the innovation master plan
the CEO’s guide to innovation
by langdon morris

this excerpt includes
chapter 2

Langdon Morris is recognized worldwide as one of the leading authors and consultants in the innovation field. A new chapter of his latest book, *The Innovation Master Plan*, will be presented exclusively at InnovationManagement.se every two weeks throughout the summer. It will soon also be available at Amazon.com (but not quite yet).
The Innovation Master Plan

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chapter 2

the driving forces of change

“Life isn’t one damn thing after another. It’s the same damn thing again and again.”

Edna St. Vincent Millay

Either way you want to think about it, whether it’s always something new or the same damn thing again and again, there’s definitely a lot happening out there. And because it’s so important to define a useful point of view and an effective set of goals, innovators and would-be innovators inevitably must develop a deep understanding of the key strategic issues facing their organizations and the history that has brought them into existence, in order to develop the right strategic guidance for the innovation process.

In this short chapter we’ll therefore take a quick look at 6 damn things that are essential to understanding the nature of change that’s occurring around the world today. While these may not be the most pressing issues for your company, chances are that some combination of them will have huge influence on your situation, on the strategic choices you make, and on your approach to innovation.

So while the purpose here is not to give you a comprehensive view of change in all its dimensions, I will highlight some topics that are broad and tremendously influential factors, and briefly explore how these issues may affect your organization. For your own purposes a much more detailed view of the driving forces will be necessary, so this can get you started.

driving force #1: commoditization

In 1992 Wal-Mart passed Sears to become the world’s number one retailer. How did Sears allow this to happen?

First, Sears suffered from the arrogant assumption that it was invulnerable, and then its leaders fundamentally misunderstood the key competitive dynamics in the market (the mindset problem again), and allowed Wal-Mart to out-innovate them in three critical performance dimensions: cost of goods, cost of distribution, and pricing. In essence, Wal-Mart mastered one of the 6 critical forces that drive today’s economy, commoditization.
There’s irony in this, in that Sears itself was once a world champion commoditizer itself, but then like Coke and IBM, it got distracted by its own success.

In fact, commoditization has been an underlying economic force for centuries. The industrial revolution lowered the price of everything to the point that middle class citizens of the developed nations live better material lives than the richest of kings and queens once did, and Sears, founded in 1886, played a big part in bringing this explosion of material wealth to people throughout the US.

Wal-Mart’s business model is based on constantly increasing volumes at progressively lower prices in the mass market. It built its national and then its global brand on continual price reductions, its “Always Low Prices” slogan plastered throughout its stores.

Another effective commoditizer, Ikea, has developed a similar approach. This was explained to me by an employee in an Ikea store: “We look for companies that are in trouble, and we hire them to make products for us by the millions at ridiculously low prices.” (I’m not kidding; it’s a direct quote.)

Commoditization continues to be an inexorable competitive force that is manifested in our times in many ways, from the Wal-Mart-ization of the world’s retail supply chain and the accompanying outsourcing of manufacturing to Asia, to upheaval in the retail grocery business, to the outsourcing of computer services to India, to the precipitous drop in the price of computing power, to the cheap air fares that we now enjoy.

For example …

A&P supermarkets, also known as the Great Atlantic & Pacific Tea Co., operator of almost 400 supermarkets and 34th largest retailer in the US, filed for bankruptcy in December 2010. In a regulatory filing, the company cited a shift in consumer spending to wholesale clubs, drugstores and supercenters (i.e., commoditizers). In bankruptcy, the company plans to shed $380 million of pension funding commitments and retail lease agreements.¹

Southwest Airlines introduced a commodity-oriented business model to air travel, and transformed the entire industry. Ryanair followed Southwest’s model and took it even farther.

Deregulation of the telecommunications industry has dropped the price of phone calls to unprecedented lows, while cheap cell phones have brought convenience to more than 5 billion customers. During 2009 and 2010, an average of 60 million new subscribers signed up for services each month, and bought handsets too, but the wave is slowing down as the market gets saturated, and the focus of competition is shifting upstream to smart phones.

The financial services industry has also been commoditized, slicing margins and intensifying competition for thousands of banks, brokerages, and insurance

companies.
Ever-cheaper computer chips have commoditized the entire computer industry, and thus IBM’s explanation when it chose to sell its PC division to the Chinese firm Lenovo was that the company was focused on adding value, and simply didn’t want to compete in a commodity industry.

