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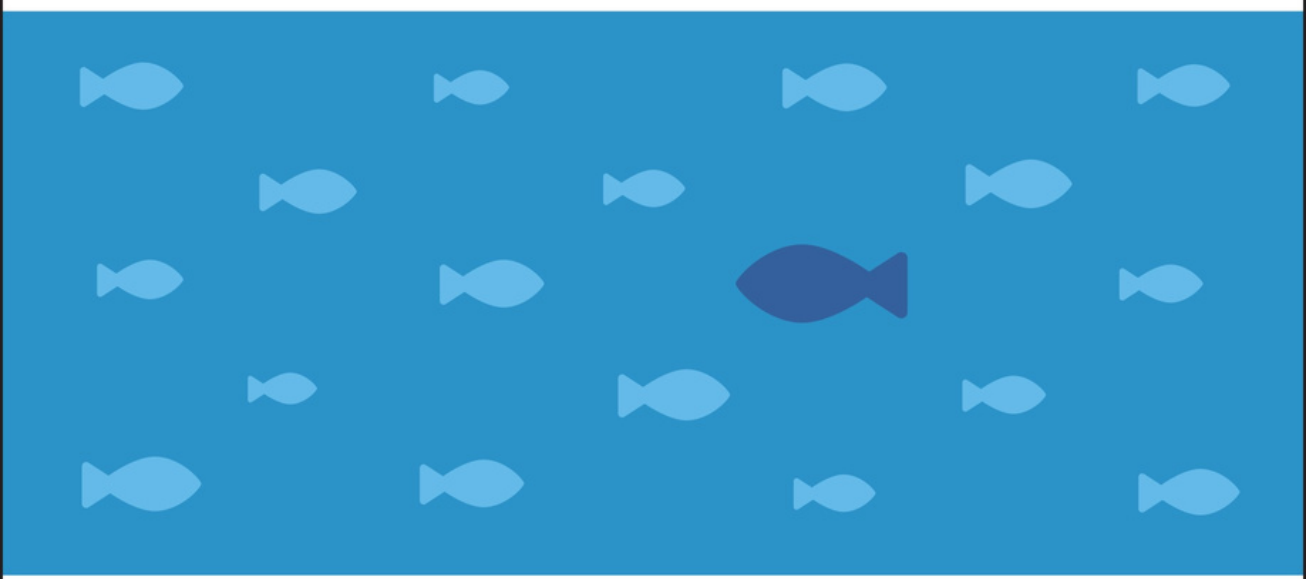

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CHAPTER 7

AIM 'EM, DON'T TAME 'EM (CREATIVITY & CULTURE)

"Everybody believes in innovation until they see it.
Then they think, "Oh, no; that'll never work. It's too different."
—Nolan Bushnell, *entrepreneur and engineer, Atari and Chuck E. Cheese*

"When it comes to innovation, the candid organization will
outperform the nice one every time."
—Gary Pisano, *professor, Harvard Business School*

"Culture eats strategy for breakfast."
—Peter F. Drucker, *author,* The Practice of Management

THERE IS AN INSIDE JOKE at The Walt Disney Company that goes like this:

> **Question:** How many Disney Imagineers does it take to screw in a light bulb?
>
> **Answer:** Does it have to be a light bulb?[66]

The answer to this question speaks volumes about the culture of creativity that permeates Disney and the other profile companies.

While best practice innovators focus on business results, they also emphasize creativity and culture that is anything but paint by numbers. They are driven by facts, figures, and process discipline, but also embrace creativity, develop culture, and challenge conventional thinking.

Of course, the best innovation strategy and process in the world won't make a difference if the culture isn't there to drive it. And not just any culture. The culture needs to recognize and support the paradoxical nature of growth and innovation—the need to *aim 'em, don't tame 'em*—which exists on multiple levels.

At the highest level, strategy, analytics, and process discipline need to balance with creativity and flexibility. The company should be strategically aimed, but not so tamed that it loses its agility.

Aim 'em, don't tame 'em also applies to the people highly innovative companies hire. Eric Schmidt, Google's former chief executive, and Jonathan Rosenberg, a former senior product manager, wrote *How Google Works*, which refers to "smart creatives"[67] as the primary people-asset around which to build teams, companies, and corporate cultures.

