naked**innovation**

*uncovering a shared approach
for creating value*

Zachary Jean Paradis

David McGaw

IIT Institute of Design

Join the conversation!
After you've read this chapter, we'd love to hear your feedback. Please visit **NakedInnovation.com** to share your thoughts.

Introduction

For thousands of years, life in the ancient world went on the same tedious way day after day: hunt and/or gather; eat; sleep; repeat. Then somebody discovered how to plant and harvest grain, and the first agricultural revolution was born. It led to more reliable food supplies, and all sorts of good things like the formation of villages, the development of social and political structures, and beer. Fast forward a few millennia, and you have iron plows taming the West; another century and you have mechanical tractors, and then chemical fertilizer, scientific farming, hydroponics, genetically altered seed stocks, and the next thing you know, you're nibbling on a gourmet pretzel, made with bioengineered wheat, walking down the street in the most prosperous and agriculturally rich country the world has ever seen.

It's all thanks to our friend Innovation.

Innovation has made life better, no question about it. It's also happening faster and faster—to the point that anybody who *isn't* being innovative quickly feels left out. Sometimes the innovations are new in dramatic ways, and put other people out of business—not a lot of call for blacksmiths these days,

since the tractor replaced the horse and ox for pulling a plow. More often, there are simpler, smaller innovations which add to something that already exists—like the way user reviews on Amazon.com augment objective product information. Or, they can be a new variety of something, like apple-tinis. Even something small can be an innovation if it adds value. Of course, it's questionable whether an apple-tini actually *does* provide additional value—plain-old gin & vermouth was good enough for Dean Martin. But when a brilliant innovation comes along, whether disruptive (brand new technology or business model) or incremental (new feature or variety), we wonder how we ever lived without it.

The accelerated pace of innovation today leads to more choices. Sometimes, too many—have you seen how many apple-tini, choco-tini, margarita-tini variations there are on cocktail menus? The marketplace usually helps decide which innovations are useful, and provide value, and which fade away, lucky to be remembered in pop-culture trivia games. Starbucks launched a new beverage a few years ago: Chantico "drinking chocolate." It lasted barely a month—just long enough for customers to try and then reject the thick, syrupy concoction. However much money had been spent developing and launching Chantico, it was all written off as the drink vanished from the menu board. Most of us are probably OK with that, and didn't even notice it came and went—others' failed innovation attempts aren't our problem.

But what if you're the person who has to come up with the next new Starbucks beverage? You not only have Starbucks executives and shareholders breathing down your neck, but a nation of easily bored, distractable consumers who might just as easily go to another coffee shop across the street. And it's not merely big companies like Starbucks that have innovation challenges. A 50-person auto parts factory has to

find a faster, cheaper way to deliver spark plugs on time, to keep its contract. Teachers are under pressure to create more relevant lessons to help students succeed, and fundraisers for a local charity need new ways to find donors to support their cause. If *you* don't innovate, somebody else will. The problem is, we're all under a similar pressure, as if a giant finger were pointed at us, exhorting us to BE MORE INNOVATIVE! And you can understand why, because today:

There is only one constant: *change.*

As Ferris Bueller said, "Life moves pretty fast—if you blink, you could miss it." No wonder Innovation is the new black. If you want to compete, you need to innovate, or languish forever in mediocrity—and that's if you can avoid going out of business entirely. But *how* to innovate is a tougher question.

Innovation methods aren't yet as widely known or as successfully implemented as a lot of other fundamental business activities. How-to books for innovation are just now beginning to emerge, whereas everybody knows about how assembly lines make production more efficient. As an emerging concept, innovation seems a bit murky—a black art, practiced by hip geniuses that wave their wands and produce, as if by magic, a Tivo! A stuffed-crust pizza! Zipcar hourly car rentals! Ta daa!

Innovations seem magical partly because we only see the final, successful product or service, not the hundreds of discarded initial ideas and interim prototypes. The much messier inside process of innovation is opaque to us, and fosters the growth of myths about innovation:

Innovation Myths

To Be An Innovator...

1. You have to be a genius* *(like Bill Gates)*

2. You have to be a charismatic, inspiring leader *(like Steve Jobs)*

3. You have to have a lot of resources *(like General Electric)*

4. You have to be lucky *(like Post-It™ inventor Ray Fry)*

5. You have to have a special job title *(such as Chief Innovation Officer, or Imagineer)*

6. Your innovation has to be secret and proprietary *(like the Stealth Fighter and its "skunkworks")*

7. You have to be in a new field to innovate *(like biotech)*

In fact, if you dig deeper, you'll find that the examples we've provided are only partly explained by each Innovation Myth.

*OK—we'll admit that while you don't have to be a genius, you do have to be smart. But smart in a way that anyone can be, armed with the right tools.

Our book is called *Naked Innovation* partly because we thought it sounded cool, but mostly because we're going to peel back the covers a bit and show you that innovation doesn't have to be mysterious. Don't get us wrong—it's not easy, but at the same time, it doesn't have to be painful, and it's often a lot of fun.

Naked Innovation, as we see it, is neither a complex formula just for engineers in the New Product Development division, nor a buzzword-driven paradigm especially for ponytailed creatives. Rather, it is a flexible structure that can help all kinds of

people in an organization come together to create value. This book is for everyone from designers to engineers, and from CEOs to salespeople, in the hope of developing shared vocabulary, mindset, and goals for innovation. You can use our approach by yourself, though it works better with interdisciplinary teams. You can apply it to a well-funded corporate venture, or a weekend home-improvement project.

Here's how we've organized the book:

PRACTICE *(STUFF TO DO)*
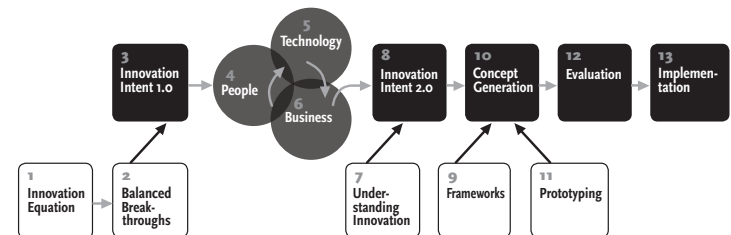
THEORY *(STUFF TO KNOW)*

Chapters that discuss Big Ideas about innovation lead to more practical applications of those theories through some innovation methods. By knowing the "whys" you'll be better equipped to customize the "hows" to your own needs. We've also marked important concepts in **bold italics** so you can spot them more easily.

We want you to create extraordinary value for your customers in whatever way works for you—the perspective we offer isn't meant as the last word on innovation by any means. Adapt and improve as necessary. Let us know what you come up with, too, so we can revise the book. We've followed our own advice even in writing it: getting user input, prototyping, and revising. What you hold in your hands is merely

the latest iteration of an ongoing cycle of prototyping and innovation.

Whoops—that sound you just heard was another new innovation coming to market. Let's catch up by looking at the critical elements that come together to form the Innovation Equation.