

# Chapter 5: Innovation

## Creativity and Innovation

The reason I included a chapter on innovation in a media sales management book is because the media is being assaulted by change at an ever-increasing rate and, therefore, the need for creativity and innovation has never been great. In fact, John Kao in his book *Jamming: The Art and Discipline of Business Creativity* refers to the present as The Age of Creativity. Kao writes, “The business world is already launched on a new quest. The ancient pursuits—for capital, for raw materials, for process technology—remains eternal. But now business seeks a new advantage—delicate and dangerous, and absolutely vital—the creativity advantage.”<sup>i</sup>

When I got on the media sales bus in 1957 at a television station in South Carolina, strategy, structure, and systems were uncomplicated. It took little skill to sell a new medium that promised sight, sound, and motion for a relatively little amount of money. In 1957 the bus moved slowly, the driver had a road map, could clearly see the road ahead, and there were few cars on the two-lane road. However, today the media bus has increased in speed each year and is now traveling at the speed of sound. There is no single driver, there is no road map, the future is so cloudy that you can’t see but a few feet ahead, and there are hundreds of cars competing for what space there is on a superhighway. Decisions must be made instantaneously in order to react to new competitive threats and multiple environmental changes. Media sales managers must not only think fast on the media bus, they must also think in creative and innovative ways.

Innovation and creativity are inextricably linked. First, what is creativity? James Adams in his book *Conceptual Blockbusting*, wrote, “Creativity has sometimes been called the combination of seemingly disparate parts into a functioning and useful whole.”<sup>ii</sup> Teresa Amabile in a groundbreaking study defined creativity as follows: “A response will be judged as creative to the extent that (a) it is both a novel and appropriate, useful, or valuable response to the task at hand and (b) the task is heuristic rather than algorithmic.” A *heuristic* is an incomplete guideline or rule of thumb that can lead to learning or discovery when there is no clear path or formula. An *algorithm* is a complete mechanical rule for solving a problem or dealing with a situation. Finally, many creativity theorists have also noted that “problem discovery is an important part of much creative activity.”<sup>iii</sup>

More simply, creativity is solving a practical problem in a new way. A bunch of monkeys throwing different colored paint on a canvas might produce something that looks interesting, or even look like a Jackson Pollock painting, but it wouldn’t be creative because the monkeys didn’t start out trying to solve a problem. Pollock did; he wanted his paintings to show his gestures and to create a response from a painting’s viewers without using any concrete images.

When Pablo Picasso and George Braque invented cubism, they were trying to show a third dimension on a two-dimensional surface, so they attempted to paint both the top and the bottom of a table in a picture. They were trying to solve a problem. Scientists, engineers, and chemists can be creative, because they not only discover problems but also come up with practical solutions. Creativity is very practical because it is the art of problem solving.

What is innovation? Innovation is applied creativity—the working solution. However, usually an innovation requires changing—throwing out the old and trying something new. As Picasso said, “Every act of creation is first of all an act of destruction.”<sup>iv</sup>

## Innovation In a Business Environment

Innovation is what fuels business growth, and innovation requires change of some kind, because as one widely used bromide goes, “The definition of insanity is doing the same thing over and over again and expecting different results.” If you want different results, you have to innovate; doing the same old things because “that’s the way we’ve always done it” won’t improve results. Improving results is what is expected of managers, so you’d better think of ways to improve things, which means doing them differently.

Remember from this book’s Introduction that Peters and Waterman in *In Search of Excellence* found that “eight attributes emerged to characterize most nearly the distinction of excellence:”

1. *A bias for action*, for getting on with it. “Do it, try it, fix it” characterized these companies. “They were experimenters supreme.”<sup>v</sup>

So, first on Peters and Waterman’s list was to try new things and see what worked—innovation. Number six on Jim Collins’s list in *Good to Great* was:

6. *Try a Lot of Stuff and Keep What Works*. The authors found that the good-to-great companies often made some of their best moves not by detailed strategic planning, but rather by experimentation, trial and error, opportunism, and by accident, sort of like Darwin’s evolution by random genetic mutation.