Smart creatives, the authors write, are impatient, outspoken risk takers, "combining technical depth with business savvy and creative flair."

A challenge with smart creatives, the authors note, is providing an environment where they can thrive: "Their common characteristic is that they work hard and are willing to question the status quo and attack things differently. This is why they can have such an impact. It is also why they are uniquely difficult to manage, especially under old models, because no matter how hard you try, you can't tell people like that how to think. If you can't tell someone how to think, then you have to learn to manage the environment where they think. And make it a place where they want to come every day."[68] Embedded in this assessment is the notion of aiming but not taming smart creatives.

Finally, aim 'em, don't tame 'em needs to influence the shared

values, attitudes, beliefs, and behaviors that determine how employees interact.

Harvard Business School professor Gary Pisano talks about the often-misunderstood hard truths of innovative cultures this way: "The fun and easy-to-like aspects of innovation need to be counterbalanced by some tougher and frankly less fun behaviors. A tolerance for failure requires an intolerance for incompetence. A willingness to experiment requires rigorous discipline. Psychological safety requires comfort with brutal candor. Collaboration must be balanced with individual accountability. And flatness requires strong leadership."[69]

Innovative cultures are paradoxical. The lines between these "aim 'em, don't tame 'em" points are thin, and managing these nuances can be the difference between innovation success and failure.

CULTURE AT THE PROFILE COMPANIES

Do an online search on any of the profile companies, and you'll get a sense of their culture and values—customer-centricity, innovation, speed, and creativity.

Many companies, though, pepper their corporate statements with similar words. What, then, distinguishes truly innovative companies from those that would only like to be? Hint: It's not a plaque on the wall.

One of the more exciting aspects of our work at EquiBrand is experiencing firsthand the cultures of our client companies.

This experience lets us see what goes on inside the company's boardroom on a couple of levels.

First, how does the company operate, and what does it value? What is the company's cultural style—is it friendly, combative, or somewhere in between? Are employees engaged, energized, and happy to be there? Or do they look scared, tired, or burned out?

Second, how is the boardroom set up *literally*? What is the room

like, who sits where, and how are meetings conducted? Is there a poster on the wall detailing the company's mission, vision, and value statements? A poster can be a red flag for an unengaged company.

Our research and experience have identified a distinct set of cultural best practices that successful companies share in their upstream efforts. Let's examine a few profile companies in isolation, pulling from a diverse set of corporate statements, and then distill the findings into a universal set of cultural success principles.

Amazon's Culture and Values

Amazon casts its values as "leadership principles," which the company considers in solving problems and charting growth. These fourteeen principles, listed on the company's website, are designed to work together, balancing accountability, efficiency, risk taking, and results.

AMAZON'S LEADERSHIP PRINCIPLES[70]

1. Customer Obsession
2. Ownership
3. Invent and Simplify
4. Are Right, A Lot
5. Learn and Be Curious
6. Hire and Develop the Best
7. Insist on the Highest Standards
8. Think Big
9. Bias for Action
10. Frugality
11. Earn Trust
12. Dive Deep
13. Have Backbone; Disagree and Commit
14. Deliver Results

Each of the leadership principles (or LPs as they're called at Amazon) deliver on the principles and practices of upstream marketing. Let's look at the ten that are particularly relevant.

Customer Obsession ties to Amazon's maniacal focus on the customer. Amazon starts with the customer, by working backward and ends with the customer, in keeping their trust. Leaders pay attention to competitors but obsess over customers.

Ownership stresses the need to think long term and not sacrifice future value for short-term results. This principle brings to mind the 2 x 2 high-low/urgent-important time management matrix as a way to prioritize long-term strategy and planning.

Invent and Simplify challenges leaders to find ways to innovate by reducing friction. Many of Amazon's top innovations—1-Click ordering and selling used items right next to new items on the same webpages—are simple, non-technical solutions to address customer friction points. This LP is consistent with the "jobs to be done" approach to innovation.

