



Identity Insights

*Information and ideas about what's going on
beneath the surface of our lives*

The Identity Circle Newsletter

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What's Old Is New Again - Innovate Forever!

As we slide into 2010, working to trade recession for recovery, there seems to be more and more talk about how to rekindle top-line growth, how to build competitive advantage, and how to find and hold onto really great talent.

If, however, there is one thing that signals cautious optimism among beaten down companies and stressed out executives, it is talk about innovation. Why? Because **innovation is the art of the possible**. It demands optimism, conjuring up such close-cousins as transformation, creativity, potential, and renewal. In short, innovation is the embodiment of corporate hope.

Where does innovation come from?

A recent article in [*The New York Times, Now at Starbucks: A Rebound*](#), describes how the company, under CEO Howard Schultz, is in the midst of shuffling off the cookie-cutter methods of assembly-line cappuccinos, in favor of the kind of eclectic, "start-up" attitude that spawned the business, beginning in the late 80s.

The article unfolded for me like a play, with Schultz offering hope and analysts offering concern that Starbucks is refusing to accept its "new identity" --

Schultz: "We lost our way...I told employees to break the rules and do things for yourself."

Analyst: "The kind of resonance the company once had is going to be hard to recapture."

If innovation is the art of the possible, then Starbucks is definitely innovating. But **where does that innovation come from?** Does it flow simply from creating ever-new-and-improved customer experiences, or is this kind of innovation translating what was into might be?

Want to innovate? Go back to the future.

A great movie -- an even better mantra when it comes to



Larry Ackerman
Founder and President
**The Identity Circle
LLC**

*"Back to the future
innovation leads
to a more coherent,
strategically
efficient
organization."*

**Do you
know your
organization's
IdentityIQ™?**

Read the
groundbreaking study
that quantifies
the remarkable
impact 'identity

sparking innovation. Schultz's call for change isn't about reinventing Starbucks -- it's about *rediscovering* Starbucks: reclaiming those essential and unique characteristics that accounted for its formative appeal. Will Starbucks succeed in its odyssey? I believe it will.

Another fine example of *back to the future* innovation is **Apple**, everyone's perennial innovation poster child. What is so compelling about Apple's innovation two-step is that it is no more, nor less than the continual reinterpretation of the company's original mission: *to humanize the computer*. And day after day, year after year, that's exactly what Apple does, with charm and brilliance.

The success of *back to the future* innovation isn't limited to high-flying lifestyle and consumer technology concerns. It is alive and well among a wide variety of companies. Take **IBM**, for instance. About to enjoy its 100th birthday, IBM generates enormous energy, impact and profits by continually reinterpreting its founding intent: *to apply technology solutions to solve business problems*.

IBM is a problem-solving juggernaut, whose current focus on helping us become a "Smarter Planet" allows it to do what it does best: Improve our societal infrastructure, economically and socially, creating, among other things, more efficient cities and more patient-centric health care.

Technology to one side, think also about **Walmart** who, 24/7, finds ways to give *ordinary folk the chance to buy the same things as rich people*. Look as well to **Ford**, whose new global offering, the Fiesta, continues to *democratize the automobile*, something the company started doing in 1900.

Coffee. Technology. Societal infrastructure. Retail. Cars. Innovation doesn't depend on what business you're in -- it depends on **honoring who you are as a business**, by constantly translating your company's roots into new forms of value that drive progress and, in turn, keep your organization fresh, relevant -- and alive.

Is 'new and improved' killing innovation?

Consciously or not, Howard Schultz understands the power of *back to the future* innovation. Untethered to the roots of the company, innovation can take on a life of its own, producing profits but losing its strategic value. New mission or purpose statements, often the result of new management teams, can draw companies away from their core identities, leading to new products and services that, unintentionally, pull the organization further and further away from its essential center of gravity.

The real power of taking a *back to the future* approach to innovation isn't just its impact on productivity and profits; *back to the future* innovation also leads to **a more coherent organization**, where the pieces and parts of the company fit together well, adding up to a more strategically efficient enterprise.

strength' has on
employee engagement
and business
performance

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The Identity Circle has won a 2009 Connecticut Quality Improvement Award

Process Innovation Prize Silver Recipient for:

**Tapping
Organizational
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What to do?

As the seeds of economic recovery begin to sprout and your organization starts to think seriously about innovation and the investment it calls for, here are three questions for you to address:

- **Does everyone in the innovation loop know who we are, where we come from, and why it matters?** Make a point of communicating the value-creating roots of the enterprise, how they've contributed to growth over time and their importance as the institution's center of gravity.
- **Are we capable of changing from a changeless foundation?** Manage the identity paradox. Help your innovators to see the power and wisdom of staying in sync with the original vision or principles of the company, while aggressively reinterpreting them to meet changing market needs.
- **Can we make Shakespeare stick?** When it comes to innovation, channeling the Bard is a good idea. Shakespeare was an innovator in his own right. He wrote plays that altered how audiences perceived life. He changed people's views of human relationships. But that's not why innovators should keep him in mind. Shakespeare -- like Howard Schultz -- understood the power of identity as a force to be reckoned with when he said, *"This above all: To thine own self be true."*

In the name of innovation, is your company willing to go back to the future?

With best wishes,

Larry

"Your identity is your gift to the world."

A **Read More** feature of **Identity Insights**

Discover How To ...

... Turn workers into 'wonders' by expanding the role of higher education

Innovation isn't just for business organizations. Universities, the seedbeds of tomorrow's talent, are equally subject to change. Here's a link to an interview I just completed for ***Principles in Management*** newsletter,

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The Identity Circle

The Identity Circle is a research and consulting firm that differentiates companies in ways that inspire exceptional brands, cultures and performance.

published by McGraw-Hill. The first part of the discussion sets a personal stage, which in turn leads to insights on how higher education can help produce stronger, more productive human beings.

The Identity Circle, 1771 Post Road East, Suite 207, Westport, CT 06880

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