Prologue

Look around you. Look carefully for a few minutes, at everything that surrounds you in this very moment. Absorb everything. Now imagine the world you see, without *fire.* When is the last time you thought about the role fire plays in our life? Probably never. And here is the opening: *You are the product of fire!* Your life, in everything you know, learned, did, and desire to do, is the outcome of a discovery made 1.9 million years ago by one of your early ancestors.

This is a book about how you transformed that discovery into innovation, and how innovation has transformed you. About innovation as behavior, innovation as culture, and the hopes and outcomes of everyday life.

Fire was not an innovation; fire was a discovery. But the realized possibility of that discovery has changed the course of our history on this planet forever. The way we are, the way we want to be, and what we desire to become. A discovery has inspired in us possibility beyond the reach of all other animals. We are more. We will become more. We will transform fire into *us,* and transcend, moments at a time, our animal condition. By using fire to transform us, *we became the innovation.*

 Fire. Welcome to the story of your life. And welcome to our economic system, our culture, and our business.

Introduction

Everything we know, do and desire is the outcome of fire.

Fire represents the first moment in history, when civilization transformed itself; the transformational part came when humans discovered that fire can be put to beneficial uses, which vastly changed their behaviour and with that, their expectations. What is interesting to note is that fire already existed in the surrounding environment, but it was not being put to a beneficial use. People came across it, and looked at it, but it had no "media" for humanity because we did not use it for anything. It only became an "innovation" when one day, a human figured out how to preserve it and then someone else -- probably thousands of years later -- figured out how to *start* a fire. At first we used it for its obvious physical properties of heat and light, and before long we used it for another major transformation: as a source of energy. Disruptive innovations such as fire and electricity are not fully manifest in the moment "the new" is introduced by discovery; the disruption occurs only when human motivation embraces "the new" as a technology and allows it to enhance and expand everyday life. Innovation is a bridge to a better self. All discoveries that become technologies through our use are temporary bridges into the future. They are temporary because they lead somewhere, to a place yet to be defined, by an individual yet to define the destination.

And so, to the first redefinition: **Innovation is not a *process*, but an outcome.** When you treat innovation as an outcome, the role of a business organization becomes to create the tools, objects and services through which people can manifest what they want, who they are and who they want to become. In this view, all innovation is aspirational. The role of business is to create *media* for you to become something else, a better self.   If transformation is the key to growth, then the tools of transformation – or the *media* for transformation – are what a company creates. This applies to everything from soap to computers and iPhones. Any company that knows what its true job is, creates essentially products for transformation. And transformation takes us away from our life of habit, into a new ambiguous territory, with new measures and new expectations, or what might come next. Transformation takes us to a place of ambiguity, a place where the old measures do not apply. This is why ambiguity scares: our lives are very much about habits. Once we have a fixed paradigm of what tomorrow will be like, we are unlikely to change much. So if you want to participate in life, and be part of the perpetual transformation offered by innovation, you need to be able to absorb everything that is new. If you look at the world twice you will perpetually see what's new, and how you need to continually transform yourself and your organization because of what is new today.

When you look at a newspaper headline or hear about a new behaviour that people are engaging in, step back and look again, without jumping to judgment. See it twice, and look at it from a point of view outside of your daily habit. You can dismiss Face Book as a fad, or something that "kids do", but if you look at it again, you will understand that FaceBook is basically a broadcast station for every human that uses it, and a media for transformation. When you look at these tools as proof of transformation, you see them in a different way, and then life in society and your role in it becomes something new.

This understanding of life as a dynamic is not something that companies typically plan for, because, after all, strategic plans are made today, from the perspective afforded by the moment, and from assumptions that, at times, simply move the date five years from now. The dynamic quality of life has to be better accounted for in corporate strategy. And to do so we must treat innovation as the dynamic behaviour by which transformation manifests itself. Innovation is humanity transformed by fire, electricity, the movable press, books, mechanical gears, digital devices, steel, sugar, coffee and oil. Innovation is a human activity; that moment in which behaviour is changed by fire, or electricity, or digital data.

As we use an invention, our goals change and our motivation changes, making further innovations necessary. In today's business world, innovation is tricky. In my work for large corporations I realized that great ideas typically get disregarded, and are not implemented because of a lack of understanding of *where innovation fits*. Many organizations treat innovation as "a process to be managed", rather than "an outcome that creates culture and changes people's lives". Treating innovation as a process reduces it, its practitioners and results, to the basic elements of any process. But as this book will attempt to demonstrate, innovation is not a process but an outcome. There are many processes that result in innovation outcomes, and they will be explored in the section that follows.

In this book I organized the content in nine sections. This introduction is not an attempt to summarize each section, but rather intended to give you a taste of some of the milestones you will find on this journey.

