

CHAIRMAN'S CHAT: CURIOSITY - DAVE CHUTE

Curiosity is a necessary but insufficient condition to create great products and businesses. Innovation requires a great idea AND great execution. All the wealth of the human species comes from innovation. In the short run, innovation may seem unnecessary, optional or a distraction. In the long run, it is necessary for survival and prosperity, particularly in a rapidly changing, highly competitive world.

In general, inventors are not great executors and companies that execute well are typically not innovative. Innovation is a journey requiring the coordination and collaboration of radically different disciplines and skill sets over time. Organizations and individuals are typically good at some but not all stages of innovation. The innovation journey has a very high mortality rate because what works well in one stage can be fatal in another. As a result, companies tend to organize around one or two stages and ignore others which sub optimizes their ability to be fully innovative.

Invention → Early Stage Startup → Scale → Optimization

Innovation can be a repeatable, learnable process, that requires both art & science. It's typically not well understood because most companies and people don't do it enough for pattern recognition to work.

There are insights available, based on a variety of optical industry innovations, that can help management build a culture that is more conducive to innovation.

- Most companies are not particularly good at innovation because they are organized around efficiency instead of innovation.
 - Efficiency: Repetition/specialization/optimization/standardization
 - Innovation: Curiosity/conceptualizing/testing/learning/adapting/evolving
- It is important to recognize the efficiency culture can kill the innovation culture because innovation and optimization are frequently in conflict; and when they are, optimization generally wins.

How to become a more innovative organization:

Innovation requires an explicit decision by senior management and the board to become more innovative. It must be backed up by actions that support innovation.

1. Commit To Building An Innovative Culture

- a. Senior management must answer the basic questions of: Should we Innovate?
 - i. If yes, where? Core business? Related products/channels/markets? New products/channels/markets?
 - ii. If yes, how? Organic Growth? Acquisition & Integration?

2. Develop the Fundamental Requirements To Be Innovative:

- a. Curiosity, Creative Capacity, Competence
- b. Entrepreneurial Instincts: Clarity Of Vision, Conviction ("There's A There, There"), Courage & Commitment, Action and Urgency
- c. Organizational Support: CEO Support, Culture (Startup), Champion w/ Cross Functional Authority
- d. Effective Process: Test, Learn & Adapt, Customer Driven (NOT Tech/Process Driven)