

Lesson One: The Need for Creativity and Innovation

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This course has been designed and is taught by Brian Cooke, senior leader of Iris Learning. Iris Learning is an Albuquerque-based business performance consulting group that focuses on executive coaching, strategic direction, leadership development, and customized learning that accelerates progress toward specific business targets. For more information about Iris Learning, please visit our web site at <http://www.irislearning.com>.

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If you are still unclear how to begin your studies and succeed in this course, please e-mail the instructor at coach@irislearning.com

This course is intended for self-directed learners who are skilled in fundamentals of e-mail messaging (including downloading and electronic exchange of Microsoft Word and Adobe Acrobat documents), internet browsing, and word processing. Instruction, with few exceptions, will be delivered entirely on-line. Students who do not have the required technological skills or access are encouraged to enroll in this course when it is offered in a more traditional classroom format. This course also is easier for students who learn well by reading and writing. PLEASE be sure to withdraw from this course prior to its conclusion, if you are unable to complete these course requirements.

For individual tutoring, teaching, questions, and on-line support, e-mail the instructor at coach@irislearning.com.

A. Key Learning Points

1. The problems and challenges we face today will not be solved successfully with our current knowledge and skills.
2. We are either getting better, or we are getting worse; it is impossible to stay “even.”
3. There are revolutionary moments in business, communities, and personal lives that demand radical change.
4. Incremental improvement will not guarantee success in a world that is experiencing radical change.
5. Innovation and creativity is essential at a time of radical change.
6. We live and work in a revolutionary time.
7. Reengineering is the fundamental rethinking and radical redesign of business processes to bring about dramatic improvement in performance.
9. Our creative capabilities and reengineering skills are crucial to assure and improve our future quality of life.

B. Real World Examples and Considerations for Practitioners

1. The problems and challenges we face today will not be solved successfully with our current knowledge and skills – Albert Einstein

Einstein recognized that 20th century breakthroughs in science introduced new societal challenges, problems and opportunities. He also understood that our prior experience, knowledge, moral values, and political institutions did not prepare us well for these challenges. Although we knew scientifically how to “split an atom,” we did not know how to manage appropriate military or civilian use of atomic energy. The detonation of atomic weapons at Hiroshima and Nagasaki, in turn, dictated the need for new political, moral, and professional knowledge and skills to address post-World War II solutions for constructive application of nuclear science. After Hiroshima, life on this planet changed significantly and irrevocably.

Not too long ago, while teaching in a community college, I visited with a father of one of my students. The father, whose formal education ended in tenth grade, was skeptical about his son’s interest and investment in college coursework. He was a successful man who believed his son needed no more formal schooling to succeed than he had received himself. To his credit, the son recognized that the world – and New Mexico, in particular -- had changed significantly since his dad’s rise to success as a semi-rural retailer. Changes in technology and communication and increased scale and competition among competing businesses dictated the need for increased personal knowledge and skills for personal and professional success.

In business and in personal life, we find ourselves in present-day situations that we have created based on our current personal and institutional knowledge, skills, and experience. In some cases, we have created a present-day disaster, that will never get better unless we apply new knowledge, skills, and or experience. If we continue to apply the same reasoning and skills to the problems we have created, the problems can only get worse.

Here are a few contemporary social problems and challenges we face today that require solutions based on new knowledge: global warming, nuclear waste disposal, population growth, the aging of U.S. citizens, ethical limitations of health sciences, increasing division between socio-economically advantaged and disadvantaged peoples.

Here are a few contemporary problems and challenges U.S. businesses face today that require solutions based on new knowledge and skills: loss of manufacturing competitiveness in a global market, non-competitive wage and benefits in a global market-place, costs of health care, legislated regulatory burdens, lack of understanding and capabilities to penetrate East Asian and Pacific rim markets, emergence of an integrated European Union, technological vulnerability to computer viruses and hackers.

