Maximizing Innovation Through Talent and Culture

Ed Gubman, Ph.D.
Strategic Talent Solutions, LLC
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Innovation is the Priority

The **Rewards**

How innovation translates into higher prices by moving up the experience chain.

<table>
<thead>
<tr>
<th>COMMODITY</th>
<th>GOODS</th>
<th>SERVICE</th>
<th>EXPERIENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevailing prices for various coffee offerings</td>
<td><img src="image" alt="Coffee Beans" /> 1¢–2¢ Per Cup</td>
<td><img src="image" alt="Coffee" /> 5¢–25¢ Per Cup</td>
<td><img src="image" alt="Coffee Cup" /> $2–$5 Per Cup</td>
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<tr>
<td></td>
<td><img src="image" alt="Coffee Bag" /> 1¢–2¢ Per Cup</td>
<td><img src="image" alt="Coffee Mug" /> 75¢–$1.50 Per Cup</td>
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</tbody>
</table>

*Data: Pine and Gilmore, *The Experience Economy*, 1999*
“If we can’t innovate, forget it”

Ed Zander
CEO
Motorola
Innovation is a Process

- How you do it reflects your value proposition (products, operations or customers)
- Requires attention and investment to flourish
- Takes on different importance during different economic eras

“Our goal is to come up with concepts that make people say, ‘Why didn’t anyone think of this before?’,”
Senior Honda Official

Lead Well
Innovation is Evolving

**From**
- Technology
- Product
- Left-brain
- Head of Product
- Design or R,D&E

**To**
- Design
- Consumer experience
- Right-brain
- Chief Creative Officer

“Business people will have to become more ‘masters of heuristics’ than ‘managers of algorithms’.”

Roger Martin, University of Toronto

Lead Well
Information that stays with you. Patient information card is stored on the bottle, right where you need it. Just call 1-877-FIX-TARGET, or log on to Target.com/clears to transfer your prescription today.

Introducing ClearRx™ from Target Pharmacy
A new family of smart, safe innovations. Redesigned to put all the vital information about your medicine right in the palm of your hand. And a new easy-to-use, spill-resistant bottle for liquids helps the medicine go down easier than ever. The future of pharmacy is clear.

New personalized, color-coded rings
A new color-coded system to clearly identify the medications of each family member. With ClearRx, there’s no more guesswork in the medicine cabinet. And the new cap is designed to be child resistant for little hands, easy for adult grips.

Design for All®
Lead Well
Innovative Talent

• Innovation is not intelligence or leadership
• Four traits of innovative people
  1. Curiosity
  2. Persistence
  3. Passion
  4. Divergence

“You gotta be smart but there’s a whole lot of other things you have to be besides smart.”

John Callendar, Innovation Researcher
Select for Innovation

**GRAPHIC REPORT (MOTIVES, VALUES, PREFERENCES INVENTORY)**

<table>
<thead>
<tr>
<th>SCALE</th>
<th>PERCENTILES</th>
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<tbody>
<tr>
<td>%</td>
<td>10</td>
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<tr>
<td>Recognition</td>
<td>36</td>
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<tr>
<td>Power</td>
<td>8</td>
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<tr>
<td>Hedonism</td>
<td>44</td>
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<tr>
<td>Altruistic</td>
<td>68</td>
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<tr>
<td>Affiliation</td>
<td>73</td>
</tr>
<tr>
<td>Tradition</td>
<td>40</td>
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<tr>
<td>Security</td>
<td>1</td>
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<td>Commerce</td>
<td>4</td>
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<tr>
<td>Aesthetics</td>
<td>83</td>
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<tr>
<td>Science</td>
<td>45</td>
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Low | Average | High
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<thead>
<tr>
<th>ACHIEVEMENT ORIENTATION</th>
<th>1</th>
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<tbody>
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<td>easy going, non-competitive, focus on achievable, less ambitious targets</td>
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<td>prefers stable work, undertakes new projects only after discussion with others</td>
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<td>values order and predictability, prefers adaptation to innovation</td>
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<td>likes to work at a steady pace, dislikes pressure filled work</td>
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<td>avoids leadership positions, consultative, happy to let others lead</td>
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<td>CONSCIENTIOUSNESS</td>
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<td>prefers work that can be completed quickly, dislikes overcoming obstacles</td>
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<td>focuses on global issues, not preoccupied with detail, will cut corners to meet deadlines</td>
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<td>not restricted by rules, prefers general guidelines to specific regulations</td>
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<td>place less importance on meeting deadlines, casual about work requirements</td>
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<td>SOCIAL ORIENTATION</td>
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<td>formal and reserved, does best work when alone</td>
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<td>unaware of other’s feelings, reluctant to get involved in people’s problems</td>
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<td>quiet and shy, prefers small groups, rarely seeks people out</td>
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<td>make decisions independently, seldom looks for advice</td>
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<td>PRACTICAL INTELLIGENCE</td>
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<td>prefers using and building upon established methods, avoids unconventional ideas</td>
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<td>spontaneous, makes quick decisions, relies on personal instinct to guide choices</td>
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<td>ADJUSTMENT</td>
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<td>very open with thoughts and feelings, can be impatient and easily annoyed</td>
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<td>dislikes high-pressure work, finds it hard to relax, quickly becomes tense</td>
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- **Ambition**: sets difficult goals, has high aspirations, competitive and driven to succeed
- **Initiative**: proactive, quickly takes initiative, enjoys identifying and solving new challenges
- **Flexibility**: prefers variety and novelty, adapts quickly to change, dislikes routine
- **Energy**: very energetic, works well under pressure, tends to be involved in many activities
- **Leadership**: assumes leadership positions, dominant and forceful, enjoys influencing others
- **Persistence**: enjoys overcoming obstacles, very persistent, works until task is finished
- **Attention to Detail**: well organized, methodical, enjoy detailed work
- **Rule-Following**: follows rules and regulations even when inconvenient, likes specific guidelines
- **Dependability**: dependable, meets obligations and deadlines
- **Teamwork**: prefers work that involves social interaction, likes getting others involved
- **Concern for Others**: caring and understanding, shows concern for others, sympathetic
- **Outgoing**: talkative and outgoing, enjoys meeting new people
- **Democratic**: makes decisions through consultation, works well with supervision
- **Innovation**: creative and original, likes solving problems, intellectually curious
- **Analytical Thinking**: analytical, cautious and deliberate, takes logical approach to problem solving
- **Self-Control**: maintains composure, hides feelings from others, slow to anger
- **Stress Tolerance**: tolerates stress well, able to cope with many demands, does not take criticism personally
Innovative Organization

• Simultaneous “loose-tight”
  – Tight stage gate process
  – Looser accountability
• Global product platforms
  – Information sharing
  – Local adaptations

“We put a research center in Munich because there’s no place in GE where you feel more like a loser than in Germany.” Jeff Immelt, GE

Lead Well
GE Windmills on treehugger.com

Lead Well
Innovative Culture

- An appreciation of innovation…
- Plugged into company values
- An experimental attitude…
- Coupled with change management skills

“The most clever ideas don’t come from the leaders, but rather from the leaders listening and encouraging and kind of creating a discussion.” Eric Schmidt, Google

Lead Well
Innovative Culture

- Idea jams, consumer insights and incubator$ 
- Dual career ladders and soft landings 
- Freedom to roam 
- Recognition, not rewards

“Compensation management does very little to stimulate technical people—it’s the intrinsic stuff that gets people going.”  Bill James, retired P&G HR R&D

Lead Well
“The foundations of a great company are talent and culture.”

Steve Jobs