The trend of commoditization will certainly continue during the next 20 years as an additional 2 – 3 billion people living in Asia and Africa are likely to join the ranks of the mass consuming middle class. This will drive intense competition in manufacturing and distribution as hundreds of millions of new households join the consumption party. The competition to serve these new customers will be fierce, and continuing downward pressure on prices will be intense. At the same time, the likely decline in the availability of natural resources, the dynamics of global supply and demand, and continuing advances in product design, manufacturing, and distribution will all have enormous impact on the dynamics of every industry.

The vital questions for you could be, “How is commoditization affecting our business today, and how will it affect us tomorrow?” It’s inevitable that competition will drive prices down in nearly every market, so how will your organization respond?

**driving force #2: the digital revolution**

1992 was a revolutionary year in politics and in business. In addition to the tightly contested presidential election between George W. Bush, Ross Perot, and Bill Clinton, corporate board rooms across America were confronting CEO failures at an unprecedented rate. Amex CEO James Robinson was removed when his board realized that he didn’t know how to turn the company around from a disastrous slide. IBM CEO John Akers stepped aside in favor of turnaround specialist Louis Gerstner as IBM, too, faced a life-threatening situation. Robert Stempel of GM was fired, as were Compaq’s Rod Canion, Apple’s John Sculley, Kodak’s Kay Whitmore, Digital’s Ken Olsen, Goodyear’s Tom Barrett, and Macy’s Edward Finkelstein. In all, 16 CEOs of Fortune 500 companies were removed in 1992 and 1993, the biggest concentration of CEO removal in decades.

Why did it happen?
Change had arrived with a vengeance, in the form of cheaper computing power (commoditization again), which created a digital revolution that brought new forms of competition to America’s largest corporations. IBM watched horrified as its mainframe revenues plummeted from $13 billion to $7 billion from 1992 to 1993, and as I mentioned in Chapter 1, the company had to lay off more than 200,000 employees.

While the digital revolution hit the computer makers first, it then moved on to attack other companies too, because cheap computing power suddenly enabled small companies to deploy the computational resources that only big ones previously had, and a major barrier to entry abruptly disappeared. Companies all over the world lowered their operating costs, increased their IT capabilities, and improved their own
business models by creating better products and services at lower prices. Many of
these new players emerged from the edges of traditional markets, and because they
came from the edge they were able to develop and refine their business models
without attracting the attention of the larger firms.

This new digital power has resulted in significant growth across the entire
economy, but has also brought new competitors for the world’s corporate giants, and
thus new threats to Amex, GM, Compaq, Apple, and Kodak in the US, Philips,
L’Oréal and Siemens in Europe, among many others.

This process of digitization also accelerated the trend toward larger-scale
commoditization, as goods that had once been considered luxuries became so cheap
to make that they became available at mass market prices due to digitized design,
manufacturing, and distribution systems. This new computer-driven world of
manufacturing and distribution became essential to the successes of Tesco, Carrefour,
Wal-Mart and Home Depot, as they were among the first to grasp how to exploit the
new capabilities of computers to help manage a tremendously complex global
telecommunication.

Today’s Internet War between Google, Microsoft, and Facebook marks just
another step in the digitization of the economy, showing us that the digital revolution
will continue to change the tools we use to create and consume information, and will
therefore continue to have enormous influence on which business models are
successful and which are not. The revolution, in other words, isn’t over yet.

Digitization impacts all aspects of the arts, entertainment, business, and society,
and it’s crucial to how products are designed, manufactured, and distributed. It’s
also essential to how consumers gather and share information, and how they get
entertainment, as it is central to how companies manage their finances and
operations. It’s even a basic resource for farmers, who plow and fertilize their fields
according to what they learn from satellites, and it also tells them how, where, and
for how much they can sell their produce. This is as true in the corn belt of Nebraska
as it is in rural India, coastal China, and central Brazil. In fact, there is no aspect of
society that is not significantly affected by digitization.