Perspectives for a conversation about innovation

Innovation is in a crisis of identity. There are multiple roots for this crisis, which are explored at length in the first section. In my opinion some have to do with mislabeling what innovation is while some have to do with the opportunities, and threats, posed by crowd sourced massive innovation, an immediate reality that calls for the redefinition of what "innovation" is, in the context of an empowered and participatory user. At the level of the corporation, the new reality calls for a new focus, new incentives, new tools, and a renewed scope for the efforts designed to bring about innovation outcomes. They also need precision in the language surrounding innovation – from its definition to its vocabulary of action - so all stakeholders are on the same page.

As I make the case many times in this book – and the risk of repeating this often might be mitigated by the importance I attach to its understanding - innovation is an outcome, not a process. Organizations fancy the latter because *processes can be managed*, and this is what organizations are good at. This hides the lack of expertise – and mindset - in creating and managing a culture of innovativeness, and an organizational ecology populated by innovation "connoisseurs" rather than innovation managers. The management of the outcome is much different than the management of the process, and this is where definitions are important: innovation is an outcome achieved by a multiplicity of processes, some including imagination, creativity or simply repetitive tasks.

The redefinition of innovation as a *human behaviour outcome*, a dynamic in constant change, requires the shaping of new responses in business and the economy. I will make the case in the chapters that follow, that organizations must treat innovation as the moment in which human behavior is being changed by a particular invention, discovery or event, which in this work is referred to as an *innovation object*.

The past understanding of what innovation "is", was generally connected with a breakthrough in technology – some new tool being employed in some new way. This understanding limits the potential of innovation as bound by the tools employed, instead of the imagination employing them. The latent imagination triggered by an innovation outcome is the true goal of innovation. It is not what "*I can do with this now*"? but "what can I become doing this in the future"? The tool is not a response, but a question. *Every innovation is a question.* The truly important innovations are a series of questions.

A few definitions: Innovation is an outcome, a new behaviour, a new way of doing things. Disruption is a behavior – an outcome involving a media and a user - changed by invention. Invention is a moment of discovery or creation of something new. Disruptive Business means the sum of new behaviours and their support models. Innovation is a moment of use, a manifest behaviour that engages *an innovation object* into new uses, and modifies the habitual conditions of the present.

This position challenges the current understanding of innovation, and some of the labels applied to innovation typologies, such as the label "disruptive innovation". In general, the current discourse around innovation addresses competently the technology side of an invention, at the expense of the motivational side of the user, the human motivation which leads in the behaviour of use. *Humans are the ultimate medium through which technology manifests itself*.

Fire was not a disruptive innovation; it became so only when *human motivation* made it part of everyday life actions and allowed it to modify life in all aspects. I make the case in Chapter 1 that *the disruption is the human being*. Innovation outcomes are answers to goals residing in us, in human motivation, and our motivation starts in desire. We are bound to desire; to perpetually seek media for a better self. To perpetually seek innovation. And from desire we have changed, improved, and reshaped human life.

And here I propose another challenge to the current understanding of innovation : Innovation is rooted in Desire, not need. Desire is the motivation for behaviour. Desire leads to goals, and goals lead to motivation, the internal condition that gives rise to what do we want to do, based on our goals, what can *we do* – based on the norms of behaviour – and what *we will do* – the actions that we voluntarily decide to undertake. Motivation is the ethos of goal orientated behavior, and a company's ability to understand motivation, directly contributes to the success of their products and services in the marketplace. *As desire is constant, innovation is constant*. In this dynamic, innovation is *the constant state of being human,* and business – the activity and the organizations that supply innovation outcomes - is the *variable*.

The role of any business is thus the Organized Capability of creating and distributing media for the manifestation of behaviour. "Media" in this context is a term covering technologies, objects and services through which people manifest in the present what they want, who they are, what they want to become.

How do we get to innovation? The process of innovation is Design. Design makes "media" suitable for behaviour. Innovation as an outcome needs a process to achieve that outcome, and that process is design.

The process that best describes the capabilities needed to arrive at innovation outcomes – which include attention to motivation, goals and desires, resulting in a new behaviour – is the design process, because it is best at connecting technology, user preferences, our wants, psychology and ergonomics with what a piece of equipment can produce, and what the system can effectively distribute.

We can not talk about innovation as a stand alone; we can only talk about "Innovation Behaviour". The two are intertwined. *The study of innovation is the study of innovation behaviour.* As such, it is the study of what behaviour is a reaction to: desires, goals and motivations. Behaviour is the reaction in response to a stimuli from the environment. By design – or at times, by accident – a stimuli is provided. Innovation behaviour is the response.

