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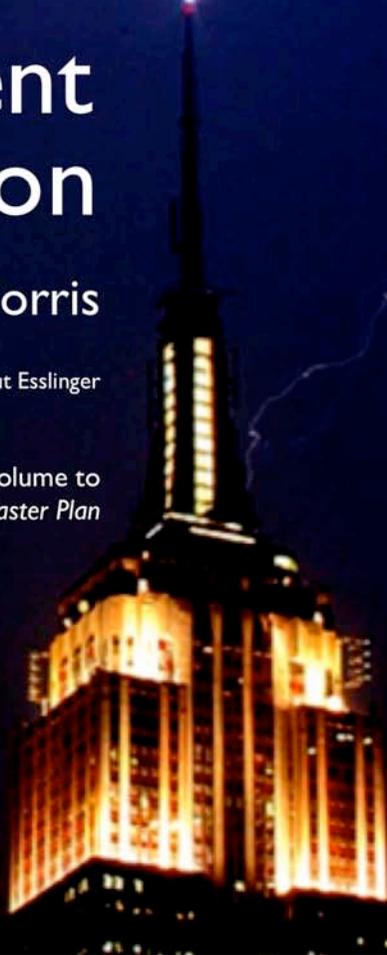
proven strategies and methods  
of successful innovators

# permanent innovat!on

langdon morris

preface by Hartmut Esslinger

companion volume to  
*The Innovation Master Plan*



# Permanent Innovation

Proven Strategies and Methods of  
Successful Innovators

Langdon Morris

Preface by Hartmut Esslinger

*Notes on the Revised Edition, 2011*

The Revised Edition of *Permanent Innovation* has updated and improved a number of key points from the original book. This Notes document consists of the “Author’s Note and Preface to the Second Edition,” which explains the changes, the one page definition of “permanent innovation,” and an excerpt entitled “Starting with the Strategic Perspective,” which covers an important improvement to our understanding of the innovation process.

To download the complete version of *Permanent Innovation* please go to  
**[www.innovationlabs.com](http://www.innovationlabs.com)**



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## Author's Note And Preface to the Second Edition

Several years ago Bill Miller and I published *4<sup>th</sup> Generation R&D*, a detailed study of the process for achieving breakthrough innovations. We are gratified that the book remains in print, now beyond its 10<sup>th</sup> printing, and that it has become a standard reference work in R&D management and in academia.

Over the intervening years as I worked with many companies, it became obvious that there was a need for a more general book that provided an overview of both the strategic and the human dimensions of innovation, and of the business processes to support them. This material should be useful not just for R&D managers, but also for people from top management and throughout the organization who were concerned with the innovation performance of their firms. This was the goal of the present book, *Permanent Innovation*, which was first published in 2006.

During the five intervening years since *Permanent Innovation* was first published we have continued our work on innovation with many organizations around the world, and this disclosed additional themes and topics that drew us into further explorations. As result, I've just completed a new book, *The Innovation Master Plan*, which continues to take our work further. The two books are therefore friendly companions, intended to complement one another.

However, in the process of preparing *The Innovation Master Plan* I also discovered that some of the concepts presented in this book were incomplete, and needed to be updated. Consequently, I've prepared this revised, second edition of *Permanent Innovation* to reflect these improvements.

The major improvement involves a common misperception. Many people believe (and I used to be one of them) that innovation starts with "ideas." People, the common view holds, come up with ideas, and then they turn them into innovations. The managed innovation process was therefore assumed to begin with ideation.

After following this approach for some years ourselves we've found that it's not an accurate description of how innovation actually happens, nor is it an effective guide for how it should be managed. Instead, the most successful innovators are those who begin from a strategic perspective, thinking broadly about their goals and the key trends in society and technology, in order to define their strategic intent. (See page 6 below.)

They then develop detailed models of risk and reward as it pertains to the uncertainty of innovation development, and all this gets translated into "innovation portfolios" of their innovation investments.

