Innovation's Dirty Little Secret

Title: ***Innovation's Dirty Little Secret:*** *Why Serial Innovators Succeed Where Others Fail*

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Book Description:

Most books on innovation make it sound as if successful innovation is the end result of a carefully followed recipe. But the simple fact is that when it comes to any new venture, failure is the surest horse to bet on. Respected pastor and author, Larry Osborne, explains how understanding this dirty little secret behind innovation can bring both stability and creativity to organizations, especially those with teams of people that focus on innovation, creativity, new ideas, and problem-solving. Using the wisdom and principles found in this book, you will be free to lead dynamically without causing uncertainty or insecurity in your organization.

In Innovation's Dirty Little Secret, you'll learn:

- How to foster innovation's most powerful igniters and accelerators while avoiding the most common killers of innovation.
- How to recognize and breakthrough ceilings of complexity and competency.
- The six pitfalls of growth and what you can do to avoid them.
- The three questions every leader needs to ask before launching any new endeavor.

Book Quotes:

Individuals and organizations with a positive track record for serial innovations not only think and see the world differently. They approach the process of introducing change and innovation differently. They understand that brilliant ideas aren't always so brilliant once they're released into the wild. So along with their game plan, they have something most leaders don't think about. They have an exit strategy. They keep an ejection button close at hand, and they're not afraid to use it. They know that a viable exit strategy is just as important as (and sometimes more important than) a good implementation strategy. Location 309

Whenever possible, describe any change or new initiative you propose using the language of experimentation. In other words, never make a change when you can conduct an experiment or a trial run. Location 345

Experiments provide you with lots of wiggle room. People expect that experiments and trial runs will need midcourse corrections. No one is shocked if they fail. And when they fail, the cost in lost trust and credibility is essentially zero. Location 347

I've already said this, but it bears repeating: people and organizations have a natural, knee-jerk resistance to anything that is new or different. Leading people through innovation and change is hard enough without

galvanizing this natural resistance. But that is exactly what happens when a new idea or program is oversold. The language of experimentation disarms much of that resistance. Location 358

You can apply these eight questions to any new endeavor or major organizational change you propose. If you take the time to work through them, you should have a basic, viable exit strategy in hand (just in case your latest great idea doesn't turn out to be so great). Here they are.

1. How will we communicate this internally and externally in a way that provides maximum flexibility for significant midcourse corrections?
2. What will we do if everything goes more slowly than expected?
3. What benchmarks will cause us to keep going even though things are going more slowly than expected?
4. What benchmarks will cause us to pull the plug?
5. How will we communicate if we need to shut down the whole thing?
6. How will we communicate if we need to go back to the old way?
7. How can we limit and absorb the financial burden if this doesn't work?
8. What can we do right now to minimize the impact should this fail? Location 388

Corporate culture (the values, traditions, and policies that guide a particular organization's behavior) is often far more important to the success or failure of a new idea than the brilliance of the idea or the doggedness of its backers. There are environments and corporate cultures that ignite innovation. There are others that foster, incubate, or accelerate it. And there are some that will kill it before it ever gets off the ground. Location 408

An idea, to qualify as a genuine innovation, must (1) work in the real world, and (2) be widely adopted within a particular organization or industry or in the marketplace. Location 415

Another important distinction needs to be made. It's the difference between artistic innovation and organizational innovation. Location 457

Whereas artists seek to express their creativity outside the boundaries, leaders and organizations express their creativity within the boundaries. Location 467

Innovators are different. They will gripe, whine, and tell sarcastic stories like the rest of us. But then they will grab a sheet of paper and start imagining something different or head to the garage and start fiddling with that annoying piece of machinery. They can't help themselves. They're born to fix what doesn't work and change what they don't like. It's how God made them. Location 524

Problems are never fun, especially big ones. Most of us spend our lives trying to avoid them. But if you're a leader, they can't be avoided. So don't run from them. Don't ignore them. Embrace them and attack them. Your greatest insurmountable problems often will contain the seeds of your most significant innovations. Location 543

To help you think through your areas of greatest frustration and the problems that are most ripe for innovation, here's a list of questions that you and your team can work through to prime the pump. These questions will help pinpoint the programs, processes, and mechanisms that are most ripe for change and innovation.