Innovation is a Behaviour Outcome

For many thousands of years, humans innovated out of a competitive spirit. We had to, as we needed to survive and we were in competition with other animals. Once we discovered fire, we could start manipulating it to create tools, and the first tools we created allowed us to advantageously compete against the other animals in the gathering of food, in the construction of shelter, and so on. Most of the tools and environments we have initially created for a few thousand years after we started using fire, were the result of a competitive drive. Until one day, about 8000 years ago[11], when someone turned copper into a pendant, an object for personal adornment. And object beyond competition. A pre-competitive object of desire. Jewelry. An object about a new destination.

We are now 8000 years later, and some companies have the same competitive mentality, as if this pendant was never made. They assume that in order to change and transform anything, they need to find a benchmark against which transformation needs to be measured. Innovation for competitive advantage encourages an Innovation Problem Framework – give me a problem to solve as the starting point. This results in a process in which the limits for what can be achieved are most of the time already defined by the problem definition. This model is no longer sufficient or desirable. This type of innovation does not create a strategic advantage, but mitigates a weak position. While our first innovations were competitive, humanity moved quickly to pre–competitive innovation. The concept of comfort is one of these innovations. A moment in time when we found ourselves wanting a pillow. Pillows have nothing to do with "need", or with "competitive drive".

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[1] A copper pendant was found in what is now northern Iraq that dates to 8700 BC. Rayner W. Hesse (2007). *Rayner W. Hesse*. Greenwood Publishing Group. p. 56. ISBN 0313335079.

A pillow is obviously not about competing, so it must be about something else. The problem a pillow solves does not reside in our capacity to merely survive; it resides in our desire for the quality of that survival.

The cultural diffusion and use of pillows in most geographic areas of the globe, and the industry that the pillow as a product has created, is essentially a manifest surrender to the simplest of life's desires: the desire for pleasure. The primary motivators in life are very few and rudimentary: a search for sweetness, for smoothness, for shiny things and for pleasure. These are very basic and human and they lie at the root of industry as we know it today. Pillows, then, are not just pillows. The pillow is an outcome, not a process, and the pillow appeared in our lives because we were searching for a smooth, soft place to rest our heads. This is a statement about *who we want to become,* and it is profoundly human – I can not think of any other animal that makes pillows. As a mindset for innovation, the concept of "beyond competition" starts with *questions* rather than problems: How can I live in comfort? How can I feel pleasure? How can I keep warm? Let us look at coffee is another example of an innovation behaviour beyond competition. Coffee is the second largest commodity on the planet, and for a reason. The first is oil, and we understand why oil is a commodity, but can anyone explain why coffee is a commodity? It makes you realize that we are in search of something, because coffee is not food: it is directed to pleasure. In the end, we would not have an economy if we did not have hope, and we would not have an economy if we did not have a quest for pleasure, or the desire to become something else.

This book will propose the model of Pre-Competitive Innovation as a strategic tool. Pre-Competitive Innovation starts with Innovation Questions rather than Innovation Problems. We will present a view of the new context in which we innovate today and argue that the necessary condition for success is an understanding of the root cause of change: Human Desire. Pre-Competitive Innovation is the capability of redefining and reformatting products, services and systems that realign people's desires, goals and motivations with the potential of new technology and the capabilities of organizations.

It is not about the technology, but about having the courage to design new structures and organizational patterns that address the possibilities that accompany new technologies and new knowledge. In this framework, innovation is about the creation of culture. Emergent behaviour patterns – the seeds of innovation – start with very simple acts that get multiplied on a collective scale. Your friend just posted a video on YouTube; he sends you a link and your appetite is awakened, you too want to post a video. You too want to contribute content. When the interest, time and passions of a multiplicity of people converge upon a single domain of action – YouTube in this example – we have an Innovation Object. Innovation objects are the magnets of human ingenuity at any given time, uniting their focus and energy, and resulting in new innovation behaviours. Electricity was such an innovation object, so was the steam engine, the printing press and more recently, digital media.

The future of any innovation object is a measure of its capability to create the experience most conducive to emerge our latent behaviour, and the desires that shape who we are in our best representation. This is why innovation objects are good predictors of things to come in technology in society, in behaviour, in culture and in the economic system. However, as Chapter 2 will show, unfolding the future is not about the signals we find in technology; it is about the signals we find in our behaviours.

