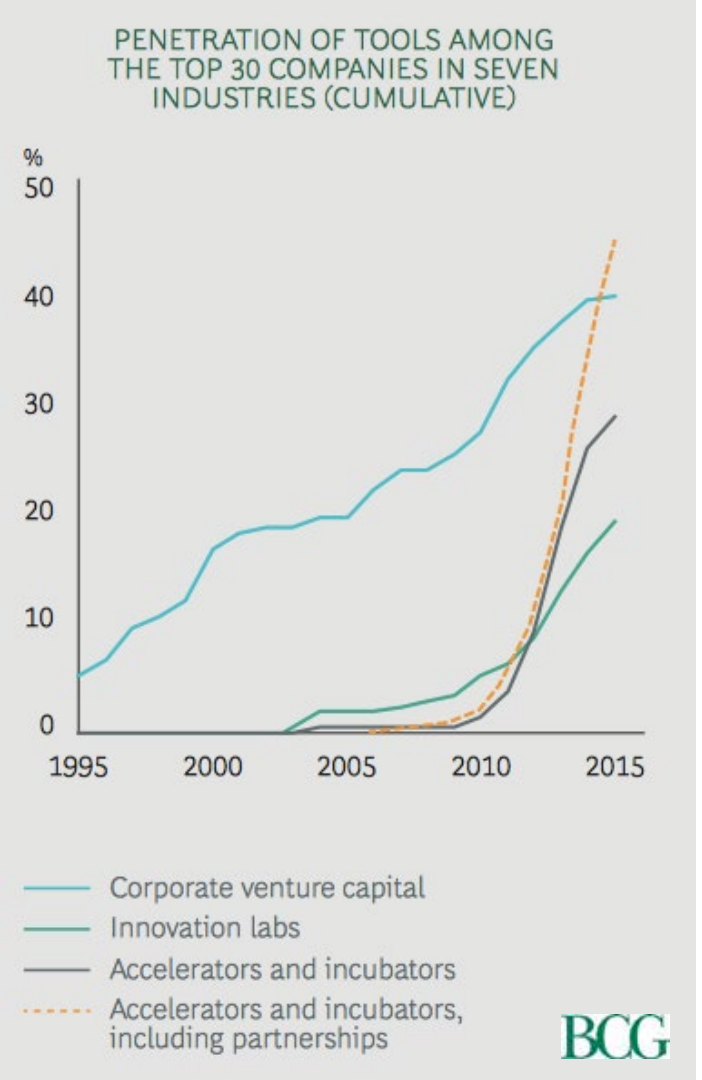
The Culture Cycle



Culture of Innovation

Structure & Process

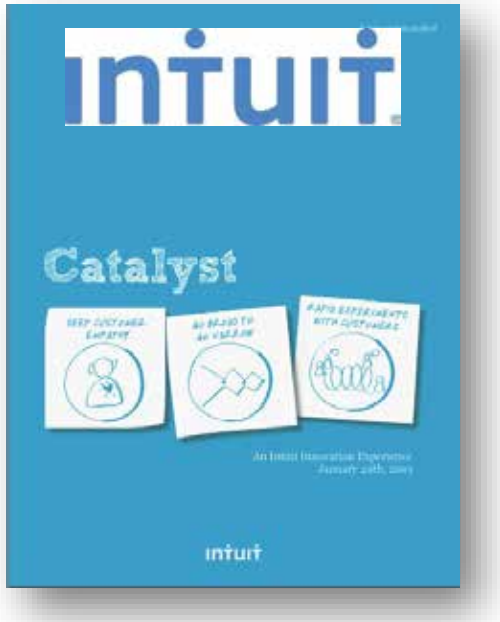
Innovation Labs, External Accelerators, and Corporate Venturing are the most common strategies to complement traditional R&D.