1. What is it that drives me crazy?
2. What are we doing that makes absolutely no sense?
3. What processes and programs seem to take lots of work, but bear no fruit?
4. What traditions are we putting up with simply because it has always been done this way?
5. What is the one problem that if we could solve it, most of our other problems would go away?
6. What's broken that seems to be unfixable?
7. What problems are we living with because everyone says, "That's just the way it is"? Location 582

To make a difference, a mission statement must have three essential traits. It must be ruthlessly honest, widely known, and broadly accepted. Each of these traits is absolutely critical. If your mission statement is missing any one of them, you'll have a three-legged stool with only two legs. No one can sit on it without falling over. Location 604

First, to be useful, a mission statement must be ruthlessly honest. It should reflect your organization's passionate pursuit, not merely your wishful thinking, your marketing slogans, or a spirit of political correctness. Anything less is disingenuous. And worthless. Location 609

Many leadership teams confuse mission with marketing. They fail to understand the difference between the two. Their mission statements sound like they come out of the marketing department. A mission statement should be aimed at insiders. Its purpose is to tell those on the inside of the organization where the bull's-eye lies. It's fine for outsiders to hear the statement and know it. It's fair for them to use it as a benchmark, to measure how well the organization is doing. But ultimately, the purpose of a mission statement is to tell everyone on the inside what we're aiming at. It's supposed to let them know what's most important. Marketing is different. It's aimed at outsiders. Its purpose is to convince them to check us out, buy what we sell, or trust us more than our competitors. Location 625

Another enemy of the honest mission statement is "vision by committee." The more people you involve in the process of creating your mission statement, the more likely it is that you'll end up with a convoluted list of politically correct priorities designed to assuage the sensibilities of everyone involved. It will lack the precision of laser-like vision and the clarity that you need to define your mission. Location 634

When everything is important, nothing is important. Location 642

A second trait of a powerful mission statement is that it's widely known. Even if it's ruthlessly honest and laser focused, if it's too wordy and complex to remember, it's pretty much useless. To impact the daily decisions of an organization, a mission statement must be easily remembered and repeated ad nauseam — and then repeated again. Location 654

When a mission statement is so complex and wordy that no one remembers what it says without stopping to reread it, there's not much chance that daily decisions will be made in light of it or even align with it. Too long to remember is too long to be useful. Location 656

The last trait of a great mission statement is that it's broadly accepted. There's an old adage that "the policies down the hall always trump the vision on the wall." It's true. Pockets of people or departments within an organization that don't fully buy into the mission, or worse, have a different mission, create confusion and

conflict. They also tend to sabotage innovation because their infighting and turf protection inevitably amplifies the natural resistance that most people and organizations have toward change. Location 674

When your mission statement is an honest reflection of your passion, is widely known, and is broadly accepted, it will not only help you get where you want to go; it will accelerate innovation. That's because when you have an obvious goal, it becomes clear which ideas and innovations will help propel you toward that goal and which are merely great ideas that won't impact your goal and mission in any significant way. Location 702

It's not always the best idea that succeeds. It's the combination of a great idea, proper timing, and excellent execution that brings success. Location 743

The key is to find the people in your organization who have the tenure or the chips to make a difference, and then enlist them for the cause. Because no innovation or significant change ever succeeds without a respected champion. Location 865

That's where a respected champion comes into play. A respected champion has a unique ability to calm the troops, reframe the dialogue, and minimize resistance because of his or her wealth of credibility and trust. When a respected champion speaks, people listen. They may still have qualms about the proposed changes, but most folks will give a respected champion the benefit of the doubt. They'll support (or at least stop resisting) whatever he or she supports. Location 871

To make matters worse, I was under the false impression that good ideas should stand on their own. I didn't realize that having a respected champion is just as important as having a great idea, that the credibility of the spokesman can be more important than the validity of the message. Location 879

I have never forgotten that lesson. From that day on, I've made it a priority to identify a respected champion before proposing any kind of significant change or innovation. It doesn't matter if I have the best idea since flushed toilets; without a respected champion supporting it, I won't move forward. Location 890

