



COWORKING

by Corro

A community to help you grow, scale and thrive.

SURVIVAL, IMAGINATION, AND PROGRESS INNOVATION IN ACTION



Innovation is the how; it is a flow that is embodied in the vision and culture of your organization and is discernible on a multidimensional level in all the strategies, tactics, operations, and performances. It is how you and your people do what you do in real-time to create an environment where ideas connect, creating value for your clients and helping your business thrive.

Are you prepared to put time and effort into innovation?

When it comes to innovation where do you place your emphasis?

How do you approach innovation in creating the right business environment?

Thinking innovatively, how do you guide your business forward?

Innovation, by definition, is all about exceeding expectations and current limitations. Since it rarely happens spontaneously it is fundamental to establish an innovative mindset.

Survival, Imagination, and Progress – Innovation in Action

As a leader your primary role is to guide your enterprise forward on its journey. Whether you are starting from scratch to bring a new product or service to market or reinvigorate your business to affect positive change, innovation is your vehicle of progress to thrive in a competitive landscape.

How do you define innovation?

People interpret innovation and value it differently. There is no one single definition of innovation that suits every organization. In fact, Dr. Anahita Baregheh of Nipissing University's School of Business in North Bay found at least sixty definitions. In her attempt to define a multidisciplinary definition she wrote:

"Innovation is the multi-stage process whereby organizations transform ideas into new/improved products, service or processes, in order to advance, compete and differentiate themselves successfully in their marketplace"

Among the many definitions, the words, value, more-effective, practical implementation and creative, appear often. Those words make sense since a good idea is merely a suggestion until implementation, and it is value that eventually differentiates poor ideas from those that have meaningful impact in a market or society. It is the innovative or creative process that takes the idea one step further to transform it into practical reality. We often associate the word creative with something valued for its beauty or emotional power, like a painting or a dance. To create is simply to bring something into existence by using your talents and imagination. Innovative entrepreneurs do this every day when they re-imagine things that already are and turn their vision into new products or services.

One of the best definitions of innovation we found comes from Victor Fernandes of Natura who said, "Innovation is creating new value and/or capturing value in a new way." That too makes sense, since ultimately, the goal of any business is to create value. The business that delivers the best value, or in other words, makes a meaningful impact in a market or society, thrives.

Advantages of an Innovative Mind-Set

Since change is inevitable and continuous, you cannot fixate only on distant goals, you have to always be conscious of the world around you, and be willing to adapt and change. An innovative mind-set helps you to gain creative insights by looking at things from a different perspective. It helps you to exploit new ideas, solve problems, improve efficiency and effectiveness, find new revenue opportunities or revamp strategies that keep you on the journey forward. Basically, thinking innovatively helps you to optimize your existing practices in anticipation of challenges and allows you to act fast.

Is there really a Secret to Overnight Success?

When it comes to innovation where do you place your emphasis? Is it on coming up with a diamond in the rough or grabbing the brass ring that will give you overnight success?

In other definitions of innovation, we read terms like, groundbreaking inventions, cutting edge research. We often hear that innovation is radical or disruptive. Entrepreneurs get excited over stories of those miraculous moments of insight, the great aha moments that lead to the creation of a new product, process or service. While those stories provide great imagery of overnight success, they are oversimplified! Mostly great innovations take years to prove or take form.



What Work or Which People Influence your Innovative Ideas?

When you delve into the stories about Isaac Newton and gravity, Gutenberg and the printing press, Charles Darwin and the Galápagos Islands, Steve Jobs and the MacIntosh, Nobel Prize winners – the list is indeed long – you learn that each of the people, credited as the innovator, was actually influenced by other people who had similar ideas or specialties. Often they worked in collaboration to build upon on those ideas, or at least other people contributed to the success of the innovation. Those achievements were the culmination of hard work, learning and persistence in overcoming challenges. Months evolved into years as they shaped their idea into something that culminated in the recognition of achieving something revolutionary or inventive.

Today, people continue to build upon those innovative ideas. Few innovations put a spotlight on the incremental improvements that preceded their achievement. Yet, many things we value today, such as currency, nails, refrigeration, antibiotics, x-rays, photography, flight and computers are basically improvements on a previous idea.

Are you Prepared to Put Time and Effort into Innovation?

No one dwells on the lifecycle of their innovations or the investment of time before they gained fame for their achievement. It took Newton twenty years and Darwin seventeen years to clarify and publish their ideas. The post-it note took almost a decade and a change in leadership at 3M before it gained any momentum. No one wins a Nobel Prize for a brief stint in science. Look at Facebook. It was three years after launch of the first version before the general public was even allowed to sign up, and several more years before the company generated meaningful revenue.

