

Helmsmen must empty their idea barns

PROF. KAI ON
STRATEGIC
LEADERSHIP

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Once upon a time, a rich farmer's crop exceeded his storage space. So he conceived the plan of pulling down his old barns and constructing larger ones, after which he intended to enjoy life. But before he could realize his worldly scheme, God told him: "Fool, time is up!" The Almighty announced that during the ensuing night he would take back the life of the wealthy man who had not been rich to his creator and provider.

This parable should serve as a wake-up call for leaders in different walks of life. Storing riches for his organization while ignoring the outside world, which sustains his collective, can spell disaster for an idea farmer. He may have harvested many novel proposals during the innovation honeymoon, the unusually insightful and creative initial period of organizational newcomers. Undoubtedly, there needs to be time for introspection when the newly conceived ideas are mentally digested. During this phase, the headman, with his team, should reshape them and select the most promising options. But then, he must not hesitate to open and empty what I call the "idea barn" whenever the benefits of doing so outweigh the costs in terms of giving up secrecy and exclusivity.

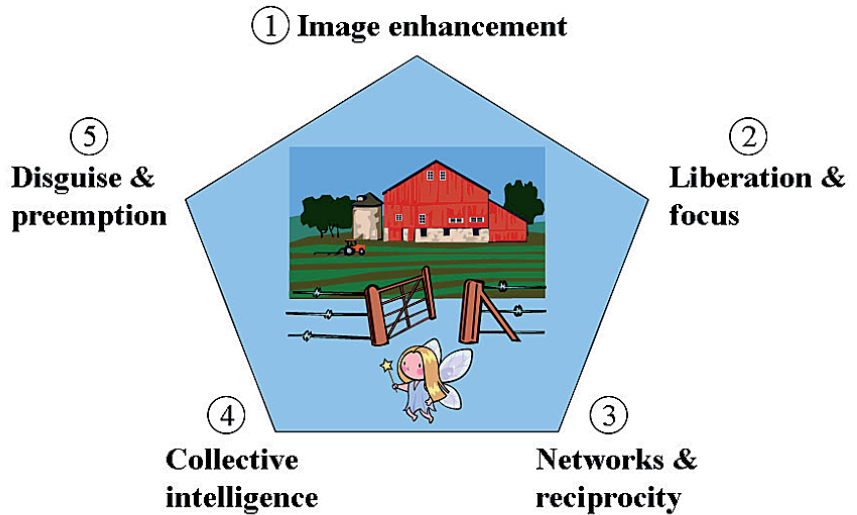
There are five interrelated advantages of exposing outsiders to a nascent concept as soon as possible after it has been earmarked for the first stage of implementation (see illustration).

1. Image enhancement

Idea tinkers have to leave their garage and look at the big picture before it is too late. Even nerds must realize that what is good for the country is also good for the organization that resides in it! As institutional citizens, organizations need to promote the welfare of what I call the "innovation abode", because they will ultimately benefit from a flourishing environment. Besides, the leader of an organization has a moral obligation to give back to society, which gave birth to his institution or at least is currently hosting it. Gratitude is expressed not only by donating money, but also by disseminating valuable ideas without unnecessary delay.

By holding back key insights and insisting on exclusive rights, leaders stifle the diffusion of innovation. This leads to suboptimal outcomes; the potential of a market economy will not be actualized. In contrast, through idea-sharing and collaboration, men of premier rank can

Benefits of emptying the idea barn



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transform their habitat into a center of excellence. It may serve as a platform for international expansion and become a key driver of sustainable growth.

A wide variety of stakeholders will perceive the proactive, permeable and outpouring organization not only as a dynamic innovator, but also respect it as an unselfish, open, honest, fair and generous player. Stakeholders, many of whom are becoming increasingly demanding and outspoken, are less likely to objugate it for being an aggressive monopolist or evil cult.

2. Liberation and focus

If the guiding light stops coveting, hoarding, and locking away ideas, he will be free to concentrate on their real purpose, which is to create value for all constituents, part of which his organization can capture. Having emptied his store, he will be mentally ready and have space at his disposal to receive diverse blessings. As a result of his new attitude, he probably will direct his efforts at actually making use of ideas together with outsiders.

The torch-bearer thus will avoid spending all his resources on keeping his mental products secret, which often is a futile attempt anyway. Because loyalty to employers is waning and many employees can be easily poached, competitors often do not find it difficult to gain access to the well-guarded idea laboratory of their rivals.

3. Networks and reciprocity

By letting outsiders partake in ideas, organizational chieftains can achieve exponential growth in human, social and intellectual capital. They will be able to develop trust-based networks with many members of their "extended innovation family", who otherwise could easily turn into enemies. For example, if

you grant suppliers and customers access to your "insight factory", they probably will become eager to work with you. Honored to be invited as expert reviewers, as well as co-creators and co-owners of ideas, they will gladly join forces and help you shape the environment.

Spontaneous collaboration could finally be institutionalized in strategic alliances, for example. As another networking effect, the positive organizational image will attract and motivate a pool of talent, who will potentiate the benefits.

If you open up and share ideas, others will feel compelled to reciprocate. Many stakeholders are likely to reach out to you to propose and discuss exciting business opportunities. When others ask you for input, you have the unique opportunity of jointly shaping their future with them.

4. Collective intelligence

If you design an open system and, as a reality check, allow outsiders to scrutinize your ideas, you can obtain valuable feedback. You may be able to prune errors before products have progressed to a development stage when changes become prohibitively expensive. By building an "open innovation home", in which outsiders are also allowed to dwell, you are likely to absorb and generate ideas through the process of cross-fertilization.

In contrast, close-loop organizations, which develop products in isolation, face high risks. When institutional introverts finally unveil what they hail as a highly relevant product sensation, it may be perceived as significant and outdated, a classic case of "too little, too late". Besides, customers may complain about shortcomings that might have been corrected if the ideas had been subjected to external validation before the surprise launch.

5. Disguise and preemption

In most circumstances, even intellectual Machiavellians will find it beneficial to share ideas as soon as possible. It is an effective strategy to give utmost publicity to the greatest secret! In contrast, the more you try to cover something up, the harder others will toil to uncover the truth. Most gratified with any discovery, they will eagerly capitalize on it.

Idea-sharing can also preempt competition. If a rival learns that a powerful player is working on a key new technology, for example, it might feel disheartened.

Furthermore, after you have shared intellectual property with competitors, they will become reluctant subsequently to use it without your permission, since their transgression would be obvious and embarrassment at the very least would be unavoidable.

Organizational character is destiny! Leaders must choose between giving in order to receive, and suffering the freedom of the fugitive. Those who appreciate the true value of sharing ideas as soon as possible with outsiders and actually empty their intellectual stores will be able to triumph like the man who exclaimed: "My barn having burned to the ground, I can now see the moon!"

(Part 10 of the "Innovation Honeymoon" series. To be continued.)

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