It's easy to identify the respected champions within your organization. Simply ask, "Who are the people who can singlehandedly kill an idea by their opposition, and who are the people who can make it fly with their support?" These are your power brokers and your potential respected champions. It doesn't matter whether they have an official title or position within your organization. They often don't. But they have something far more important. They have the ears of the people. Once you've identified a potential respected champion, solicit their support privately. Never share your new idea or proposal with a power broker for the first time in a public setting. That's because a public forum is ripe for miscommunication and offers little opportunity to restate or clarify anything that is misunderstood. What we mean to say, what we actually say, and what people hear can be three different things. In a public forum, it's hard to know when and whether these three actually align. Location 896

But there is another equally important reason why you don't want a power broker to hear your new idea or proposal for the first time in a group setting. That's because they seldom change their mind once they've gone public with their support or opposition. Location 907

So far, we've been talking about the power of a respected champion to help you get a new idea, a major change, or an innovation off the ground. But there is another way that respected champions accelerate successful change and innovation. They provide protective cover during those perilous early days when a major change or innovation has been launched, but has not yet fully taken hold. Location 923

Respected champions not only will help you get your great idea off the ground; they also will help keep it in orbit, especially in the early days, when every innovation is vulnerable to the natural resistance that change

brings. Location 937

Planning in pencil simply means keeping your options open as long as possible. It involves using the language of flexibility rather than certainty. It's being careful to say, "This is what we do for now," rather than, "This is what we will do forever." It's making sure that everyone knows that midcourse corrections aren't simply allowed; they're encouraged. Location 987

The only thing you and your leadership team can know for sure about the future is that it will be different from what you think it will be. So prepare for it by keeping as many options open as long as possible. Avoid instituting game plans that are so detailed there's no room for adjustment. Never fall in love with your first draft — or your latest draft. Institute guiding principles instead of rigid policies. Always keep your ear to the ground. Things change when you least expect it. And never forget that successful and serial innovators deal with what is. They don't worry much about what should be. They don't worry much about what they thought would be. They just worry about what is. And when things change, they change. Location 1050

The first and worst leadership felony is any kind of moral failure. We expect smart people to do dumb things occasionally. But we expect that honest people will always be honest, and that moral people will always be moral. Leaders who lie, cheat, break promises, or reveal the moral bankruptcy of their character have generally reached the end of their leadership road. Failure of this sort destroys the primary currency of leadership: trust and credibility. Without them, a leader can't do much. Location 1086

Leaders build trust and credibility by constantly underpromising and overdelivering. A pattern of overhyping does the opposite. It undercuts trust, making it nearly impossible to push through major innovation or change, because when it's time to step forward and say, "Trust me on this one," no one does anymore. Location 1161

Inviting too many people into the innovation or decision-making process waters down the contribution of serial innovators. Their voices become just one of many (and often misunderstood at that). We risk diluting—even drowning out—the valuable counterintuitive insights they bring to the table. Location 1209

The problem with groupthink is that it tends to succumb to a herd mentality and a desire for harmony. When this tendency takes over, it inevitably sabotages, postpones, or derails innovation and much-needed change long before they can get off the ground. Location 1229

This tendency toward a herd mentality is a powerful force in most group settings (be it a committee, a task force, a product team, or a Bible study group). Watch what happens after the first person speaks. Whatever they say usually ends up shaping the rest of the conversation. It doesn't matter what others were thinking beforehand; once the first person speaks, everyone else tends to follow their lead and the topic they bring up. In board meetings or planning sessions, this tendency can sabotage the decision-making process. It allows the most extroverted or negative person to frame the discussion and set the agenda. Whatever issues they raise become the issues that dominate the conversation, even if no one else shared those concerns when they walked into the room. Location 1236

Another significant innovation killer is the built-in desire for harmony that most boards, committees, and project groups bring to the process. Location 1272

No matter how badly a change might be needed, someone will always want to slow it down, table it, send it out for further study, or alter it beyond recognition in a futile quest for harmony. Location 1301