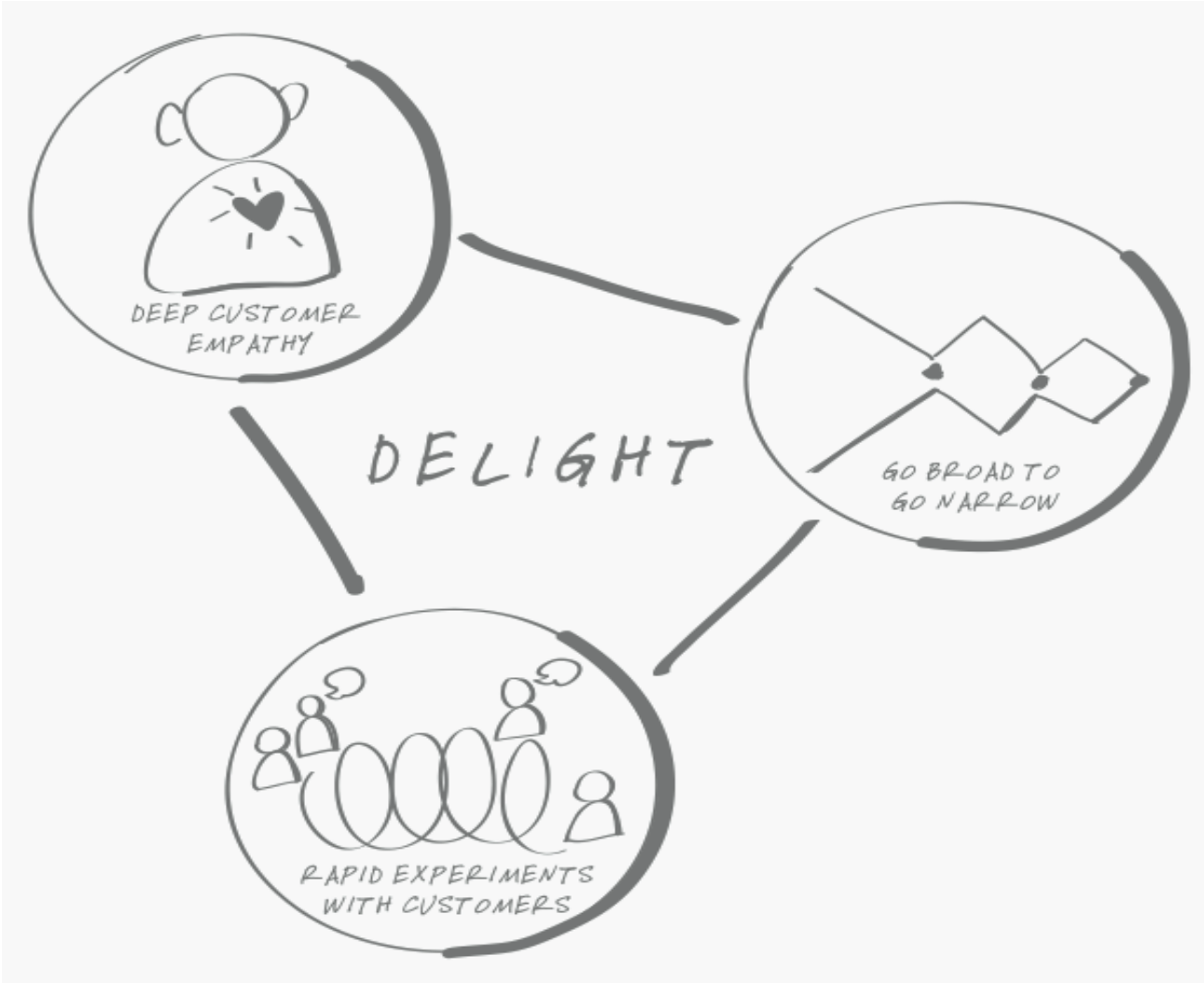


Structure & Process

PLUGANDPLAY

Technology / Tools

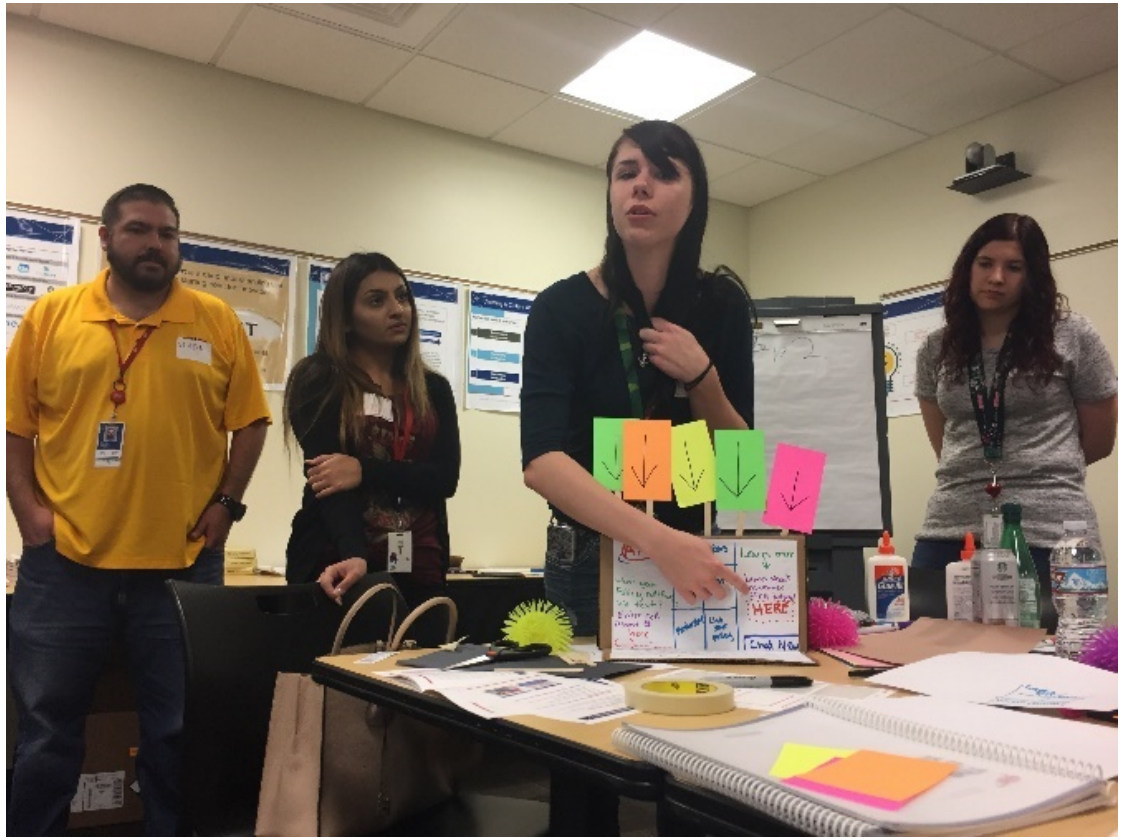




People & Metrics

CSAA Insurance Group.
a AAA Insurer

Percent of employees trained in design thinking



Recognition & Rewards

- Annual best “failed” idea

- Quarterly “Failure Parties”

Leadership

ASCENSION

- **Open competition or challenge**
- **Individuals or teams**
- **“Intrapreneurs” share business opportunity**
- **Leadership evaluates, funds, and sponsors teams**

Table Discussions –
What are Your Barriers and Enablers to a Culture of Innovation?

Barriers:

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-
-

Enablers:

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