



Eight Minutes, Not Eight Hours



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# Permanent Innovation

Proven Strategies and Methods of Successful Innovators

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Langdon Morris is a co-founder of InnovationLabs LLC, a Senior Fellow at the Aspen Institute, and a member of the Scientific Committee at Business Digest. His book *Permanent Innovation* proposes that innovation is more than just developing ideas and turning them into products. Morris maps out a long-term approach, believing that true innovation “is a matter of strategy, method, and habit” (p. 3). In describing his understanding of permanent innovation, Morris includes practical tactics and steps to establish a culture of ingenuity.

## Key Quote

Permanent innovation “happens in organizations that embrace innovation as a core value, practice innovation as a core methodology, and produce innovation as a consistent output. Permanent Innovation is thus a strategic and human process much more than a technological one, and we achieve excellence at it through thoughtful repetition of the right methods” (p. 3).. — **Langdon Morris**

## Key Points

**Great Ideas, Great Innovations, Great Businesses.** There are four types of innovation to pursue: “incremental innovation,” “breakthrough product and technology innovation,” “business model innovation,” and “new venture innovation” (pp. 28-36). Identify which ones your organization is targeting and “decide how much effort and investment to allocate to each type” (p. 28).

**Innovation & Strategy.** Innovation is “a relentless driver of change” (p. 46). The company that wishes to survive and thrive over time embraces change and routinely reinvents itself, staying robust even as companies around them that don’t adjust falter and die. Start your innovation plan **now**.

**The Essential Definitions.** *Innovation, creativity, knowledge*, and learning are related but different concepts, and they are linked in critical ways. “People are the core of the innovation process” (pp. 59, 60). Ensure everyone on the team is using the same definitions.

**Innovation Strategy & Methodology.** Do not rely on your team’s “random efforts” to be innovative, even if they are very creative people. “You have to develop and apply methodologies, the right methodologies, to make the shift from luck to consistency, predictability, and sustainability” (p. 75).

**Great Strategy: Targeting.** Innovation costs a lot in terms of money and resources. Make sure you pursue the right possibilities. Use a variety of tools to help you gather the right ideas to make sure you aim at the right targets and make the most of them before you launch.

**Creativity: Methodology for Good Ideas.** “Great innovations begin with great ideas; to find them, identify unknown and unmet needs” (p. 109). Morris coaches the reader through a list of specific tools to get better ideas and urges leaders to choose the tools that match well with what they want to accomplish.

**Great Innovation Projects: Transforming Great Ideas Into Business Value.** Prototypes speed up learning and get your ideas “to market as quickly as possible” (p. 147) so that you can be both the first and the best. Your approach will depend on the type of innovation you are developing (e.g., incremental, breakthrough technologies, business model innovation, or new ventures).

**Great Planning: Market Development.** Market your product to the right audience so you can make a significant impression quickly, seeking a “contagious expansion of ideas” in the marketplace (p. 192). Morris cites Malcolm Gladwell’s work in *The Tipping Point*, describing three types of powerful influencers: “Connectors, Mavens and Salesmen” (p. 193).

**Creative Methodologies in the Innovation Process: Inside the Black Box.** Certain elements speed up progress, and these are what make people work creatively. Many complex problems require multiple people working in creative new ways. Tools outlined by Morris in this chapter include a design process model (combining both “discipline and wide-eyed creativity”) and collaboration. Leaders should use what is known to work well and adapt it to their own organization’s needs.


**Great Businesses and Permanent Innovation: Normalizing the Innovation Culture, the Innovation Organization, and High Performance.** “It’s up to leaders to ensure that their words and their actions support and enhance innovation efforts and methods” (p. 218). Leaders need to support innovators, create trust, use models for complex topics, develop “systems thinking,” ensure they are using the “right methodology,” and manage risks (pp. 220-227).

#### **Key Concepts:**


Morris lists “Ten Principles of Permanent Innovation” on pages five through seven of his book.

#### **1. “Innovation is essential to survival, and all innovation is strategic.”**

“Strategy is about the future, and developing strategy is the process of thinking about the future, predicting it, making decisions about it, and taking action to create it. Since innovations are critical to the future, it’s clear that the management of innovation is entirely strategic in nature” (p. 52).



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## 2. “There are four types of innovation: incremental, breakthrough products & technologies, new business models, and new ventures.”

“Incremental innovations are also sometimes called continuous innovations. They’re generally modifications to existing products and services” – creating better products for tomorrow than the ones here today (p. 29).


Breakthrough products and technology innovations are “discontinuous innovations.” They are “significant or radical departures from whatever’s already available in the market” (p. 30).

Business model innovations are new ways to deliver products and services that create “superior experiences for their customers” (p. 33).

New venture innovation “seeks to enhance the prospects for the future by enlarging a company’s scope of operations into markets that are so different from its current markets that they must be addressed by entirely new entities, new ventures” (p. 36).