Dealing with habit and ambiguity. Individuals and organizations expert at identifying latent behaviours, and the shape of the technology experience that will allow them to emerge, are indispensable to an innovation enterprise. The enemy of change – in the organizational or personal context – is habit. Habit as a system is a set of imposed constraints on a set of variables. The combination of variables and constraints in our environment defines our range of actions in the environment. The dynamics of behaviour form a system in permanent change and adaptation. Any new variable introduced in this system – be that fire, the cell phone, the iPod, or the printing press – is subjected to the same benchmarking constraints as all the variables already present in the system. It is measured on scales that do not fit it. The new variable is seen as beneficial if it provides the answer to the question *"what is the problem for which the new variable is a solution?"* How does the cellular phone as an example, change, help or impede what I have always done? Signals are not at the periphery of your present operational reality. Signals are in our midst. The weakness of individuals and organizations to recognize the meaning and the potential of signals – be they in emerging technologies or emergent behaviour – is a result of the limits of their self imposed boundaries, as dictated by the habitual environment in which the individuals and their organizations operate. The weakness comes from treating signals as "novelties" with potentially little impact on the present. The capability to map a signal in its earliest stages, accelerates our understanding of the possibilities resident in it, and allows for the appropriate course of action to be chosen. This is the shortest definition of foresight.

Shaping the Future. Instead of relying on the reported needs of an established market, innovation at the strategic, pre-competitive level draws insight and direction from detecting signals in the environment. Applying imagination and intuition to an incisive reading of the current forces that influence your business – and even those forces that seemingly do not – is a capability of the foresight innovator. The ability to detect and interpret emergent signals, translating insight into foresight into action, combined with the courage to risk habit by creating new precedents is the job of the strategic innovator. Formulating questions that motivate exploration, fostering courageous, empathetic and diligent leadership are all necessary aspects of the foresight approach to innovation. To achieve this, it is first necessary to recognize and separate ourselves from the problem-mitigation approach to innovation, and to understand that breakthrough innovations cannot be substantiated by reference to past precedents. An appropriate course of action will maximize the opportunity – or minimize the threat –for both the individual and the organization. To maximize the resident opportunity, we must first recognize the *different nature* of a new variable.

What is *different* between a cell phone and a landline location based phone? Not in the device itself, *but in our attitude, goals and expectations from it? What is different in us and how will THIS change OUR nature?*

A question-based framework has no loyalty to the status quo. This approach embraces a new variable as an opportunity to explore new possibilities. A business operating in the question framework asks, "What new benefits and behaviours could be released by, through, and because of *this* signal? What organizational capability is required to deliver such benefits and enable such behaviours?" The responses to these questions move an organization forward into a foresight pre-competitive space. Thus, a pre-competitive innovation process merges the exploratory nature of a question-based innovation process with the traditional problem-oriented, responsive process.

The New Context

Chapter 3 provides a new perspective of current behavioural disruptions which are relevant to the continuity of business, as well as a set of practical methodologies for business design, aimed at creating innovation outcomes of value to users.

The New Context is the Environment that provides the stimulus for innovation behaviour. The development of this context is not necessarily of our choosing, but rather a convergence of multiple agents, referred to later in the text as "tactical agents", in as much as they are integral to the evolution of this environment characterized as the result of multiple parties, sometimes unrelated, working toward the same goals, and in the same technology spaces.

The new context in much of the industrialized world is what the UN's International Telecommunications Union [2] has termed "The Internet of Things" – a place in which every person, object and space is both a link and a holder of information. These are spaces where digital data resides on embedded or on mobile devices, can be transmitted and received, and can be managed. With the proliferation of the tools, the infrastructure and the behaviours now made possible, it is fair to term the new context as a mobile society. The mobile society is the sum of the lifestyles of its participants, and the participants are in a constant state of searching for media to navigate it, for media to engage with from play to work, learning to knowledge, entertainment and leisure. Thus the challenge of the mobile society for organizations is *not about technology, but about strategy.*

At this point we must deal with a few labels: if we mislabel something then we place it on the wrong shelf, in the wrong folder, in the wrong category. There is no "Disruptive Innovation". This label has misstated the nature of innovation. What is disruptive is technologies and emergent behaviours. When behaviour engages technology in an innovation outcome, we have a *disruptive business model*.

Our understanding is further impaired once we *mislabel actions*. This is what happened recently with Social Media. I do not know of any media that is *not social*. That is an important thing because if you frame opinions or questions in the wrong way, by using the wrong label (social media, new media…) then the whole discussion becomes irrelevant. All media is social; humans exist because of other people, so our condition is one of plurality. Everything I use - which is *every media* I use – from my shirts, to my shoes, to my car, to my pendant made of copper 8000 years ago, they are all social media.

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[2] The Internet of Things: Executive Summary. (November 2005) ITU Internet Reports 2005. Geneva: International Telecommunications Union.

For anyone involved in communications – be that brand communication, marketing, news, or other forms of consumable and time sensitive content – the strategic challenge includes the understanding of the nature of mobile digital media: this is not "just another channel"! *Mediums are not channels: mediums are modes of individual action.* Chapter 3 further details a few of the immediate changes that are required in order to respond to these challenges, as well as the principal themes of this new context: Empowerment, Participation and Engagement.

