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Value Creation Options and Their Leadership Implications

John A. Lanier

Value creation is integral to organizational enterprise value. Many options are available to leaders, including innovation. The variety of innovative opportunities may elude neophytes. Moreover, innovative principles overlap and complement numerous other value creating concepts. However, these principles stop shy of being synonymous. Innovation is spawned by creativity. Creativity, unfortunately, does not translate into profitability absent the innovative rigor. While innovation may seem obvious and laudable in hindsight, it is not necessarily welcomed upon its advent. Indeed, innovation's threat to the status quo begs exceptionally intrepid teams of diverse talent. Moreover, the innovative initiatives beg sponsorship by leaders whose vision appreciates innovators' indispensability to corporate vitality. This essay endeavors to clarify definitions, connectedness, and guiding principles for incorporating innovation into the firm's operational personality.

Keywords: Creativity, innovation, teams, organizational design, leadership.

Introduction

Hovering in perpetuity is an unlikely strategic scenario. Either entropy overcomes the firm, or growth is embraced as imperative. "Organic growth . . . is less risky than acquired growth and more highly valued by investors" (Lafley & Charan, 2008, p. 5). The challenge is how to achieve such organic growth. Innovation is among the options. However, the machinations of innovation entail both art and science, and in vacillating proportions. Three out of four corporate innovation initiatives relate to existing products (Barczak, Griffin, & Kahn, 2009). This may lead to a market blind spot resulting in product antiquation. Deductively, one out of four innovative pursuits entails new competitive space. Indeed, three out of five of that paltry quantity take on existing—perhaps entrenched—competitors. The ultimate math is that a puny tenth of "new"

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initiatives regard pioneering original products to first-time customers (Griggin, Price, & Vojack, 2012, p. 17). Yet, another frightening factoid is that "as many as 60 percent of new product development initiatives are cancelled before they come to market, and of the 40 percent that do come to market, 40 percent of them fail to make a profit" (Richardson, 2010, p. 60).

Not only has "innovation rescued humanity from privation" (Hamel, 2012, p. 42) throughout history, but innovation also possesses the promise of future prosperity. Managing creativity and innovation is a critical leadership competency (Dyer, Gregersen, & Christiensen, 2011). Amid the myriad of challenges awaiting innovators is the convoluted environment in which it operates, i.e., the ecosystem. This includes the organizational culture that often reacts to innovative change the way antibodies attack viruses (Christiensen & Raynor, 2003). Accordingly, this essay addresses kindred value-creation terms en route to dissecting topics germane to successful innovation.

Entrepreneurism

Entrepreneurism is compatible with innovation. However, these terms are not synonyms. "An entrepreneur is one who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth opportunities, and assembles the necessary resources to capitalize on those opportunities" (Zimmerer & Scarborough, 2005, p. 3). Traits of entrepreneurs include (i) desire for responsibility, (ii) preference for moderate risk, (iii) confidence in the ability to succeed, (iv) desire for immediate feedback, (v) high level of energy, (vi) vision for the future, (vii) skill in organization, (viii) value of achievement over money, (ix) high degree of commitment, (x) tolerance of ambiguity, (xi) flexibility, and (xii) tenacity (McClelland, 1961, p. 3-4).

Startup

"A startup is a new business venture in its earliest stage of development" (Shad, 2004, p. 11). "A startup's job is to (i) rigorously measure where it is right now, forming the hard truths that assessment reveals, and then (ii) devise experiments to learn how to move the real numbers closer to the ideal reflected in the business plan" (Ries, 2011a, p. 114). A startup may or may not involve a new concept. One extreme view of a startup is developing a speculative product for which no discernible market is known. This aligns with the concept of venturing. At the other end of the spectrum is a proven product in a new market. The sole criterion for a startup is building from a revenue base of zero in a new market segment.