*Improvement “comes from egoless scrutiny of past actions, and deep reflective thinking about what could be better.”*



## 3. “The longer you wait to begin innovating, the worse things will get.”

Morris writes, “there’s a gap between the reality of accelerating change and our understanding of what’s really happening. Simply put, too many leaders have a flawed mental picture of the market because they don’t grasp the magnitude and impact of change, and they underestimate its importance to their own organizations” (p. 48).

“The trend of acceleration amidst a turbulent transition to the global economy is a vital fact of huge significance for managers, for companies, and for society as a whole, because it has enormous implications for all of the choices we have to make about the future. As former GE CEO, Jack Welch, noted, ‘When the rate of change outside exceeds the rate of change inside, the end is in sight.’ This brings us to the important question: Do you manage with exponential change in mind?” (p. 51).

“The dilemma is that in any portfolio of new ideas under development, a few will be very successful, some mediocre, and many will fail; but if you try to cut out the failures too soon, you risk making the wrong choices” (p. 45).

Develop an innovation portfolio. “The astute innovation strategy thus defines a range of initiatives that could become important under many future states; in other words, a portfolio. The elements of such a portfolio –products, services, organizational approaches, etc. – will be applicable in a variety of different future conditions, and as events unfold some will prove to be invaluable while others will be irrelevant, remaining forever on the shelf” (p. 53). Morris continues, “The essence of the portfolio principle is, of course, that when market changes happen and you have the right responses at hand you can save weeks, months, or even years, because you’re prepared” (pp. 53-54).

## 4. “Innovation is a social art; it happens when people interact with one another.”

Everyone should be involved in the innovation process.

“Innovation is a process, and when it goes well it’s also the results of the process” (p. 61).

“We care a lot about the innovation process because this is the activity that creates new value and brings it to the market. We care about innovative products, too, but it’s important to note that good ideas themselves are not innovations; instead, they become innovations when they have economic impact, when they add value in economic terms. This happens only when they mean something to a customer, which means that it ain’t innovation until a customer thinks so” (p. 61).

“The fastest learners are therefore usually the ones who experiment, for the process of experimentation is a learning accelerator. The interesting thing about experiments is that you often learn more from the ones that fail than from the successes. Hence, you have to fail fast to learn fast, which means that you have to fail a lot to be a successful innovator” (pp. 67-68).

##### **5. “Innovation without methodology is just luck.”**

The author explains, “while methodology is necessary to succeed at innovation, it can also be a source of luck. This was the insight of the great French chemist and innovator Louis Pasteur, who remarked that ‘Luck favors the prepared mind.’ By this he meant that while two people may be confronted with the same information, the same opportunity, the same possibility, the same idea, or even the same discovery, the one who is best prepared, who recognizes the idea’s potential, and is therefore able to take advantage of its significance, will appear to have been ‘luckier.’ In fact, ‘luck’ blessed both of them; the one who is better prepared to recognize it, understand it, and act on it will benefit the most” (pp. 85-86).



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“This is precisely the point of innovation methodology – recognizing and exploiting the subtleties, for these are likely to be the significant innovation opportunities that most will miss because they’re either not sufficiently prepared, or they’re hunting in the mainstream rather than in the fringes where novelty is more likely to be found” (p. 86).

##### **Morris lists five stages of innovation, quoted below on page 88:**

- Define the strategic context for innovation and shape the accompanying portfolio
- Research to expose new knowledge, which leads us to create great ideas
- Insight: with a clear view of the future we see the great new products, services, and business models that our organization will use to get there
- Innovation and market development, transforming great ideas into great innovations
- Sales, the delivery of value to the marketplace, and the transactions that provide economic return

##### **The six-step design process Morris lays out is quoted below on page 204:**

- Create the Problem
- Create the Solution Context
- Create Solutions, while prototyping as fast and as much as you can
- Define the Details

- Implement
- Use and Feedback

## 6. “All six strategic innovation viewpoints are critical to success.”

Morris breaks these viewpoints into “outsider perspectives” and “insider perspectives.”

Outsider perspectives include the following: “outside-in innovation” (ideas that come from the outside and work their way in), “peer-to-peer innovation” (“the process of working with partner firms to develop and offer co-branded services”), and “knowledge channel innovation” (based on interaction with customers) (pp. 78-82).

Insider perspectives include the following: “top-down innovation” (from senior managers), “bottom-up innovation” (from everyone else in the organization), “technology-driven innovation” (using science and technology to create more advanced technology-based products or using technology to create a competitive advantage in operations) (pp. 82-85).

## 7. “Great innovations begin with great ideas; to find them, identify unknown and unmet needs.”

Morris explains that we should not “go looking for great ideas without first defining what constitutes greatness, and this will certainly have some linkage with your strategic intent. And once you define what a great idea is, then it’s time to go find ideas that will transform opportunities you’ve already identified into business realities” (p. 113).

