

TELLING A GOOD INNOVATION STORY

Appealing to people's emotions helps new ideas cut through the clutter.

by Julian Birkinshaw

Among corporate innovators, the travails of James Dyson and the unlikely insight of Art Fry are iconic. Dyson's bagless vacuum cleaner was perfected only after a staggering 5,127 tries. Fry's inspiration, interestingly enough, came during a church service. Pieces of paper he had used to mark hymns kept falling out of his choir book, which led the 3M scientist to think about the materials chemistry that eventually produced Post-it Notes. World-changing products, yes, but also great stories.

Companies today are fixated on innovation, to say the least. Many have reorganized so that ideas can move forward faster and with less internal friction. A recent *McKinsey Quarterly* article describes how companies are experimenting with virtual-reality hackathons and "innovation garages" to step up their product-development

hit rate (see "Accelerating product development: The tools you need now," on McKinsey.com). We know that much of corporate innovation travels along well-orchestrated pathways—a neat tech breakthrough, a product owner, and an orderly progression through stage-gate and successful launch.

Occasionally, though, it's a "crazy" idea that bubbles up through a lone entrepreneur battling the system, overcoming false starts, and surviving against the odds. While such instances are by their very nature idiosyncratic, one thing many have in common is that good storytelling helps them break through. Storytelling has always been important in business, of course, but in today's environment, with executive and investor attention stretched thin by information overload, the softer stuff is ever more important for getting ideas noticed.

Over the past three years, my colleagues and I have been researching how people frame their innovation stories to create differentiation and attract attention. Our project started with the creation of an innovation award—officially, “The Real Innovation Awards”—at the London Business School in 2016. The award had a number of provocative and unusual categories (see exhibits), nominations for which were determined by a mix of expert judges and crowdsourced voting. Over the three years, we have had more than 1,000 nominations¹ from companies or individuals, of which 54 were shortlisted and 26 awarded prizes. Based on our analysis of the stories of all nominees so far, here are three lessons for senior managers as well as entrepreneurs, in organizations large and small, on what makes a compelling and emotional story.

The disconnect between academic labels and good storytelling

“Fast follower” and “self-cannibalization” are terms long-used by academics like me to describe, clinically, what some

Story line: *Master of reinvention*



Say this ...

“We reinvented ourselves for a changing world”



... not this

“We cannibalized our old business”

Role models: Amazon, David Bowie

Key qualities: Rediscovery, self-awareness

companies are doing to innovate and reinvent their business models. We had two categories that spoke to these terms, and 20 percent of the nominations fell into either one or the other. Significantly, though, many nominees either refused to accept their nomination in that category or expressed discomfort with the terms. As a result, we recharacterized them as “best beats first” and “master of reinvention.”

A “best beats first” innovator takes the measure of a competitor who may be dominating a market with an acceptable product, and then leaps to the front with something even better. It’s about winning through cunning, instead of using the conventional playbook of scaling a similar product with heavy investment to maintain share. Many innovators told us that the “fast follower” meme is bereft of emotion: no one ever wins people over by talking about their capacity for imitation. “Best beats first” celebrates doing things in a new way and vanquishes the competitors by seizing an

Story line: *Best beats first*



Say this ...

“We did things differently; we saw an opportunity they missed”



... not this

“We copied and improved on their idea”

Role models: Facebook, Virgin

Key qualities: Novelty, distinctiveness, tackling a challenge

opportunity they missed. A great example among our award winners is Vivino, which created a leading wine-rating and -recommendation app, based on the use of mobile devices to take a photo of the bottle label.

If employing this story, make sure to emphasize the points of difference, and downplay the similarities, with the incumbent’s offerings. It isn’t so important how you got there, but it *is* important to show what makes you distinctive.

The “master of reinvention” story line has a twist. Instead of the innovator taking on the establishment, this one is about the establishment challenging itself. It’s the classic tale of transformation or rebirth, where the archetypical protagonist gets into trouble, goes through a near-death experience, and does some soul searching to reinvent himself as a better person. It’s a common occurrence in business—take Ørsted, the erstwhile Danish fossil-fuel producer that now gets about 40 percent of its revenues from wind energy—but rarely is it captured

with sufficient emotion. Companies often disrupt themselves by cannibalizing their legacy products before their upstart competitors do so. However, nominees told us that this understates the essence of what they had achieved, and they didn’t want to position themselves as aggressively killing off declining product lines (despite that fact that it’s often a valid strategy for coping with disruption.)

Master reinventors bear in mind that people want to hear about the emergence of the butterfly rather than the demise of the caterpillar. Acknowledge your declining products and the external changes causing you to reevaluate, by all means, but don’t linger on the internal struggles you have gone through to kill them. Instead, focus on the forward-looking reinvention story with its new array of potential successes. Investors will relate to this: it suggests you’re in touch with both the company’s past and its future.

