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Out of the Ashes Innovation

140 years ago, the aftermath of Great Chicago Fire of **1871** presented an opportunity to not only Chicago but world community of innovators, as they came together to rethink the next-generation city.

What came out of that historical period was nothing short of remarkable, as teams stepped up to the daunting task of redesigning and rebuilding a metropolis that also would provide a new growth blueprint for engineers, architects and inventors around the world. But beyond blueprints, they also rekindled an innovative spirit, inspiring people with out of the ashes thinking, on rebooting everything from the way they approached problems to driving economic growth.



Image credit: Crains Chicago Business, Stephen J. Serio

And it's happening again.

In the midst of a down economy, the Chicagoland Entrepreneurial Center (CEC) has just **opened 1871** where the best designers, engineers and entrepreneurs from around the world are creating the next wave of products and services for the digital economy.

With many companies facing uncertain financial futures it's hard for leaders to think about making bold innovative moves now. Julie Anixter, Chief Innovation Officer at Maga Design and a Founder of Innovation Excellence, speaks with Dean DeBiase, a CEC board member and the Chairman and CEO of **Entertainment.com** and **RebootPartners.com**, about the importance of rebooting one's company as a vital survival and growth tool during good times and challenging economic environments.

Julie Anixter:

Dean, much of what has been discussed regarding the impact of the economy on corporate growth has understandably been negative. But is there anything positive that can come out of periods such as this?

Dean DeBiase:

Like in 1871, we are in an historical period that has shifted not just the rules of innovation, but business as we know it. Nobody wants a down business environment, but yes, it can produce some positive benefits for companies if they seize the window. For one thing, out of the ashes thinking forces people to rethink what their business is all about. That's hard for many to question, not to mention do, when times are good. During those times, companies tend to get complacent and a bit bloated. In today's environment you have to be more nimble, quick and at times reserved — it's a mind state that is conducive to rebooting and becoming more strategic.

Take Apple for example. After he returned to Apple in 1997, Steve Jobs faced a company with an uncertain financial future. His strategy for growth is reflected in this quote:

“The cure for Apple is not cost-cutting. The cure for Apple is to innovate its way out of its current predicament.” - Steve Jobs

The strategy worked.

JA:

How does re-booting help any company compete today?

DD:

It revives growth. It gets them out of the mindset that becomes prevalent when business is good – the mindset that lead them being big, fat and slow. But, Rebooting is not just for established Global 1000's—it crosses all organizational categories. Whether you are a startup, like **Pinterest**, struggling to invent a new category, a high growth company, like **Facebook**, trying to shift your business model to mobile, or a multi-national brand, like **Kodak**, needing to act like a startup in order to get your mojo (growth) back, Reboots can take you to the next level of innovation and growth.

Ideally, a company would reboot when they're still healthy, which is my favorite time to drive radical and sustainable change. Change that is not just company shaping—but market shaping too. But waiting for 'the right time' can be devastating, because it is usually when something has gone wrong. Rebooting is the driver to innovation. It forces managers to operate in an 'as if' mode. As if they're in a turnaround already. As if they're under attack — because, I contend, they are! Rebooting takes guts because you have to question everything about the company. And in today's environment, that tough questioning helps you identify opportunities for growth that you never would have forced yourself to do before.

JA:

How should a company go about rebooting for innovation?

DD:

Start by focusing on what you need for growth.

Reboots are not simple turnarounds. They go beyond that thinking, because often the organizations are not visibly in need of that prescription, or so it seems. Regardless of the state of growth (or trauma) your business is in, reboots can blend the best of both worlds — the speed, thrill and attitude of a hectic startup with the urgency, focus and results of a disciplined turnaround — to shift your thinking and your competitive approach to the market.

You'll need to take a look at three key areas to do what I call a commercial grade Reboot—targeting your People, your Platform and your Passion.

JA:

Where do you like to focus your reboots?

I boil down each area into three core questions to help people dig into what's most important. By zeroing in on these, you can transform most things.