Common Problems due to Unrealistic Expectations

Not all innovations are newsworthy. These miraculous stories of innovation give would-be innovators a completely unrealistic set of expectations, which leads to a few common problems.

- Would-be innovators are hesitating, questioning, waiting for the miraculous solution or perfect inspiration to suddenly pop into their head. They do not put real effort into true innovation. How can you have a mind-blowing discovery if you do not delve into a problem and work to solve it? Usually, when a person works on a meaningful problem idea and solutions take form.
- Would-be innovators expect overnight success and give up too easily. The idea is the easy part. An innovation that is not an instant money-maker does not mean that you should quit and go to the next idea. It requires trial and error, perspiration, and tenacity to keep going.
- These false perceptions lead some managers, owners, stake-holders, investors, who lack first-hand experience to lead or make decisions from bias. They believe the 'aha' moment story and think they will easily distinguish the good ideas from the lesser ones. The reality is that innovation does not arrive on a gold platter and it can have a harsh timeline.
- When leaders limit their understanding of innovation to being first, world-shattering news, award winning achievement, they tend to limit their ability to rethink how things **can be** done. They risk being rooted in mediocrity. When a leader fails to see innovation as something that applies to their day to day decisions they do not employ an innovative mindset which lets them embrace change and creativity or the courage to push the boundaries.
- False perceptions do not inspire an organizational culture that really values and supports innovation, so that people can actually make innovation happen around the organization. They do not focus on training their people to be adaptive, creative and critical thinkers.

Most Innovation is Incremental

Innovation is the introduction of something new or novel, but it is not always ground-breaking or disruptive. In essence, most innovation does not always create a brand new market. It is incremental in nature. Someone makes minor improvements, recombines or re-imagines existing products, services, processes, methods, or even the organization itself. Ideas emerge through combining insights from fields that are not necessarily connected. For you, innovation could be diversifying or transforming your business model for an online global market. It could be introducing new internal processes to improve efficiency or effectiveness or competitive advantage. It could simply be something you haven't done before that contributes to the business strategy and vision you have for achieving your goals.

Your Approach to Innovation in Creating the Right Business Environment?

Creativity and innovative thinking do not flourish when you are the entrepreneur that is busy running the business, stuck at the desk. However demanding it may be, it is important to designate time and space away from daily tasks – even out of the office – to think creatively, work through innovative ideas and see the potential of your good ideas. If you work alone put your thoughts into words, your words into pictures, and turn your pictures into prototypes. You can start with small projects that strengthen the weakest areas of your business or bring new ideas to life. Ideas do not have to be big, transformative, and game-changing to make a huge difference.

Create an environment that not only encourages collaboration and conversation in your business, but makes time for it. There is a lot of sound advice on how to be better at innovation. No one strategy is ideal because the companies have different processes and face different obstacles, which require different solutions. Your organization has to pinpoint its own strengths and its unique challenges, internally and externally, before you can decide how to approach innovation. A company with several managers and teams will approach innovation differently than an entrepreneur with three employees.

Approaching Innovation Together and Creating an Environment Where Ideas Connect

Before embarking on any innovation cycle, make sure that everyone in your organization understands innovation the same way. People interpret innovation and value it differently. Does everyone in your organization understand innovation the same way? How about the people that you consult or contract?

There is no one single definition of innovation that suits every organization. Yet, if you understand it differently than the people you lead or work with, or rely on it could be problematic. If they expect miracles, their consensus will quickly shift against innovation. You need to know that they are prepared to face and overcome challenges. You may be aware of how innovation helps you achieve your goals, but if they do not share the same vision or objectives, a jumble of approaches could lead to failure.

Just as you want everyone aligned in your overall business objectives you want a unified vision and common goals for guiding innovation. Whether you are launching a new product or introducing a new internal process to improve sales effectiveness everyone involved should buy in to the idea to move forward in the same direction. You may set a clear and compelling target, not prescribe the how. Everyone may have their own interests and level of responsibility. With a shared vision, a focal point – or using the same road map – they arrive at the same finish line.

Incremental innovation in many businesses is not always stimulating work. Yet, in an industry that moves slowly, it may be the business model of how your organization can become slightly better every day. For the most part, it can actually be tedious work, and not everyone will be excited to work on it. They may be tempted to keep to the same pace, do the same things today as they did yesterday. That is when a unified understanding of innovation, that deliberate focused approach, is needed most.



▶ **Innovation is in the Real Time Flow of Your Business**

Many entrepreneurs make the mistake of thinking that innovation is a periodic event, a process undertaken at an annual retreat or in response to a major change or a crisis such as Covid 19. Innovation is not an improvised program, event, or process. It is not a “What”.