The enduring power of serendipity, perspiration, and underdogs

Approximately 30 percent of the nominations fell into these “classic” innovators categories, which still enjoy broad resonance.

Serendipity involves stumbling over something unusual, and then having the foresight or perspective to capitalize on it. What makes that such an attractive story? It’s the juxtaposition of seemingly independent things. In a serendipitous flash, one recent winner, an engineering firm, realized that the gear it designed for scallop trawlers could also be used to

Story line: ***Serendipitous discovery***



Say this ...

“We were astute enough to see the opportunity when it happened”



... not this

“We made a lucky discovery”

Role models: Alexander Fleming (penicillin), Art Fry (Post-it Notes)

Key qualities: Surprising connection, curiosity

Story line: *If at first you don't succeed*



Say this ...

"We undertook a process of discovery; we pivoted cleverly"



... not this

"We made a lot of mistakes"

Role models: James Dyson, Thomas Edison
Key qualities: Tenacity, diligence

recover hard-to-get-at material in nuclear-waste pools. Surprising connections such as these set off a chain of events that culminate in a commercial opportunity. So to build this story line, think about the quirky combination of ideas that got you started and remember that serendipity is *not* the same as chance—you were wise enough, when something surprising happened, to see its potential.

The **perspiration** story theme (or "If at first you don't succeed . . .") is all about hard work and tenacity. Things don't go according to plan, but you conscientiously refine and adapt your idea, and eventually, like Thomas Edison, you wind up with a working lightbulb after a thousand failed attempts. How could this *not* be compelling to investors, customers, or an R&D committee? Just remember that to close the story loop, perseverance needs to show progress. Better not to dwell on mistakes and go around in circles. Emphasize how "learning" and "experimentation" and "pivoting" made the perseverance pay off.

In the **underdog**, or "the unreasonable person," category, the innovator is fighting the system—the executives and internal procedures that block progress. Unyielding creators such as Steve Jobs and Elon Musk are the role models. They pit themselves against mere incrementalism and me-too products, while rejecting the usual idea-development pathways and timetables. Underdog innovators take on the mantle of the fighter who thrives in battle and relishes proving someone wrong. "Unreasonableness" means not pivoting to get to victory but sticking doggedly to your vision. So you'll need to convince the world how your idea challenges orthodoxy, takes on vested interests, and—after many struggles—has been proved right.

The persuasive power of riding trends

Valuable as all the storytelling approaches above can be, it's worth emphasizing that nearly half (45 percent) of all the nominations were for "the winds of change" award—essentially about

Story line: *The unreasonable person*



Say this ...

"She or he had a clear vision and won others over through persistence"



... not this

"She or he was incredibly stubborn"

Role models: Steve Jobs, Elon Musk
Key qualities: Vision, stubbornness, resilience

Story line: *The winds of change*



Say this ...

"We saw the confluence of trends; we positioned ourselves accordingly"



... not this

"We were lucky—in the right place at the right time"

Role models: YouTube, Tencent

Key qualities: Timing, going on a journey

harnessing external forces. This notion of riding trends is incredibly powerful, so much so that an award category we created for its polar opposite ("before its time") received so few (weak) nominations that we discontinued it in the second year.

The story line of external forces propelling things forward at a unique point in history typically credits the idea originator for being in the right place at the right time, while deftly navigating the economic or political currents that have combined to make success almost inevitable. YouTube, in the classic example, rode the winds by capitalizing on the emergence of simple video-editing technology and the massive rollout of broadband internet access.

In this story framing, don't tell colleagues and investors you were simply lucky, but instead position yourself as the expert surfer who caught the wave at exactly the right moment: "We were smart enough to see how these trends were coming together, and this is what drove our success." Beware, however, that the story arc of protagonists getting swept up doesn't always point forward. Winds

unpredictably change direction, and ideas crash to the shore. So let everyone know you're aware of how creative destruction can be cruel and that today's disruptive innovation can be tomorrow's outdated technology.

There may be other story lines we haven't thought of, but we're confident the ones highlighted in this article will attract attention because they are enduring and tap a range of emotions. The ability to frame ideas in an attractive way is important for reaching customers and employees, too, but it's particularly so in the world of innovation because of the enormous levels of uncertainty involved in creating something new. 

¹ There is an increasing amount of interest in using these types of "crowd"-based judgments in social research. For example, see Tara S. Behrend et al., "The viability of crowdsourcing for survey research," *Behavior Research Methods*, September 2011, Volume 43, Number 3, pp. 800–13; and Geoffrey Rockwell, "Crowdsourcing the humanities: Social research and collaboration," in Willard McCarty and Marilyn Deegan, eds., *Collaborative Research in the Digital Humanities*, New York, NY: Routledge, 2012, pp. 135–55.

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