Invention

"An inventor creates a technical capability that can be used to create products or features that solve a customer problem or market need" (Griggin et al., 2012, p. 24). "An invention is a new

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idea that is often turned into a tangible outcome, such as a product or a system" (Lafley & Charan, 2008, p. 21). The U.S. Patent and Trademark Office considers the extension of intellectual property rights to novel and non-obvious uses (Patents, n.d.). "In [point of] fact, there is no correlation between the number of corporate patents earned and financial success" (Lafley & Charan, 2008, p. 21). Four distinct steps are germane to the process of invention: (i) the perception of an unsatisfactory pattern, (ii) the setting of the stage, (iii) the primary act of insight, and (iv) critical revision and development (Usher, 1955, p. 527-528). New skills are presumed necessary to the process (p. 528). Invention, whether worthy of patent protection or not, may or may not be necessary to innovation.

Creativity

Creativity entails connecting things that no one else has fathomed (Bennis & Biederman, 1997, p. 66). "Creativity is the playing with and [the] 'reordering' of objects or concepts in such a way that no foregone result is achieved" (Oster, 2011, p. 18). Creativity and invention enjoy a symbiotic relationship. Both regard something new. Neither escapes the realm of novelty unless they provide usage utility for a customer. "Creativity . . . consists largely of rearranging what we know in order to find out what we do not know" (Michalko, 2006, p. 100). Creativity may evolve through a combination of deductive ("logic and analysis, typically based on past evidence"), inductive ("based on directly observable facts"), or abductive ("imagining what could be possible") reasoning (Lafley & Charan, 2008, p. 106). Creativity may lead to innovation, i.e., an innovation ingredient. However, creativity is not an end unto itself (Anthony, 2012, p. 17).

Most of intelligence (at least that which is measured by conventional tests) is inherited; most of creativity is learned (Dyer et al., 2011). "General intelligence . . . is a genetic endowment—[25-40 percent], but creativity is not. Nurture trumps nature as far as creativity goes" (p. 22). "One of the paradoxes of creativity is that in order to think originally, we must first familiarize ourselves with the ideas of others" (p. 85). Sometimes the difference between creativity and innovation is timing. Creativity encompasses elegant design comprised of the utterly unexpected, amazingly competent, aesthetically exquisite, and conspicuously conscientious (Hamel, 2012, p. 56-57).

Creativity may benefit by aspirational alignment, i.e., the problem one ponders while applying creative contemplation. Simon Sinek's Golden Circle provides utility in this regard. Sinek leans upon the visual of a bulls-eye of three concentric circles whose center is "Why?," i.e., the purpose of the endeavor. The middle ring represents "How?," i.e., the process of execution. The outer ring is "What?," i.e., the resulting output or product. Sinek explains that the inner two rings (Why? and How?) draw upon the brain's limbic area for non-verbal, feeling, and intuitive capabilities. The outer ring taps the neocortex for its rational, analytical, and linguistic attributes (Sinek, 2009).

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Creativity is an expression of individualism. Collectivism kills creativity (Dyer et al., 2011, p. 168-170). There are five discovery skills benefiting creativity: (i) associating the "not obvious"; (ii) questioning, e.g., asking "Why?" until satiating an understanding of basic principles; (iii) observing an ecosystem to master its complexity and nuances; (iv) networking to tap into the knowledge of others; and (v) experimenting to optimize design (p. 168-170). In complement, there are three methods of experimentation: (i) experiences, (ii) dissection to understand how things work, and (iii) prototypes (p. 137-138). "Creativity is 80 percent context and 20 percent technique" (Cook, 1998). Companies open to supplier, customer, and academic input within an industry vertical fare better with new ideas than is the case across industry verticals (Inauen & Schenker-Wicki, 2011).

Innovation

Innovation is "something different that has impact" (Anthony, 2012, p. 16), i.e., creativity with impact. "Innovation is the intentional development of a specific product, service, idea, environment, or process for the generation of value" (Oster, 2011, p. 3). The arbiters of such impact are customers. Customers may be sufficiently curious to make an initial purchase. However, the life blood of sustainability is repeat purchases.