Learn and Be Curious advocates that leaders be curious about new possibilities and act to explore them. The best sources of insight and inspiration? See the first LP, *Customer Obsession.*

Think Big is all about creating and communicating a bold direction that inspires results. Thinking small, by contrast, is a self-fulfilling prophecy. Leaders think differently and uncover new ways to serve customers.

Bias for Action recognizes that speed matters. Amazon values calculated risk taking and a launch-and-learn approach, recognizing that many decisions and actions do not require extensive study and are often reversible.

Frugality means doing more with less. Think the Pareto principle and Parkinson's law combined. Constraints breed resourcefulness, self-sufficiency, and innovation.

Dive Deep encourages leaders to operate at all levels, stay involved in the details, audit frequently, and be skeptical when metrics and anecdotes differ.

Have Backbone; Disagree and Commit advocates that leaders respectfully challenge decisions even when they disagree. Leaders have conviction, are candid, and do not compromise just to be nice. Once a decision is determined, however, they commit wholly.

Deliver Results rounds out leadership principles and talks about focusing on key inputs, delivering them with the right quality and in a timely fashion. Setbacks will be inevitable, though leaders rise to the occasion and never settle.

Taken as a whole, Amazon's culture is performance-focused and customer-driven and proves internal values don't need to be "warm and fuzzy" to be effective. While Amazon has been criticized for a culture many perceive as impersonal and combative, this critique doesn't seem to bother Jeff Bezos, who talks about leadership and culture this way: "To get something new done, you have to be stubborn and focused, to the point that others might find unreasonable."[71]

While "stubborn, focused, and unreasonable" may not be traits described in a leadership textbook, these "less fun" aspects are precisely the corporate values that fuel innovation at Amazon.

Nike's Culture and Values

Nike's brand is synonymous with innovation, and the company is unique among profile companies in that it explicitly states innovation in its mission statement:

> "To bring inspiration and innovation to every athlete* in the world.
>
> *If you have a body, you are an athlete."[72]

Nike's mission cleverly incorporates its core marketing target ("to every athlete") and consumption target ("if you have a body, you're an athlete").

Innovation is a core value at Nike, informed by deep insight. Nike describes in its recruitment material how it works with the world's best athletes to obtain and leverage their views.

"To us, innovation is about elevating human potential. We obsess over the needs of the world's best athletes, using their insights to create products that are beautiful and useful. To make big leaps, we take big risks. Incremental change won't get us to where we want to go fast enough. We unite diverse perspectives—scientists and shoe designers, coders and quarterbacks—to share knowledge of the body in motion."[73]

Comparing Nike's mission, vision, and values to Amazon's leadership principles shows some similarities and differences.

Nike's culture is both competitive, like Amazon's, and team oriented. This trait makes sense as Nike's culture stems from its employees—many of whom are current or former athletes—as well as the athletes who endorse Nike products.

While much of Amazon's culture stems from Jeff Bezos, Nike cofounder and chairman Phil Knight, unassuming and introverted by nature, points out other influences: "Nike's culture is not the same as me. I've said before that Nike's culture is young and irreverent and I'm neither. It comes from the people. I have fingerprints on it but I didn't dictate it at all. But [we've learned things] from athletes that we've dealt with over the years, yes. We are in a very competitive industry and watching their reaction to competition and understanding the losses that have to come with the wins."[74]

Knight goes on to reference the Michael Jordan TV ad, dubbed "Failure": "I've missed more than nine thousand shots in my career. I've lost almost three hundred games. Twenty-six times, I've been trusted to take the game-winning shot and missed. I've failed over and over and over again in my life. And that is why I succeed."[75]

The next three companies profiled—Southwest, Starbucks, and Walt Disney—are similar in a couple of ways. As service-based businesses, much of the brand experience is delivered through their front-line people—flight attendants, partners, and attraction cast members. Also, to ensure they hire the best, corporate and brand-building efforts are designed to attract both employees and end customers.

Southwest's Culture and Values[76]

No discussion of culture would be complete without profiling Southwest. The company is known for its "fun-LUVing" attitude, as well as the importance it puts on culture in hiring and company operations. Here's an overview of Southwest's corporate statements.

Southwest's purpose: Connect people to what's important in their lives through friendly, reliable, and low-cost air travel.

Southwest's vision: To be the world's most loved, most efficient, and most profitable airline.

