

UNLIMITED POTENTIAL

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Newsletter

Open Source Innovation and Other Weird Ideas That Work

"The best way to predict the future is to invent it."
– Alan Kay, computer scientist

Self-managed volunteer hackers pool their skills every day on the Internet. Thousands of solo programmers compete to build software that's bought by companies with whom they have little or no contact. Open sourcing has sparked a new way of innovating, even in other more traditional industries. It involves recruiting ideas from outside the company: from customers, freelance scientists, engineers and designers—in short, a global audience of enthusiastic creators.

Influential figures from important global companies are incorporating open source principles and practices into how they organize R&D and launch new products. Excellent case studies are revealed in William C. Taylor's and Polly LaBarre's book, *Mavericks at Work*. Companies as diverse as GoldCorp, Procter & Gamble, Eli Lilly and the World Bank Development Marketplace use open source principles and the Internet to spark new ideas and solve problems. CEOs and executive teams are tapping into the wisdom of highly intelligent, resourceful professionals interconnected on the web.

When you invite lots of smart people - customers, engineers, rank-and-file enthusiasts - into your organization, it unleashes bottom-up innovation. This is a huge shift for organizations, requiring them to become comfortable with openness, transparency and the loosening of controls.

Rethinking Innovation

According to the cofounder and editor of Fast Company Magazine, Taylor and LaBarre, we are at last emerging from a dark business era marred by slow growth and criminal misconduct at some of the world's best-known companies.

In many industries, wild ideas have taken root, and the ranks of young billionaires have swelled, declaring an end to business as usual.



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It is no longer enough to be better than your competitors. Our economy is marked by overcapacity and oversupply, along with information and sensory overload. The only way to stand out from the crowd is to take a truly distinctive stand.

Instead of following best practices, study next practices. Figure out how to create new ways to lead, compete and succeed. This means completely rethinking your creativity and innovation processes.

Inventing New Ways of Inventing

When markets become unpredictable and technologies evolve rapidly, company leaders need a new set of ideas about the creative process. Looking at theory and what worked in the past is useful, but it's also constricting. You need to break with the past, inviting outsiders to participate in solving problems and proposing solutions.

According to Robert I. Sutton, a Stanford professor and author of *Weird Ideas That Work* (2002), people need to discard and often reverse their deeply ingrained beliefs about how to treat people and make decisions:

“They need to follow an entirely different kind of logic to design and manage their companies, even though it may lead them to do things that some people - especially people focused on making money right now - find to be counterintuitive, troubling, or even downright wrong.”

3 Keys to Innovating

Sutton introduces 11½ “weird ideas that work” for promoting, managing and sustaining innovation, based on three steps essential to finding new ideas:

1. Increase variance in available knowledge.
2. See old things in new ways.
3. Break from the past.

When employees work on any of these principles, they increase the possibilities of having breakthrough ideas.

But to understand their scope, you must look at the opposing principles used to achieve routine work. They contribute to the flawed practices managers unwittingly and unsuccessfully use to spark innovation. In truth, they discourage new ideas.

Basic Principles That Squelch Innovation

Everyone agrees: Best practices are those that have succeeded in the past and make money. Managers strive to drive out variance in processes. The goal is to exploit the old ways to succeed at routine work.

This is in direct contrast to what is needed for innovative thinking.

Exploit Old Ways: Organizing for Routine Work
Drive out variance
See old things in old ways
Replicate the past
Goal: Make money now

Exploring New Ways: Organizing for Innovative Work
Enhance variance
See old things in new ways
Break from the past
Goal: Make money later

When you study these principles, it's clear why so many managers use flawed practices that squelch innovation. Most focus on improving performance metrics by driving out variance.

Reducing variance in manufacturing processes makes sense. But when innovation is the goal, you want to increase variance in what people do, think about and produce. Companies must therefore provide opportunities for both processes, exploiting for routine work and exploring for new approaches. The trick is to determine the percentage of company time and money to dedicate to each.

Darwin's Theory Applied to Bright New Ideas

One of the most robust findings in the huge body of research surrounding Darwin's theory of evolution is that variance in people, knowledge, activities and organizational structures is crucial to creativity and innovation.

Geniuses like Mozart, Shakespeare, Picasso, Einstein and Darwin himself developed significantly more ideas and works than their contemporaries. They produced more, had more successes and had more failures. By virtue of productivity, they tried out more ideas, some

Research on groups and organizations suggests variation is just as important to collective creativity. New ideas are generated when groups and organizations have people who act and think in diverse ways, express distinct opinions, are connected to multiple knowledge networks outside the organization, and store and constantly make use of disparate technical knowledge.