The design of this portfolio embodies a set of themes and goals, and also identifies many unknowns, or questions. The pursuit of answers to these questions is the purpose of research, and the output of research is then the input to ideation.

In this way, the innovation process is inherently strategically aligned, risk-managed, and goal-directed. And as you undoubtedly noticed, ideation is definitely not the beginning, it's the middle, and hence the need to revise the *Permanent Innovation* model to reflect this more accurate and more useful understanding.

And it turned out that there's so much to explore in these concepts that the idea to write *The Innovation Master Plan* became a reality.

Other than that, the only other major changes from Version 1 to Version 2 of this book is that chapters 5 and 6 switched sequence to reflect our improved understanding of the innovation process, and the short chapter on innovation infrastructure that used to be in *Permanent Innovation* was removed entirely, in favor of a much more complete discussion of the same topic in *The Innovation Master Plan*.

Finally, as the world changed a bit from 2006 to 2011, many of the stories and examples were updated to reflect the evolution of the market over these five very interesting years.

*Excellence is an art won by training and habituation.  
We are what we repeatedly do.  
Excellence, then, is not an act but a habit.*

Aristotle

# The Definition of Permanent Innovation

Innovation is the process of creating new ideas and turning them into new business and social value.

**Permanent Innovation** is the process of doing it continuously, as a matter of strategy, method, and habit. It happens in organizations that embrace innovation as a core value, practice innovation as a core methodology, and produce innovation as a consistent output. Permanent Innovation is thus a *strategic and human* process much more than a technological one, and we achieve excellence at it through thoughtful repetition of the right methods.

The notion of permanent innovation may at first be startling, and it may even seem to be a contradiction. The concept of permanence implies stability and the absence of change, while the concept of innovation implies constancy of change and novelty. Combining these two, however, yields an important synthesis: the practice of innovation not as an occasional occurrence, but as a repeating process of value creation and organizational adaptation.

Permanent innovation thus contrasts with random, intermittent, or one-shot innovation processes, none of which are sufficient for today's markets, and none of which are the basis for the excellence we aspire to. In these times of accelerating change and increasing competition, Permanent Innovation, with a focus on the human dimensions of innovation, is an absolute necessity. Its principles are contributing significantly to the success of leading companies around the world.

This book is about how to achieve it.

## Starting with the Strategic Perspective

Excerpt from page 87

Every idea is born in its own distinctive moment of inspiration. But what has inspired the inspiration? Most ideas emerge as a result of a process, a process driven by questions, or by curiosity, or by problems that need to be resolved. When my grandfather was interested in something, he said how was going to “cogitate on it,” and he would sit quietly thinking about something, and ideas would gradually come to him.

For the purposeful innovation process in organizations, what we need is not random ideas that come from random cogitation, but rather ideas that address quite specific interests and needs.

Therefore, the starting point for innovation is strategy, the intentional definition of organizational goals and objectives. If your organization has defined its strategy, then the search for innovation should build upon it. If you don't have a strategy to work from, then you'll need to develop one, or else you'll be in danger of going off on a random chase for wild geese, and most of the ones you'll stumble upon will provide the value you're looking for.

For the purposes of innovation, the strategic perspective will then be translated into an innovation portfolio. This portfolio will be managed, like all investment portfolios, to balance risk and reward, to assure that the organization is taking necessary and appropriate risk to prepare for the future.

The design of an ideal innovation portfolio is detailed work because it requires that we consider a very wide range of issues, and still reduce them down to some choices – we will choose to invest in *this* project but not *that* one, although both are interesting, because we have limited capital.

The design of the portfolio will also disclose gaps in our current knowledge, and we'll have to fill those gaps through research, both in the hard sciences and technology areas of the modern technological revolution, and also from the soft side of consumer attitudes and behaviors. That research will be one of the major inputs into our focused process of developing ideas.