Innovation is the “How”! It is a flow that is embodied in the vision and culture of your business and is discernible on a multidimensional level in all the strategies, tactics, operations, and performances. It is how you do what you do in real-time to create an environment where ideas connect, creating

value for your clients and helping your business thrive. It is how you empower your workforce and enable your organization to bring forward creative solutions and progressive ideas or execute strategy and optimize performance. You and your people should apply innovative thinking to everything. Nothing is too superfluous to escape innovative thought. Even small improvements can help accelerate the growth rate of the business dramatically.

Your organization has strengths and weaknesses. There is a tendency among businesses to put efforts and resources into innovation through the strongest links in an organization. However, execution and effectiveness are best achieved when all aspects of your business are aligned. Studies show that a company’s ability to innovate is only as strong as its weakest link. Therefore, you should focus on strengthening your weak areas so that when you generate innovative ideas they can be implemented more effectively.

▶ **Expand your Discovery Network to Improve Idea Generation**

As a small business owners you should assess whether you are sourcing enough good ideas from outside your immediate think group. Consider expanding your network to tap into unique sources of information; gain insight and knowledge through customers, end users, competitors, universities, independent entrepreneurs, investors, inventors, scientists, and suppliers. Exchange ideas with people from different activities, age and social groups. Call it your discovery network. Aim for diversity, not just numbers. Get to know experts and generalists, people of varied background, experiences, and expertise in diverse fields, because they can make connections where others may not see a link. For example, Charles Babbage’s knowledge of the silk-weaving industry, inspired his work on his “difference engine” in the 1860’s which is the foundation of modern computers. Henry Ford’s revolutionary idea of the car manufacturing assembly line was inspired by how meatpacking plants operated.

Your Opportunity to Build a Culture that Fosters, Supports, and Encourages Innovation

Your innovation practices will help build a culture of continuous learning, growth and personal development. This type of environment motivates people to constantly improve the way they work and the way they work with others. It inspires people to think more creatively.

A truly innovative environment involves every single employee to look around their work area to identify small problems around them and to be empowered and responsible to solve them. People are encouraged to work on projects that interest them, even when they do not necessarily correlate with their normal job duties. Organizations block off hours every week, or month for their employees to focus on creative endeavours. Every person feels skilled, equipped and empowered to have impact. Daily improvements in quality and productivity lead to continuous improvements, even outside the nine to five work days. From any one of these improvements, a great commercial idea could pop to the surface.

In our country, an innovative business culture has not always been the norm. How many times have we hear people say things like, “I just work here” or “this is not what I get paid for”? That passive attitude stems from a top down hierarchal or micromanagement approach in an organization that does not support or encourage innovation. That kind of attitude does not help an organization build a relationship with customers, suppliers, or other business partners. It certainly doesn’t help generate ideas on how you can make improvements.

In other countries where innovative thought is encouraged, the ideas lead to efficiency and internal savings. For example. The average Japanese company receives twenty-four ideas per worker per year.

Have you heard about the Ritz-Carlton \$2,000 rule? The rule was introduced to address any and all the problems a valued customer might face when visiting the Ritz-Carlton. To satisfy a customer, any frontline employee can spend up to \$2,000 right away, without asking their manager for permission. That is \$2,000 per incident. By having such a rule in place, employees tangibly know how highly the management not only values the customer experience, but also trusts their judgement. Front line employees are able to act quickly and decisively which leads to a far superior customer experience than most average hotels. It is a great example of one simple innovative decision that can make huge impact on both customers and the employees. It has resulted in huge pay-offs for the hotel chain.

Even if you work alone, you need to be purposeful in how you use innovation to move your business forward. Innovation is crucial enough that we cannot stress enough the importance of adjusting your timetable to ensure you are able to put effort into examining the changes going on and what that means in terms of opportunities, and also to work on your ideas to bring them to fruition. Think of innovation as your entrepreneurial tool that you are keen to use, which means you are razor sharp on type of processes you use, and the events you plan and how those simple things affect your approach to innovation or how you make time for it. You may have to also sharpen any core competencies that affect your ability to innovative.

► Leadership Traits Valued in an Innovative Culture

Organizations with an innovative culture are characterized by this kind of leadership:

- You emphasize the need to always think of ways to get better.
- You are focused on implementing ideas as opposed to just talking about them
- You place a value on learning.
- You have a clear vision and a strategy that everyone understands.
- You lead with vision instead of a chain-of-command approach and thereby provide enough freedom and responsibility to encourage innovative thought and action.
- You encourage experiments, and consider failure as just a normal part of the process for developing anything new.
- You actively solicit ideas from all sources, have internal processes and events to capture ideas.
- You appreciate the cognitive diversity of your organization, promote openness between individuals so good ideas are shared, and invite everyone to take part in innovative meetings.
- You valued and nurture all ideas, not criticize or minimize.
- You empower people but hold them accountable for their work and their decisions.
- You look for imagination and creativity when recruiting new employees and want to surround yourself with innovative thinkers.
- You have the tools and structures in place for making sure things happen and the right things move forward
- You identify opportunities for innovation by adapting your product or service to the way your marketplace is changing.

