

The drama “Being Innovative”—prelude with introducing monologues of the protagonists.

When imagining the innovation process as staging a drama, the following three characters need to be casted:

- Thomas E., the inventor: Thomas E. has the idea and is keen to implement it or to see it implemented,
- John G., the decision-maker: John G. has to assess whether the idea is pursued further and whether resources will be made available, and
- POLMY Inc., the artificial character “the organization”: POLYM is represented by the board member, Alexander H., he demands of inventor and decision-maker to be of benefit, and Walter K., his management assistant.

The drama allows to express lines of thought that may at first glance appear confusing, but orientate themselves along an expressionist reality, and to broach areas that would not otherwise properly fit into the flow of discussion. Thus, it enables parallelism and multiperspective considerations, which could hardly be achieved otherwise.

The drama begins with a prelude of monologues of the main characters on “Creation and Destruction.”

Inventor Thomas E. (Creation Monologue): How long have I been pondering this topic, reflected, reasoned, and looked at it from different angles. I reshaped the task into different forms, alienated it in entirely different contexts, abstracted it to the conceptual, to the big picture, detailed it to small and tiny bits, zoomed into clear-cut and thus manageable ways of looking at the problem. And then, unexpectedly and surprisingly, in a situation and a place with apparently no connection whatsoever, washing my hair in the shower, it came, the idea, the solution. The puzzle pieces, which I collected and compiled up to now, suddenly find their places, as if by themselves the items that previously seemed bulky and incompatible connect and assemble. The solution emerged, images appear—how this solution effects

changes, how everything gets better, more beautiful, easier. Nobody else but I could have achieved this. My idea is bold and brave, and when I place this idea smartly in the company, then that would be a very great success, the company and the customer would benefit, and it certainly will not hurt my personal career. In addition, others will pay attention to my invention and me. Who can say what eventually could develop out of this. This is really balm for my soul.

Inventor Thomas E. (Destruction Monologue): My solution is really great, can really achieve something. If we implement this idea, that will create quite a few distortions in the company. This is anything but a walk. Dr. Maier is certainly against it, he is against anything that moves faster than a snail. On the other hand, my project is behind schedule, we run right out of time. Mr. Tan, the customer, calls constantly to inquire when the system will be up and running. Mr. Tan sits in Malaysia and his English is just not very good. I can barely understand him, and then the Asians communicate differently. I always try to read between the lines, whether there is something to read. The project has the highest priority, the management looks very closely and they are already mad and sulky. If I fail on this project, then I can put my career on hold for the time being. Even my colleagues in the project are beginning to put pressure on me. Sure, my idea was just so incidental, but it's got to be someone here who has some understanding and values my idea for its importance. Now the phone is ringing. Mr. Tan asks for the umpteenth time for the rest of the documents of the user manual. Isn't it possible to think just one thought in peace and quiet!

Decision-Maker John G. (Creation Monologue): My business unit needs to develop. Urgently needed are new ideas of the sort that bring fresh air into the portfolio, the company's management has expressed this very clearly in the recent management meeting. With new products, new markets and new customer groups are to be developed. Exploiting the economies of scale we can produce more cost effective and our share of the total fixed cost will become smaller. It will be best if I spread the word, that new ideas are always at any time most welcome and that my door is always open to discuss them. There are really very good people in the unit who have great potential, I just need to manage to somehow tap this potential. I've already hired a consultant, who hopefully will boost creativity in some workshops and seminars. I am convinced that this opens up some options for change. Who, if not we ourselves, could otherwise achieve this?