And from *What Really Works*:

- Innovation*: Make innovations that are industry transforming.
- a. Introduce disruptive technologies and business models.
  - b. Exploit new and old technologies to design products and enhance operations.
  - c. Don’t hesitate to cannibalize existing products.

This would be a good place to repeat John Kotter’s eight rules for creating change from Chapter 3:

1. Establish a sense of urgency.
  - a. Examining the market and competitive realities
  - b. Identifying and discussing crises, potential crises, or major opportunities
2. Creating a guiding coalition
  - a. Putting together a group with enough power to lead the change
  - b. Getting the group to work together as a team
3. Developing a vision and strategy
  - a. Creating a vision to help direct the change effort
  - b. Developing strategies for achieving that vision
4. Communicating the change vision
  - a. Using every vehicle possible to constantly communicate the new vision and strategies
  - b. Having the guiding coalition role model the behavior expected of employees
5. Empowering broad-based action
  - a. Getting rid of obstacles
  - b. Changing systems or structures that undermine the change vision
  - c. Encouraging risk taking and nontraditional ideas, activities, and actions
6. Generating short-term wins
  - a. Planning visible improvements in performance, or “wins”
  - b. Creating those wins
  - c. Visibly recognizing and rewarding people who made wins possible
7. Consolidating gains and producing more change
  - a. Using increased credibility to change all systems, structures, and policies that don’t fit together and don’t fit the transformation vision
  - b. Hiring, promoting, and developing people who can implement the change vision
  - c. Reinvigorating the process with new projects, themes, and change agents
8. Anchoring new approaches into the culture
  - a. Creating better performance through customer- and productivity-oriented behavior, more and better leadership, and more effective management<sup>vi</sup>

## Systematized Innovation

Innovation and change must be part of a system in a business that plans and organizes innovation and change. Clayton Christensen (the author of the groundbreaking *The Innovator’s Dilemma*) and Michael Raynor is their book, *The Innovator’s Solution: Creating and Sustaining Successful Growth*, write:

Rarely does an idea for...(growth)...emerge fully formed from an innovative employee’s head. No matter how well articulated a concept or insight might be, it must be shaped and modified, often significantly, as it gets fleshed out into a business plan that can win funding...Along the way, it encounters a number of highly predictable forces. Managers as individuals might indeed

be idiosyncratic and unpredictable, but the all face forces that are similar in their mechanism of action, their timing, and their impact on the character of the product and business plan that the company ultimately attempts to implement. Understanding and managing these forces can make innovation more predictable.<sup>vii</sup>

Christensen and Raynor recommend a systematized approach to innovation, including the use of a Big Idea team whose task it is to come up with innovations. In such industries as toys, the need for a constant stream of new products is obvious, but in a sales organization the need for innovation is less obvious, but equally vital. A Big Idea team in a sales organization could brainstorm about new sales strategies, packages, promotions, and, for example, customer loyalty rewards.

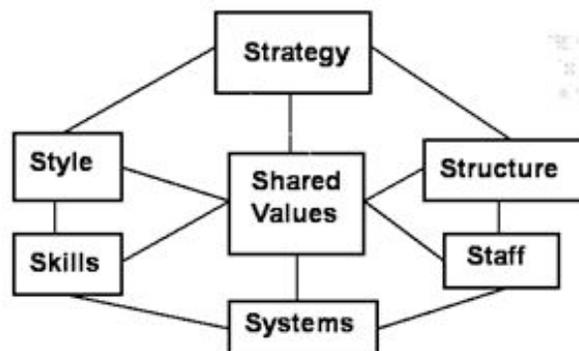
Another potential source for innovation is customers. Stefan Thomke and Eric von Hippel in a *Harvard Business Review* article titled “Customers as Innovators: A New Way to Create Value” write that, “R&D has long been a costly and inexact process. Now some companies are trying to a radically new approach, giving customers the tools to design and develop their own products.”<sup>viii</sup> In the media, a sales department could ask customers to design their own packages, promotions, or events, which might be a source for some significant innovations.