Empowerment refers to means available for the transformation, collaboration and sharing of content on an unprecedented scale made possible by the nature of digital data content which is re-mixable, easy to transform, mush, be acted upon. This empowerment invites Participation, as individuals capable of digital data transmission and reception – now a majority in the industrialized world – are *enabled as participants* in the *creation and direction* of the mobile society. Once this enablement becomes a behavior, the individual makes the voluntary choice to actively engage in its manifestation, by creating and consuming content which he or she finds meaningful. This engagement deepens their connection with the issues of meaning, making them a personal cause and a further behaviour to be acted upon. This is the *innovation behaviour cycle* at work. For the actors empowered for participatory engagement – the Millenial generation born after 1980 – everything is possible. Freedom is not just a conceptual term, but an acted upon percept. They feel it, they crave it, they use it.

The empowerment and participatory behaviour that are the essence of people's engagement with YouTube, are not a technological innovation: *They are manifestations of innovation as a behaviour outcome* and the trigger for a innovation behaviour cycle that forms a new continuum reshaping value, creating new transactions and changing the meaning and metrics of the economic system. As we manifest these behaviours, new social interactions take place which lead as outputs in the engagement with new forms of exchange, which in turn, create new behaviours. Chapter 3 defines this as the *dynamic system ecology of behaviour*. This dynamic makes rethinking innovation an imperative.

Rethinking Innovation

When behaviour engages technology in an innovation outcome, we have new sets of actions taking place, actions that involve transaction points where value is exchanged against either other type of value – money – or against time spent in the performance of the actions. *This human activity is the human economy*. This exchange creates a *disruptive business model*. This disruption might have been planned or accidental, but it is a disruption never the less, as it is a new variable affecting the money supply (total amount of money available in the economy at a given time).

In the big picture of the economy, and as a simplistic example, consider this: the $24 billion Google pulls in revenue every year must come from someone else's bottom line. And Google is not alone. A plethora of new businesses are diverting streams from the revenue lines of former incumbents in almost every economic sector, either directly – by competing against incumbents – or indirectly, by providing new products and services the users now consider of value for the current context, rendering obsolete an increasing number of behaviours and their media: fax machines, encyclopedias, classified advertisements in newspapers, modems, floppy disks, recording music – and possibly its industry, rules and star making system – print directory advertising, landline telephones, analogue television sets, analogue radio, to

name just the few and the obvious. These are all products of culture as *innovation behaviour* is nothing more and nothing less than another way of looking at the components of culture at any given time. As the behaviour changes, culture changes, and it becomes obvious in my view, that a rethinking of the role and capabilities of business needs to take place along with the rethinking of innovation.

People are only interested in new things for a short time. The future of any human activity depends on the extent to which it can create an *economic exchange*. Otherwise it has no value. Value is implicit in the media we use, only if you, or I are willing to exchange things against it; it only exists if it can create some action. One can not "start a business". One can only start a company; business is the result of some actions, the variable of multiple converging factors. In some cases, the only action possible is the exchange of money, in other cases I can allow people to come to my Facebook page in exchange for information mutually valuable to both parties.

The future of anything is connected to the economic exchange it generates. In the Innovation Behaviour Mapping Tool (Figure 0), this connection is illustrated by the ACTION which in turn creates the BUSINESS ACTIVITY. Simply put, *Motivation + Media = Behaviour = The Economy.*

If the "media" holds no action potential – and thus potential value – to society, and the groups it represents, then nobody is going to use it for long. The key to a sustainable innovation behaviour product or service, is the ability to determine, in a dynamic and synchronic way, what is the value of the 'thing" as media to its users. The *dynamic* dimension means that you will give your user the media that provide a compelling experience time and time again, by tuning the Action components – either the Relationship or the Satisfaction modes – to provide a stimuli that is rooted in the context valuable to the user.[3] Rooted in whatever is the "New Context" of the individual. The *synchronic* dimension means that behaviour cycles, once completed, demand new compelling experiences to sustain the business; these experiences are altered by the context just created by the previous behaviour cycle. As exemplified earlier with the use of fire, once we know it exists, we demand more.

Our desires, goals and motivations change, and this is where we can now find what generates a business. Synchronicity is launching the iPhone at the precise moment when every Apple user was ready to engage in the behaviour of using it.