Many leadership teams would rather hurt the cause than hurt someone's feelings. Which explains why any innovation or major change that has to pass through a gauntlet of committees or boards seldom escapes unscathed—and often never makes it out alive—and why too much groupthink is a guaranteed innovation

killer. Location 1303

Another great saboteur of innovation is the overuse of surveys and focus groups. Location 1309

Listening to a set of opinions without knowing who they come from is like flying an airplane into the clouds without knowing which of your instruments are accurate and which ones are miscalibrated. You may get lucky and land the plane safely, but it won't be because of the input you received from the instrument panel. It will be in spite of the instrument panel. Location 1318

If you want to make wise decisions, you can't allow any anonymous theys to have a place in your meetings. Once they've been given a voice, they become incredibly powerful. Most boards and leadership teams fear their wrath and assume they're representing hordes of other folks. Just a couple of theys can seem like hundreds. Location 1327

That's why at North Coast we have a strict and simple rule: no name, no input. If someone says, "I've talked to a lot of people and they think …," I always ask, "Who are they?" If I'm told, "I'm not sure they would be comfortable if I used their names," I always say, "Then I'm not comfortable hearing what they have to say. I have no way to weigh it." Location 1332

Still another major problem with surveys is that most boards and leadership teams count the wrong votes. They count the "no" votes. When it comes to innovation, the only votes that matter are the yes votes. You need enough yes votes to support a trial run. (Otherwise, it's time to step back and retool.) But once you have enough yes votes to give something a try, go for it. If it proves to be a truly great idea, the number of no votes won't matter. They'll change their votes and minds soon enough. Location 1347

Serial innovators don't seek buy-in. They seek permission. They know they can't get buy-in on the front end of something that is genuinely new or different. So they simply ask, "Can we try this?" They know that such permission is relatively easy to get, even when people think your idea is crazy or has no way of working. As long as they don't have to put their name on it or pay for it, most people will say, "Fine, go ahead." Location 1395

Another common downside of success is a tendency to overtrust the recipe. When something works extraordinarily well, it's natural to assume that if it works here, it will work everywhere. Location 1468

Another variation of this error occurs when we assume that whatever worked in the past will work in the future. When we fall into the trap of overtrusting in yesterday's recipe based on yesterday's success, we will fail even to consider new innovations and paradigms because the things we did yesterday worked so well. Location 1487

A final danger of success is that it creates an aura of invincibility and, with it, unwarranted adulation. Adulation is a close cousin to arrogance and just as dangerous. When arrogance strikes, we stop listening to our critics. When adulation strikes, we no longer have critics. Both will mess you up. Big time. Location 1503

When you do the same things you've always done but no longer get the same results, it's not only frustrating; it's scary. Most leaders and organizations have no idea what has happened, much less what they should do next. Location 1540

Hitting this wall can usually be traced back to one of three things: (1) we've outgrown our leadership skills, (2) our organization has outgrown its structures, or (3) we've been blindsided by a cultural shift we never saw coming. Location 1542

Every leader has a ceiling. It doesn't matter how much training, commitment, or hard work we put in, we can't exceed that ceiling. Location 1546

Lots of leaders and organizations become addicted to growth. It's a particular problem for highly successful leaders and organizations. For years, everything heads up and to the right. Everyone assumes that this is the order of things, the predictable result of good and wise leadership. Location 1562

This sets them up to believe a dangerous lie: that healthy things always grow and multiply. Location 1564

The popular idea that healthy churches and businesses will multiply and grow forever is hogwash. Healthy, living things grow to a size determined by their DNA and environment. Location 1572

A second reason why organizations hit the wall is because they've outgrown their structures. The way we do things often puts a lid on the things we can do. No organization can outgrow the ceiling of its policies, procedures, and practices. Location 1598

Organizational structures are like gravity. They can be temporarily overcome with lots of ingenuity. But eventually they will win. They always do. That's why organizations always settle in at a size that perfectly matches their policies, procedures, and structures. Location 1607

It's also why churches and businesses that hit the wall should ask, "What policies, procedures, and practices have put a lid on our potential?" And if they find any, they need to have the guts to change them or the honesty to admit that their policies, procedures, and structures are more important than their mission. Location 1609