► Practical Suggestions to Create an Innovative-Oriented Culture

Need a place to start? You can use these ideas to guide your business in a new direction. If you are one or two person operation, adapt these tactics and set aside time to work through them.

- Start with an idea challenge asking every employee what it is in your organization that prevents them from innovating or from otherwise making progress. Make sure you understand this input. Don't just listen, commit to fixing as many as you can.
- Use an idea challenge to ask every employee to pinpoint the biggest frustrations existing customers have. Set aside a budget to address these issues.
- Introduce continuous improvement processes for doing incremental innovation across all aspects of the organization.
- Reward and celebrate employees who contribute towards new innovations in addition to their own responsibilities.
- In every hiring decision place an emphasis on innovativeness and the desire to make real change happen.

Innovation that Creates Value

We mentioned earlier that definitions often included the word “value” – something new that creates value. But how do we even define value? Does it count if it creates value for your industry or just your company? Does it have to be a monetary value? Some value is over-hype. Much of the world’s innovative ideas creates tremendous significance for investors or a select group, but is harmful to society at large. Many innovators start out by creating value for the public, but in the pursuit of chasing their vision, they lose sight of that end goal.

Still, we like the word value because without it we would not recognize innovation as progress. Without value we would have no change-makers, and we would never solve critical problems in the world. Creativity and discovery would simply never happen. Organizations would never try to create value and we would all be deprived of those innovations we do value.



We believe that you are likely to go in the right direction when you know your market and your customers and your goal is to create value for others, be they your clients, your community, your employees, the public at large. Just ask yourself, “Will it make a positive difference?” If the answer is, “yes,” then go with it.

Entrepreneurs are the Change-Makers

Although certain industries depend on innovation more than others, innovation or the ability to improve has an impact on everyone. For more than 120 years up to the mid 20th century, nearly 90% of economic growth in North America was due to innovation that created value for the public at large – the light bulb, flight, democracy, vacuum cleaners, zippers, teddy bears, toilet paper, stainless steel, jukebox, automobile, radar, Internet, etc. In the last couple decades sophisticated business and thought leaders describe a rift that developed between companies and society because societal issues or social responsibility have been at the periphery of business decisions, rather than the core.

This rift caused dissatisfaction, which opened the way for a new business model to emerge where social responsibility is at the heart of business practices, rather than just profit. Entrepreneurs have been overcoming institutional pressures to pursue economic, social, and environmental goals simultaneously. Their innovative solutions are based on the principle of shared value, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges. These mission-driven entrepreneurs connect company success with social progress and gain incredible credibility and success. From social justice to social impact, impact investing and everything in between, that momentum keeps rising to build better communities and inspire action around all that it takes to leave the world a more just, equitable, and habitable place for all.

Being an innovative entrepreneur means doing things differently or doing things that have never been done before. If you are an entrepreneur who has embraced this idea of challenging the status quo and pushing the boundaries you can take the lead in bringing business and society back together. Innovation takes place on many levels. Although your innovation activities may not be powerful enough to save the world, you can focus on improving the things that you can affect.

Growth Mindset is Necessary for Innovative Thinking

There is much information on how to construct a more innovative organization. Less is said about how each individual can learn to be innovative. The ability to think innovatively can be practiced so you become comfortable with your mind wandering and wondering in all kinds of directions beyond accepted norms and conventional wisdom. Being more innovative is not a one-time thing or final destination, it is a daily exercise that not everyone is willing to embrace.

Being innovative is characterized by a growth mindset. You have probably already adopted a growth mindset to innovate yourself toward becoming an independent entrepreneur. Mindset is the lens through which you see and interpret the world. That insight is what drives innovation. A growth mindset teaches you to be fascinated by emerging challenges, to be curious and willing to put in the effort to keep on learning. When you have a growth mindset you believe that you can do hard things and that basic qualities, attitudes, intelligence and abilities are things you continue to cultivate through learning, application, and experience. A growth mindset is cultivated through practice. You probably identify your attributes through that mindset.

Common Skills among Innovators

Many creative people have great ideas, but real innovation is a combination of ideas and action, the hard work to bring a good idea to fruition. As your mindset expands, it encompasses the mental skills required for innovation. To be skilled at innovation you have to hone the skills that characterize it.