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[3] As an exercise in the use of the Innovation Behaviour Mapping Tool illustrated in Figure 0, place the following in the "Media" box and play with the variables: Global Warming, Catholic Church, Hallo (the video game), the iPhone, Shopping Malls, Amazon, the Blackberry, the printed magazine, the printed newspaper, and even Peace in the Middle East…What you will be after is the maintenance of the Action leading to the Relationship, that will bring about the Satisfaction and thus sustain the "Value as Media" of the issue in question.
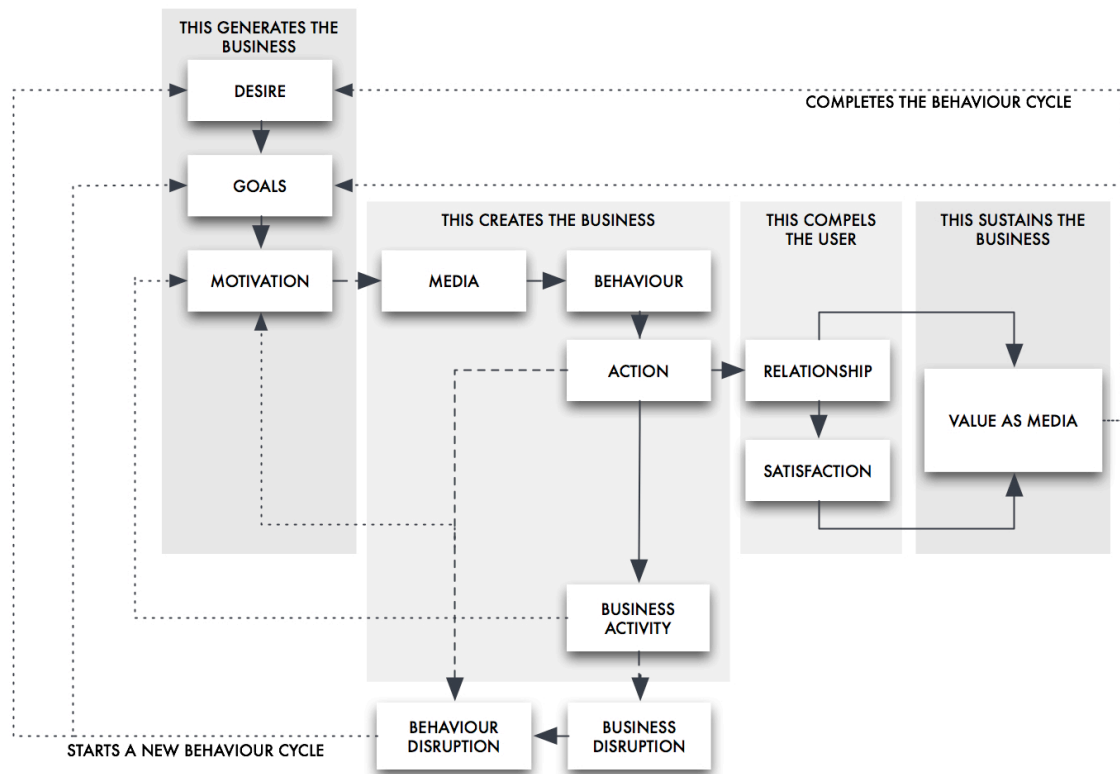
FIGURE 0 Innovation Behaviour Mapping Tool

The Innovation Behaviour Mapping Tool is a matrix that helps determine when a particular media – idea (or a brand), a product or a service – needs renewal in the form of new stimuli. When asking "what is the value of any media for its users", we must look at where it all starts: everything starts in desire, which establishes goals, which establish motivation. Motivation needs a media, of any sort, and if motivations and media are a match, then you engage in behavior. Behaviour involves Action. Action involves a Relationship; and relationship involves Satisfaction as a simple and only metric. This combination of satisfaction and relationship *creates value*. From desire, through goals and motivations, to value as media. Look at the iPhone: every single new application creates new value as media for the iPhone. The product is a mere platform for new forms of value.

Chapter 4 makes the case that the ultimate capability of a business organization is **the knowledge of initiating, managing, and monetizing the creation of culture.** This knowledge includes the skills of pinpointing the source of successful innovation outcomes: they are answers to *conscious or subconscious goals residing in human motivation, and motivation starts in desire.* In a post-industrial, globally competitive economy, the role of the business organization is no longer in *serving the market*, but it is about making – or transforming – markets.

