Is Innovation Always Good?

Dr. Jack M. Wilson, Distinguished Professor of Higher Education, Emerging Technologies, and Innovation

You’re Not That Innovative –and That’s OK.

- You’re Not that Innovative and That’s OK. Adam Bluestein, INC September 2013.
  - https://www.inc.com/magazine/201309/less-innovation-is-better.html
  - http://coffeeforthebrain.com/youre-not-that-innovativeand-thats-okay-by-adam-bluestein-and-converting-ideas-to-education/

- In the following list of what the author calls “Myths,” ask yourself if they are really myths and under what they conditions they may be myths and under what conditions they may be true.

Myth 1

- MYTH: Innovation is disruption.
- FACT: Small steps are more likely to spur success.

- *“On average, the most successful companies devoted about 70 percent of their innovation assets (time and money) to "safe" core initiatives; 20 percent to slightly more risky adjacent ones; and just 10 percent to transformational, or disruptive, ones. Such companies outperformed their peers in terms of share price, with price-to-earnings premiums of 10 percent to 20 percent.”*

- Wilson: Is incremental innovation more important for existing companies? Is Christensen’s Disruptive Innovation more characteristic of new ventures? When is “safety” a better goal than disruption?

Myth 2

- MYTH: You can't have too many ideas.
- FACT: Sure you can, if you don't know what to do with them.

- *“Coming up with ideas isn't nearly as hard as determining which ones are any good and figuring out what to do with them. Small companies can be crushed under the weight of too many ideas. A big part of your job as CEO is to kill the weak ones.”*

Myth 3

- MYTH: It pays to be first.
- FACT: Better to be a smart follower.

- *“This is especially true in emerging industries or sectors, where you don't have to look far for cases of second and third movers that let pioneers beat a path, only to come in and blow them away: Nintendo vs. Atari, Amazon vs. Book.com, Google vs. Yahoo. In a 2010 study, University of Chicago researchers Stanislav Dobrev and Aleksios Gotsopoulos found that companies that enter new industries at an early stage actually have a first-mover disadvantage, failing at a much higher rate than those that wait.”*

Myth 4

- MYTH: Innovation is about stuff.
- FACT: Try a business-model revamp instead.

- *“Most companies focus most of their innovation efforts on new products and product extensions, according to research by the consultancy Doblin. But these kinds of innovations, it turns out, are the least likely to return their cost of investment, with a success rate of only 4.5 percent. Instead, Doblin found, companies get the highest return on investment when they focus on things such as improving business models, internal processes, and customer experience.”*

Myth 5

- MYTH: You must innovate constantly.
- FACT: Innovation is cyclical.

- *“But for most businesses, it's important to time innovation efforts more carefully. "When your last innovation is proven and you've started to scale, you want to focus most of your people and energy on grabbing that opportunity," says CEO to CEO's Robert Sher. "If you're doubling every year, you want to devote 90 percent of your efforts to reaping that opportunity. When you're a couple of years into rocket-ship growth, but competitors have shown up...that's when you want to add to your innovation percentage.“”*

Myth 6

- MYTH: Innovation is costly.
- FACT: Spending has little to do with results.

- "*Apple, ranked as the most innovative company for the past three years, spends just 2.2 percent of its sales on R&D efforts. That's well below the industry average of 6.5 percent for computing and electronics and far less than rivals such as Google, Samsung, and Microsoft. In fact, Apple ranks 53rd among the 1,000 top R&D spenders in all industries*."