- ▶ **Empathy:** To create new and better ways of doing things, you need to first understand for whom you are innovating a product, service, or procedure. This requires empathy to understand the experiences of another person or group of people when you cannot immerse yourself in their lives.
- ▶ **Problem-finder:** Innovators thrive on having problems to solve. If you want to be innovative, you need to look at questions first. All innovation starts from a question not an answer. The answer lies in your ability to move beyond the challenges and constraints.
- ▶ **Curiosity:** Curious people ask questions, explore possibilities, and dive into quite unusual thinking to get answers. How can we make it better? What else could we do? What if? These are the questions you want to hear around your association. Tough questions get you to the root of a problem and figure out underlying motivations so you can get an innovative idea to the action stage.



- ▶ **Opportunity-Focused:** The best innovators see opportunities and direction where other people see dead-ends. It is tempting to fixate on one single option early in the process. The best innovators are able to stay open to exploring different possibilities before they close in on a selection. You have to be open to unexpected information or events, meaningful comments and how various feedback can be used to improve any original idea. You want the ability to extract meaningful learning, adapt and implement what you learn to make an idea evolve in a meaningful way.

- ▶ **Intellectual Humility:** An innovative mind-set includes the ability to be unassuming. As a leader you cannot expect to automatically have all the knowledge necessary to make good decisions, or the skills required to bring your idea market. Intellectual humility allows you to acknowledge the limits of your knowledge when new information is revealed or feedback is discouraging. It allows you to be open to new learning. The best part is that intellectual humility opens up new avenues for you to develop alternative solutions.
- ▶ **Courage:** Innovation is not easy. Committing to innovation is a brave thing to do. It requires courage to be vulnerable, accept change, ask tough questions of yourself or your organization, and venture into a new strategy or experience. It takes courage to create something and let the world judge your work. It takes courage to be a risk-taker and do something different rather than stick with conventions or the “tried-and-true” methods you have relied on in the past. It also takes courage to be humble in the face of new information or admitting the limits of your own knowledge.
- ▶ **Action-Oriented/Pragmatic:** Achieving practical results is fundamental to innovation. Being action-oriented or pragmatic allows you to shift your focus from intellectual thought to practical ideas and planning to building prototypes and running early experiments to prove fundamentals of a concept.
- ▶ **Observant:** Innovation requires a sharp eye and vigilance to see and understand what is happening, like having an active radar that endlessly scans the environment for possibilities. The more observant you are the more sensitive you are to identifying uncertainties which helps you make better decisions.
- ▶ **Reflective:** It is important to reflect on your process. What worked? What didn’t? What could we do next time? If we started again, what would we do differently? What can we build upon? Through continuous reflection, you will often notice new pieces of information that were potentially important for the project.
- ▶ **Connection-Diversity:** In broad terms, innovation is about connecting thoughts to solve a problem and create value. Innovators are committed to diversity and understand it takes many different points of view to fully grasp the complexity of economic, technological and other challenges. Innovators cultivate diversity to strengthen their innovation projects because listening to and understanding people helps zero in on the right answers and solutions. Do you have the ability to talk to people of different age groups, social classes, or cultures? Are you able to really listen to understand people who think radically different from you? How willing are you to visit different places, other cities, countries to delve into their issues and challenges.

We often look for solutions to come from education, but with organizations around the world sharing their practices and ideas, we can tap into their diverse expertise and learn from them as well. Wisdom is all around you; you just have to be open to it. Sometimes the most valuable thing you get from your connections is not just an idea, but the inspiration or courage to try something new or stick with a project.

- ▶ **Resourceful/Multi-Capable:** Innovators are incredibly competent at using what's around them or acquiring new capabilities to help them reach their goals. If one path does not work, they try something else, often able to think on the fly and at significant speed. If you are a generalist (an entrepreneur that operates from a broad base of interests and learning environments, and also has acquired a diverse range of capabilities) that is an excellent attribute for an innovator because it makes you more adaptable. Being multi-capable gives you the readiness and ability to transfer skills and knowledge and apply them flexibly to situations you haven't seen before. You are better able to match a strategy to a type of problem. Generalists are quite keen to experiment, ready to learning about things that are necessary to keep their projects going, and able to source the right talent and skills when necessary.
- ▶ **Resilience:** Failure and unexpected outcomes go hand in hand with innovation. Resilience means you can adapt to adversity and will not be defeated by challenges. When priorities change, you do not get stressed out. Things simply do not always work on the first try, so you need mental resilience to do what is needed to take in the new information in negative feedback, accept it in a constructive way and remain operative. This also means being able to let go of an idea once it is proven unsuccessful and continuing to explore other solutions.
- ▶ **Agility:** You need the ability to move quickly, rather than be hindered by sticking to conventional wisdom or being fixated on meetings to discuss possibilities but no decision. As an entrepreneur you need to have the agility to get an idea off the drawing board and implement the process to make it a tangible value-driven product or service.