Southwest's company promise: To provide a stable work environment with equal opportunity for learning and personal growth. Employees are provided the same concern, respect, and caring attitude that they are expected to share externally with every Southwest Customer.

SOUTHWEST'S EMPLOYEE PROMISE:
TO FOCUS ON DEMONSTRATING

1. Warrior Spirit by striving to be my best and never giving up;
2. Servant's Heart by delivering Legendary Customer Service and treating others with respect; and
3. Fun-LUVing Attitude by not taking myself too seriously and embracing my Southwest Family.

Southwest views its hiring practices as vital to the company's success. Rather than try to mold employees a certain way, Southwest recruits employees who are engaged from the start.

The company hires not for skill, but rather for three corporate values. Southwest then links these values to performance appraisals, including 360-degree reviews, where employees get rated for their warrior spirit, servant's heart, and fun-loving attitude.

While there is no mention of innovation in Southwest's values, the company advocates an upstream approach to people management: If you treat employees well, they'll find unique, creative ways to solve problems and deliver outstanding service.

CUSTOMER INSIGHT TIP

The same insight gathering techniques used with customers can work equally well with employees. Qualitative and quantitative research methods, including employee concept iteration and engagement surveys, can be used to ensure development, alignment, and delivery of brand and cultural values. This includes obtaining internal feedback on human resources policies and programs before implementing them.

Starbucks' Culture and Values

Establishing a culture that nurtures talent and supports innovation is not easy. But it can be done. Howard Schultz describes it this way: "People have come to me over the years and said to me: 'I admire the culture of Starbucks. Can you come give a speech and help us turn our culture around?' I wish it were that easy. Turning a culture around is very difficult to do because it's based on a series of many, many decisions, and the organization is framed by those decisions."[77]

Schultz understands that there are as many cultures as there are

companies, and each one is unique, based on the organization it supports. Starbucks' mission and values go far beyond coffee to celebrate human connection and experience. Let's take a look.

> Starbucks' mission is to inspire and nurture the human spirit—one person, one cup, and one neighborhood at a time.

Starbucks values support the mission as follows:

> With our partners, our coffee, and our customers at our core, we live these values:[78]
>
> - Creating a culture of warmth and belonging, where everyone is welcome.
> - Acting with courage, challenging the status quo, and finding new ways to grow our company and each other.
> - Being present, connecting with transparency, dignity, and respect.
> - Delivering our very best in all we do, holding ourselves accountable for results.
>
> We are performance-driven, through the lens of humanity.

Starbucks' last value statement—*We are performance-driven, through the lens of humanity*—is not far from Google's *You can make money without doing evil* (and its original mantra, *Don't be evil*). Starbucks, though, says it in a more uplifting way. Words matter in crafting corporate statements so take care in creating them.

Disney's Culture and Values

The Walt Disney Company's corporate statements are notable in how they've changed over time. Walt described the company's purpose as "To

make people happy." Now? "The mission of The Walt Disney Company is to entertain, inform, and inspire people around the globe through the power of unparalleled storytelling, reflecting the iconic brands, creative minds, and innovative technologies that make ours the world's premier entertainment company."[79] Sounds like it was written by the corporate planning department, doesn't it? While the statement is descriptive, it lacks the simplicity and inspiration of "make people happy."

As is often the case, corporate statements can get watered down as companies expand into multiple products and markets.

In this case, business narratives, brand story, positioning, and messaging can play a more meaningful role. These statements serve as both an anchor and a beacon to guide decision making consistent with corporate-level aspirations.

Here, for example, is a listing of "Mickey's Ten Commandments" tied to Disney's Imagineering group. In 1991, Marty Sklar (then-president of Imagineering) presented ten commandments attributed to Mickey Steinberg.

