

# Five skills needed to be a disruptive innovator

By John Schärges

A recent IBM poll of fifteen hundred CEOs identified creativity as the number one "leadership competency" of the future. As such it forms a strategic priority for virtually every organisation around the world. However, despite being recognised as the lifeblood of the global economy, many companies ask employees to take innovative action and "be creative" without knowing how this is done.

This is according to Affiliate Professor of Leadership at INSEAD, Professor Hal Gregersen, who spoke at a research seminar at the University of Cape Town's Graduate School of Business.

"Managers or CEOs are in the habit of asking for innovation, but often don't actually have any idea what that entails. And then tangibly acting on creativity when it arises is another thing altogether," he said.

To find out what makes an innovator, Gregersen, along with colleagues Jeffrey H Dyer of the Marriot School of Brigham Young University and Clayton Christensen of Harvard Business School, conducted in-depth case studies of the world's most innovative companies and

organisations, as well as interviews with their entrepreneur founders and current CEOs. In addition they surveyed over 400 executives and 500 entrepreneurs and social innovators. The results of their work will be published in book form later this year.

Their research has led them to a core set of five "discovery skills" that enable these individuals, and their companies, to remain innovative and relevant in the world of business. These skills are: questioning, observing, experimenting and networking, which fall under the category of action, and are in turn connected to the fifth skill associating, which falls under thinking. These skills work together, to ensure the idea is a valid one that also sees daylight. "They are all attributes that work together, while at the same time certain skills may play a more dominant role," explained Gregersen.

There is obviously much to be learned from the world's famous innovators and identifying how they are using these five techniques. Starbucks' Howard Schultz is a case in point. "Before Starbucks, America didn't have any outlets that offered different coffees, coffee was coffee. It was while on a holiday in

Milan, Italy that Howard Schultz encountered the amazing variety of different coffees that were on offer; and asked himself why this wasn't the case back in America. Upon his return, he found a store in Seattle that did in fact offer a large variety of coffee, Starbucks. But they only sold beans. Schultz took action, because of the potential he'd identified, and transformed the company into what it is today. He observed, made the connection, took action, and now Starbucks is the biggest coffee retail company in the world."

Other well-known examples include Steve Jobs who frequently asks "what if" and "why" questions and so do Apple employees.

"While the action category is fairly self-explanatory and easier to teach, thinking is more intuitive, instinctual even. When, for example, looking at Steve Jobs, we saw that he was able to literally 'think differently', to make associations that others generally wouldn't, to 'connect the unconnected'," said Gregersen. A good example of how this way of associative-thinking takes action is the case of the control pad of the iPod. "The creator was playing with a combination lock, swivelling it around while thinking 'how can we create a new way to operate the iPod?' when it hit him to apply the mechanism of the lock as a volume and song selection

control," explained Gregersen.

Ikea was created because the furniture they couldn't fit in van after a catalogue shoot. The photographer on the scene suggested taking the legs off a desk, and Ikea became what it is today. Simple ideas, but ones which don't seem simple until you actually make those connections.

Gregersen said that when founders of these companies are such individuals, then the innovative quality generally affects their entire company. "When you look at the history of Apple, for the decade that Steve Jobs wasn't CEO, the company's market share dropped 30%. Our interviews with dozens of senior executives of large organizations revealed that in most cases they did not feel personally responsible for coming up with innovations. They only felt responsible for "facilitating the innovation process" and making sure that someone in the company was doing it.

"But in the world's most innovative companies, senior executives like Jeff Bezos of Amazon, Marc Benioff of Salesforce.com, and A G Lafley of Procter & Gamble, didn't just delegate innovation; their own hands were deep in the innovation process. And not surprisingly they looked for those skills in others so their companies were populated with stronger discovery skills at every level of the

organization," said Gregersen.

Gregersen added that the quality of innovation in a company is being recognised for its value, even if it is underutilised. "There is actually an 'innovation premium' that is applied to them in the stock market. Yes, at the top of the list of these companies are big names such as Amazon or Google, but there's also a portion that would be unknown to most people."

The Keyence Corporation in Japan is one such example, they offer 'observation training', which enables employees to better register everything they come in contact with when visiting clients and factories, which gives them a wider expanse of knowledge to draw from in their work.

Gregersen said that "this is training that trickles through all aspects of the company; thanks to this measure Keyence has a high innovation premium, and is a highly regarded 'company to watch'. Whether you're working at the top of an organization or at the bottom as a technical specialist, eBay's Whitman advises everyone "to have the courage to plant acorns before you need oak trees". By understanding and reinforcing the DNA of individual innovators within innovative organizations and teams, you too can find better ways to successfully nourish not just growth saplings but the real oak trees of future growth."