▶ Exercises That Spark Thinking Creatively

Here's are two exercises you can do to be more innovative.

- **Flip Your Assumptions:** There are many things you can do without thinking. These may help you do your job well, but they may also blind you to opportunities. Make a list of these tasks and talk about how you could do them differently. You may find a new way to complete your task.
- **Create Restraints:** What would happen if you set up constraints to change how you work. Ban words, ban resources or your default communication tools for a couple of days or a week, and explore the implications. When you are forced to explore new versions of your most common practices, creativity takes over. At first it sounds counterintuitive, but the point of the exercise is think dynamically to spark new thoughts on how to do things.

Thinking Innovatively, How do you Guide Your Business Forward?



Insight – Innovation Solves Human Problems

Essentially having an innovative mindset is about your insight into understanding human beings, their habitat, and their real-life problems. Innovation solves human problems. Insight may come more naturally to some entrepreneurs. But in most cases, insight is derived through explicit and structured research, or going out in the real world to gain insights from relevant end-users. Insight can come from the people you employ who view the world from a creative mind-set.

Problems are not always obvious. The main purpose of insight is to identify the root of a problem and what these problems actually mean. As you zero in on understanding the real or right problem, solutions become more apparent. Examine failures too, in order to learn and develop from them. Many innovations derived from hard work have been truly revolutionary, even when they were not so obvious at the time.

Outsight – Being In Sync with the World

Innovation is also about being in sync with the world around you, its larger sociocultural and socioeconomic context. You have to keep track of changes and how repercussions affect society, your end-uses, or your area of business specifically. This is called oversight. As an entrepreneur it is your responsibility to stay in tune to subtle changes so you can steer innovation to areas where you are more likely to be successful in reaching your goals. However, if you do not track changes to make oversight a priority, you can waste or spoil good ideas, or miss new ones.

Life Cycle of Innovation Requires Patience

Every innovation goes through distinct phases. Any business would prefer that the phases of innovation be predictable. But, you cannot rush the process as it shifts from idea generation to implementation to growth to maturity.

Innovation always requires you to learn at least something new, but more often than not, it requires gaining both new knowledge as well as new capabilities. That is but one phase. Internal innovations may require time for building synergies for everyone to move forward together. When you innovate a product or service, you must allow time to dig deep into the right questions that do not always have easy or obvious answers. Time is required for the collaborative effort to research and reduce implementation problems that develop. On the path to achieving goals there are strategies involving investment, design, testing, deployment, adjusting to feedback from end users, logistics issues, communicating value, building and optimizing growth, sustaining the market or adapting to market demands, incremental innovations, conceptualizing new applications, breakthroughs or re-growth. Each strategy takes time to develop and each phase takes time to progress to where you can take the next step.



In reality, the length of this timeframe can vary from months to years or even decades, depending on the type or scope of the innovation. It could largely depend on how well or fast the innovation is implemented, and what is happening in the world during that time. It might depend on how much value the innovation really has, or how that value might have changed since the idea was conceived.

You have to have patience as you steer innovation through these phases and at the same time stay tuned in to what is happening in the world around you so you do not miss new insights. Keep in mind that the innovation cycle differs between the private and public sector, which often has different approval processes. It can differ between businesses operating on a global scale versus local.

► Risk of Not Improving or Innovating

With the investment of time, energy and resources in such an uncertain time frame it can be scary, even with the hype about the rewards. There is also uncertainty and the risk of gaining or losing value. Your ability to tolerate risk determines the potential upside or downside of your investment in innovation. Not every innovative idea will succeed. In fact, research suggests that ten out of fifty ideas result in feasible projects, and only two will be successful. Once you have some ideas in place, consider each for feasibility, costs, potential risks and rewards and decide wisely. If your best efforts do not pan out quite as well as you expected, take it as an opportunity to learn and improve on your next innovative journey.

If you are starting a new business those are daunting stats, doing something new, untested or unproven may seem too risky. However, in today's environment there is also great risk in not improving or innovating, because it is just a matter of time before the competition does better. When you are not in sync with your market, it may be a matter of time before you will be out of business.

Complacency or tunnel vision is equally risky. Sears felt indestructible before Wal-Mart's aggressive innovation took root. Did they lose touch with the world and people around them? Sears was ill prepared to innovate or adapt to change. Now Walmart is under assault from Amazon.

The key is to identify where you are on your business journey and then focus on the right kind of innovation for that specific phase. Then manage risk by making smart decisions as you move forward, and do it with focus. Without focus, you can spread resources and capabilities too thin trying to implement ideas that are all over the map. It is difficult to implement and be best at all your ideas all at one time.