One final example is the printing industry, which obviously has been impacted by
the shift to digital media. But how much impact has this had, really? Well, between
2003 and 2010, gross printing industry revenues in the US declined precipitously,
from $120 billion to $80 billion. During that period, 22,000 print shops closed, and
in 2010 3 shops were closing each day. Today, if you’re interested in owning a big
printing press, a nice 4 or 5 color Heidelberg unit that would normally cost $50,000
or more, you can pick one up for cheap. How cheap? In many cases, it’s yours if
you’ll just come and haul it away.

Who’s impacted by this besides the printers themselves? It’s the folks who
deliver a lot of the stuff they print, the post office. And they’re hurting, too. The
total volume of mail that the US Postal Service delivered declined from 212 billion
pieces in 2007 to 167 billion in 2010, a drop of 20%, causing continuing losses in the
agency. So if you’ve been wondering why the price of stamps is increasing, that’s the
reason.

In response, the USPS reduced total work hours by 63 million in 2010,
equivalent to 36,000 full-time employees (out of a total work force of about 584,000),
but still lost $5.4 billion through three quarters of 2010. The agency estimated that it will incur about $238 billion in losses by 2020 if Congress doesn't permit it to revamp its outdated business model. Yes, there you have it, even the post office knows that innovation is mandatory in the digital age.

And what impact will continuing digitization have on your company? Could a competitor undercut your cost structure by digitizing significant aspects of your industry’s value chain? Will a design, production or quality slip-up at your firm result in a tidal wave of internet-driven negative publicity that you must spend weeks and millions to counter? (It did to Toyota.) Can you find new uses for computer technology to increase your sales, or improve your own operating efficiency? Can you enhance or transform how you communicate internally, or how you communicate with customers? And how about social media? Ah, that’s next!

**driving force #3: social mediaization throughout society**

Digital technology becomes progressively more significant as it’s applied to more and more functions of life, business, and society. Business today is inconceivable without the internet, and the countless software tools that we use to manage the modern enterprise.

And now hundreds of millions of people are using social media platforms like Facebook, MySpace, Twitter, and LinkedIn to communicate with one another, which constitutes a trend with enormous momentum, and perhaps enormous importance.

Facebook alone claims to have more than 500 million active users, 70% of whom live outside of the US. If it were a separate country Facebook would be the third largest in the world, after China and India. People spend more than 11 billion hours per month on Facebook, and it offers more than 550,000 applications from outside developers, which means that Facebook the platform is itself becoming major world market, an online example of globalization, and a powerful business force in and of itself.

Yet as a social phenomenon and an industry, social networking is so new that although the consequences seem to be important, they’re also entirely unpredictable. It’s impossible to know where these trends are going, or what they might mean two, three, or five years in the future.

Will it be expected that every business must have a presence on Facebook (or its newer, cooler offspring) in a few years, just as it’s mandatory today for every company to have a web site? It’s entirely possible. But what else could it mean? Will social media become a force for social change, or merely a bunch of “places” to connect with friends? Will Facebook’s new currency become a powerful economic engine, or merely a curiosity? Will anything be different when the number of Facebook users passes a billion?

These are among the questions that you should be asking and dialoging about with your colleagues to make sure that new forces and factors don’t catch you by
surprise, and also to position your firm to take advantage of new possibilities and opportunities.

**driving force #4: globalization**

Globalization has drawn every nation into a single economic system, and through social media, many of us are now participating in a mediated social system as well. As a result, every company’s strategy must address a globalized market in which increasing numbers of people are participating in social and business communities that transcend national boundaries.

Globalization today means that Wal-Mart and Facebook are everywhere, but only twenty years ago the practices of global business were typified by the successes of Toyota and Honda. When these Japanese manufacturers started in the auto industry they specialized in low price cars, but with a consistent focus on improving the quality of design and manufacturing they’ve moved steadily into more lucrative segments of the market. A big break occurred in 1973 with the first Oil Shock, as the sharp rise in oil prices suddenly created demand in the US market for their fuel efficient cars. Almost overnight, both saw rapid growth in their share of the US market as consumers looked for an alternative to American gas guzzlers.

Since then, Toyota has steadily increased its share in most world markets, and is now the leading auto manufacturer in the world.

But with globalization and expansion have also come new challenges. Maintaining high quality standards has proven difficult, and the safety problems reported in early 2010 have tarnished Toyota’s brand image and cost the company billions of dollars.

