



Meet George and Geoffrey

- To understand what this paradigm shift looks like in action, let's contemplate the experiences of George and Geoffrey — **both highly capable and committed, both working in large, bureaucratic social sector organizations.**
- Developed through years of studying managers faced with innovation challenges, **George and Geoffrey are archetypes**, representing two markedly **different behavior patterns** who have been observed in research.





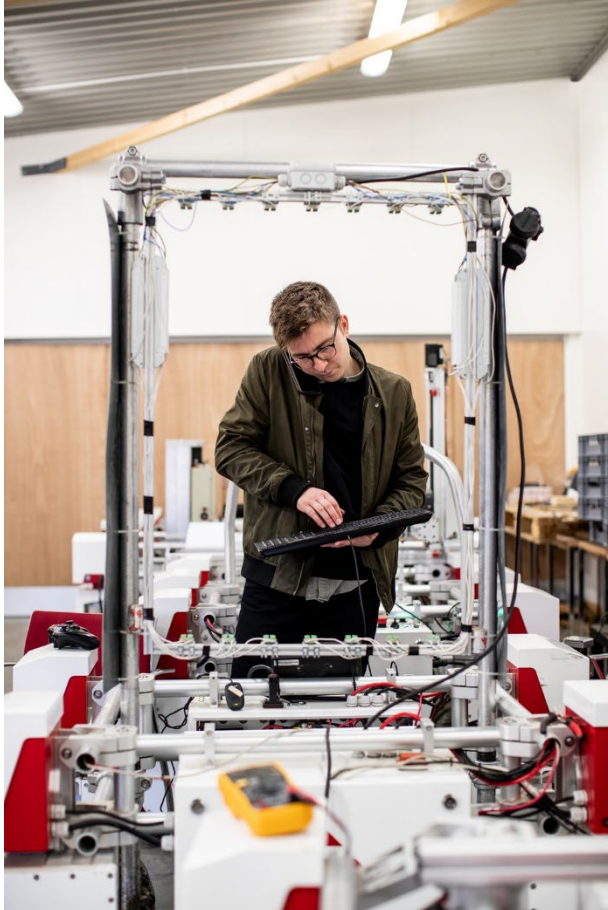
Geoffrey

- He arrived at a large health care organization from a well-known innovation strategy firm, bringing with him **experience in different businesses and functions**.
- Having **started up two new marketing ventures** and been **involved in change management** at a previous employer, Geoffrey arrived at his new employer with a **mandate to lead innovation**.
- He also brought with him some **beliefs** from past experiences: (1) that innovation should begin with a **deep understanding of stakeholders' everyday existences** and an ambition to make those lives better, (2) that innovation is a *discipline* that can be learned, and (3) that success rarely comes on the first try.





George



- He has a track record of success at his organization, a charitable foundation, yet finds himself struggling with new expectations around delivering innovation.
- His background is different from Geoffrey's but equally impressive: An **engineering major** in college, George obtained an MBA and joined a well-run foundation known for its **solid management and careful attention to process**.
- George has done well and has not been interested in “jumping around” (as he describes it) to various functions or other employers.
- He has focused on **developing a depth of experience and detailed knowledge** about the foundation's operations. George is respected as the **go-to person for any technical question**.



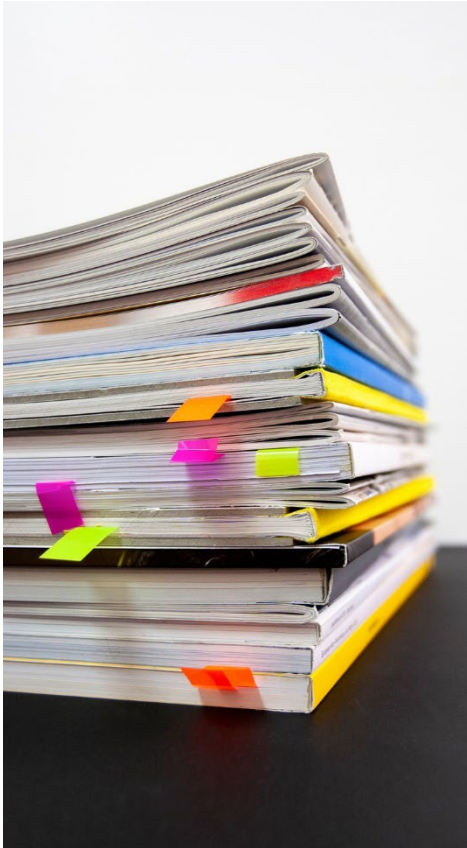
George: data-driven analytical search for big win

- George immediately asked his staff **to pull together all the data** the organization could find on its stakeholders and their perspectives.
- After **weeks of detailed study**, he was confident there was not much about the dealings between these groups and the foundation that he didn't know.
- Nevertheless, George and his team were **struggling to find the “big idea.”** His team had been given ambitious strategic targets to hit but couldn't find a substantive strategy for achieving them.
- **Senior leadership had been clear that they expected a big impact**, but uncovering that kind of opportunity wasn't proving easy. Despite abundant data and significant analysis, and even after hiring some expensive consultants, **the “big win” remained elusive.**
- Nothing seemed big—or sure—enough. So George and his team kept looking.