► Use of Resources

As a leader your primary role is to always live in the future to guide your enterprise forward on its journey. This can be challenging when things get busy or the budget is tight. Yet, to be truly innovative, proactive, and progressive in a changing world, you need to commit human resources, equipment, and a baseline of your budget at all times, not just when it is convenient to do what you can. When it comes to your business you can never be innovative enough, and innovative progress cannot happen without a dedication of time, money, or other needed resources that facilitate bringing your ideas to life.

Many start-ups adopted Google's fast-moving early-stage approach to innovation – 70% of resources devoted to incremental innovation of core business, 20% on innovation that helps expand that core and 10% on the more transformational kind of innovation that led to new business.

The size and scope of your business may dictate something entirely different. The key is to be deliberate about spending time each week on contemplating, assessing and researching new innovations in everything you do? As you grow, invest in talent and allow space, time and resources for your employees to be innovative. Time is one of your most valuable resources. Innovation is one of your most valuable tools. Your job as an entrepreneur is to put them together to create your type of magic.

Cognitive Diversity

You cannot expect that everyone on your staff will be curious, creative, analytical, and empathetic? That's a lot to ask, which is why cognitive diversity is essential for innovation. Everyone has different strengths, perspectives, and experiences. Often the people who interact with clients and can bring different and valuable perspective are not invited to meetings where innovative ideas are shared.

Internal Innovations

Internal innovations create value. Here are a couple of examples.

When you receive support requests or customer complaints it makes sense to take a look at those requests and complaints and try to do incremental changes to your products and services to prevent those complaints and requests from happening. These kinds of improvement could range from anything like better instructions to better quality materials and redesigning the consumer experience to flow more efficiently.

If your organization has a lot of information intensive back office processes, such as internal and external reporting, automating some of the processes that take the most time would save significant chunks of both time and money, and free those resources for actually creating value instead of pushing papers.

An easy and effective way for doing that is to take a look at the biggest challenges your business currently has. When you identify bottlenecks get your organization together to innovatively figure out how to streamline the processes:

- Educating people within your organization.
- Providing people with the more convenient tools, maybe the right tools and the training to best use them.
- Removing unnecessary bureaucracy and middlemen from processes.
- Minimize spoilage and overproduction. When the volumes are high but margins low, even small changes in the amount of waste in your processes can make a huge impact on the bottom-line.
- Keep an open mind and continuously look for things that you can improve.
- Whenever you conceive a new idea, work through it from every angle, then test and measure it to access the outcomes. Some internal innovations work, some do not. You want to make smart decisions.

Innovating as a Start-Up

When you are looking to innovate as a startup, the challenges you face will be somewhat different than if you were to innovate within an existing or large company. Entrepreneurs starting a new business are in a unique and very advantageous situation. You are not bogged down by an existing culture, or a bureaucratic hierarchy to get an innovative idea approved. You can be agile, proactive or quick to respond to changes in your market. You are not hindered by leadership fixation, because you are the leader and decision maker. You can set the tone to create an innovative culture.

You know that to gain competitive advantage you have to think and do things differently than your competition. Your innovation process starts with exploring what's possible rather than settling for what is. You would do that even if you were buying an existing business or revamping one.



ASK WHY QUESTIONS

There are similarities in the innovative practices that help organizations grow and stay relevant:

- Bring an innovation mindset to every aspect of building your business, from inception to determining internal processes.
- Make innovation a priority for everything you do.
- Hire innovative thinkers. Surround yourself with curious people who ask questions and explore possibilities. How can we make it better? What else could we do? What if? These are the questions you want to hear around your organization.

- To keep improving in all aspects of your business, you and your team should be continuously looking at your products, services and procedures. These type of questions should be at the forefront of everyone's daily activities:
 - Is there a gap in the market in the industry that we currently work in?
 - Are there gaps in our existing product range?
 - Can we adapt a product or service to the way our marketplace is changing?
 - What are the weaknesses in existing products or product design that we can address?
 - Can we adapt, modify or improve our existing products?
 - Can we offer complementary services or products?
 - Can we use customer's feedback to enhance our existing products or services?
 - Can we identify a need for a particular service or product that nobody else provides?
 - Can we exploit new technology to create a new product, service or business.
 - Can we exploit new technology to add value to an existing product or service?
- When you identify the right innovation you have to consider what taking a particular innovative step could mean for your business. Ask yourself:
 - What impact it will have on your business processes and practices?
 - What extra training may you or your staff require?
 - What resources do you need?
 - How will you finance the work?
 - Will you be creating intellectual property that will need protecting?

First Principles-Reasoning to Solve Meaningful Problems

Innovation, by definition, is all about solving problems and doing it in a way that exceeding expectations and current limitations. There is a process to thinking innovatively about a problem to find out what works and does not work rather than relying on your gut or emotional responses.

