

Excerpt from book *Innovation Handbook: A Road to Disruptive Growth* by Scott D. Anthony and Clayton M. Christensen, Harvard Business School Publishing 2005

Innovation myths

Everyone knows that innovation is vital to an organization's ongoing health. Indeed, the creation of new products, services, processes, and profit models fuels the growth not just of companies but of our national and global economies.

It is amazing that such an important discipline is so misunderstood. Statements such as "innovation is a random event," "innovation is intrinsic, and can't be taught," and "if we could just spend more money, we could be more innovative," are often heard echoing down corporate hallways.

Not only are these and other such misstatements false, worse, they stand in the way of companies grappling with some of the legitimate—but surmountable—challenges related to innovation. Since the first step to recovery is acknowledgement, we begin by highlighting, and debunking, some of the most common myths that impede companies' quest to master innovation.

Myth 1: Innovation is all about technology

What makes Dell and Wal-Mart great companies? Sure, they *use* technology, but their core competitive advantage resides in their business models, the way they organize to create and capture value. Why has Procter & Gamble had so much success lately? The company employs great technologists for sure, but its deep understanding of consumer needs and its ability to implement the findings it garners from that understanding helps Procter & Gamble point those technologists in the right direction.

There's no question that technology is important, but many times it is the icing on the cake. Innovation also is about new ways of doing business, new ways of making money, and new ways of understanding what customers want.

Myth 2: More resources equal more innovation.

Managers often think that allocating more resources towards developing and introducing products will solve all of their innovation problems. However, directing too much money towards innovation can actually stand in the way of success. Teams often fritter away extra money, wandering aimlessly down fruitless paths instead of shutting down or reformulating doomed efforts. The problems often reside in the way in which the resources are allocated and managed, not the resources themselves.

Myth 3: Only a big bang counts as a success.

Most industry-altering innovations actually start out as small whispers. It takes time, and plenty of momentum, before they become big bangs. Companies that push too hard for big bangs—to the exclusion of initially smaller prospects—can actually miss extremely attractive opportunities that at first appear to be too trivial to matter.

Myth 4: Innovation—and the growth that results from it—is simply random and unpredictable.

Undeniably, serendipitous occurrences can be key components of success, but innovation is significantly more predictable than most people believe. There are patterns of success that, if properly understood and followed, can greatly increase a company's chances of getting it right

over and over again. Just because those patterns are hard to see or not well understood does not mean they do not exist. Remember, 30 years ago people believed that the manufacturing process was inherently random. The quality movement showed that was not the case.

Myth 5: You can't teach people how to be more innovative.

This myth builds off another misconception, that innovation requires a creative genius to spearhead it, someone that just has the right stuff. In truth, because innovations follow distinct patterns, anyone (and everyone) can learn specific ways to identify those patterns and proceed appropriately. It is a challenge, no doubt, but one very much worth undertaking.

Excerpt from *Innovation Handbook: A Road Map to Disruptive Growth*, "The Road to Disruption," Scott D. Anthony and Clayton M. Christensen, Harvard Business School Publishing, 2005.