Decision-Maker John G. (Destruction Monologue): Hopefully they come up with some sustainable ideas in the workshops. Probably they have again so many ideas. And we can't implement them all. How do I know which ones are really good and which ones are not, I can't figure that out at first glance, and do I really have the time for a second? They always want everything at once—the full Monty—and they always justify this saying that you make it either right or leave it, they just don't know what it all costs. In addition, my budget has to be fixed. As always, there are too many tasks and I can't deal with them with the resources I have available; too

few staff, investment restrictions, almost no money for external support. How am I supposed to pull off all those upcoming projects? There are important projects that certainly have the potential to steer the company in one or the other direction. The competition is not sleeping, offerings become cheaper every day. How they deal with their costs, most probably there are tacit subsidies; these prices can't otherwise be explained. Soon, the quarter is coming to an end, and we have to do the accounting, we still lack some revenue, if only this customer hadn't jumped, I was ever so sure we bagged him. Management is not going to like this. How could I possibly reconcile all this?

POLYM Inc. Alexander H. (Creation Monologue): For quite some time the competition is pressing us; the products that once established the success of our company, get on in years and require a much-needed overhaul; even though these markets don't grow that much, moreover even a stagnation is expected. But it will generate profits—the pressure on margins notwithstanding. For the company to grow, we need to broaden our traditional markets, and for this, we will need new products. With these, we even can tackle completely new markets. What are the new products with which we could serve a new market? Which customer groups are we addressing now and which could we address in the future? How is this market structured, is the market already dominated by someone and if so, by whom? It would be ever so wonderful if we could teach our competitors a lesson with an innovative product and an ingenious market approach. We have great researchers and developers, and our marketers don't need to hide. There must be something we can do. We will make innovation a top priority, so that the ball finally gets rolling.

POLYM Inc. Alexander H. (Destruction Monologue): The latest customer surveys were very positive; it is very gratifying that we are praised for our reliability and our quality. But with this new idea, we could possibly reposition ourselves in the market. Both, our customers and our competition, could perceive us very differently. For this, however, we need to do something; first of all, we have to modify our product portfolio, our processes, and eventually a large part of our culture. And this now, when the processes are running smoothly, when almost no errors happen. The customers honor this. We need to change so much, and that even at the risk that our efforts are not as successful as we hope and expect. Of what we have built so far, we have to check everything again and change what obstructs or hinders our success. The company could certainly do with a little routine and rest. Ah, here we have so many things to ponder and decide. Ultimately, it boils down to the question “To be or not to be.”

2.1 Creative Destruction: Selected Topics

The Austrian economist, Joseph Schumpeter, has been the first to look closely upon innovation and its economic impact, and in this context, has coined the concept of “creative destruction” (Schumpeter 1950).

Of the Beautiful Bird Phoenix and of the Hindu Pantheon

The idea that the birth of something new often requires the destruction of something existing is old. From the Egyptians, the Greeks adopted the myth of the Phoenix, a symbol of the rising sun. Phoenix lives 500 years, and at the end of this period, it builds its own funeral pyre and fans it with the beating of its wings. Phoenix burns to ashes and from the ashes, a new Phoenix arises, an eternal cycle. Nietzsche puts it more dramatic: *You must be ready to burn yourself in your own flame; how could you rise anew if you have not first become ashes!* (Nietzsche 1891)—creative destruction.

In Hinduism, creative destruction is an endless cycle: Brahma, the builder, creates the universe anew all the time, Vishnu, the preserver, nourishes the created, and Shiva, the destroyer, destroys it, so that Brahma can build it again—creative destruction.

Power, Passion, and Burden to Create

In the economy of the nineteenth and twentieth century, “power to create” was a key concept—the continuous improvement of production capability was seen as the key to national prosperity. “Passion to create” Goethe calls it, thus expressing both, the power to create and the pleasure of creating.

When the world in its deepest beginnings
Was laying at God's eternal chest,
He arranged the first hour
With the sublime passion to create,
And he said the word: Let there be!
There came a painful Oh!
As the universe with gestures of power
Broke into realities. (von Goethe 1819)

*(Als die Welt im tiefsten Grunde
Lag an Gottes ewger Brust,
Ordnet er die erste Stunde
Mit erhabner Schöpfungslust,
Und er sprach das Wort: Es werde!
Da erklang ein schmerzlich Ach!
Als das All mit Machtgebärde
In die Wirklichkeiten brach.)*

According to the idea of man in the Renaissance—man being the image of God—it was a joyful duty of man to create something new, a duty, with which he had to comply. Exactly this idea is also found in Schumpeter's entrepreneur again; being the one who creates something new not just for the sake of profit but also driven by an inner desire to have to do just this, driven by passion to create. However, in Goethe's verse, the passionate act of creation came with a “painful Oh!”