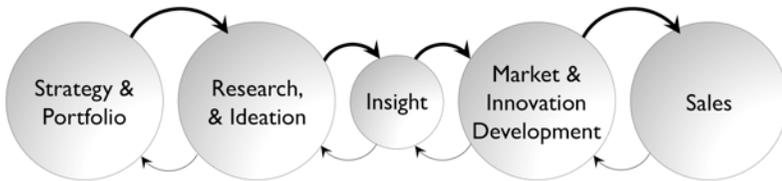
Ideation is also a broad topic, which we'll explore in depth in the following chapter.

The resulting Insight is not so much a stage, as it is a moment in time when the result of our effort comes together and a specific path to the future becomes clear, which leads us then to 2 aspects of development, innovation development and market development.

And the financial rewards come at the end of the process, when we close the sales and earn the financial return on all of our work.

Very broadly speaking then, innovation occurs in five stages:

1. Defining the Strategic Context for innovation and then shaping the accompanying Portfolio;
2. Research to expose New Knowledge, which leads us to create great Ideas;
3. Insight: with a clear view of the future we see the great new products, services, and business models that our organization will use to get there;
4. Innovation and Market Development, transforming great ideas into great innovations;
5. Sales, the delivery of value to the marketplace, and the transactions that provide economic return.



### **The Innovation Process**

The 5 stages of the innovation process.

## **Avoiding Linear Thinking**

Effective innovation methodology shapes the pathways by which individual ideas will be developed, and just as important, it's a broader process which improves the odds that good and great ideas actually do arrive with regularity and that they are developed to their full potential.

Methodology also involves searching for and systematically filtering multitudes of new ideas, applying processes for turning the best ones into innovations, and using tools to help bring them to market, which in the case of breakthrough innovations is itself no simple accomplishment.

In describing innovation methodology, however, we face a challenge that's inherent in the need to describe a complex process, which innovation is. These five major stages have lots in common, and when you're working at innovation it's nearly impossible to actually go through a linear process from one step to the next in an orderly fashion.

In fact, creative and innovative processes such as this, like all problem-solving activities that involve complexity, are iterative. They loop around, meaning that in the process of searching for great ideas the mind leaps forward and back, stimulating new ideas while assessing old ones, planning detailed innovation roadmaps that stimulate still more new and raw ideas. You return again and again to the various phases in an unpredictable sequence, and each time you revisit a stage where you've been before your ideas are a bit more developed than they were.

This is not a bad thing; in fact, it's both natural and excellent, as experience has shown that iterative processes yield results that are far better than linear processes because they build on natural a human attribute, the capacity to improve through learning.

So don't be deceived by the apparent order of the processes as I describe them here. In application they're very messy, properly disorderly and rich in nuance and ambiguity, and also rich in joy, discovery, pleasurable interactions, intense arguments, and insights, experiences that come in a fascinating interpersonal and intellectual process that is also a critically important one.

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# About the Author



Langdon Morris is a co-founder and partner of InnovationLabs LLC, one of the world's leading innovation consultancies. He works with organizations around the world to help them improve their proficiency in innovation.

He is Senior Fellow of the Economic Opportunities Program of the Aspen Institute, Editor of the Aerospace Technology Working Group Innovation Series, Associate Editor of the *International Journal of Innovation Science*, and a member of the Scientific Committee of *Business Digest*, Paris. He is formerly Senior Practice Scholar of the Ackoff Center of the University of Pennsylvania and Contributing Editor of *Knowledge Management* magazine.

He is author, co-author, or editor of eight books on innovation and strategy, various of which have been translated into six languages, author of many articles and white papers, and a frequent speaker at workshops and conferences worldwide. He has taught or lectured at universities in the US, France, Portugal, Taiwan, and Argentina, including the Ecole Nationale des Ponts et Chaussées and the Conservatoire National des Arts et Métiers, Paris, the University of Belgrano, Buenos Aires, and Chaoyang University of Technology, Taiwan.