The challenge is no longer about adding value, but about creating value. When employing innovation as strategy, organizations need to be less concerned about what people *are doing now,* and more concerned about *what people are about to do.* The field of any true business opportunity is in *the future*. And any step taken toward a

designed future requires agility as a measure of the organization's ability. Measures of agility are the ability to act on intelligence received from the field, and from the periphery of the business, the ability to unlearn legacy processes, the ability to reshape legacy processes, legacy supply chains, legacy beliefs in one's business and the dynamic ability to reframe and rethink tools and metrics. Reframing and rethinking the metrics has to be not only a dynamic, but also a synchronic capability, aligned with the *constant human desire for a better experience of life.*

Purpose in Innovation : Creating Culture

Innovation is both a noun and a verb. Innovation is judged by its performance, experience, look, and feel. This is where the verb comes in, in the compelling experience quality of the noun. As a verb, innovation also works like this: from the motivation and desire towards the outcome. For some organizations this simple path may be ambiguous, so we need to define a few rules of engagement, a few steps that could be objectively measured, incorporating the constructive with the restrictive. A new ecology of creativity characterized by Innovativeness, a mindset of ideas leading to innovation as a lived experience. Innovation is defining, *one moment in time*, *the best circumstances for the way you experience life.*

This new mindset requires a new *spirit*: "how I think of myself as an organization? How do I want to be seen by my user group? What values do I represent for them?" Spirit is a set of values, which creates its own sets of rules and herein lies another challenge for managers: the management of ideas is different from the management of facts. Facts are objectively measured, while ideas are ambiguous. Chapters 5, 7 and Chapter 9 deal with how to accomplish this at both the tactical and the strategic levels. Innovation producing activities start by defining a pre-competitive *innovation challenge*, a challenge that does not start with an identified "need", but with the discovery of emerging behaviors and emerging technologies and the mapping of new opportunities at the intersection of the two.

Chapter 5 proposes the conceptual model of innovation as a relationship experience: Motivation leads to Behavior; Behavior leads to Action; Action leads to Relationship; Relationship leads to satisfying the goal (maintain, enhance, actualize); The satisfaction of these conditions creates Value (media for me) and the design of business models stars by defining how the value proposition is a dynamic media for its users.

The Role of Desire in Innovation

"We desire nothing because its good, but it is good only because we desire it". [4] Same can be said about our media: we desire nothing because it is "media"; *it is media because we desire it!*

To create this media that has dynamic value for users – media that constantly supplies what users are looking for in the "now" – we must understand human goals and motivations for action, because human behaviour is goal directed. Desire gives *expression* to these (as in "we let it all out"), and at that point they become *articulated*

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[4] George Santayana paraphrasing Spinoza in "The Sense of Beauty" C. Scribner's Sons, 1896, P.18

goals (which sometimes we find it easy to label as "wants") while *need* – the media we use to satisfy both – is just a temporary *manifestation*. Expression, articulation, manifestation: the pillars of the economic system, of everything we produce, consume and cherish.

The understanding of human desire is thus a precondition. Chapter 6 groups desires in three categories: Basic Desires for the nourishment of the body; Motivating Desires and Ultimate Desires. In the first category we find our desire for Smooth, Soft, Shiny, Sweet, Fragrant, Intoxicating, Beauty and Pleasure. In the second, our desires to participate, to leave a mark, to maintain, to enhance, to actualize, and to propagate the self. In the third, the ultimate desires of Knowledge, Understanding and Hope. Human life in its totality is framed – consciously or unconsciously - around strategies designed to experience some, or all of these desires, because we permanently seek higher and higher media for the satisfaction of our goals. And participation in the economic system, as a producer of goods and services, or as their user, is mastered in a direct relationship with the understanding of these conditions.

The Ecology of Innovativeness

A New Mindset for Innovativeness: where can we find the competence and ability to innovate behaviour outcomes? In the corporate ecosystem most likely to encourage the free flow of ideas capable to generate new revenue models. The challenge is that of creating a culture in which platforms for the exploration of possibility are encouraged, funded, and free of the day to day metrics of the organization, balancing risk, ambiguity, courage and imagination with a pragmatic business ambition in a timely manner.

While Chapter 5 deals extensively with the spirit required for creating a culture of innovativeness in organizations, Chapter 7 aims to define and exemplify – through a few practical tools – the mindset needed to carry the tasks to completion. In an ecology of innovativeness, "spirit" gives us the meaning; the "mindset" provides and manages the tools.

Companies need to create a Place of Possibility, a place where everyone feels empowered to explore and to share ideas, and where there is no fear of consequences. A place that empowers inquisitive minds to imagine the future, and think beyond the legacy of the past. A Place of Possibility introduces a new strategic vision, delivers compelling experiences that target the imagination and thus the creative potential; transforms a strategic goal into a shared story. This place of possibility is a bridge between pleasure and purpose, and a necessary dialogue and collaboration platform. Its primary objective - and that of the groups operating within it is to ensure that your organization recognizes and benefits from the next strategic shift, no matter what its origin. The first task is Framing the Innovation Challenge with the strategic objective of integrating, unleashing and accelerate the sensitivity, imagination and capability of innovativeness into the core business functions of the organization.