Passion and burden to create: The creative person has a hard time, because in addition to personal change, to inner joy and fulfillment, in the process of creation, one has to overcome many obstacles—both internal and external. Here again, Nietzsche said, “*Creating—that is the great salvation from suffering, and life's allevia-*

tion. But for the creator to appear, suffering itself is needed, and much transformation” (Nietzsche 1891).

Similarly, the neurobiologist and brain researcher, Professor Gerald Hüther, expressed this in a lecture¹ on change quoting Karl Marx, “*Ideas that defeat our intelligence, that capture our conviction to which the mind has forged our conscience, these are chains from which one cannot wrest without breaking one’s heart, these are demons that man can only defeat by submitting to them*” (Marx 1958).

2.2 Creative Destruction: Concepts and Contexts

The paradoxical concept of “creative destruction” strikingly describes the events that happen when “innovating.” It is an economic renewal process, destroying the old and creating the new.

2.2.1 Entrepreneur and Organization

In economic terms, it is perfectly clear: The innovator challenges the existing market structures; he wants to find and conquer his own place in the tournament of economic forces. For Schumpeter (Schumpeter 1950), the innovation process is the fundamental process that determines economies. He describes this process as follows: “*The opening up of new markets, foreign or domestic, and the organizational development from the craft shop and factory to such concerns as U.S. Steel illustrate the same process of industrial mutation—if I may use that biological term—that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one. This process of Creative Destruction is the essential fact about capitalism. It is what capitalism consists in and what every capitalist concern has got to live in.*”

Entrepreneur

For Schumpeter, the central figure of this process is the entrepreneur, who, due to his power and passion to create, is willing and able to implement new ideas and inventions into successful innovations. He eventually is the cause of change. Thus, the shoulders of the entrepreneur bear the burden of economic development, who according to Schumpeter has an extraordinary personality, that makes him sort of member of an economic elite. With a focus on the ability of the entrepreneur on the marketing of innovations rather than on their invention and development, Schumpeter, however, loses sight of the general human creativity, ingenuity, and motivation as core elements of change.

Also, because of the exclusive consideration of innovations of the heroic entrepreneurs, the less spectacular contributions of smaller innovations to development

¹ Gerald Hüther at Hospitalhof, Stuttgart, September 12, 2011.

are downplayed (“*take as many coaches as you want, you will never get a railway*”). However, if one assumes the entrepreneur to have the capabilities of “learning” and “resourcefulness”, i.e., the eagerness to track down and follow up with opportunities, then the sequence of decisions along the time line can be seen as the result of a learning process, of course including the possibility of errors and mistakes. Thus, minor innovations along this course of time are recognized accordingly as contributing to the overall development.

Power to Create

Established companies market good products or solid services. However, they do not participate in shaping the market, but rather respond to change with the usual standard means. By continuous improvement, they make efforts to adapt to changes and to meet their expectations. This is often a very successful strategy.

Another promising strategy is to wait and observe closely; let the would-be innovator do and try. If one anticipates that the strategy of the innovator adds up, that the would-be innovator has become a real innovator, then one can follow and copy the now proven recipe for success. More though, copying is cheaper; the mistakes in the early phases of development and market positioning can be avoided, but one must also meet elevated customer price expectations and/or create packages with additional benefits, and one has to expect lower margins. Or—if the purse well filled with cash—one just buys the innovator and integrates the innovation into one’s own product portfolio. However, the integration of an acquired company into one’s own is difficult, and not to be underestimated. In any case, the timing of action is crucial—whoever is too early, carries the big risks (which actually was meant to be avoided), whoever is too late, may not be able to position himself as a competitor, or as Mikhail Gorbachev said, “*is punished by life.*”