People Reboots challenge traditional HR by developing a better way of finding, attracting, building, optimizing, motivating and incenting collaborative teams. People questions are:

- Who should we get next? Find the next generation of talent.
- How can we organize to win? Optimize business models and structure.
- What do we want? Engage people with the motivation/compensation they want.

Platform Reboots get to the heart of traditional innovation, they attack big strategy and slow execution by focusing on what your company offers now and where it should go next by questioning everything from products and business models to innovation progress (not just process) and global partnering. Platform Reboots are at the core of innovation, driving growth and competitive leadership. Some quick questions I like to ask are:

- Where can we redirect the organization? Reprioritize strategy.
- What must we develop now, and next? Re-energize offers, crush competitors.
- How can we enhance our market position? Regain share and restart innovation.

Platform Reboots can be tricky for Global 1000 companies, and there approaches tend to fall into two camps. Some have missed market opportunities because they are too insular and expect their people to do all of the heavy invention lifting with internal talent and resources, like Kodak. Others understand even the smartest people in the room can't invent everything, so they rely on an aggressive acquisition culture, to fuel growth, like Google. I like to add a third option into the mix to seize emerging market opportunities—acting like or dancing with startups. One of the things we do at the CEC is bring multi-nationals and startups together to go after platform plays in the market—and 1871 is going to make that even easier.

Passion Reboots deal with preventing ordinary performance by rebuilding your foundational culture with a stronger sense of purpose and energizing environments in sync with customers, revenue and key metrics that drive accountability. My favorite Passion questions are:

- What do we believe in? Reintroduce purposeful, fun environments.
- Why are we here? Focus everyone on revenue, customers, profits, etc.
- When will we know we're successful? Tie everyone together with real-time metrics and accountability.

If you get people reinvigorated and reset the platform with more innovative, competitive products, passion makes you follow through, reconnecting everyone with what matters most for growth, starting with customers and clients. The hard part is not making changes but making the hard choices that can drive innovation and have the biggest impact on your business. For some, it helps to have someone on the outside to provide fresh perspectives and odd insights that can guide you along. Beyond consultants, you need people to help you execute and set up internal Rebooters who can help you transform and run the business in the new direction.

JA:

What do companies who are using rebooting for innovation need to look out for?

DD:

Primarily, trying to do too much. Each of the nine questions has three Reboot Rules to address the future. Clearly, you can't focus on all 27 rules if you want to be effective. Reboots can be dialed up or down. Some companies only focus on People Reboots, while others attack all three zones. Another risk is that not everyone may be on board. You'll need to figure out how to get people to go along with you, or upgrade your talent quickly.

Rebooting is not a cookie cutter formula that you can just parachute in—to get results it is extremely situational. Having been through this dozens of times, we've learned that, what works for one organization does not work for the next. Understanding your company's lifecycle and the culture are the first things I look at and go from there. Often is as simple as your approach to the process. For example, Facebook needs a more structured approach to platform development right now, not just to continue their product innovation, but to do it in a more sustainable and predictable way as a public company. Kodak needs just the opposite. Who knows, if Kodak had allowed certain groups the needed flexibility to act like a scrappy startup, they could have invented something cool, like Pinterest or Instagram.

No matter your situation on the ground, it is never too late or too early for a Reboot. No matter what stage, the benefits in this economic environment are great, including increasing share, crushing competitors, improving profitability, boosting revenue and improving morale. Organizations can become better places to work, creating a more attractive brand with happier customers and employees who are more in sync with revenue, clients, partners, growth and innovation. And most importantly, thrive when others are struggling.

JA:

And when the reboot is over?

DD:

Well, it shouldn't really end. Reboots aren't a quick innovation fix and should become a systemic part of your business so you don't fall back into old habits. Make it part of your operating culture, your new DNA, so it becomes the way you think and run the business. Every quarter, celebrate, analyze, communicate and ask, 'What do we need to do next?' I tell people to just keep the energy flowing, live by the Reboot Rules that resonate with you—and even create a few new ones of your own!

Full article can be found at: <http://www.innovationexcellence.com/blog/2012/06/03/out-of-the-ashes-innovation/>