Debating on opportunities without real evidence

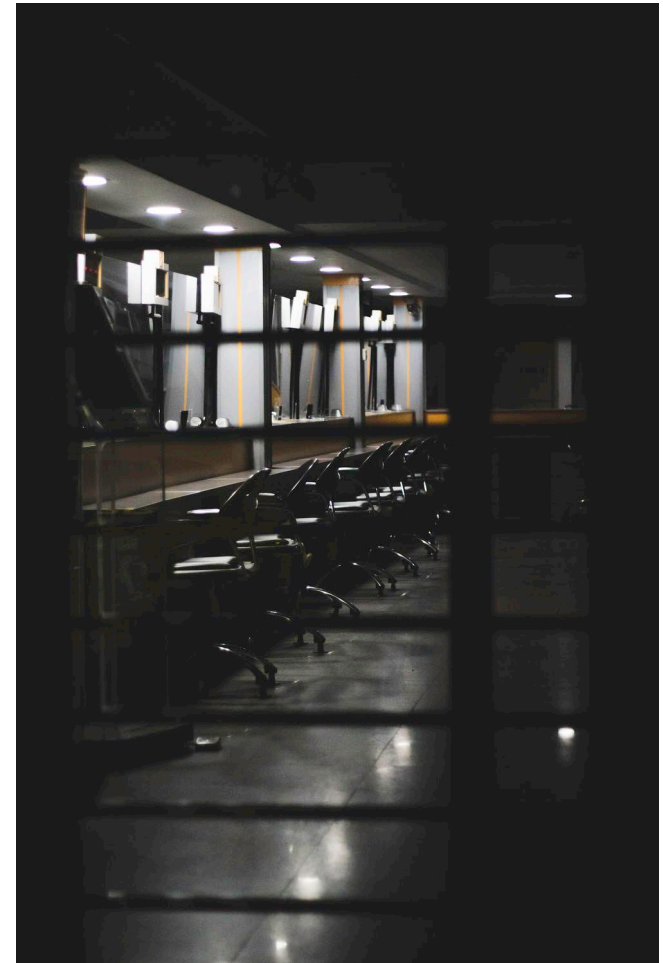


- Finally, George's team located an idea they thought could be the big win. It involved **entering a field that the foundation had not previously supported**.
- The need for the foundation's work was certainly there, and it **looked like a solid opportunity on paper**, but it **involved bringing on board expensive specialized talent and building visibility** with a new group of partners.
- The team had **no hard data on how the organizations that needed funding in this new segment would react to the foundation's entry into the field**, or whether the foundation would have the capability to make good decisions, especially in comparison with foundations already well versed in that area.
- **Months of debate ensued.**



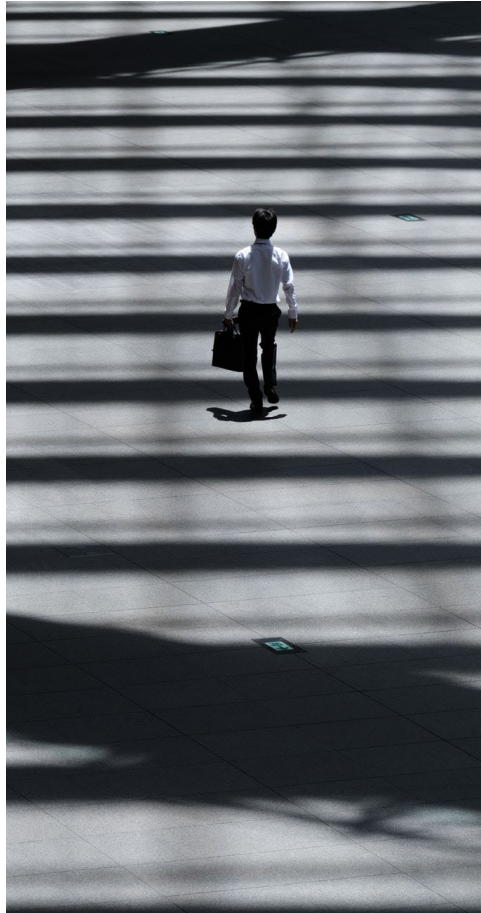
Secretive behaviour to avoid leaks before major announcement

- Eventually, George’s team got the go-ahead. As he moved forward, George was careful to **protect the foundation’s reputation. He was wary of talking too much to outsiders about the new offering.**
- **Most of the data was internally generated or obtained from consultants’ reports.** Planning to make a major pronouncement that would “take the field by storm,” George wanted to be sure there were no leaks in advance of the announcement.
- But George’s people were growing increasingly worried. The news coming in as the initiative began to roll out was not reassuring.
- **Potential donors in the field didn’t seem to grasp the many additional benefits that George’s foundation brought to the table.** Potential recipients of the funds also seemed uninterested, and George’s staff was getting discouraged.





