Leadership for Innovation

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Reimagining ICT

About PURC…

- At the University of Florida, Gainesville, Florida
- Research and training on regulation of public utilities, as well as leadership
- PURC/World Bank International Training Program
  - 153 countries, ~3300 professionals
- Advanced International Practices Program**
- Customized courses
- Executive and Leadership Academy

Introduction:
The Importance of Innovation

- Amazon's acquisition of Whole Foods
- Stock price of Whole Foods' rivals dropped
- Investors in those competitors feared the upcoming Amazon-Whole Foods innovations
- Competing for the future is about innovation, especially in the ICT world

Innovation is Risky

Start-Up Companies in Silicon Valley:

- 30-40% failed completely
- 30-40% managed to return money to their investors, no profit
- 10-20% were successful *

* *This 10-20% sets the pace for everyone else*

- To not innovate is risky too….
- To "reimagine ICT as a tool for national growth & development" you will need to innovate

Three Kinds of Innovation

Leadership Tools for Innovation

1. Innovation in what is known

- Constant improvement on a product line, a service, etc. that already exists
- The work is done by the technicians, engineers, economists...

  - Imagine innovation as a ladder: you can make the ladder sturdier, thinner, lighter, etc.

  - Example: Google search engine

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2. Innovation into what is knowable

- Understanding the customers and designing solutions to eliminate customer frustrations
- The work is done by the psychologists and marketing experts

  - *Imagine innovation as a ladder: you make the ladder taller*

  - Example: Mark Zuckerberg - Facebook as a dating tool

3. Innovation into the unknown

- Creates products that customer did not even know they wanted. It "creates the desire/need"
- The work is done by the artists by anticipating the customers' needs

  - Imagine innovation as a ladder: you may need to step sideways, blindly, to reach out for another ladder you can't see

  - Example: iPhone and Steve Jobs

Leadership Tools for Innovation

- How do you create the type of company culture that tolerates potential failures and encourages innovation?

Consider the following juxtapositions

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Not *Best* practices, but *Next* practices

- Best practice is imitation, or "borrowing knowledge"
- Best practice has a *backward*
- Best practices is likely to keep you anchored to a culture that doesn't encourage innovation
- Next practice is needed when we are going into areas where no one has gone before
- Accept that what you're going to try next is going to be an experiment

  – *What will you try next that has not been tried before?*

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Not *What?,* but "*Why?*"

- Ask "*Why* have certain practices or experiments been successful or unsuccessful?"
  - Analyze underlying priorities and context
  - Learn, keep what is important. Discard what holds us back
- "Why" is about learning. Learning changes organizations
- This reasoning will give us something to hold on to as we move towards the future
- And help us design those **next** steps

- How can learning be improved?

Not *Leading*, but *Leadership*

- No "follow me" in an innovative environment
- Leadership mobilizes people to tackle difficult and often ambiguous problems

  (Heifetz, Ronald A. 1994. Leadership Without Easy Answers, p. 15)

- Helping people understand that we don't have the answers to our questions…
- *Stirring and steering* to make progress

  - How can you stir and steer?

Thank you for your attention!

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