The creativity of the right hemisphere of the brain must translate into behavior to achieve innovation (Dyer et al., 2011). Customer-focused responses need to address customers' (i) articulated, overt, and rational needs; and (ii) unarticulated, latent, and emotional needs (Lafley & Charan, 2008). Successful innovators focus on four key principles that elude most people: (i) unchallenged orthodoxies, (ii) underappreciated trends, (iii) unleveraged competencies and assets, and (iv) unarticulated needs (Hamel, 2012, p. 64-72). Successful innovators are receptive to customer influence—not customer directives (Lafley & Charan, 2008, p. 60).

Innovators are attuned to product function, or the job the customer is hiring the product to do (Christensen & Raynor, 2003, p. 73). This may be an antidote to high failure rates for ideas-first and needs-first innovation. Indeed, an outcomes-based innovation approach anchors the job as the primary unit of analysis (Ulwick, 2005, 2009a, 2009b). Quick failures may be more important than quick successes (Jonash, 2005, p. 201-202). One of the reasons is reallocating the developmental budget.

Innovation is a potential remedy to "wicked problems" and "x-problems." Wicked problems are complex and reject simple solutions (Rittel & Webber, 1973, p. 155-169). X-problems (i) are comprised of mysterious issues never before resolved, (ii) reflect the crossroads of convergence and divergence whose decisions have profound consequences, and (iii) endow problem-solvers with windfall rewards (Richardson, 2010, p. 24). X-problems differ from wicked problems by:

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> the presences of competition, and competitors that are getting better and more diverse; the need to satisfy more demanding customers and provide superior customer experiences; the need to integrate products of diverse types and origins into comprehensive, coherent systems for customers; and clarity about the problem emerges slowly, as with wicked problems, but iterative approaches to solving them are necessary, in contrast to the one-shot deal of wicked problems. (p. 24)

Innovative techniques include (i) immersion, or observing how the ecosystem currently functions; (ii) convergence and divergence, or pontificating how the ecosystem could evolve; and (iii) adaption, or how the ecosystem is actually adjusting (p. 24).

Peter Drucker outlined seven generic and potentially overlapping sources of innovation. Four sources lie within the organizational context: (i) unexpected successes and failures that reveal opportunities, (ii) the incongruity between actual and potential reality, (iii) needs of the business model machinations, and (iv) changes in the competitive environment. Three sources are outside the organizational context: (i) demographics, (ii) culture, and (iii) information (1985).

Innovation may be engendered in response to either hard or soft trends (Burrus & Mann, 2011). Hard trends are represented by phenomena such as aging demographics. Soft trends include examples like professions relative to demographics. Stated differently, hard trends are a virtual lock whereas soft trends are not. "Knowing how to identify hard trends gives us the ability to see the future. Knowing how to identify soft trends gives us the ability to shape the future" (p. 19). The ability to understand trends affects the perception of the future as a guiding innovative principle.

Daniel Burris and John David Mann offer an outline of a seven-point ideology beneficial to innovative endeavors:

i. start with certainty (use hard trends to see what's coming);
ii. anticipate (base your strategies on what you know about the future);
iii. transform (use technology-driven change to your advantage);
iv. take your biggest problem and skip it (it's not the real problem anyway);
v. go opposite (look where no one else is looking to see what no one else is seeing and do what no one else is doing);
vi. redefine and reinvent (identify and leverage your uniqueness in new and powerful ways); and
vii. direct your future (or someone else will direct it for you). (2011, p. xx-xxi)

Product Innovation

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"Product" is broadly defined to encompass services. Therefore, product innovation regards something recognized by customers as unique to any alternative in the market. More important than the value provided by a product may be how the product provides the value (Richardson, 2010). The advent of wireless routers, drug eluting stents, and hydraulic fracturing all depict product innovation. Granted, the line may become blurry between product innovation and incremental innovation. Incremental "product innovation takes established [products] in established markets to the next level. The focus can be on performance increase . . . , cost reduction . . . , usability improvement . . . , or any other . . . enhancement" (Moore, 2004, p. 86-92). For example, fixed-wing manned flight is commonplace; however, the reusable space shuttle took the medium of flight to the next dimension.

