

Overview of the Book

Agile Innovation:

The Revolutionary Approach to Accelerate Success, Inspire Engagement, and Ignite Creativity

Published by John Wiley & Sons, 2014

Authors: Langdon Morris, Moses Ma, and Po Chi Wu

Charles Darwin said it quite well:

"In the long history of humankind (and animal kind, too) those who learned to collaborate and improvise most effectively have prevailed."

Innovation, collaboration, and improvisation are indeed essential forces shaping all of business and all of modern life, and they've become vitally important for the individual, the organization, and, indeed, for all of society. The significance and importance of all three and their close cousin, adaptation, leads us to some essential questions:

- 1) *How well are you and your company prevailing in the current environment of accelerating change?*
- 2) *How well positioned are you and your company to benefit from the countless new opportunities that change is bringing?*
- 3) *Does your organization have a rigorous innovation process?*
- 4) *Are you sufficiently agile to survive and to succeed?*

These questions matter so much because the scope of the challenges that every organization faces today is nothing less than enormous. Threats are everywhere, technology is accelerating, and success clearly belongs only to those rare organizations that have the capacity not only to adapt to change, but to thrive on it, and indeed to create it.

How do they do that?

The great companies disrupt industries by reshaping entire market ecosystems. The market is forced to adapt to them.

Perhaps your organization is among these exemplars?

Mastery of Innovation

The art and science of creating change is really the mastery of innovation, but innovation takes many forms: new products and services that turn customers into evangelists, new sales channels that dominate markets and confound competitors, accelerated product development timeframes that amaze and delight customers, investors and stakeholders, and novel technologies that inspire wonder.

Agile Innovation asks *How can these outputs be achieved not just once, but consistently?*

Our answer, and the essential argument of this book, can be summarized in this way:

The market is becoming brutally competitive. It is much like a war, and to survive, your organization must become proficient in innovation, which, of course, could become one of the most powerful weapons in your arsenal. In fact, given the accelerating rate of change, *there really is no other option but innovation.*

What is required, then, to master innovation and to become an agile, adaptive, winning organization?

- 1) First, design the right business processes that enable you to out-innovate your competition, combining quality and speed.
- 2) Second, reduce the inherent risks in innovation, while making the right investment decisions in new ideas.
- 3) Third, generate ideas that are better than everyone else's by effectively engaging a larger group of people – the entire organization as well as its broader ecosystem – as effective co-ideators.
- 4) Fourth, develop and demonstrate exceptional leadership skills, because making this all happen will probably require that you provoke and lead a genuine revolution in how your organization operates.

These principles constitute Agile Innovation, which is a blend of great advances in technology development (Agile Software Development) together with the leading-edge practices and principles of innovation management.

How easy to do is all this?

Well, it may not be so easy at all, and it's probably going to a big challenge. But it is definitely achievable, and the rewards from doing so will be great. And anyway, what's your next best alternative to innovation? Or is there even any alternative? Probably not ...

Why Don't Large Firms Innovate?

Large organizations, by their very nature, have difficulty embracing a culture of continuous innovation, and they also struggle to adopt the necessary practices. But this is neither necessary nor inevitable. The belief has to be changed or there are going to be a lot of unpleasant consequences.

Many of the root causes that prevent large firms from innovating are related to the challenges inherent in managing a large enterprise: the need for coordination, scale, efficiency, and sustained profitability in a brutally competitive, global marketplace, and an equally brutal securities market. Further, the modern corporation is typically built on structures, rules, and processes that may also inadvertently stifle innovation or even kill it outright. Whether intentional or not, the premature mortality of ideas and innovations occurs on a regular basis. The logic behind suppressing innovation may even make sense, in a limited, short-term context, such as when senior executives try to exercise control over unwieldy organizations so that critical objectives can be achieved.

In so doing, however, they often sacrifice important long-term benefits. Hence, one of our goals in this book is to show how ***short-term objectives and long-term needs can be balanced***, and how operations units and innovation teams can work in close and effective partnerships rather than as bitter rivals that compete for resources.

Technology firms, like all businesses, struggle with the challenge to balance short- and long-term and to balance operational imperatives with the need to create new products and services and methods, but one set of principles that technologists have developed that seems to be ahead of the rest are the methods widely known as "Agile."

Agile refers to a set of principles and practices that have been developed by software programming teams with two major goals: to accelerate their work, and to reliably produce work of the highest quality. By reducing the burdens of bureaucratic project management, they also freed programmers to work more productively and with much greater satisfaction. This effort has been amazingly successful, and a robust methodology has emerged since *The Manifesto for Agile Software Development* (www.agilealliance.org) was published in the spring of 2001.