„failure is not an option“ – where could he have gone wrong?



- Everybody knew that George’s prospects were riding on the success of the big **rollout—he was in no mood to hear bad news. “Failure is not an option,” he repeatedly reminded his staff.** “Do whatever it takes” was his response when they raised concerns.
- After substantial investment but with little sign of interest from donors or recipients, his boss pulled the plug on George’s big idea.
- New employees dedicated to the initiative had to be let go, and George’s reputation and career took a hit.
- In retrospect, he wondered where he, a manager with a strong track record of success, could have gone so wrong.
- **Was it just bad luck? Or was the answer in the unknowable “black box” of the innovation process itself?**



Participative user-driven product development

- Geoffrey decided he required more hands-on exposure to what **his new organization's stakeholders really wanted and needed.**
- He assembled **a diverse team from across departments to engage with patients and their families** with the aim of **understanding how health care interactions impacted all aspects of their lives.**
- Throughout their research, Geoffrey focused his team on one question: **“What could we be doing for our patients that would really make their lives better?”**
- **Soon they recognized that almost every service the organization offered had been designed with its own needs in mind, not the patient's.**





Identifying critical stakeholder groups



- Geoffrey and his team set a goal of imagining what one or two key services would look like if **they started with the patients' preferred journeys in mind.**
- Team members tried a **few experiments** that didn't produce hoped-for results, but finally they scored their first "win" with a **service redesign that simultaneously improved patient satisfaction and reduced the cost of delivery.**
- The team identified a set of **outside groups (insurers and community leaders) as critical to the successful adoption** of many promising opportunities, so they started sounding those possible partners on their needs and wants.



Internal buy-in through external partners

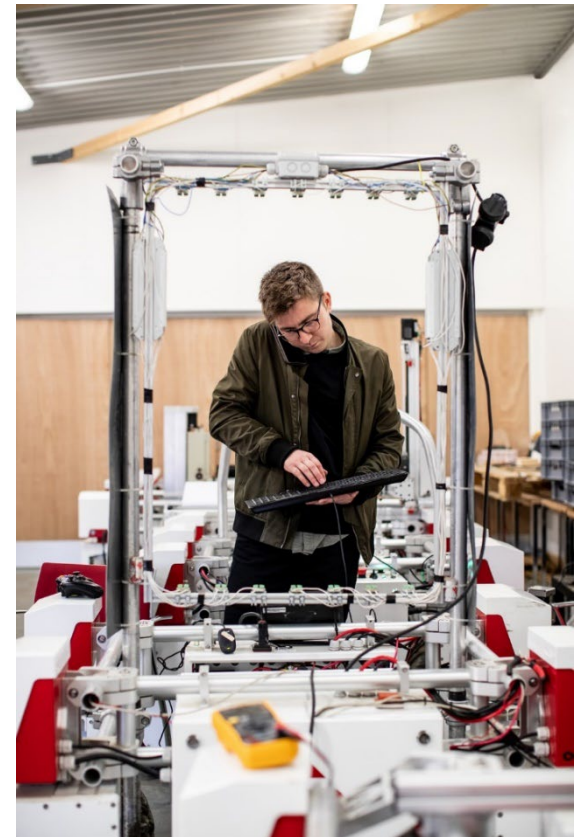
- Geoffrey suspected that **respected outsiders would be critical for internal buy-in**
- Geoffrey also believed that **offering theoretical arguments** for the viability of his team's ideas would produce **long, unproductive debates**.
- Results started to look promising: The **success demonstrated in the early field experiments quickly persuaded other insurers** to support the new designs.
- Working with insurers early in the development process not only had cemented their interest in the new approach but also had **convinced Geoffrey's senior leadership, who responded to insurers' enthusiasm with increasing support**.





George's fixed mindset

- George's fixed mindset has been acquired as a young child and reinforced by a lifetime of **experiences in Innovation I organizations**
- George lives his life **trying to avoid mistakes**. Because moving into uncertainty leads logically to more mistakes, George avoids that and therefore has tended to **shun the new experiences that would have given him a broader perspective** for identifying possible opportunities.
- For George, despite the fact that his attitude and skills have helped him **achieve success in a stable environment, when the world becomes more uncertain** as innovation becomes the goal, **his behaviors often trap him in a pattern** with a high likelihood of **failure**.
- **He relies exclusively on quantitative data, places one big bet, spends a lot of time trying to "prove" his idea in advance, and then ignores disconfirming data as it emerges.**





Geoffrey's growth mindset



- By the time we meet Geoffrey, in midcareer, his **broad repertoire of experiences** that span functions and organizations has **prepared him to see opportunity**.
- He invests in **gaining new insights about his stakeholders' needs** before testing ideas, manages multiple options, and **reduces risk by keeping his bets small and enlisting outside partners**.
- **Geoffrey has a deep and personal interest** in his stakeholders **as people** rather than as data. His focus is on offering services **within the context of their lives**, in ways that improve them.
- This **deeper “knowing”** when **combined with his broad repertoire of experiences**, helps Geoffrey identify opportunities that others miss.