Passion to Create

Innovative companies differ from traditional firms in that they actively precipitate changes in the markets or at least perceive changes and participate in these transitions. With innovative companies, being innovative, the passion to create is a central aspect of their entrepreneurial activity and firmly embedded, incorporated, and anchored in their corporate vision, strategy and culture. Being innovative means to pursue a permanent quest for customer benefit and to make this the central focal point. Being innovative does not succumb to day-to-day business, but is all the time exemplified and correspondingly communicated. Successful strategies that derive from being innovative are unique in themselves, creative and original, point to paths that lead into the unknown and nobody have explored yet. They are closely interwoven with the company and the persons therein and properly arranged along the time line. Thus, initially they are rather difficult to imitate. So successful innovative companies have inherently a competitive advantage, but only so for a certain time.

The dark side of being innovative is the sword of Damocles of defeat and failure, which always hangs over innovative companies. If a company does not show the above characteristics, then it is struggling with innovativeness, with being innovative. If it does, however, then there is a priori the chance to be successful. Eventually, there are only the happy successful and fortuneless unsuccessful.

Fig. 2.1 Protagonists in the drama “Being Innovative.” (Source: Bernd X. Weis)

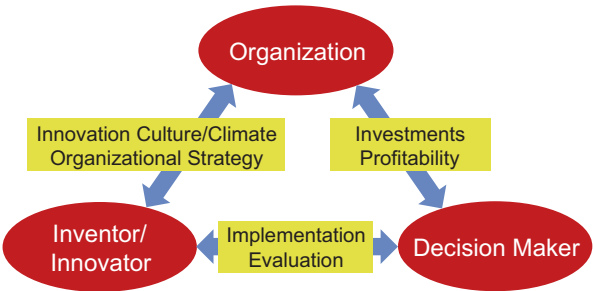


Fig. 2.2 The inventor—“Creation and Destruction.” (Source: Bernd X. Weis)

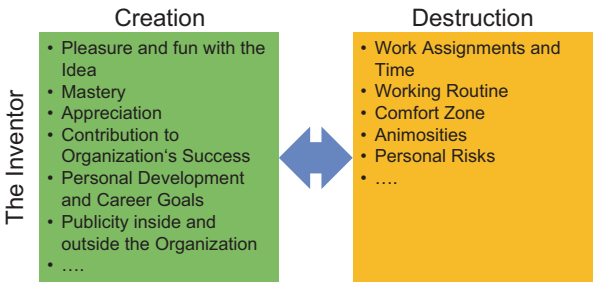
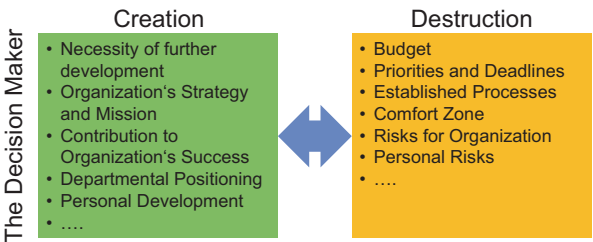


Fig. 2.3 The decision-maker—“Creation and Destruction.” (Source: Bernd X. Weis)



2.2.2 Protagonists in the Drama “Being Innovative”

The protagonists in the drama “Being Innovative” have presented themselves or were already briefly introduced– the inventor, the decision-maker and the company as an abstract character. Figure 2.1 shows the relationships between the protagonists with their main characteristics.

All the main characters in this drama exist in this tension field of creation and destruction, in a manner of speaking they have to confront this primal antagonism. But, the specific occurrences of this primal antagonism that were set forth in the monologues are less spectacular—the following Figs. 2.2, 2.3, and 2.4 illustrate the different tension fields.

The issues raised in the tension fields will be discussed in more detail in the following chapters.

