

THE **7**



JEFF DEGRAFF

DEADLY
SINS
OF INNOVATION LEADERS

THE JEFF DEGRAFF INNOVATION LIBRARY

The sole purpose of a business is to grow. This can take on many dimensions—profits, revenues, market share, brand or community influence just to name a few. The road to growth is very simple. Innovation is required to drive growth. You make something better or new (products, services, solutions, etc.) and you sell to someone new (markets, segments, channels, etc.). Basically that's it—the rest is just fine print.

It sounds easy enough, but of course it isn't. This is because there are seven underlying issues, deadly sins if you will, that make leading innovation difficult and completely different from everything else you do at your business. But there is hope and redemption—simple things you can do to avoid the anguish and misery that often accompany the wide range of chaotic activities that produce valuable

INNOVATION:





FIRST SIN

BELIEVING YOU CAN SEE THE FUTURE

Unless you possess a crystal ball and remarkable prophetic abilities believing you can see the future first is delusional at best. A sure sign of a company that is stuck in the planning phase of innovation is the incessant collection of data and over-obsessing about the business plan. Current research suggests that planning is important, but learning from real experiences is more so.

REDEMPTION

MAKE SMALLER AND WIDER BETS.

Take your cue from successful venture capitalists who hedge their bets. They will make small investments in a wide array of therapies for the same disease state in order to accelerate the unavoidable failure cycle to quickly learn what really works and doesn't. They seldom bet it all on one sure winner.



SECOND SIN

CHOOSING BIG OVER FAST

Innovation has a shelf life and goes sour like milk. To compound matters, it's not just time that makes innovation so elusive but more so timing for which we have few tools to assure us that we will enter markets with our new products and services at the right moment. Get there too early and there is no demand— too late and the day belongs to your competitors. Leaders commonly trade magnitude for speed. Those who crow “go big or go home,” often fail.

REDEMPTION

Momentum is everything. Harness high energy to multitask and move things quickly.

PICK UP YOUR PACE.



THIRD SIN

MISTAKING YOUR MANAGERS FOR INNOVATORS

The virtues of a good manager are well-known. They make our lives easier by keeping things on track and under control. They squeeze the most out of the least by eliminating variation. The problem is that all forms of growth require deviance to produce useful and valuable novelty. The problem emerges when these efficiency-focused leaders are put in charge of innovation projects and ventures aimed at disrupting the way the firm operates.

REDEMPTION

Deviance requires deviants. Every company has a collection of misfits that show real promise but are difficult to manage. This is because they exhibit self-authorizing behavior.

ENCOURAGE AND SUPPORT
YOUR DEVIANTS.



FOURTH SIN

HAVING MORE AMBITION THAN CAPABILITY

The gifted amateur as heroic innovator is one of the great American myths. Exposés love to tell us how Google co-founders Larry Page and Sergey Brin started it all in their garage in Palo Alto but fail to mention that they were doctoral students in Computer Science at prestigious Stanford University. You need deep and diverse domain experts to help you reach your goals. Strategy is relatively easy when compared to finding and developing highly competent practitioners with years of training and experience in the arts and sciences.

REDEMPTION

We learn by doing and all learning is developmental. If you doubt this, take out pencil and pad and draw a picture of your spouse and they can tell you at what age you stopped learning to draw. Apprentice your high-potentials through action learning processes of see one – do one – teach one.

BASE YOUR STRATEGY
ON YOUR CAPABILITY.



FIFTH SIN

STARTING AT THE CENTER AND MOVING OUT

Most great innovation happens at the outer edges of the firm just beyond the reach of their power and influence. The farther away you are from the center of the company, both physically and emotionally, the more likely you are to seek alternative ways of doing things.

REDEMPTION

Imagine a bell curve. At one end is a crisis and at the other an exceptional opportunity. In the middle there is stability. At the crisis end of the bell curve, the risk of trying something unconventional and the reward of keeping things the way they've always been is reversed. Innovation abounds where the pain is high. Similarly, at the exceptional opportunity end of the curve, the risk of advancing the avant-garde and the reward of resting on your laurels is also reversed. It's easier to change 20% of your organization 80% than it is to change 80% of your firm 20%.

WORK YOUR INNOVATIONS FROM THE OUTSIDE-IN.



SIXTH SIN

LISTENING TO THE WRONG CUSTOMERS

It's a common story. A company develops a technology and becomes the corporate standard. For the next few years it plays defense until an unforeseen upstart emerges and they are rapidly undone. The worst of all possible growth strategies is to have an increasing share of a decreasing market. The problem is that it's easy to ignore those customers who have a line of sight to the future in favor of the more established and cautious ones who demand more immediate and incremental action.

REDEMPTION

Think about the fashionable man or woman where you work who always seems to know what will be in style next.

FOLLOW THE CUSTOMERS WHO
MOVE FIRST.



SEVENTH SIN

FAILING TO CONNECT THE DOTS

Innovation is one of the few forms of value that runs horizontally through your organization. It touches every function and discipline from forecasting to support. In order to facilitate innovation, you need to take this into account.

REDEMPTION

Reimagine your company as a series of concentric circles and create something akin to a great university that is both innovative and sustainable.

TEACH YOUR LEADERS TO BE
FREE AND RESPONSIBLE.

Well, there you have it. The seven deadly sins of innovation leaders and how they can be redeemed:

DEADLY SINS

Believing you can see the future

Choosing big over fast

Mistaking your managers for innovators

Having more ambition than capability

Starting at the center and moving out

Listening to the wrong customers

Failing to connect the dots

REDEMPTION

Make smaller and wider bets

Pick up your pace

Encourage and support your deviants

Base your strategy on your capability

Work your innovations from the outside-in

Follow the customers that move first

Teach your leaders to be free and responsible



While these can't assure that your company will be in seventh heaven, they can help it grow, which is, after all, the sole purpose of a business.

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