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Manny Gonzalez
MGM Consulting

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Product Innovation: How Disruption Leads to Innovation

By: Manny Gonzalez

What produces real progress for a product-based company? Simply put: innovation.

Innovation is imagination combined with implementation. One has to first imagine what a new customer offering can be, not what already is – then develop and implement that vision to make the product a reality.

But by its very nature, innovation is disruptive because it is purposefully moving away from what is, to what can be, to what will be. Disruption – also known as change -- is certainly uncomfortable. It's the enemy of the status quo. Heraclitus, an ancient Greek philosopher known for his doctrine of change being central to the universe, is the first one to point out that the only constant is change. Smart, consumer-driven companies know the status quo can *never* remain. Today's situation, no matter how profitable or how bleak, will indeed change; leaders bear the burden of ensuring things change in a positive direction.

Companies fear change because they fear the unknown. That is why the status quo is the default mode and why many major innovations are produced by people and companies *outside* of the impacted industries. But smart product developers know that fear of the unknown disappears when the anticipation of what can be gained is realized. As companies grow in experience and expertise in dealing with and navigating change, disruption poses less of a threat and is approached with more excitement than anxiety. Once that happens, disruption is welcomed.

Innovation can be classified in two types: sustaining and transformative. Sustaining innovation builds from and extends what you already do and how you do it (think repainting a room in your house with a new paint color). Transformative innovation leverages a totally new way of thinking making what exists today seem old (think Apple's introduction of the iPhone which was a phone, web browser and iPod). These innovations start off with a small group of "early adopters" creating niche markets but, when successful, the niche grows becoming a big part of the mainstream market.

The imagination that innovation requires is fostered by connectivity. Each one of us touches and is touched by those around us. The need for and desire to participate, to “be connected,” is a major driver of the reason for, and popularity in, social media tools. Being connected is what enables us to better understand the wants and needs of others, which helps us to innovate successfully, fulfilling those wants and needs.

The buyer is, of course, the ultimate judge of what his/her wants and needs are and what value he/she assigns to it. The value of any item is determined by what a consumer is willing to pay for it. But as human beings, however, we do not necessarily know, or can even verbalize, our wants and needs. It often requires innovators who go beyond the obvious to produce transformative innovations. Innovators not only supply buyer wants and needs, but also sometimes create them.

Innovation Methodology

Leaders can take steps to make sure disruption through innovation is welcome at their company:

- 1) Encourage an innovation culture: By your example, your team should know you value innovation and welcome the disruption it will cause. You should continually be thinking about what is going to make your products obsolete and look for innovations to replace them.
- 2) Imagination Session: Have regular imagination sessions where you and your team define the breakthrough you want to produce or problem you want to solve. Don't be afraid to create and discover from other industries.
- 3) Overcome Status Quo Hurdles: It's human nature to care more about losses than about gains but sticking with the status quo is wrongly-perceived as a way to avoid losses. A true leader realizes the status quo is not sustainable. The status quo will eventually change – and it is always best to drive that change rather than being driven by it.

- 4) Develop a Process for Innovation: Remember that people closest to the customers are ones that know what customers value so these team members need to drive innovation, both in the labs and in the field. Put in place a systemic review of innovation being produced by product line, geography, channel, etc. as they all should be connected to the buyer. An innovation process means innovation with objectives, strategies, owners, and measures that help to transform imagination into implementation.

- 5) Streamline new products and structures with existing products and structures: The easiest but more dangerous approach to innovation is to layer new products and structures on top of existing ones. Avoid that practice. Rather, make the jump and replace fading products with new innovations. A reconciliation effort must occur simultaneous to the launching of new products and structures to avoid increasing complexity and duplicity of efforts.

- 6) Listen to the feedback from buyers and employees: Establish a systemic feedback system with both consumers and employees so they can communicate the value they obtain from the innovations. These regular feedback sessions should include both those in the specific department that produced the innovation and outside advisors.

This Innovation Methodology is quite effective in areas outside of product development, such as government, academia, non-profits and other realms of business and industry.

Summary

Each one of us can and should innovate. We as people do not fear change; we fear loss. Knowing that the only constant is change, we must innovate and replace the fear of loss with the anticipation of gain. In doing so, our innovation will improve us, our communities, companies, and country.

Manny Gonzalez is President, MGM Consulting, formerly Vice President, Global Operations at Procter & Gamble, and serves as the Vice-Chair, Center for Leadership

Board of Advisors at Florida International University. He is a graduate of Cornell and Harvard University and was a visiting scholar at Oxford University.