Fig. 2.4 The organization—
“Creation and Destruction.”
(Source: Bernd X. Weis)

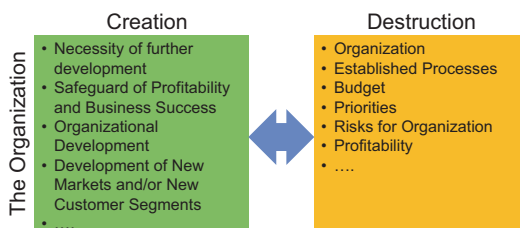
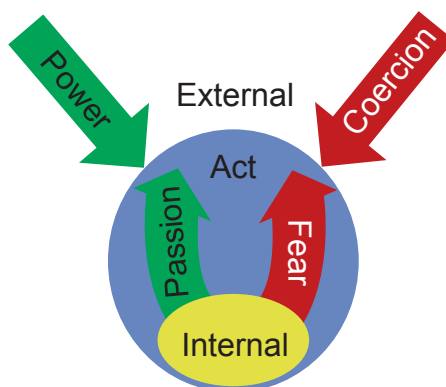


Fig. 2.5 Drive/inhibition to act.
(Source: Bernd X. Weis)



2.3 Creative Destruction: Tools

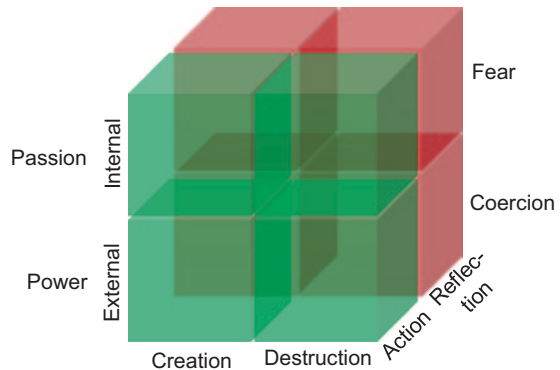
Cube of BEFINDLICHKEITEN²

Both, an individual person as well as a group or an organization can use this tool.

In addition to creation and destruction, one distinguishes whether the drive or inhibition to act, respectively, stem from within (passion/fear) or are imposed from the outside (power/coercion) (see Fig. 2.5). Fear and coercion can let us withdraw from the opportunities to act and enable moments of reflection; passion and power are the drivers for eliciting just these options to act and for pursuing them eventually.

² The German noun *BEFINDLICHKEIT* (plural: *BEFINDLICHKEITEN*) has been coined by Heidegger. *BEFINDLICHKEIT* refers to what is ordinarily called “being in a mood,” and also what is called “feeling” and “affect.” *BEFINDLICHKEIT* refers to the kind of beings that humans are, that aspect of these beings which makes for them having moods, feelings, or affects.

Fig. 2.6 Cube of BEFIND-
LICHKEITEN. (Source: Bernd
X. Weis)



This results in the cube of BEFINDLICHKEITEN (see Fig. 2.6) in three dimensions. Each dimension has two attributes:

$$\begin{aligned} &\text{Creation} \leftrightarrow \text{Destruction} \\ &\text{Internal}(\text{passion/fear}) \leftrightarrow \text{External}(\text{power/coercion}) \\ &\text{Action} \leftrightarrow \text{Reflection} \end{aligned}$$

When considering the internal dimension, the needs, values, or motives are specified which lead to passion and fear. When considering the external, the influences are listed, which are sources of power to master acts of creation as well as destruction, or which exert coercions that vigorously influence the freedom of decision and of action and which attempt to avoid or even prevent exactly these acts.

The structure of the cube allows different attribute combinations detailed in the following.

Passion to Create

The overwhelming desire, lust and thrill to leave for new unknown shores, to create something entirely new.

- What have I (we) always wanted to make, build, invent, create?
- What is it that I would (we would) love to create?
- *Example: I want to implement my idea and make it successful.*

Power to Create

Perceiving the ongoing changes in the world as opportunity to shape and to create something new.