MICKEY'S TEN COMMANDMENTS[80]

1. Know your audience
2. Wear your guests' shoes (don't forget the human factors; try to experience the parks from the guests' point of view)
3. Organize the flow of people and ideas (ensure experiences tell a story that is organized and logically laid out)
4. Create a "visual magnet"
5. Communicate with visual literacy (use a dominant color or shape or building to reinforce a theme)
6. Avoid overload—create turn-ons (do not offer too much detailed information)

continued

7. Tell one story at a time (put one "big idea" in each show so guests leave with a clear understanding of the theme)
8. Avoid contradictions—maintain identity (avoid irrelevant or contradicting elements; make sure the audience has a clear idea of what is being said)
9. For every ounce of treatment, provide a ton of treat (take advantage of the distinction of the theme park, which is that it encourages active participation, compared to passive entertainment)
10. Keep it up (do not become complacent or allow things to run down)

Note two things. First, how "Disney-like" the commandments are. While at a lower level than corporate statements, the Imagineering group's values are consistent with what you'd expect from The Walt Disney Company and appear to still hold today. Second, how the ten commandments align with the upstream marketing principles and best practices.

Read down the list. The first two commandments speak to the principle of insight—know your audience and wear your guests' shoes. Next are a series of identity-related directives—tell a story, reinforce a theme, maintain identity, and so on. The list ends with the principle of innovation—keep it up and avoid complacency.

COMMON INNOVATIVE CULTURES

Many companies have a culture that supports innovation. Far fewer have innovation embedded in their corporate DNA. A systematic review of the seven best practice marketers yields seven distinct cultures. Across all profile companies, though, five common cultural themes emerge:

- Create an aspirational identity to guide the organization
- Establish cultural values that support innovation

- Hire the right people and the right mix of people
- Establish practices to support innovation
- Organize for and commit to innovation

Innovative cultures start with an aspirational philosophy that then quickly grounds smart, creative people in accountability for the organization's goals, strategies, and stakeholder commitments. These lessons learned are described next.

Create an Aspirational Identity to Guide the Organization.

A defining trait of each profile company is an aspirational purpose and brand to focus and stretch the organization. They build a deep and shared understanding of the customer and brand and generally know where they're headed and how to get there.

Amazon set out to be earth's most customer-centric company. Google seeks to organize the world's information and make it universally accessible and usable. Starbucks wants to inspire and nurture the human spirit—one person, one cup, and one neighborhood at a time.

Establishing an organization's purpose is mostly an internal effort, though with obvious identity implications. Once the purpose is defined, company leaders need to consistently and publicly communicate it.

Starting at the top, executives need to "walk the talk"—live the culture and provide superior vision and direction. These actions reinforce the organization's values, which in turn directs how employees operate.

Establish Cultural Values That Support Innovation.

A company's values are the core of its culture. Call them values, leadership principles, or maxims—they orient employees' everyday actions to be consistent with the desired culture.

Value statements, though, are not platitudes. You cannot borrow a list from one company, erase the name on top, and replace it with another.

Amazon's leadership principles scream Amazon, including a focus on speed, efficiency, and expansion. Nike's values elevate athleticism, innovation, and competition. Starbucks' "warm and belonging" values differ from the more competitive ones of Amazon, Nike, and other companies.

Despite individual company differences, our research has identified five corporate values all intentionally created and shared by the profile companies. These values relate to: customer obsession, a growth mindset, thinking big, idea meritocracy, and the role of failure in innovation. Here are the details:

FIVE CORE INNOVATION VALUES

Value 1: Focus on and obsess about the customer.

By now, the importance of the end customer to growth strategy should be evident. The profile companies place the customer at the center of their innovation efforts. Here's a recap:

- "Leaders start with the customer and work backward," is Amazon's first leadership principle.
- Topping the list of Google's "Ten things we know to be true" is "Focus on the user, and all else will follow."
- "Everything we do starts with the consumer," says former Nike CEO, Mark Parker. "It's our obsession with serving the consumer that sharpens our focus and drives our growth."[81]

Still, it's surprising how many companies, including some of our clients, focus on targets other than the end consumer. Non-customer targets include internal team members ("What will the executives think?"), channel members

("We need to get retailers to stock it first"), or Wall Street ("We need to make our quarterly numbers"). Focusing on the end customer requires more than a head nod and must include the entire organization, from the corner office to customer service and frontline workers.

Value 2: Employ a growth mindset.

Embracing a growth mindset allows innovators to see spaces others do not. Here's a brief story to illustrate.

Two shoe sales representatives from competing companies visit the deep jungle in search of new customers.