"In product innovations, technology risk is primary while the market risk is secondary. That is, in the early stages of product development, technology risk is very high, but it flattens in later stages when the market risk begins to soar" (Mascarenhas, 2009, p. 12). "Many organizations still have difficulty with sustained product innovation, or managing a number of product innovations over time" (Dougherty & Hardy, 1996, p. 1120). Somewhat analogous to Charles Handy's Sigmoid Curve (1995, p. 50-56) depicting the rise and fall of a business life cycle (if no rejuvenation effort is attempted to reestablish positive slope), James M. Utterback's Dynamics of Innovation (1996, p. 90-97) curve conveys a natural cycle of product innovation yielding to process innovation to remain competitive as the product matures. At this point in product life, process innovation is necessary to improve quality while lowering cost. "With the marketplace forming its expectations for a product in terms of features, form, and capabilities, the bases on which product innovation can take place become much fewer, and the focus of research and development narrows to incremental innovations on existing features" (p. 81).

Another interesting phenomenon exists with respect to product and process innovation. Until norms are established for complex, multifaceted products, aggregation is apropos. Stated another way, the product innovator is more competitive with a bundled offering. Afterward as standards become normative, components tend to be more profitable (Richardson, 2010). However, if the entrant only adds incremental functionality to an existing product, the newcomer will likely lose to the incumbents (Christensen & Raynor, 2003).

Process Innovation

The term "process innovation" may suffer some ambiguity. First, innovation is actually a process. Second, part of innovation is improved execution, i.e., de facto process innovation (Lafley & Charan, 2008). Third, process innovation may actually be the product—or a seemingly inseparable aspect of the product, e.g., Lean manufacturing consulting. Fourth, process innovation may improve the competitiveness of an existing product. This latter point aligns with the "specific phase" of Utterback's Dynamics of Innovation curve (1996, p. 90-97).

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Generally speaking, however, process innovation entails a more efficient delivery mechanism within the supply chain (Moore, 2004, p. 86-92). Moreover, it draws upon numerous techniques to accomplish the objective, including process reengineering, Lean manufacturing, and Six Sigma (Johne, 1999, p. 6-11). Inaugural production mechanisms may be inefficient and wasteful. "Too much variation leads to waste and inefficiency; too little variation can lead to stagnation, atrophy, and dissolution" (Miller, 1998, p. 447-451). The teachable point is that process innovation efficiencies may make a successful product more price-competitive.

Process innovation can free up resources for product innovation (Lafley & Charan, 2008). Process innovation is compatible with emergent innovation. "Emergent innovation does not impose new and foreign innovation techniques on company employees, but instead seeks out, recognizes and helps promote useful innovation methodologies already at work in the organization" (Oster, 2009, p. 40).

Sustaining Innovation

Sustaining innovation is also known as incremental innovation, and "simply improves what is" (Mascarenhas, 2009, p. 20). Incremental innovation predominates firm activity, and comprises upwards of 90 percent of their developmental endeavors (Day, 2007, p. 110). Typically half a firm's sales are rooted in products within five years of their introduction (Portfolio Management, n.d.). Another way to look at sustaining innovation is steady rejuvenation.

Sustaining innovation extends product lines with features that produce complementary utility to existing products. For example, cruise control is a popular car feature, but it did not alter the basic function of automobiles: transportation. Product refreshing and continuous process improvements are aligned with the sustaining endeavor (Chandrasekar & Mehmood, 2010). An inherent criticism of sustaining, incremental innovation is that there is "acceptable effectiveness but excessive focus on small, safe projects. Many consumer packaged goods companies fit into this category, with their bias for relatively safe and less expensive line extensions to existing brands" (Kandybin, 2009, p. 58).

Disruptive Innovation

Disruptive innovation is perhaps the most intriguing of all types of innovation. Disruptors' "markets appear as if from nowhere, creating massive new sources of wealth . . . [from] . . . technological discontinuities" (Moore, 2004, p. 86-92). Disruptive innovation provides a "wow" factor.