A more recent example of globalization is the Somali pirate industry, which preys on ships carrying goods past the horn of Africa between Asia and Europe. The exponential growth of world trade has vastly enlarged the total shipping market that is available to the pirates, who have themselves developed a sophisticated business model that reflects a fundamental understanding of globalization. They generally know which ships and which crews will be profitable to hijack, apply sophisticated risk management decision-making models in their planning, and cleverly exploit the global financial system; when they succeed in their rather high risk venture, they earn large profits for themselves and their impoverished communities.³ In the Somali city of Harageysa there’s now a structured investment market for those who would like to invest in piracy, a market that in 2009 had 72 registered “companies.”

Globalization also means that you may choose to have your next surgery outside of the US, as the popularity of “medical tourism” grows. More than 20,000 Americans journey each year to Costa Rica to have surgeries there (about 55 per day), and The Deloitte Center for Health Solutions reports that cost savings range from 30 to 70% of US prices.⁴ Dozens of countries are lining up to develop the lucrative trade in health care, as US providers steadily price themselves out of the

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market. Nearly a million Americans traveled overseas last year for medical treatment (more than 2500 per day), while about 75,000 people came to the US for the same reason.

With impacts throughout the manufacturing and supply chains, globalization is a vital driving force that has a great impact on the operations and positioning of every company. Your new iPad, laptop, or smart phone was probably assembled in China, where contract manufacturer Foxconn Technology employs more than 1 million workers, but at very low wages. After an unacceptably high number of suicides the monthly wage has reportedly been increased to $300 per employee.

The power and impact of globalization means that it's essential for every company to understand the current and future impacts of worldwide trends on operations, to develop a globalization strategy to optimize learning opportunities through exposure to various markets around the world, and perhaps also to extend its reach to new customers. As customer communities are also global, no large company can hope operate successfully without addressing global markets.

So what does globalization mean to your company? Can new competitors come into your market from elsewhere in the world and undercut your pricing? Or deliver better service? Or out-innovate you? If it happened, how would it unfold? What would you do in response?

**driving force #5: the turbulent world**

One impact of digitization and the rise of social media is a sharp decline in the number of Americans who read newspapers, as electronic news sources replace the printed word. Electronic media bring the immediacy of disasters occurring everywhere in the world instantly to the palm of your hand, and in this way they seem to heighten the badness of the bad news. But if you do happen to look at a newspaper, take a look at the section that's called "World News" and you'll read about turbulence on a massive and widespread scale.

I picked a day at random, November 26, 2010, and that day's news from across the globe included the following stories: gang violence in Rio de Janeiro, drug violence in Colombia and Mexico, students protesting education cuts in Italy, social services cuts in Greece and Ireland due government debt crises, as well as political or territorial disputes between India and Pakistan, North and South Korea, Israel and the Palestinians, and Japan and China. That's not a complete list of the world's troubled spots, but it's enough to remind us just how widespread the turbulence is.

And then a few days later, WikiLeaks began releasing a set of 250,000 diplomatic cables, an action that some claimed was the beginning of a real "cyber war." And a few days after that, the government of Ukraine announced that they would soon be offering tours of the Chernobyl nuclear reactor site.5

(Honestly, I don’t know if I ought to admire the chutzpah behind turning the site of one of the world’s worst engineering and environmental disasters into a tourist attraction, or be appalled at their hubris. But I do know that it's enough to shake a

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person all up…)

Another way to get a sense for the scale of turbulence in human society is by noting that apart from major instances of warfare, about 1.6 million people die each year in violent crimes, which works out to about 4400 people per day, or sadly, about 3 per minute. 1.2 million more people are killed in auto accidents, and an additional 50 million are injured, according to the World Health Organization.

In parallel with the violent events are many equally disheartening trends. For example, even more people die due to tobacco use, almost 14,000 each day, 5 million per year. Many other unpleasant trends also afflict our society, including infant and child mortality, hunger and starvation, preventable deaths caused by treatable diseases, as well as trends that occur across even longer time frames, such as global climate change, increasing air pollution, and deforestation.

Other important trends emerge not from specific dangers, but due to changing social values. For example, population statistics tell us that the number of people in Japan is shrinking, as Japanese women have been having progressively fewer children since the 1970s. This is easy to determine by counting births each year and noting the change from previous years. If the current trend continues, then by the end of the 21st century Japan's population will be about half of what it is today, down from a peak of about 130 million in 2005 to around 65 million.