Let’s try to apply these rules for change and innovation to the practice of sales management.

## Innovation In Sales Management

Innovation is clearly a necessity for improvement and growth, but, if you are a sales manager, you’re probably asking yourself, “Where do I start?” To answer that question, let’s take another look at the McKinsey 7-S Model that we saw in the Introduction:

## Seven-S Model For an Organization



Before we get into detail about how to innovate on the Seven Ss, please download and print [Appendix D: Sales Audit – Broadcasting](#) from the “Media Sales Management” link on [www.mediaselling.us](http://www.mediaselling.us) and have it to refer to as you read the remainder of this chapter.

**Shared values.** As we learned in Chapter 3, an organization’s culture defines its shared values, and culture is difficult to change and usually takes a long time to do so. Therefore, let’s look at the other six elements for opportunities to innovate and change in the short run.

**Strategy.** Chapter 1 offers not only offers definitions of various media sales strategies, but also offers a system for how to and when to craft sales strategies. You should change strategies in response to external competitive pressures and not just for the sake of change. However, in today’s rapidly shifting media

environment changing and innovating sales strategy is a necessity. One thing that was not mentioned in Chapter 1 about strategy was the imperative of speed—making decisions and getting new strategies implemented and executed immediately. I cover the imperative of speed in Chapter 7: Execution, but I wanted to emphasize it here, too.

Innovation in sales strategy comes from doing something different from the primary and secondary strategies I outline in Chapter 1, so put on your explorer’s hat, scan the external environment, and create a new sales strategy if one is called for.

**Structure.** Structure was covered in Chapter 2, but the most important thing to remember about structure is that “structure follows strategy,” so when your sales strategy changes, your structure must change. Remember to keep structure simple and to keep down bureaucratic layers, but don’t hesitate to add special SWAT teams when they are appropriate to sell promotions, sell events, sell new business, sell new and emerging categories, or to sell special opportunities, for example.

**Staff.** Innovate in the kind of people you hire. Don’t always hire people with sales experience in your medium, and, especially, don’t hire anyone from network or large-market television. These people usually don’t sell, they are negotiators or they process transactions, which is a commodity sell. Hire very bright people with no experience, hire people who come from an industry you are trying to sell to, hire people with research, media buying, or media planning backgrounds. If many of your customers are gay, hire gay salespeople. If many of your customers are old, hire old salespeople. Let highly productive salespeople who have babies work from home and call in to sales meetings. Hire a retired executive three days a week to make top-level business development calls. Hire a star professional athlete in the off season to make calls with salespeople and be on a career development track. Try something different.

**Systems.** Systems are a rich area for potential productivity improvements and innovations. First, information technology (IT) can provide a multitude of ways to streamline the sales process and to reduce repetitive tasks. You should begin your examination of sales systems by mapping the entire sales process, step by step, and then looking for tasks and pieces of the process that can be automated or computerized. Next, work with your finance and accounting people to find ways to reduce the volume of numbers to a few important ones that will help you make strategic decisions. Too many sales systems are used for policing purposes rather than for strategic purposes (closing the barn door after the horse has left rather than trying to figure out where the horse might be going). See Chapter 28, page 518 of *Media Selling* for a discussion of why call reports are a waste of time (policing method) and why Weekly Planners are effective.

Another area that offers many opportunities for innovation is compensation, because media sales compensation systems and practices have changed little since 1957, when I first began selling local television. I will discuss sales compensation in detail in Chapter 7: Execution.

An excellent rule to follow when examining systems is the Noah rule: “Predicting rain doesn’t count; building arks does.”<sup>ix</sup> In other words, there is too much time spent trying to predict the future, especially future revenue, rather than spending time crafting strategies that address present competitive conditions.