> Disruptive [innovations] bring to market a very different value proposition . . . . Generally, disruptive [innovations] underperform established products in the mainstream markets. But they have other features that . . . new fringe (and generally new) customers

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> value. Products based on disruptive technologies are typically cheaper, simpler, smaller, and, frequently, more convenient to use. (Christensen, 1997, p. xv)

Clayton M. Christensen has written extensively about innovation. He posits five laws, or principles, of disruptive innovation.

i. Resource dependencies influence options, i.e., customers effectively control the patterns of resource allocation in well-run companies.
ii. Small markets don't solve the growth needs of large companies.
iii. The ultimate uses or applications of disruptive technology are unknowable in advance. Failure is an intrinsic step toward success.
iv. Organizations have capabilities that exist independent of the capabilities of people who work within them. Organizational capabilities reside within their processes and values—and the very processes and values that constitute their core capabilities within the current business model also define their disabilities when confronted with disruption.
v. [Innovation] supply may not equal market demand. The attributes that make disruptive technologies unattractive in established markets often are the very ones that constitute the greatest value in emerging markets. (p. 99)

One of the reasons for these phenomena is that disruptive products are introduced absent any degree of magnitude about actual target markets. For disruptive products to gain market acceptance and enjoy first mover advantage, they need to appeal to the innovator and early adopter portions of the Diffusion of Innovations bell curve (Rogers, 2003, p. 279-285) to reach the tipping point of traction toward mass appeal (Sinek, 2009). The tipping point embraces the power of Metcalf's Law: "the value of a network as a whole is proportional to the square of the number of its participants" (Ries, 2011a, p. 39).

The stage gate product development process that serves sustaining, incremental innovation so well is a disservice to disruptive innovation. Two reasons prevail: (i) product conceptualization and supporting technology is assumed, and (ii) managerial support is preordained (Griggin et al., 2012, p. 18). In contrast, disruptive innovation entails a "fuzzy front end" that is devoid of navigation benchmarks of any reliable description (p. 18-19).

One technique along the disruptive introductory path is launching minimally viable products [MVPs] (Ries, 2011a). MVPs are tantamount to the good enough threshold (Christensen & Raynor, 2003). MVPs usher disruptive innovators through a labyrinth of options subject to two caveats: (i) "any effort that is not absolutely necessary for learning what customers want should be eliminated"; and (ii) "customers don't care how much time something takes to build; they care only that it serves their needs" (Ries, 2011b, p. 56-63). Since there is nothing against which to benchmark a disruptive product, the initial customers will tolerate imperfection, provided the

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product addresses a worthy purpose. Iterative releases of the product address the necessary tweaks en route to deeper customer satisfaction.

The Role of the Teams

The Japanese proverb, "None of us is as smart as all of us" (Japanese proverb quotes, n.d.), frames the virtue of teams. Diversity of perspective is a worthy inclusion criterion. Moreover, T-shaped attributes are valuable, i.e., being both broadly oriented in numerous relevant subjects, as well as deeply immersed in some (Kelly & Littman, 2000). This T-shaped attribute should rest between the extremes of the spectrum bounded by (i) shallow generalists who know less and less about more and more, such that they eventually know nothing about anything useful to the project, and (ii) myopic specialists who know more and more about less and less, whose net result is knowing everything about nothing pertinent to the objective.

Preparation is a big part of becoming an effective innovation team member. Four simple techniques help teammates stimulate their creative synapses: (i) experiencing new settings for contextual variation; (ii) studying pioneering individuals; (iii) absorbing diverse, eclectic reading material; and (iv) engaging luminaries and thought leaders (Anthony, 2012, p. 132-133). Three means are cited to accentuate teammates' innovative perspectives: (i) live outside the country for a period of time, (ii) work in different areas of the company or different companies, and (iii) learn new skills (Dyer et al., 2011). Professionals with expatriate experience are 35 percent more likely to be innovative (Dyer et al., 2011).