The first sales rep returns and reports to his boss: "There's no market for us here. Nobody wears shoes."

The second sales rep returns and reports to his boss: "There's a huge market for us here. Nobody wears shoes!"

This simple story says a lot about the importance of a growth mindset. It's the same situation, yet two people draw very different conclusions. Some see the glass as half full, others as half empty. The most effective innovators? They create opportunities where others don't. It's fundamental to their culture.

Eric Schmidt, Google's former CEO, describes it this way: "The characteristic of great innovators and great companies is they see a space that others do not. They don't just listen to what people tell them; they actually invent something new, something that you didn't know you needed, but the moment you see it you say, I must have it."[82]

Value 3: Think big (but start small and learn fast).

Of course, in the shoe story here, it's conceivable that there is a market for footwear despite the fact that nobody wears shoes. However, it would be premature for the footwear company to build a new manufacturing plant in or near the jungle. "If you build it, they will come," is a wish, not a strategy.

So, experiment to learn, using the consumer as the tiebreaker for how to proceed. In the footwear example, maybe conduct an ethnographic study and seed the market with different shoe samples. Create a series of prototypes that replicate the feeling of not wearing shoes at all. Then, gradually expose other prototypes with greater construction and support. (This gives a whole new meaning to the expression, "walk before you run.")

continued

Value 4: Ensure the best ideas win.

The best innovations come from the best ideas, which in turn come from a culture where the best ideas win. When the organization is optimized for innovation, good ideas surface easily and circulate quickly within it.

Great ideas can come from anywhere—the CEO, division leader, summer intern, or end consumer. In our consulting work, some of the best ideas come from people at lower levels or new to the organization. This idea source is not surprising. Newer employees aren't tied to the past and are often closer to the end customer, so they can readily spot problems and potential solutions.

Here's the issue: Many improvement ideas only surface during one-on-one interviews, and only after we guarantee confidentiality. New employees can be hesitant to speak out, especially when suggesting new ways of doing things, for fear of repercussions.

Promoting a culture where the best ideas win means encouraging all team members to challenge conventional thinking without fear. Everyone's thoughts should be heard, with the best ideas rewarded. It also means recognizing the role of failure in innovation, as discussed next.

Value 5: Recognize productive failures.

It's easy to advocate for innovation when things go well. In reality, most new ventures, new business models, and new products do not succeed. The real test of an innovation culture is what happens when things fail, as they will most of the time.

According to Amazon's Jeff Bezos, "Failure comes part and parcel with invention. It's not optional. We understand that and believe in failing early and iterating until we get it right. When this process works, it means our failures are relatively small in size (most experiments can start small), and when we hit on something that is really working for customers, we double down on it with hopes to turn it into an even bigger success. However, it's not always as clean as that. Inventing is messy, and over time, it's certain that we'll fail at some big bets too."[83]

Failure is an inevitable part of innovation and instrumental to a test-and-learn philosophy. The important thing is to "fail fast"—ban the sacred cows and learn from experience.

Hire the Right People and the Right Mix of People.

With success principles defined, building a culture that supports innovation requires people who either subscribe to the company's values or are willing and able to adopt them.

Specifically, innovation requires participation and involvement from three types of people:

1. **Project leaders** who manage cross-functional teams and drive growth—setting direction, obtaining insights, designing and orchestrating the customer experience.
2. **Smart, creative thinkers and doers** who think outside the box, break paradigms, and generate innovative ideas.
3. **Diverse individuals** who problem-solve from different viewpoints, leading to more insightful, breakthrough innovation.

Though it may be tempting to avoid friction in hiring and staffing decisions, resist this. After all, friction creates sparks, and sparks ignite innovation.

Balancing left-brain and right-brain thinkers leads to a broader range of solutions. "An accountant sitting next to a poet is a really good idea," says Peter Rummell, former chairman of Disney Imagineering.[84] The magic is in the mix.

Steve Jobs expressed it this way: "My model for business is the Beatles. They were four guys who kept each other's negative tendencies in check. They balanced each other, and the total was greater than the sum parts. And that's how I see business. Great things in business are never done by one person; they are done by a team of people."[85]

While employees must have specific expertise, it's best to hire the right people first, knowing they can learn technical skills on the job. (Obviously, there are limits—Disney won't hire an animator who

can't draw, for example.) Said another way, hire for attitude, train for skill.