Over the next 90 years a lot of things could happen to alter the trend, such as a change in values that leads Japanese women to prefer to have more children, or change in cultural values and immigration laws that lead to more net immigration into Japan than is presently occurring. But as of right now those things aren’t happening, and if they don’t then Japan’s population will shrink drastically, with fundamental impact on Japan’s economic and social structures.

In a compact and informative little book called *International Relations*, Paul Wilkinson summarizes his review of world affairs with this comment: “It would be entirely understandable if the reader felt somewhat depressed at this stage [of the book]. A brief survey of some of the major problems and challenges of international relations reveals that we live in a very dangerous world, and that many of the most serious threats to our peace, security, and economic and social well-being are the result of human actions.” Somewhat depressed indeed…

Ours is a turbulent world, and there’s nothing to suggest that the turbulence will decrease any time soon. So in what ways is your organization vulnerable to political, economic, or social disruptions? And how can you protect your organization from the impacts of these changes?

Conversely, how many of these trends and challenges present innovation opportunities? Health care, environment, politics, news, social services, finance, aerospace, technology – innovations in all of these fields and many more will become central to humanity’s response to turbulence, and it is our organizations that will

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6  http://online.sfsu.edu/~rone/Buddhism/FivePrecepts/AnnualViolence.html
develop these innovations and introduce them to the market.

**driving force #6: acceleration**
*running faster to stay in the same place*

Each of these five forces of commoditization, digitization, social mediaization, globalization, and turbulence is a strategically decisive issue that's central to everything that your organization must understand and plan for. But they are not occurring independently of each other. In fact, they're mutually interdependent, and they feed off of one another. As their impacts converge, the result is the potential for thoroughly disruptive acceleration and the amplification of their impact in a way that is decisive and inescapable.

Underlying all this change is a root cause, a very simple, entirely human, and utterly characteristic fact of the entire history of civilization: tool making.

It is the introduction and use of new tools that creates change, and humans are nothing if not habitual tool makers.

Through our capacity and proclivity for making and using tools we change ourselves, our communities, our civilization, and our planet. What is commoditization, after all, but the use of new tools of production, communication, and transportation? What is digitization but a specific form of tool to create, share, and store data? What is social mediaization but a particular means of communication enabled by a particular type of tool? What is globalization but the spread of a common tool set across all the oceans to nearly all the peoples of all nations?

Our use of and attachment to particular tools then becomes embedded in social values, in mores and concepts of right and wrong. As a result, a great deal of the turbulence we experience is rooted in social disruptions caused by our expanding tool set; new tools and the values they evoke confront established social systems, values, beliefs, and attitudes that have been shaped during eras when different types of tools were used than the ones we use today.

But it's not just social values, of course. New tools define new economic realities, which fundamentally affect how individuals, families, and communities earn their livelihoods.

In the words of James Burke, “The more the tools, the faster the rate of change.”

And every day we're busy making new tools and bringing them to market as fast as we can, so as the resulting events increase in magnitude and trends gain speed, every company becomes more vulnerable to change.

Trends erupt from nowhere and expand rapidly to global scale, altering the perceptions of citizens and customers, reshaping markets. Similarly, new competitors arrive from anywhere in the world without warning, and unexpected events cause turmoil.

The significance of acceleration is entirely visible by observing the increasing

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impact of mass communications and social networking media that drive market fads. Hot products, music, and movies can draw the interest of hundreds of millions of people in only a few days, but a problematic side effect of these ubiquitous mass media is the collapse of the profit-making window. Movies that have the potential to be blockbusters have to be released with a massive burst of advertising that must send ticket sales skyrocketing in the first weeks, or their marketability collapses in disappointment. James Cameron’s Avatar, for example, reportedly had an advertising budget in excess of $100 million, and earned ticket sales of more than $2.5 billion. More modest films that once might have stayed in theaters for months while gradually building their audience are now gone after a couple weeks, and almost immediately sold on DVD and through other channels, because building an audience patiently is no longer a viable business model for a media conglomerate (although it is still pursued by smaller firms).

Authors Margaret Mark and Carol Pearson refer to this as “collective speedup.” They write, “People today not only move more quickly, they can also process information rapidly. If the pace isn’t quick, they get bored. The media most facilitative of this desire to experience and know everything and do so instantly,” are of course social and electronic media.11

The organizational consequences of these factors are three-fold:

First, markets are changing faster than they ever have before.