Team acculturation for innovative endeavors does not necessarily differ from that of other types of teams. The basic phases of team development are forming, storming, norming, performing, and adjourning (Tuckman & Jenson, 1977, p. 419-427). Team formation may be catalyzed by the leader, i.e., the teams might not self-select. Storming entails the evolutionary and potentially contentious course of developing group dynamics. Norming is the adoption of an esprit de corps that works for the team relative to the mission. The norming competencies in play are: (i) conflict resolution, (ii) problem solving, (iii) communication concision and clarity, (iv) decision making, (v) goal-setting, (vi) planning, (vii) task execution, and (viii) performance management (Gilley, Morris, Waite, Coates, & Veliquette, 2010, p. 7-28). Performing aligns with Mihaly Csikszentmihalyi's depiction of "flow," or group chi (Csikszentmihaly, 2003).

Teams must translate creativity into innovation that reconciles with the customer experience. One methodology for empathizing with customers is "agnostic marketing" (Christensen, 1997) or objectively observing customers in their ecosystems. There are four time-tested approaches for gathering such stimuli: (i) questioning, (ii) networking, (iii) observing, and (iv) experimenting (Anthony, 2012, p. 33-34).

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Like any other team, innovative cohorts must build relationships upon a foundation of trust. The presence of trust pays relational dividends just as the absence of trust exacts a tax (Covey, 2008). Pioneering teams appear to be particularly attuned to teammate competence, reliability, transparency, and empathy (Williams, 2001).

Organizational Design

"People want to be part of growth, not endless cost cutting" (Lafley & Charan, 2008, p. 24). The need to innovate is all too often realized in an organization's obituary instead of its strategy. "Companies cannot build a culture of innovation without cultivating people who do" (p. 24). Creating an innovative culture demands that leaders nurture the elements of (i) courageousness, (ii) connectedness, (iii) collaboration, (iv) curiosity, and (v) openness (p. 243). Innovative organizational design is a conundrum. "Innovation has never been institutionalized. Systems have never been able to reproduce the synthesis created by the genius entrepreneur . . . and they likely never will" (Mintzberg, 1994, p. 110). As with general leadership styles, organizational designs belie one size fitting all situations (Lafley & Charan, 2008, p. 151).

The stakes are high. Only five percent of companies beat average growth relative to their industry for an extended period of time (Christensen & Raynor, 2003, p. 21). Virtually no companies are successful after having a growth initiative failure (p. 7). Some of this is explained via a psychological anchoring effect. We fear loss more than cost, and both more than the enjoyment of winning (Kahneman, 2011). Middle management is typically the reason ideas do not percolate up from the ranks for consideration. One of the primary root causes is risk aversion (Christensen & Raynor, 2003, p. 10, 11, 13, 217, 220, 270).

Organizational capabilities are determined by three Ps: (i) people, (ii) process, and (iii) philosophy (Dyer et al., 2011). When the needs of innovation success eclipse the limitations of the three Ps, the organization has three options: (i) acquisition, (ii) process reengineering, (iii) isolated incubation within the firm (Christensen, 1997, p. 172). All three options have organizational architecture implications. Leaders are challenged to overcome the organizational "valley of death," i.e., the gap between the required and existing organizational architecture (Griggin et al., 2012, p. 21; Markham, 2002). Organizational architecture is comprised of three core elements: (i) span of control, (ii) information access, and (iii) performance management (Brickley, Smith, & Zimmerman, 2007, p. 5). Consequently, leaders must finagle the organizational architecture levers to customize a suitable design for their particular firms. Good organizational design promotes discovery of exploitable opportunities, manifests in marketable solutions for those epiphanies, and presses maniacally for first mover advantage (Griggin et al., 2012, p. 27; Leifer, McDermott, O'Connor, Peters, Rice, & Veryzer, 2000; O'Connor, Leifer, Paulson, & Peters, 2008).

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Innovation execution benefits by the roles of champions, project managers, and implementers (Griggin et al., 2012, p. 24-25). These are complementary functions that are not necessarily performed by the same professionals. Champions sponsor initiatives and remove obstacles. They may not have technical expertise, e.g., an electrical engineering degree, but they understand the intended objective of the innovative endeavor. Project managers coordinate actions across seemingly disparate parties who may lack perspectives for their reliance on each other's contribution to the bigger picture. Most especially, project managers steward the critical path of tasks that must occur in a certain order to underwrite the intended results, e.g., raw materials arriving at the incubation lab. Implementers take the product to market. These are supply chain experts who manage marketing, sales, production, and delivery functions.