**Skills.** The best way to innovate in the skills area is to come up with new, more effective way to train salespeople. Online training can be extremely effective and efficient—it allows salespeople to learn at their own pace and on their own time. It is expensive to set up, but once in place online training can save a company millions of dollars in travel costs and outside trainer’s fees. An innovation that would pay huge dividends in the media business would be for a sales organization to make training sales management’s top priority. No media sales organization I know of does so; therefore, having a sales staff that is highly trained in creating value and solving customers’ problems would be a decided competitive advantage.

**Style.** Style refers to management’s style—primarily autocratic or democratic. Chapter 6: Leadership will go into management and leadership styles more thoroughly. It is important that you study and understand management styles as described in Chapter 6 so you will be able to modify your style to fit the needs of the people you manage.

In my experience, by far the most dominant management style in media management and media sales management is autocratic. Media sales managers who adopt a flexible, caring, fair management style adapted to the development needs of their salespeople will attract more effective, more creative people and motivate them more effectively. Also, read “[How to Manage Creative People.](#)” available in the “Papers by Charles Warner” link on [www.charleswarner.us](http://www.charleswarner.us), because the best way to manage and motivate creative people is also the best way to manage and motivate most media salespeople.

## Test Yourself

1. What is the Adams definition of creativity?
2. What is the definition of innovation?
3. What are the elements of innovation in *What Really Works*?
4. What are the Seven Ss, and what six provide opportunities for relatively quick innovations?
5. What are the two primary management styles?

## Case Studies

1. “Creative Casey” in “Case Studies” link on [www.charleswarner.us](http://www.charleswarner.us).
2. “Justin Freedman” in “Case Studies” link on [www.charleswarner.us](http://www.charleswarner.us).
3. “Gary Maitland” in “Case Studies” link on [www.charleswarner.us](http://www.charleswarner.us).
4. “The Unorthodox Owner” in “Case Studies” link on [www.charleswarner.us](http://www.charleswarner.us).

## Project

Read Appendix D: Sales Audit – Broadcasting carefully and then conduct a similar sales audit on your own sales department or a sales department with which you are familiar. Look for opportunities for innovation.

## References

- James L. Adams. 1986. *Conceptual Blockbusting: A Guide To Better Ideas (3rd ed.)*. Reading, Massachusetts: Addison-Wesley.
- Teresa M. Amabile. 1983. *The Social Psychology of Creativity*. New York: Springer-Verlag.
- Clayton M. Christensen and Michael E. Raynor. 2003. *The Innovator’s Solution: Creating and Sustaining Successful Growth*. Boston: Harvard Business School Press.
- John Kao. 1996. *Jamming: The Art and Discipline of Business Creativity*. New York: Harper Business.

## Endnotes

- 
- <sup>i</sup> John Kao. 1996. *Jamming: The Art and Discipline of Business Creativity*. New York: Harper Business. p. 1.
- <sup>ii</sup> James L. Adams. 1986. *Conceptual Blockbusting: A Guide To Better Ideas (3rd ed.)*. Reading, Massachusetts: Addison-Wesley. p. 14.
- <sup>iii</sup> Teresa M. Amabile. 1983. *The Social Psychology of Creativity*. New York: Springer-Verlag. p. 33.
- <sup>iv</sup> Ibid.
- <sup>v</sup> Thomas J. Peters and Robert W. Waterman, Jr. 1982. *In Search of Excellence*. New York: Harper & Row.
- <sup>vi</sup> John P. Kotter. 1996. *Leading Change*. Boston: Harvard Business School Press. p. 21.
- <sup>vii</sup> Clayton M. Christensen and Michael E. Raynor. 2003. *The Innovator’s Solution: Creating and Sustaining Successful Growth*. Boston: Harvard Business School Press. p. 9.
- <sup>viii</sup> Thomke S. and von Hippel, E. 2002. “Customers as Innovators: A New Way to Create Value.” *Harvard Business Review*. April. p. 75.
- <sup>ix</sup> Warren Buffett. 2001. Berkshire Hathaway, Inc. 2001 Annual Report. April, 2004, <http://www.berkshirehathaway.com/2001ar/2001ar.pdf>.