Finally, in setting up teams, be clear about leadership, team goals, roles, and responsibilities. While teams should be self-governing, responding to customer problems as they arise, it's true that if everyone is accountable, no one is accountable.

To avoid diffused responsibility, appoint a team leader accountable for success. When the pressure of everyday business hits—and it will hit—innovation can slip through the cracks unless someone is responsible for its success.

Establish Practices to Support Innovation.

Cultural values are of little importance unless they are embedded in how the company operates. If a company is going to say it's customer-driven, it should be investing in obtaining proprietary customer, marketplace, and technical insights. Similarly, other aspects of upstream marketing—the underlying principles and best practices—need to be operationalized.

Here are a few specific practices to support innovation:

- Establish and broadly communicate the growth strategy to the entire organization
- Develop "idea finding" programs to promote innovation. As Thomas Edison said, "To have good ideas, you need to have a lot of ideas"
- Codify and train employees on upstream marketing principles, approach and a common language

Likewise, to attract and retain the best employees, people-based values need to be baked into human resource procedures, including hiring practices, review criteria, and promotion policies.

The profile companies use strict hiring criteria to ensure they get the right people—those who embody desired cultural traits—on board. This is reflected in the hiring rate of applicants by Apple, Google, Nike, and others, which is less than 1 percent.

Organize for and Commit to Innovation.

A common challenge with innovation is freeing up resources from day-to-day firefighting to focus on the future. This is because innovation beyond the incremental kind requires a different approach.

One way to do this is by creating *dedicated innovation teams*. Under this structure, executive leadership remains at the top, focusing on strategic direction-setting and other corporate initiatives.

Lower levels are then split into core and innovation-focused units. The core organization is functionally oriented, using a traditional hierarchy. The innovation part becomes a flexible network of cross-functional teams from marketing, sales, product development, and R&D.

Innovation teams should be organized like a lean startup—small, entrepreneurial, flexible, and cross-functional.

Amazon refers to them as "Two-Pizza Teams" to describe both the size of the group as well as their entrepreneurial mindset to operate independently and with agility. Bezos believes that no matter how large your company gets, individual teams shouldn't be larger than what two pizzas can feed. A smaller team spends less time administering and more time doing.

Putting innovation decision making in the hands of team members closest to customers reduces corporate layers and speeds up work. The customer, rather than the organizational hierarchy, becomes the judge of how to proceed, which allows team members to work independently.

Whether to *physically separate* innovation from the rest of the organization is hotly debated. As shown here, the profile companies

employ separate labs, including dedicated structures, environments, and reward systems.

SAMPLE INNOVATION LABS ACROSS PROFILE COMPANIES

Amazon Lab126 is an inventive San Francisco Bay Area R&D team that designs and engineers high-profile consumer electronic devices, including the Amazon Kindle, Fire, and Echo family of products. The subsidiary is an Amazon lab of innovation, research, and development, and it houses Amazon devices, hardware, software, and operations teams.

Disney Imagineers are a core group of creative professionals who use imagination with engineering (hence "Imagineering") to make dreams reality. Imagineering is the creative force that dreams up, designs, and builds the attractions, cruise ships, real estate developments, and regional entertainment venues worldwide. Building upon the legacy of Walt Disney, Imagineers bring art and science together to turn fantasy into reality and dreams into magic.

Nike's Explore Team Sport Research Lab is a world-class research facility driving performance innovations across Nike. It houses more than forty researchers in scientific disciplines such as biomechanics, physiology, biomedical engineering, mechanical engineering, physics, math, and kinesiology.

Starbucks' Tryer Innovation Center is a 20,000-square-foot space dedicated to innovation. The center is a combination of a makerspace and a Starbucks store where everybody who works at Starbucks can come down and test their ideas. Ideas are brought to life using human-centered design practices and dynamic technical services.

X (formerly known as Google X) is a research center where some of Google's most significant projects happen. These teams work on research that isn't directly tied to a product but encompasses challenging fields like speech processing, machine intelligence, quantum AI, and more.