How are Agile and classical innovation management related? One way to think of it is like this – Agile is a speedometer, so by knowing your speed you can calculate when you'll reach your destination. Without a speedometer or odometer, you'd have to guess, and the longer and less familiar the route, the worse your prediction is going to be. Without reliable measurement, you can only guess.

Agile Innovation, as a complement to your Agile speedometer, is the GPS that helps you stay on course. Even without plotting your course in detail ahead of time or developing “comprehensive documentation and specification,” you can get started right away, and if you make a wrong turn or hit a traffic jam, your Agile Innovation GPS makes a course correction. So, whether the journey is ten miles or ten thousand, you always know your estimated arrival.

David vs Goliath

Many practitioners and advocates of Agile tend to see themselves as Davids, small, lean, and determined, standing toe-to-toe on the battlefield and fighting an enormous bureaucracy of Goliaths, whose sole function is to suppress their creativity, innovativeness, productivity, and even the joy they find in their work. Consequently, in much of the Agile literature, there is an undertone of rebellion and determination to defend the capacity of programmers to self-organize because they love their work and are fully committed to performing to the utmost of their abilities.

In this respect, the Agile movement reflects a profoundly important and meaningful inner drive. Inner motivation is well known as the roots that lie behind great works of genius, while external motivation based on reward and punishment can achieve, even at its best, only compliance. This burning desire to achieve greatness is reflected in the creation of Agile, and this principle of inner drive is also a key premise of our work. By extending this same energy, the same drive, beyond a group of programmers or an R&D team to other parts of an organization, tremendous value can be created and captured. While our passion is to direct this marvelous innate creative force specifically toward “innovation,” the same concepts and principles can be applied in a great many aspects of your organization.

What is the story of Agile Innovation?

The shift we are proposing is from traditional, top-down, control-oriented management, to self-organizing, customer-driven, Agile Innovation. This is, of course, nothing less than a revolution, the revolution that is referred to in the title of this book.

Agile Innovation entails a new way of working, and the powerful forces that are driving the economy and society will most likely require your organization to engage in this type of revolution sooner (better for you), or later (procrastinating will come with lots of adverse consequences). Specific work processes related to project management and work team management are needed to create change and empower innovation throughout your own organization, and there are also some critical factors related to the leadership of your organization’s revolution, enabling you to put your plans into action.

What Reviewers Say About This Book

"In today's world of always-accelerating global competition, organizations either innovate or die. And as the authors of this worthwhile book make clear, innovation in the Networked Age is a team sport. It's no longer enough just to think differently. You have to think faster. You have to think more productively. And to do that, you need to think collaboratively. This book is filled with good advice on how to do just that. Read it, then share it with your co-workers!"—Reid Hoffman, cofounder/chairman of LinkedIn and coauthor of the #1 *New York Times* bestseller *The Alliance: Managing Talent in the Networked Age*

"Sustainable Innovation: the speed to innovate and the ability to foster a culture where constant creativity is the norm is becoming a critical function for organizations and individuals given the fast pace of today's global business. *Agile Innovation* captures the essence of this domain in a succinct, informative and highly engaging manner."—George Thomas, Partner and Director, IBM Corporation

“*Agile Innovation* is a rare and exceptional book. It has the potential to move the entire field forward, through the clarity of its writing and the importance of its message. If you are going to read any book on innovation this year, make it this one.”—Pascal Baudry, PhD, Founder, WDHB Consulting Group

“*Agile Innovation* promises to profoundly transform businesses and institutions. By bridging the worlds of Agile and traditional corporate innovation, the authors have created a mash-up for business strategy that enables the transformation of self-organizing toward self-optimizing teams and offer a map for the journey to the development of self-actualizing organizations. This must-read book is a strategic imperative for anybody aiming to successfully deliver new products or services in a brutally competitive, digitally-accelerated business world.”—Errol Arkilic, CEO of M34 Capital and co-creator of the Innovation Corps

“Innovation is not about new products or services. It is about speed. Agility. The old methods of innovation are slow and rarely involve those who matter most: front-line workers. This book absolutely changes the game and it will change the way you innovate. Don’t delay. Read it now!”—Stephen Shapiro, author of the bestselling *Best Practices Are Stupid & 24/7 Innovation*, and formerly Director, Accenture, Global Process Excellence Practice

“Innovation has been a hot topic in the worlds of business and academia for most of the last decade. Finally, a comprehensive book has been written about what specific skills and behaviors are need to narrow the gap for companies of all sizes to have innovation become a core driver of sustainable growth and positive financial impact. Today’s corporate leaders must build a culture of agile innovation and this book is the perfect manual for business today.” — Harry W. Kellogg, Vice Chairman, SVB Silicon Valley Bank