Start with these facts or assumptions:

- ✓ All innovation starts from a question not an answer.
- ✓ Most meaningful problems are complicated and it is rare to solve them with a single solution.
- ✓ Innovation usually does not happen in isolation, as it is often ideas that are being shared amongst many that lead to new and better ideas being developed.
- ✓ Things do not always work in the first try.

First-Principles Reasoning

When you identify a meaningful problem, consider that there might be underlying causes that triggered the problem in the first place. You can break the problem down into smaller chunks or reverse engineer the problem to trace the problem to its origins. You investigate the pattern of negative effects to find hidden flaws, physical, organizational or human deficiencies, conditions or the actions that contributed to the problem. Think of it as a puzzle with several moving parts. The best way to find the right innovation solution is to examine the parts one by one to figure out:

- What happened.
- Why it happened.
- What you can do to reduce the likelihood that it will happen again.
- Which ones you can solve by creating tangible value.

First-principles reasoning is stringent analysis, drawing out answers systematically, through Socratic or disciplined questioning to establish truths, reveal underlying assumptions, and separate knowledge from ignorance.

1. Clarifying your thinking and explaining the origins of your ideas (Why do I think this? What exactly do I think?)
2. Challenging assumptions (How do I know this is true? What if I thought the opposite?)
3. Looking for evidence (How can I back this up? What are the sources?)
4. Considering alternative perspectives (What might others think? How do I know I am correct?)
5. Examining consequences and implications (What if I am wrong? If I am, what are the consequences?)
6. Questioning the original questions (Why did I think that? Was I correct? What conclusions can I draw from the reasoning process?)

Then reassemble the pieces from their basic level up, making sure you understand at each connection the why of what you are doing. Ask continuous why's. If you do not have the answer go back to the drawing board.

The real power of first-principles thinking is moving away from incremental improvement and into possibility. First-principles thinking clears the clutter of what has been and allows you to choose your own solution method as you rebuild a problem from the ground up.

Reasoning by first principles is useful when you are (1) doing something for the first time, (2) dealing with complexity, and (3) trying to understand a situation that you're having problems with. In all of these areas, your thinking gets better when you stop making assumptions and you stop letting others frame the problem for you.

It is first-principles thinking that breaks through barriers such as:

"All the good ideas are taken." Yet, people keep coming up with great ideas, they start companies and compete with different ideas, variation, and strategies.

"I can't do that; it's never been done before." With good reasoning you can look at what could happen and plan for that.

Practice this kind of thinking to unlock your creative potential and learn to think for yourself. It will help you challenge assumptions, be less skeptical, and able to consider alternate perspectives and implications with a keen mind. If you never learn to take something apart, test the assumptions, and reconstruct it, when the environment changes, you may be ill-prepared to stay in business.

On a personal level first-principles reasoning or innovative thinking is valuable in your daily life. When it comes to how you live your life or operate your business you do not want to outsource that thinking to someone else. Letting others think for you means you use their analogies, their conventions, and their possibilities rather than your own. When you can step back, ask the right questions you cut through flawed analogies you determine what is possible for you.

As an entrepreneur or in your daily life, this type of reasoning may seem like a lot of work, and that is probably why so few people are willing to do it. It's also why the rewards for employing good reasoning and achieving the impossible tend to be so great on a personal or business level.

Two Last Guiding Thoughts

The Book

We know you have great ideas and that you cannot implement them all at once. Please, keep track of your ideas and findings. What you learn today may be useful another time; the development of an idea in one field may be adapted in another. It's nice to have a book handy for reference, and also inspiration.



Do Not Get Discouraged

Innovation isn't all about ideas; there also must be a way to turn them into new practices or products. That requires patience and time to overcome the hurdles and implement strategies. It is easy to get discouraged when new challenges arise and things do not go according to plan or happen quickly.

- Take the long view, relax expectations to be more realistic, and focus on the worthwhile end result of staying true to your vision.
- When you reach a stumbling block, remember, there is no such thing as failure, there is only education and growth, both good in perfecting your idea and strategies.
- Focus on the action and do your best work.
- Consider who you are spending time with or whether you are giving yourself enough room to breathe in the outdoors, move about, and enjoy other aspects of your life.
- Make sure you are not comparing yourself to others and letting your ego blindside you. Your unique path is different and there can be no comparison.
- A great way to alleviate discouragement is to find someone else who needs help and help them.

Inspired and Committed, We Celebrate Your Journey

At Corro, we believe in the power of people. We are inspired to expand humanity's capacity for wisdom, compassion, and courage.

In our commitment to helping you achieve long-term personal development and use your organizational platform for positive impact, we celebrate the journey of lifelong learning while fostering an all-inclusive community driven environment of meaning, personal connection, and fun.

Corro is not just a Work Space – Our Aim is Helping the Community Thrive through People Success