Leadership Challenges

"It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change" (Charles Darwin quotes, n.d.). "To prosper, companies need to do four things well: (i) develop leaders of the future, (ii) improve productivity, (iii) execute strategy, and (iv) create innovation. Innovation is the glue that binds everything together. Without sustaining the practice of innovation, no company can excel—or survive" (Lafley & Charan, 2008, p. 28). "Leaders of innovation are made, not born. . . . The four key building blocks of this process are (i) performance evaluation, (ii) early identification, (iii) developmental experiences, and (iv) rewards and recognition" (p. 272). Companies that are "considered to have innovation as one of their core competencies utilize mentoring to facilitate and cultivate innovation" (Amat, 2008).

"The single most important factor in a company's level of innovation competence is building an innovative culture that has total leadership commitment" (Maughan, 2012, p. iii). Change management is particularly problematic because organizations may be hostile to innovative change that threatens status quo. Deliberate and emergent strategies are among the innovative leader's options. Deliberate strategies rely on effective execution and work best if these conditions are met: (i) all important and relevant details are known, and responsible parties clearly understand their roles; (ii) the strategy makes sense to the employees accountable for execution; and (iii) collective intentions of the organization must tune out all outside signals. By contrast, emergent strategy uses a day-to-day phenomenon, i.e., tactical responses to problems and opportunities prevail because the future appears murky (Christensen & Raynor, 2003, p. 214-216).

Peter Drucker (1985) offers some innovative leadership dos and don'ts. The dos include: (i) opportunity analysis, (ii) customer reaction validation, (iii) solutions aligned with needs, (iv) piloting preceding scaling, and (v) aspirations and actions toward market leadership. Drucker's don'ts include (i) cleverness instead of clarity, (ii) diluted execution focus, (ii) innovation for the

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future (instead of the present). The latter point may appear a bit odd in a Moore's Law world. Drucker's meaning is not outrunning your customers' ability to grasp the utility of the innovation.

Disruptive innovation may hold the most accretive—or beneficially compounded—promise, yet may be the toughest leadership challenge. First, disruptive budgets are not easily approved. A shrewd option is framing the initiative to counter an imminent threat to the company. Once funding occurs, leaders may then pivot to reframe the initiative as an opportunity (Christensen & Raynor, 2003, p. 112-113). While leaders must be tolerant of mistakes, they must simultaneously emphasize growth over profits—but temper that necessity with impatience for profits (p. 236). Leaders, their organizations, and their incubation teams should never lose sight of the "Why?" of innovative necessity.

Conclusion

Success is a double-edged sword. While it produces results, it also fosters complacency (Tushman & O'Reilly, 2002, p. 14). Complacency blinds the organization to the evolutionary nature of the ecosystem. Sir Isaac Newton's first law of motion imparts that objects in motion tend to remain so unless resisting forces act upon the object (Newton & Hawking, 2002, p. 14). Innovation is tantamount to an ecosystem's resisting force that necessarily alters a firm's course toward a more viable trajectory. The argument of this essay includes dispelling common innovation myths, such as (i) the intellectual limitation to products instead of the inclusion services and processes, (ii) the exclusive realm of an elitist cadre of progenitors as opposed to an inclusive panoply of players, and (iii) the restriction to deeply-pocketed behemoths instead of a free-for-all of the willing (Lafley & Charan, 2008, p. 24-26). Andy Grove perhaps said it best, "Only the paranoid survive" (Grove, 1996). The organization's best defense against entropy, atrophy, apathy, and complacency is innovation. Much like the soreness that comes with hypodermic inoculation, change induced by innovation may also come with pain. However, like immunization, the greater good of innovation is healthy existence and growth. In summary, innovators are more likely to write the history whose objects of derision in those chronicled accounts are the ones who eschewed innovative fidelity and rigor.

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