A third reason why organizations hit the wall can be traced to unforeseen major cultural changes. Culture is always changing. But some changes are sea changes. When they take place, nothing works like it used to. Location 1612

The keys to reaching the current culture are no longer excellence and the trappings of success. That day has passed. There are two new keys: authenticity and compassion. Location 1626

The typical response to hitting the wall is to work harder, work smarter, and do better. We focus on effort, efficiency, and quality. And often, that solves the problem. Redoubling our efforts in any one of these areas can have a huge impact. Improving all three usually takes us to new heights. That's why we tend to go there first. But what happens when greater effort, improved efficiency, and better quality don't fix the problem? Assuming you've not reached your God-ordained ceiling and there are still heights to scale, one of three things must change—and in some cases, all three. You'll need (1) new advisors, (2) new expectations, and/or (3) new structures. Location 1646

Once we've hit the wall and can't break through with the usual strategies (effort, efficiency, and improved quality), the first thing most of us need to find is a set of new advisors. Location 1663

If you're in ministry, step back and identify which key leaders and power brokers in your church naturally resist anything that comes from outside the tribe. Spend time with them to figure out how best to help them see that all truth is God's truth (even if it comes from somebody whose theology doesn't line up with yours point by point). Otherwise, any ideas you bring from outside your tribe will be dead on arrival. Location 1739

I always tell young leaders that you can't lead if you can't live with low-level frustration. Most of them think that I'm referring to the internal frustrations of leadership. I'm not. I'm referring to the low-level frustration that the people we lead will often feel toward us and our leadership team. A major part of successful leadership is seeing what needs to be done, finding a way to get it done, and nudging mildly resistant to strongly resistant

people to go places they need to go, but don't want to go. Location 1790

One of my greatest leadership mistakes was underestimating and devaluing the level of pain and loss that comes when the relational rules change. Like many leaders, I was personally willing to do whatever it took to fulfill the mission. For me, personal sacrifice and loss for the cause are a given. I don't begrudge them or resist them. They're simply the price of leadership. Location 1804

The fact is, if given a choice, most people in an organization will choose to maintain comfortable patterns of relationship over fulfilling the mission. Location 1847

When we've hit the wall and all the traditional breakthrough methods (greater effort, efficiency, and improved quality) haven't worked, it's not only time to consider new advisors and new patterns of relationship; it's also time to consider whether our traditions and organizational structures might be the culprits. Location 1868

The good news is that changing organizational structures is relatively easy, unless of course they are traditional structures. Location 1870

Traditional structures not only have the power of inertia behind them; they have the power of emotion. People find comfort in their traditions (even their new ones). Changing them is almost always an uphill battle. Location 1874

Since then I've learned that the important question is not, "Does this fail to help us fulfill our mission?" The important question is, "Does this keep us from fulfilling our mission?" If something is a roadblock that keeps us from moving forward, it has to go. If it's merely an annoyance, it's probably best to put up with it until I have a ton of chips in the bank. Location 1891

So what are the policies, procedures, and practices that have to go once you've hit the wall? Which ones are worth the battle? The answer is that anything that (1) locks out fresh thinking, (2) derails the decision-making process, or (3) destroys flexibility has to go, the sooner the better. It's the only way you'll break through to the other side of the wall. Location 1894

The rationale behind rewarding education and experience is a desire for safety, a preference for the known over the unknown. But when it comes to building an innovative and successful team, risk aversion usually turns out to be success aversion. Safe people are indeed safe, but they're seldom spectacularly successful. Location 1908

Another area where policies, procedures, and traditions can hold us back is in the decision-making process. When you've hit a wall, it's a good idea to ask if your decision-making process is structured to make bad decisions. Location 1915

It takes nuanced thinking to make a good decision. But that bogs down most larger groups. And even when they try to work through the nuances of a tough decision, the key issues often will be boiled down to sound bites and simplistic solutions that can be easily grasped by everyone present. Location 1921

The Wisdom of Solomon + Inaccurate Information = A Fool's Decision. Location 1929