Deciding whether to establish a separate innovation lab depends on several factors, including the type of innovation planned and available resources. While physical separation can help, it's more

about independence from the status quo and access to top executive leadership, recognizing that transformative innovation has unique managerial requirements.

Also, while dedicated labs promote innovation, separate groups alone do not guarantee success. For every thriving corporate innovation center, many more fail, often because they're seen as too disconnected from the core business. Whether innovation occurs inside a company or at another location, corporate and innovation lab strategies must align.

Finally, adequate financial resources need to be in place to support multi-year development efforts. Innovation projects tend to have a longer horizon, and need to be funded and managed as such.

Remember though, just throwing dollars at new ideas won't cut it. Innovation doesn't come from giving people incentives. It comes from creating environments where their ideas collide and connect. Steve Jobs said, "Innovation has nothing to do with how many R&D dollars you have. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. It's not about money. It's about the people you have, how you're led, and how much you get it."[86]

Aim 'em, don't tame 'em represents the paradox of innovation culture and the natural tension that exists within social organizations. Companies need to embrace strategy and process with an innovative mindset and a culture that is less linear.

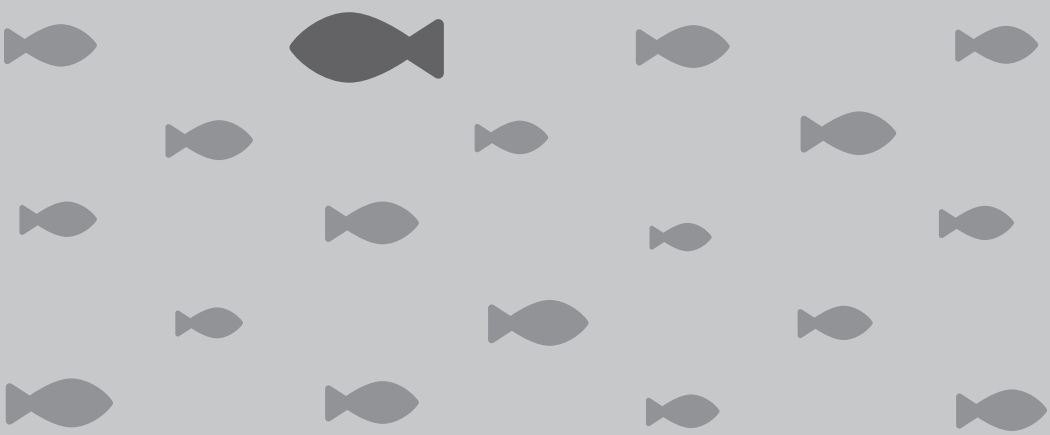
To unlock growth, the right principles, practices, and culture all need to integrate into a common upstream marketing approach. Exactly how to do this is described next.

QUESTIONS TO CONSIDER

1. Does the leadership team understand the paradoxical nature of innovation culture and the need to aim 'em, but not tame 'em in driving growth?
2. Are the values that support innovation embedded into the organization, and if not, what needs to change?
3. Does the organization have the right practices and structure to facilitate innovation?

NOW APPLY IT:

Integrate and Execute



INTEGRATE AND EXECUTE

IN THE PRIOR THREE PARTS, insight, identity, and innovation were presented in isolation, for independent study. In reality, the principles need to be working together all the time.

Here is a recap of six best practices presented in the prior six chapters, with a final wraparound concept—the role of integration and execution—to be discussed next.

1. Maniacally focus on the end customer. Put customers first and look at the business through their eyes.
2. Define a core purpose, then use it to broadly define the playing field and individual demand spaces (i.e., To whom? For what?).
3. Develop winning value propositions at the company, division, and product levels.
4. Elevate brand building to the highest levels of the company. Make the brand a boardroom topic.
5. Deliver a consistent stream of innovative products and services, supported by a flexible, test-and-learn approach.
6. Aim 'em, don't tame 'em to instill a culture that rewards growth, creativity, and risk taking.

In this final part, we integrate the principles and practices into a seven-step upstream marketing approach. Working the steps and guided by the principles and practices, we show you how to implement and practice upstream marketing.