From an evolutionary perspective, variation is essential because finding a few ideas that work requires trying a lot that don't. Continual experimentation with one variant after another and constant learning are keys to finding new ideas that work.

How do you bring more variance into the mix? First, you have to make it safe to fail. Wild and crazy ideas that don't fit shouldn't be dismissed or ridiculed. Keep the flow of creativity open. All employees should have ways to introduce and explore ideas.

Another way to increase variation is to work with diverse people. Ideas can come from outside the team or company. Any group can spark innovation by broadening the range of differences. Your idea sources should, of course, include customers.

Seeing Old Things in New Ways

The second principle for creating new ideas is to get a fresh perspective. Look at old things in a new way, figuring out what's missing and what's going unused. Try shifting your attention from objects in the foreground to those in the background. Look at negatives as positives, and vice versa. Reverse your thinking about cause and effect, or what matters most versus least.

People outside your organization don't have the same perspectives as insiders. Consider hiring a few people who don't fit the company mold, or back an idea that's contrary to your instincts.

Break with the Past

There's a lot of hype in the business press about the dangers of clinging to the past, and much of it is justified. But all the excitement about building better products and companies can make us forget that most new ideas are bad and most old ideas are good. This is, after all, what Darwinism predicts.

In truth, doing routine work with proven methods is the right approach most of the time. It's wise to manage time as though the future will imitate the past. But this doesn't mean you should stop trying to innovate or find the next bright idea that could

change the way you do business.

The problem is that the world changes continually and rapidly, new technologies replace old ones, and competitors come up with superior products and services. Customer preferences change. Even though you risk a high failure rate and heavy use of resources, every company needs to keep trying to discard the old ways and replace them with new and better ways.

To break from the past, a company needs to work with varied people and ideas, see things with a fresh perspective and adopt the right attitudes.

The Creative Attitude

How can you avoid getting trapped in routines that smother innovation?

Keep asking: What if some of these weird ideas are true? How can I help organize or manage my company differently to make it more innovative? How should I act differently to make myself more creative?

How can I be provoked to try something different—and possibly fail? How can I learn when I do fail? Can I imagine ideas that may clash with the accepted dogma in my company or industry? Do I dare? Play with these ideas, and experiment with a few in your company.

Feelings, not cold cognitions, drive people to turn good ideas and intentions into reality. People who have the right attitudes will have an easier time implementing weird ideas, and their worldview will drive them to invent new ways to spur innovation.

Every forward-thinking company is filled with certain people who are passionate about solving problems and energized about innovation. Playfulness and curiosity should be encouraged. Innovative people also have the ability to switch emotional gears between cynicism and belief, or between deep doubt and unshakable confidence.

Now for the big question: Will you and your organization's leaders have the courage to make the required mind-shift for breakthrough, innovative thinking, even to the point of throwing it open to outsiders? Do you dare?

Here are *Sutton's 11½ Weird Ideas That Work* (2002):

Exploiting Old Ways: Weird Ideas That Work	Exploiting Old Ways: Conventional Ideas That Work
1. Hire “fast learners” (of the organizational code). 1½. Hire people who make you feel comfortable, who you like.	1. Hire “slow learners” (of the organizational code). 1½. Hire people who make you feel uncomfortable, even those you dislike.
2. Hire people you need.	2. Hire people you probably don’t need.
3. Use job interviews to screen and recruit new employees.	3. Use job interviews to get ideas, not to screen candidates.
4. Encourage people to pay attention to and obey their bosses and peers.	4. Encourage people to ignore and defy superiors and peers.
5. Find some happy people and make sure they don’t fight.	5. Find some happy people, and get them to fight.
6. Reward success; punish failure and inaction.	6. Reward success and failure; punish inaction.
7. Decide to do something that will probably succeed; then convince yourself and everyone else that success is certain.	7. Decide to do something that will probably fail; then convince yourself and everyone else that success is certain.
8. Think of some sound or practical things and plan to do them.	8. Think of some ridiculous or impractical things and plan to do them.
9. Seek out and be attentive to people who will evaluate and endorse the work.	9. Avoid, distract and bore customers, critics and anyone who just wants to talk about money.
10. Learn everything you can from people who seem to have solved the problems you face.	10. Don’t try to learn anything from people who say they have solved the problems you face.
11. Remember and replicate your company’s past successes.	11. Forget the past, especially your company’s successes.
Summary: Efficiency indicates effectiveness in the implementation and use of proven ideas.	Summary: Creative companies/teams are inefficient (and often annoying) places to work

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