Second, consumer preferences and attitudes are changing faster, too.

And third, managers are called upon to make decisions on progressively more complex issues, but they must be prepared to do so in significantly less time.

All this is forcing deep changes in how managers think and how they operate.

taking action:

designing and implementing your response to acceleration

Change is now happening so fast that traditional approaches to planning aren’t effective. (Some say that they’ve never been effective, but that’s a different story.) To cope successfully with this dynamic world, leaders have to find new approaches to thinking and managing, and new ways of gathering information, planning, decision making, allocating resources, developing strategy, and linking strategy to innovation.

So what’s your process for doing this?

Is your team working on its decision making skills to handle more information in less time? Do you have systems in place to collect event and trend data in real time? Are you tracking the external trends that will affect your business over the next 5 or 10 years?

And what forces are driving change in your market? Are they easy to spot, or

does change in your environment emerge on the fringes where it’s hard to notice unless you’re carefully paying attention.

How are you improving your processes to deal with the acceleration of change? How do you relate them to your innovation program?

There’s always the temptation to try to predict where the key trends are going to take you so that you can lock in your strategy and make better decisions. Predictions, however, are notoriously and consistently wrong, so a strategy based on a prediction is highly suspect and may be dangerous. Fortunately, there’s a better alternative.

scenario planning

The scenario planning process enables you to examine dozens or even hundreds of important trends and events, to identify the ones that are most likely to be critical to your future, and then to use these as the basis not of predictions, but of scenarios, or stories, about what might happen. Scenario planning helps people think about the future not in a narrow or deterministic way, but to explore a wide range of possible outcomes from current trends and forces, and then to identify the strategies that make the most sense for a variety of outcomes.

In this way the focus is not on a single future, a single outcome, or a single strategy, but on understanding how the possibilities will be shaped by future events that we know will be important, but which cannot be predicted.

This approach transforms planning into a learning process, and a method of increasing awareness about what’s important, why, and what the consequences could be. As a result, leaders are better prepared to respond appropriately to future events quickly and decisively because they have already thought through many of the likely consequences, nuances, and combinations.

Scenario planning is often done in workshops that can involve dozens or even hundreds of people. Participants engage in rich and dynamic conversations about the things that matter today and may matter tomorrow. In addition to the value that comes through the dialog about strategy, these workshops also enable people to discuss ideas and concepts that they find most engaging, and perhaps most troubling, and to explore the positive opportunities as well as potential threats in a setting that’s non-confrontational and is not geared toward producing a single definitive outcome. Hence, it’s a very useful thinking tool for executives because it changes the nature of planning work from a simple “problem > solution” construct to a more robust perspective that involves “driving forces > scenarios > possibilities > strategies.”

Our team at InnovationLabs has led scenario planning activities with companies in health care, energy, education, financial services, aerospace, high tech, and government, and they always lead to new insights and a much deeper understanding of how change is unfolding, and of how organizations can be better prepared for the future.

For example, a detailed scenario planning project with a leading oil company explored the future of the energy industry across all possible energy sources and a wide range of possible social and economic situations. One of the participants then
went back to her own business unit and used the same techniques to address a major problem that the business was facing, but which they had so far been unsuccessful in grappling with. By developing a set of scenarios instead of trying to come up with a “solution” to the problem, her team was able to explore the issues in a robust way and discover possibilities that they hadn’t realized, exposing creative options that led them toward an ultimate solution. Again, by moving away from a simple “problem > solution” construct they were able to see the entire situation much more clearly.

In addition to the benefits for planning strategy and innovation initiatives, scenario planning can also be used to launch trend-tracking systems that help organizations to gather relevant information on more trends from more places on the globe to get an early warning about emerging change.

Figure 5
Scenario Planning to Understand Possible Futures

the last word …

Scenario planning isn’t the only good tool for thinking about and planning for change, and it’s not the only way to manage it. Other tools and approaches may be right for your organization, and some of them are discussed in Chapter 8, the innovation infrastructure.

The key point here is that change is indeed accelerating, driven by forces that are massive in scale, inescapable, pervasive in influence, and highly unpredictable.