**Morris lists six “ideation processes” as a guide to coming up with great ideas,** found on pages 116-143:

- “The universal search methods” (examples: questions, ethnography, an innovation team that moves throughout the company looking for ideas)
- “Trend gathering” (examples: competitor intelligence, economic forecasts, market analyst reports, think tank studies, conferences and trade shows, previous experiences and success stories, periodical scanning services, online trend tracking services/blogs)
- “Idea hunting” (examples: customer surveys, learning expeditions, insight workshops, SWOT (strengths, weaknesses, opportunities, and threats) analysis, scenario planning, pattern analysis, brain-storming)
- “Problem and solution finding” (examples: the learning curve, root cause analysis (the five whys: ask why a problem occurred in five iterations to get to the root of the problem instead of just the symptoms), systems thinking, collaborative design, design methodology)
- “Outside-in and peer-to-peer innovation” (examples: externalized research, university alliances and partnerships, customer relationships, joint research, idealized design)
- “Future dreaming” (exploring “what could be”)



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## 8. “Ready, Aim, Aim, Aim, Aim, Fire.”

Create a portfolio for all the different predictions of the future and what would need to be implemented in each scenario. Some of the steps in developing strategic alignment are:

“Understand the strategic priorities” (p. 93). How do your markets evolve?


“Define the innovation portfolio” (p. 95).

“Define the strategic criteria” (p. 96). Morris encourages innovators to consider a list of questions, quoted below and taken from pages 96 to 98:


- “What do your customers care about most?”
- What is the “rate of change in your industry”?
- Where are “your competitors putting their innovation efforts”?
- “Who drives change?”
- “Is change technology-driven or customer driven?”
- “Is your industry capital-intensive?”
- “What kind of company do you want to be in five years? In ten?”
- “What other dimensions or themes are important to your business, your markets, your industry?”

“Define the targeting process” (p. 93). What follows are some suggestions from a list of methods found on pages 103-105 that can help assess ideas:

- “Ad hoc innovation teams,”
- Research and development groups,
- “Collaborative design workshops,”
- “Delegate upward” to get feedback from senior management
- “Delegate outward” to a “panel of advisors”
- “Set up decision market systems” to see how your employees predict markets
- Use a focus group of customers
- Give “the same set of ideas to three or four different groups” to compare their ideas



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## 9. “Prototype rapidly to accelerate learning.”

“The goal of any innovation process is to come up with the best ideas and get them to market as quickly as possible. Thus, the innovation process is a learning process, and learning faster has enormous advantages. Among the methods for learning that you can choose, prototyping is one of the most valuable because it so effectively condenses the learning process. Rapid prototyping is therefore central to most forms of effective innovation methodology” (p. 147).

Some ideas are not helpful today – they may technically be considered failures – but they may become useful in the future or in another application. For example, Post-It notes were developed after a 3M inventor failed to make a glue that was more permanent. The impermanent bond they developed eventually became the adhesive behind Post-It notes (p. 148).

There are “three impediments to innovation. Lack of preparation by the decision makers, lack of context to understand the breakthroughs, and lack of vision about the future of the industry” (p. 157).

“Some breakthroughs aren’t dependent on technology at all, but on simply changing our way of looking at the problem. The minivan is a great example, as its underlying technology has always been no different than in any other car; but the size and shape define a new value proposition” (p. 162).


Here are Morris’s “Essential Elements of Business Model Innovation,” found on page 175:

- Business Model Innovations Deliver Better Customer Experiences
- A Visionary Is Often at the Helm
- It’s the Fusion of Insider and Outsider Perspectives
- Technology Differentiates the Offer, but the Offer Itself Isn’t Technology
- A Continuing Commitment to Innovation


## 10. “There is no innovation without leadership.”

Morris lists six “Critical Roles of Senior Management” on page 219:

- Great Leadership
- Trust
- Great Models
- Systems Thinking
- The Right Methodology
- Managing Innovation Risk



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“Models are critical to the function of management, because without models that describe what an organization is doing, and why, there can be no frame of reference, no standards for measurement, no way to compare expected results with actual results, no way to correct when there is a discrepancy, and thus no actual function of ‘management’ at all. So it’s literally true – there is no management without models, and it is impossible to talk about complex topics like business without talking about models” (p. 223).

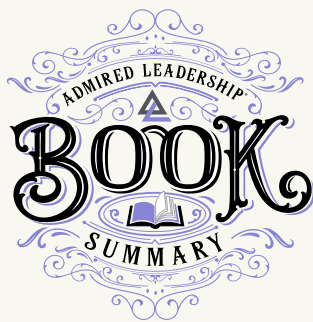
“Business is all about risk – recognizing it, managing it, and overcoming it” (p. 227).

Morris lists some of the risks around the topic of innovation on pages 227-228:

- The risk of not innovating
- Risk of wasting money
- Risk of only incremental innovation
- Risk of betting too much on breakthroughs

The author reminds us of Thomas Edison’s belief that “‘failure’ is inevitable because innovation proceeds largely by trial and error” (p. 228).

Morris, L. (2011). **Permanent Innovation: Proven Strategies and Methods of Successful Innovators.** Walnut Creek: Innovation Labs.



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