Massive Innovation: Contemplating a New Framework for Collective Collaboration

As a timely and powerful example of an innovation challenge, Sami Viitamaki contributes in Chapter 8 a methodology for a new framework for collective collaboration. Leading businesses have already for decades built and utilized networks and collectives external to their organization for increasing innovativeness, fueling growth and maximizing efficiency. At present, this opportunity is in the hands of virtually any business, as companies worldwide are engaging online communities and integrating external, voluntary and autonomous workforces, into their operations and decision-making processes.

Traditional frameworks for marketing, management and operations, fail to address the unique nature of these systems, for they are built for another era – an era of top-down processes and communications, of institutions used to possessing control of their environments, and of annual marketing plans that didn't need monthly, weekly or even daily adjustment. Effective business development and marketing at present requires constant collaboration with external entities. What is more, collaboration with communities and individuals empowered with the collective knowledge of the web, requires a new framework for planning and managing collaboration – one that reflects the fundamental changes in the environment and in people's behavior.

The FLIRT model presented in this chapter is a framework that identifies the key issues, and the drivers of collective collaboration for commercial purposes. The model enables the utilization of the power of the globally connected community, by fully exploiting the opportunities of modern digital networks and tools. The model has proven its applicability as a comprehensive handbook for planning and managing collaboration in a business setting, and is also a recognized academic contribution to the field.

Beyond Strategic Thinking: Strategy as Experienced and Embodied

Change is a necessary part of the human condition. In business, we mark these moments of change as successful innovations. Why are some innovations successful? What is the driving force behind the cultures that produce them? And why is design thinking of growing importance in business today? This book will present a view of the new context in which we innovate today and argue that the necessary condition for success is an understanding of the route cause of change: Desire.

Strategic thinking, no matter how well done, contained in mission statements, no matter how skillfully communicated, is rarely sufficient to motivate and sustain significant strategic change. That is the premise of Jeanne Liedtka's contribution. Drawing upon new developments across fields as diverse as cognitive science, philosophy, psychology, and the fine arts, Jeanne argues here that powerful strategies are driven by desire rather than by goals; they are *experienced*, rather than merely *thought*. Liedtka further elaborates on the differing aims, assumptions, and mechanisms that such a shift entails in practice, and concludes with how approaches to planning need to change to accommodate this reality.

What Game are You Playing?

Sometime in September 2009, when this book was almost in its final draft, I was part of a working session on innovation acceleration with a diverse team of experts from a leading communications provider. Even to an untrained eye, it was obvious that the atmosphere in the room was tense – one could blame it on the weather I suppose, as a low cloud ceiling was crying cold rain, the kind of unmerciful cold, these little drops that penetrate you right to the skin and spell out what you always want to avoid facing: Summer is almost gone and a long Winter is coming. But the tension was thicker than usual, especially coming from this group, the same people that just a year before seemed pumped and optimistic with new prospects. Their particular "Winter" was a market cap drop from 101 Billion Euros at the end of fiscal 2007, to slightly more than 39 Billion Euros by mid 2009. Now, that is a significant drop of 62 billions in shareholder equity! One could easily – and conveniently – blame this loss as an effect of the reshaping of the economy after the financial crash of 2008. However, in the same time period, one of their closest competitors doubled its market cap, now (December of 2009) standing at a respectable $192 Billion dollars. So something was not right. And it was not the supply chain management – reportedly one of the best, if not the best, in the world – and not the lean and mean manufacturing processes, and not the clever tools and metrics measuring the performance of every piece of machinery and of every individual. What was not right was the "value" the company's products was providing as media for its users. As simple as that, or as complicated as you now want to consider it.

But back to the meeting; the diversity of the team was also of note in the context of this perceived tension: there were representatives from corporate strategy, marketing, future technology, human resources, software development, hardware, user experience, industrial design, supply chain management, and innovation leadership. I am naturally using very vague function descriptors here in order to protect both the participants as well as the company in question. The subject of the meeting was an update on the current innovation climate in the industry, as a benchmark for what the company might be planning to do in the near future. My role was to display and define relevant developments in fields related to the core competence of the company, and connect these as a pre-requisite to strategies that were bound to affect the sustainable success of the company in a market space it once dominated.

As I started my presentation I noticed an immediate reaction; the mood turned from tense to sober, and on the same faces one could detect outright *anger*. Facial expressions ranged from "who does this guy thinks he is?" to "why are we listening to this?" to "finally, someone tells it like it is!". After I finished my introductory remarks, it was the turn of a group leader to present current efforts in innovation management. He chose to continue with a Power Point presentation, obviously prepared prior to my arrival. The first slide simply read:

"It Is NOT Game Over"!

The rest of the presentation seemed like a blur to me , as how can one recover from such a beginning? And what will be the point? Where can we go from here? It is not game over? What game are YOU playing?

Read on. •••