Here are a few contemporary problems and challenges we face here in New Mexico that require solutions based on new knowledge and skills: over-dependence of our economy on public sector (federal, state, and local) employment, lack of regional planning and collaboration, aging municipal infrastructure, poor schooling, under-employment, water quality and availability, and public safety.

2. We are either getting better, or we are getting worse; it is impossible to stay “even.”

People and organizations thrive when they create and wither when they conserve. When challenged to achieve new or higher standards, we typically grow and learn. When resolved to defend our established positions, we tend to squander our resources and energy non-constructively and often become bored.

While we might wish to stay even, especially when we're on top of our game, we intrinsically tend to seek even higher, greater successes. People and organizations that commit to continuous improvement typically generate considerable return on their positive investment. Their creative orientation allows little time or opportunity for self-destructive or non-value added activity.

Furthermore, in a market-place where customer expectations are often fickle and fast-changing, businesses must be dynamic, flexible, and forward-looking. Defensive, conservative companies are ill-equipped for success in this market place.

When Stephen Spielberg was filming the movie ET, he asked M&M Mars Company – traditionally a very conservative, family-owned business - if they wanted ET to eat M&Ms. Mars declined. ET ate Reeses pieces instead. Reeses sales increased phenomenally. Prior to ET, M&M's was the sole significant product in this market. Since then, M&M's lost a significant share of the business.

We want and need to continue to learn and grow and compete. We are challenged and motivated by higher standards and idealistic goals – President Kennedy's challenge for the Apollo project to land a man on the moon by the end of the 1960's is a classic example of this fundamental human and societal impulse. Likewise, Fidel Castro's conservative control of communist Cuba – while maintaining political power – is destroying a nation and its people.

Our public schools would be better and our kids more successful if we had higher expectations and standards.

Our products and services are better in industries where fast, smart, creative companies are challenging established manufacturers and service providers.

- FedEx makes UPS and the U.S. Post Office better.
- Southwest airlines makes other airlines better.
- Taco Bell and Wendys make McDonalds and Burger King better.
- Walmart makes local retailers and department stores better.
- Dell and Gateway make Compaq and IBM better.
- Waste Management Incorporated makes our city Solid Waste Management services better.

Industries and government agencies that lack competitive and creative challenges typically provide poorer quality services. This is especially true for: public utilities (PNM), regional phone companies (US West), and many state and municipal agencies that are not funded by enterprise moneys.

3. There are revolutionary moments in business, communities, and personal lives that demand radical change.

The Neolithic revolution challenged society's dependence on hunting and gathering by proposing an alternative lifestyle based on farming.

The Copernican revolution challenged society's conviction that the earth was the center of the universe by proposing that a sun-centered solar system.

The French and American revolutions challenged society's belief in royal government by proposing democratic/republican alternatives.

The Industrial revolution challenged society's economic emphasis on agriculture by demonstrating the value of manufacturing.

The Communist revolution challenged society's confidence in capitalist competition by proposing an alternative that emphasized socialist collaboration.

Each of these revolutions made an irreversible and indelible impact on our individual and shared beliefs about our family, our work, our community, and the world we live in.

4. Incremental improvement will not guarantee success in a world that is experiencing radical change.
 - Making a better typewriter does not guarantee success in a world of word processors.
 - Making a better mainframe computer does not guarantee success in a world of personal computers.
 - Making a better software application does not guarantee success in a world of integrated software "suites"
 - Making a better hamburger does not guarantee success in a world of chicken, fish, pasta, and salad eaters.
 - Making a better retail specialty store does not guarantee success in a world of big-box retailers like Walmart, Target, or Office Max.
 - Making a better traditional community college class does not guarantee success in a world of distance learning.

Although continuous improvement is valuable in many businesses, radical (discontinuous) innovation likewise is essential in many industries. While being better than your competitor is praiseworthy – being different and/or unique among your competitors is increasingly important for long-term success.

