

30 JUNE 2008

De-risking bold aspirations



by Rowan Gibson: A global business strategist, a bestselling author and an expert on radical innovation.

The conventional wisdom about innovation is that companies should be less risk-averse. If this means they should try to increase their share of courageous employees who are willing to stand up and fight for ideas, then I would agree. However, when we move from the individual level to the corporate level, the challenge becomes quite different. After all, do we really think companies should be taking more risks?

If anything, many firms have been far too willing to make big, risky bets on ventures that ended up losing billions of dollars – GM’s ill-fated EV1 project and Motorola’s Iridium phone are two examples that come to mind. I would argue, therefore, that the real challenge for organisations is not how to take more risks but how to de-risk bold aspirations.

One way to do that is to work from the future back. At the outset, an innovation goal might be so big and outrageous that it almost seems impossible. You need to break it down into a stepwise migration path that begins to make the impossible seem do-able. Ask yourself: What is it going to take to reach that goal? What specific kinds of knowledge, experience, and skills do we need to acquire? And how do we stage our way there by building and acquiring these competencies in a sequential manner? Search for the last few steps needed to get where you want to go, and then fold the future successively back into the present, working out a series of realistic checkpoints for tackling these challenges one at a time.

An analogy I often use is John F. Kennedy’s goal to “land a man on the moon and return him safely to the earth by the end of the decade”. We may take it for granted today, but in the early 1960s that was an enormously bold aspiration which involved really huge risks. The only way for NASA to take Kennedy’s ambition and make it reality was to stage the whole programme in a series of mission-critical steps, working from the future backward. Through the Mercury programme, followed by the Gemini programme, and ultimately the Apollo programme, NASA successively tested human spaceflight, earth orbiting, long-duration space missions, how weightlessness affected humans, how to dock two vehicles successfully in space, the Saturn V rocket launch vehicle, the Apollo command module (first in Earth orbit then in lunar orbit), and finally the lunar module. Along the way, they also created, tested and perfected a space suit that would allow an astronaut to get out of the pressurised landing craft and survive in the lunar environment. Only after applying all the learning from these preliminary missions did NASA launch Apollo 11, which put Neil Armstrong and Buzz Aldrin on the moon and brought them back safely back to earth, just a few months before the end of the decade.

In other words, NASA turned the “race to the moon” into a multi-stage experimentation process, de-risking it at every step, learning from the successes and failures of each experiment and consolidating the progress, all the time making the end goal less and less daunting.

It’s the same approach many Olympic athletes follow when mapping out their four-year training path to a record-breaking gold medal. And it’s exactly the same process you need to follow in business, when pursuing seemingly unattainable and potentially high-risk innovation goals.

Take, Toyota, one of the world’s undeniable innovation champions. As Hirotaka Takeuchi, Emi Osono, and Norihiko Shimizu point out in their book “Extreme Toyota”, the Japanese automobile giant has found that the way to achieve near-impossible goals is to “think deeply but take small steps” – breaking down a big goal into manageable challenges. This, for example, is how Toyota approached their hybrid motor project in the early part of this decade, eventually resulting in them stealing the show in environmentally-friendly cars.

What we learn here is that to achieve revolutionary goals, you need to take a series of evolutionary steps. That’s an important

way to minimise the risk associated with radical innovation.



Source: The Journal Management Today is the only journal in South Africa which is positioned as a source of management learning, information and knowledge. Visit our web-site at: <http://www.management-today.co.za>.



Source: Rowan Gibson is a global business strategist, a bestselling author and an expert on radical innovation. Visit our web-site at: <http://www.rowangibson.com/>.

©Copyright SURREAL 2008. All rights reserved.