A lack of flexibility is another structural problem that's worth the battle. When policies, procedures, and organizational structures become too rigid, it becomes almost impossible to break through once you've hit the wall. Location 1931

In contrast, game-plan organizations have a plan that is constantly adjusted as the game goes on. Game-plan organizations tell everyone to first try this, but then do whatever seems best if that doesn't work. A coach

expects his players to make adjustments on the fly. It's part of what he coaches and trains them to do. His game plan has built-in options based on the score and time left in the game. Location 1946

Lots of people confuse mission with vision. Both are incredibly important. But while mission and vision are close cousins, they play different roles when it comes to innovation and leadership. A mission statement explains why your church, nonprofit, or company exists. Location 1958

Vision is much more detailed. It's the narrative that describes what success is supposed to look like in detailed and real-life terms. It puts flesh on your missional bones. Location 1962

Getting in touch with our vision often starts with the extremes of what we dislike most and what we desire most. One of the easiest ways to uncover your vision is to ask yourself what are the things in your church, nonprofit, or company that you feel best about, and what are the things that cause you to feel most embarrassed or discouraged. Location 1989

A God-given vision will always be unique, simply because every leader and every organization is unique. That's not to say you have to be radically different. It is to say that you have to be you. Location 2015

As we saw in an earlier chapter, groupthink is one of innovation's worst enemies. It's also one of vision's worst enemies. Location 2057

Vision is fragile. It needs help—lots of help. It can't spawn itself. It can't sustain itself. It can't recalibrate itself. It tends to leak and fade. If left to itself, it takes the path of least resistance. That's why someone has to continuously make sure that it remains appropriate, doable, and properly aligned with reality or it will morph into wishful thinking. That's where a leader steps in. Ultimately vision is the leader's responsibility. It can't be delegated. It can't be neglected. It can't be presumed upon. It has to be monitored. Location 2074

A leader's first and foremost role is to verify the vision. That includes creating it (as we saw in the last chapter), but it also incudes monitoring it to make sure that it remains appropriate and doable. It's a leader's job to ensure that the hard questions are regularly asked and that the vision is constantly readjusted in light of the answers, even if the answers are uncomfortable or disappointing to hear. Location 2081

The second thing a leader needs to constantly verify is the likelihood of success. Is this still doable? Location 2092

A leader also has the responsibility to communicate the vision. And the first step is to make sure that it's understandable. Location 2097

The final step in communicating your vision is to repeat it ad nauseam. Location 2136

The final thing a leader can't delegate to others is the preservation and protection of the vision. It's a leader's job to carefully consider how every change, innovation, opportunity, and program potentially impacts the vision. Few others will have the same global perspective that the leader has. Location 2159

Successful serial innovators know and accept the fact that they not only have to ignite the vision; they also have to continually validate it, communicate it, build a team around it, and protect it. Because if they don't. No one else will. Location 2179

My greatest legacy will not be found in the changes and innovations that bear my name. It will be found in the corporate culture I leave behind. If I leave a legacy that encourages continual change and innovation, future leaders will rise up and call me blessed. If I don't, they will call me something else. I can't put it in print. But you can guess. Location 2195

When everything is spelled out, there's no room for leadership. There's room only for enforcement. It's no wonder low-trust organizations are seldom known for their cutting-edge or innovative policies and programs. They have to focus most of their energy on enforcing their rules rather than fulfilling their mission. Location 2231

To lead wisely, they must be free to ask and honestly answer, "What is the right thing to do in this situation, at this time?" One of the best ways to provide future leaders with the freedom to continually ask that question is to make sure that all of our current policies, procedures, and programs have an expiration date—if not literally, figuratively. Location 2241

But anyone who has led anything for ten minutes knows that organizational inertia quickly turns these policies and procedures into a sacred and eternal recipe. That's why I recommend that leaders constantly look for ways to remind everyone that the way we do things today may not be the way we do them tomorrow. If you beat that drum long enough and loudly enough, it will make it far easier on tomorrow's leaders when the expiration date finally comes. Location 2248

Note: should you wish to find any quote in its original context, the Kindle "location" is provided after each entry.