5. We live and work in a revolutionary time.

Some of the factors that are driving revolutionary change today are:

- Technology
- Communication and information
- Regional economic unions – NAFTA, EU
- Globalization of industries – transnational corporate partnerships (Daimler-Chrysler)
- Privatization of public sector services
- Capitalization (and democratization) of China and East Asia
- Diminishing global influence of US as dominant global leader
- Terrorism and regional/ethnic war
- Environmental stewardship and waste management
- Global population growth

- Aging US baby boomers
7. Reengineering is the fundamental rethinking and radical redesign of business processes to bring about dramatic improvement in performance.

People and organizations seeking creative opportunities for future success are entertaining bold, new ways of thinking, designing and doing work. Rather than focusing on incremental improvements of current work, they are beginning anew with a clean sheet upon which they will write a fresh future. This radical focus on a new and different future, unbiased by present work methods or past experience, is called reengineering.

The term “reengineering” is attributed to the consultants Michael Hammer and James Champy from their books, *Reengineering the Corporation: A Manifesto for Business Revolution* (HarperBusiness) and *The Reengineering Handbook* (HarperBusiness)

According to Hammer and Champy, there are four key aspects of reengineering:

“Let’s start near the end, with the concept of “dramatic” improvement. Reengineering is not about making marginal improvements to your business. It is not about making things 5 percent or 10 percent better. It is about making quantum leaps in performance, achieving breakthroughs.

The second key word is “radical.” Radical means going to the root of things. Reengineering is not about improving what already exists. Rather, it is about throwing it away and starting over; beginning with the proverbial clean slate and reinventing how you do your work.

The third key word in the definition is “process.” By a process, we mean a group of related tasks that together create value for a customer. For example, order fulfillment is a process, comprising a series of tasks: receiving the order, entering into a computer, checking the customer’s credit and so on. Not one of these activities is of the slightest interest or value to the customer. The customer’s only concern is with the end result – the delivered goods, created by the sum total of all these activities.

The fourth key work in the definition is “redesign.” Reengineering is about the design of how work is done.”

C. Recommended Reading Assignment & Highlights – All selections are from Barker, *Paradigms: The Business of Discovering the Future*. HarperBusiness (Chapters 1-3)

Most people know the future only as a place that is always robbing them of their security, breaking promises, changing the rules on them, causing all sorts of troubles. And yet, it is in the future where our greatest leverage is. We can’t change the past, although if we are smart, we learn from it. Things happen only in one place – the present. And usually we react to those events. The “space” of time in the present is too slim to allow for much more. It is in the yet-to-be, the future, and only there, where we have the time to prepare for the present.

If we can learn to anticipate the future better, we need not fear it. In fact, we can welcome it, embrace it, prepare for its coming, because more of it will be the direct outgrowth of our own efforts.

As more than one sage has already observed, the future is where you are going to spend the rest of your life.

The field of future studies can be broken up into two general areas: content futurism and process futurism. A content futurist is a person who specializes in an area of information about the future. Whether it is robotics or telecommunications, energy or water usage, shelter design or nutrition, content futurists speculate on the “whats” of the future. Process futurism deals with how to think about the “whats.”

A paradigm, in a sense, tells you that there is a game, what the game is, and how to play it successfully. The idea of a game is a very appropriate metaphor for paradigms because it reflects the need for borders and directions on how to perform correctly. A paradigm tells you how to play the game according to the rules.

A paradigm shift, then, is a change to a new game, a new set of rules.

D. Additional Resources and Links to Others Sources

Michael Hammer and James Champy from their books, *Reengineering the Corporation: A Manifesto for Business Revolution* (HarperBusiness) and *The Reengineering Handbook* (HarperBusiness)

Edward De Bono, *Serious Creativity: Using the Power of Lateral Thinking to Create New Ideas*. HarperBusiness

E. Question(s) for Reflection and Discussion

1. Why have you enrolled in this course? How will your professional or personal life be different and/or better because you have taken this course?
2. You've been chosen to tell the CEO that his/her services will no longer be needed what would you say to communicate why (s)he's being let go?