So is it an exaggeration to say that the survival of your organization may depend on the ability of its leaders to make sound business decisions in the face of changing conditions? Perhaps, but maybe not.

Do you want to risk it?

Fortunately, there’s no need for that. Building a better decision making system, and the information gathering and modeling processes to back it up does require time, but not necessarily a lot of capital outlay. It will be time well invested.

Dealing with accelerating change requires both a robust process for thinking through the strategic consequences of what’s happening in your world, and also a process for turning insights into useful actions that benefit your organization. Those
insights will help to shape the strategic goals you choose, and then guide the actions, policies, procedures, and structures that create your organization's future.

Translating strategic goals and imperatives into useful guidance for the innovation process is the function of the innovation portfolio and of the innovation process itself, and these are the topics for the next few chapters.

Please return to InnovationManagement.se for the subsequent chapters of The Innovation Master Plan by Langdon Morris.

You can learn more about his work and access additional writings and his blog at www.innovationlabs.com.
About this Book

This book is intended as a companion to my previous innovation book, Permanent Innovation.

During the four years since Permanent Innovation was completed, we’ve continued to refine our understanding of the innovation process through work with many organizations, and we’ve found that senior managers have a continuing interest in guidance in the design and management of their innovation initiatives. The Innovation Master Plan addresses many of those needs, and deals with aspects of the innovation process that Permanent Innovation didn’t address.

In the course of preparing The Innovation Master Plan, I’ve also discovered some opportunities to improve Permanent Innovation, and as a result a revised edition is now available.

(You can download Permanent Innovation at www.permanentinnovation.com)

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Langdon Morris is a co-founder and partner of InnovationLabs LLC, one of the world’s leading innovation consultancies. He works with organizations around the world to help them improve their proficiency in innovation.

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“A fantastic piece of work, and a guide you must hold at hand when traveling in Innovation-Land. Use it as a reference in outlining your plan to future growth and profits. The business world has to be different, just start to build it ... with this Master Plan.”
  Léopold Demiddeleer
  Solvay

“Authentic Leadership among the companies of the 21st century is naturally a commitment to sustainable growth, profit, and image. And this can only be achieved with a complete dedication to sustainable innovation at the core of the organization. Langdon Morris’ intelligent, passionate and inspiring messages in his master plan make sustainable innovation possible. This dynamic, focused and simple process takes us from concepts and ideas to reality. It is hugely important and productive to guide us in creating valuable innovations for our organizations. Langdon is a true innovation leader, and wherever you are in your innovation journey it is wise to follow these best principles.”
  Signe Gammeltoft
  L’Oréal

“The Innovation Master Plan is another revolutionary innovation masterpiece by Langdon Morris, a framework which brings practicality to the concept of innovation. This book will compel and inspire any executive reader to adopt an innovation culture and framework for their organization in order to survive and succeed in the 21st century.”
  Genevieve Bonin
  PwC

“The Innovation Master Plan is one of those books that captures your imagination and keeps you grounded in reality at the same time. Langdon Morris describes the driving forces impacting our businesses and the worlds we live in everyday. He exposes how the ‘great ones’ have innovated, and provides one of the most simple and powerful models to transform your business and empower people to be more innovative; altering the innovation landscape. A powerful call to action!”
  Jacqueline Byrd, Ph.D.
  Creatrix, Inc.

“For anyone who is wrestling with the challenges of innovation in their organization The Innovation Master Plan is a must read. Langdon offers a comprehensive handbook that maps this uncertain territory by asking (and helping you answer) five key innovation questions; Why? What? How? Who? Where? Having taught “Needfinding” and design research methods at Stanford for the last 2 decades, it’s clear to me that this book is a significant contribution to the field that will benefit students and experienced practitioners alike.”
  Michael Barry
  Stanford University and Point Forward
“I love this book a lot.
I can be an innovation leader, because I keep providing my own industrial and educational visions to the related parties.
I can be an innovation champion, because I support all kinds of innovation activities in the industrial and academic societies.
I can be an innovation genius, because I learn, think and practice all sorts of innovation methodologies.
Most of all, I can be a master of innovation.”

Justin Lin, Ph.D.
Chaoyung University of Technology

“Thought-provoking, enjoyable, and indeed inspirational! The key messages here are incisive and convincing. A very worthwhile achievement that deserves the widest readership.”

John Holmes
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