- Which outside influences inspire my (our) creativity, which motivate me (us)?
- *Example: People want new ideas.*

Passion to Destruct

The overpowering desire to leave the old ways, to get rid of, and to leave behind the old.

- What did I (we) have always liked to get rid of, to tear down? What is in my (our) way?
- What is it that I (we) will happily destroy?
- *Example: I want to give up old solutions, paradigms, and concepts of thought.*

Power to Destruct

Perceiving the ongoing changes in the world as opportunity to evolve, to develop, to let go of the old, and to adapt to the new.

- What changes in the external dimension question the hitherto existing?
- What possibilities are there to throw off ballast?
- *Example: The old solutions do not find customers anymore. They hinder more than they are useful.*

Fear to Create

The deep anxiety to leave for new unknown shores, to embark on something new, to create something completely unknown yet.

- Why am (are) I (we) afraid to begin something new?
- Why am (are) I (we) afraid of failure?
- *Example: They consider me a loser, if my idea is not successful.*

Coercion to Create

Perceiving the ongoing changes in the world as coercion of having to create the yet unknown.

- What external influences force me (us) to change, to renew?
- *Example: All the time people want something different, something new.*

Fear to Destruct

The deep anxiety to leave the old ways, to get rid of and to leave behind of what one has grown fond.

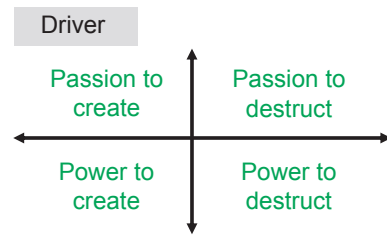
- What attaches me (us) to what I (we) should get rid of and tear down?
- What binds me (us) to the well known?
- *Example: Up to date everything works quite perfectly.*

Coercion to Destruct

Perceiving the ongoing changes in the world as coercion, as force to change, to let go of what one has grown fond of, and to adapt to the unknown.

- What changes in the external dimension question what I (we) have done so far? Why do they force me (us) to let go?
- *Example: My solutions find no more customers. But, they are of such high quality.*

Fig. 2.7 Example of a projection in two dimensions.
(Source: Bernd X. Weis)



Projections

With the filled cube of BEFINDLICHKEITEN, an analysis in two dimensions may lead to additional insights (see Fig. 2.7). Selecting an attribute in one dimension (e.g., a driver in Fig. 2.7), the corresponding attributes of the other dimensions are then organized in a kind of strengths, weaknesses, opportunities, and threats (SWOT) structure (see Sect. 6.3). Doing so for all attributes, one gets six of these projections. In this representation, hidden contradictions and inconsistencies can be unveiled more easily.

Creative Destruction: Summary

In the economy of the nineteenth and twentieth century, the “power to create” was a key concept—the continuous improvement of production capacity was considered the key to national prosperity.

The entrepreneur creates something new not only for the profit’s sake, but also driven by an inner passion and desire to just have to do that, by passion to create. The creative person does not go the easy way—besides the personal change, the inner joy, and fulfillment, numerous obstacles need to be overcome in the creative process—both internal and external.

Because of his power and passion to create, the entrepreneur is ready and able to implement new ideas and inventions into successful innovations. He is the cause of change.

A promising strategy for established companies is to wait and closely observe the would-be innovator. If one anticipates that the strategy of the innovator adds up, then one can follow and copy the now proven recipe for success. Because copying or taking over is economic. In any case, the time to act is crucial.

Innovative companies differ from traditional ones in that they actively precipitate changes in the markets or at least participate in these transitions. With innovative companies, being innovative is a central aspect of entrepreneurial activity and is firmly embedded, incorporated and entrenched in their corporate vision, strategy, and culture.

The cube of BEFINDLICHKEITEN³ has three dimensions, each with two attributes:

Creation ↔ Destruction
 Internal(passion/fear) ↔ External(power/coercion)
 Action ↔ Reflection

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³ For the definition of BEFINDLICHKEITEN, see p. 14.

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