**Also by Langdon Morris**

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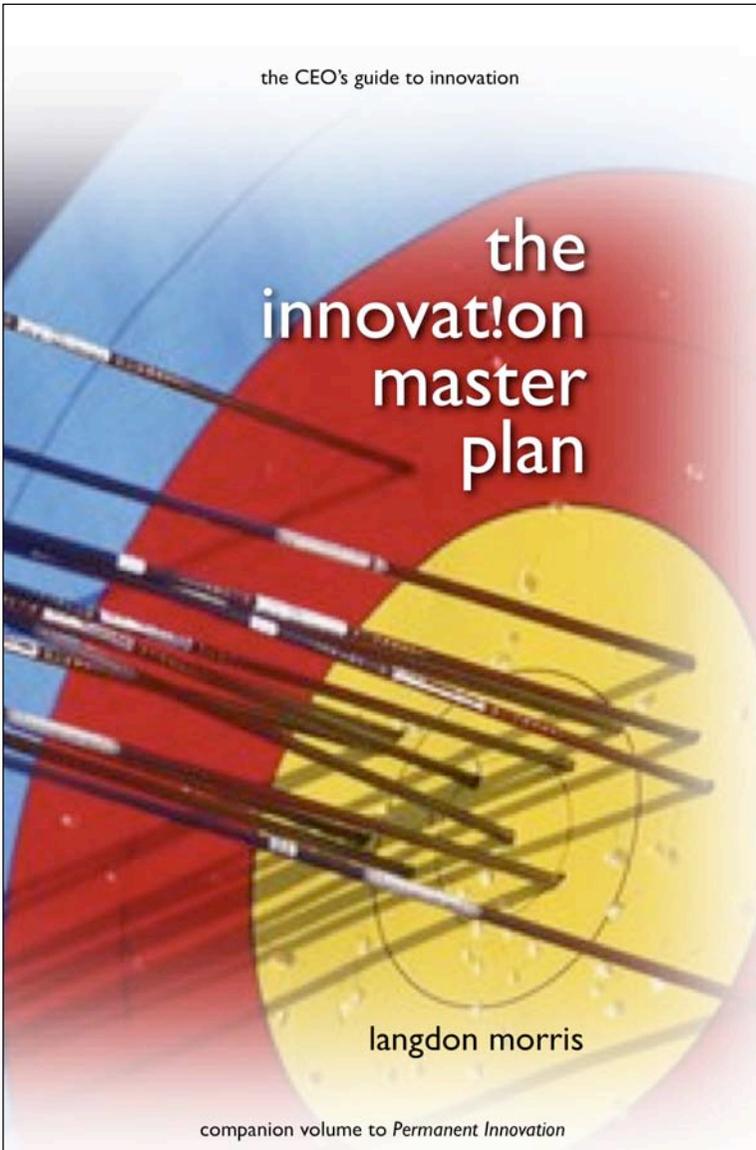
***The Innovation Master Plan***  
*The CEO's Guide to Innovation Management*  
*The Companion to Permanent Innovation*

***Aerospace Technology Working Group Innovation Series***  
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The Inside Story by the People Who Are Making it Happen



*The Innovation Master Plan* is the companion volume to  
*Permanent Innovation*.

Please visit [www.innovationlabs.com](http://www.innovationlabs.com) for more information.

Permanent Innovation book. Read reviews from world's largest community for readers. Innovation is the process of creating new ideas and turning them into... Innovation is the process of creating new ideas and turning them into new business value. Permanent Innovation is the process of doing it continuously, as a matter of strategy, method, and habit. It happens in organizations that embrace innovation as a core value, practice innovation as a core methodology, and produce innovation as a consistent output. Permanent Innovation is the process of doing it continuously, as a matter of strategy, method, and habit. It happens in organizations that embrace innovation as a core value, practice innovation as a core methodology, and produce innovation as a consistent output. Permanent Innovation is thus a strategic and human process much more than a technological one, and we achieve excellence at it through thoughtful repetition of the right methods.